# Bank of Cyprus Group

## Group Financial Results

*For the quarter ended 31 March 2024*

Bank of Cyprus Holdings

# DISCLAIMER

The financial information included in this presentation is not 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.

**For Glossary & Definitions refer to slides 68-74**

***Important Notice Regarding Additional Information Contained in the Investor Presentation***

The presentation for the Group Financial Results for the quarter ended 31 March 2024 (the "Investor Presentation"), available on https://bankofcyprus.com/en-gb/group/investor-relations/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) income statement by business line, (v) NIM and interest income analysis, (vi) net interest income sensitivities, (vii) loan portfolio analysis in accordance with the three-stages model for impairment of IFRS 9, (viii) fixed income portfolio per issuer type and (ix) income statement of insurance and payment solutions business. 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 2023. 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.

**Forward Looking Statements**

This document contains certain forward-looking statements which can usually be identified by terms used such as "expect", "should be", "will be" and similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Examples of forward-looking statements include, but are not limited to, statements relating to the Group's near term, medium term and longer term future capital requirements and ratios, intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, expected impairment charges, the level of the Group's assets, liquidity, performance, prospects, anticipated growth, provisions, impairments, business strategies and opportunities. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend upon circumstances, that will or may occur in the future. Factors that could cause actual business, strategy and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Group include, but are not limited to: general economic and political conditions in Cyprus and other European Union (EU) Member States, interest rate and foreign exchange fluctuations, legislative, fiscal and regulatory developments, information technology, litigation and other operational risks, adverse market conditions, the impact of outbreaks, epidemics or pandemics and geopolitical developments. This creates significantly greater uncertainty about forward-looking statements. Should any one or more of these or other factors materialise, or should any underlying assumptions prove to be incorrect, the actual results or events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The forward-looking statements made in this document are only applicable as at the date of publication of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any statement is based. Changes in our reporting frameworks and accounting standards, which may have a material impact on the way we prepare our financial statements and may negatively affect the profitability of Group's insurance business.

# 1Q2024 Financial Performance

# Why Bank of Cyprus

## Strong, Supportive Macro

- Open economy growing faster than the Eurozone average, proving Cyprus' resilience to macroeconomic and geopolitical volatility
- Fiscal discipline, sovereign rated investment grade
- Attractive business hub with low tax regime

## Market Leader

- Market leader in a consolidated market
- 43% loan market share; 37% deposit market share
- #1 Life and #2 Non-Life Insurance provider in Cyprus
- #1 in domestic card processing and payment solutions

## Diversified & Sustainable Profitability

- Holistic offering with integrated bank-insurance-payment model; digitally engaged
- Benefitted from higher rates; positioning for a normalised rate environment
- Strong capital-light non-interest income
- Efficiency focus with low cost to income ratio
- 30% distribution out of 2023, equivalent to an 8%[1] distribution yield; launched inaugural share buyback

## Prudent & Resilient

- Strong capital base (CET >17%) and capital generation; commitment to attractive shareholder remuneration
- Strong deposit franchise; one of the most liquid banks in EU with LCR >300%
- Asset quality in line with EU peers; NPE ratio at 3.4%
- Experienced management team

**Sustainable mid-teens ROTE over the medium-term, on normalised rates of c.2.0-2.5%**

Data as at 31 December 2023

1. Based on a share price as at 8 May 2024

# Distribution at 30% Payout Ratio[1] out of FY2023 Earnings

**Reiterated Distribution policy: to build prudently and progressively towards a 30-50% payout ratio[1]; including cash dividends and buybacks**

**€487 mn**
**FY2023 PAT**

**30%** Payout ratio[1]

**In line with Distribution Policy (30-50%)**

**Material yoy increase; c.8%[2] distribution yield**

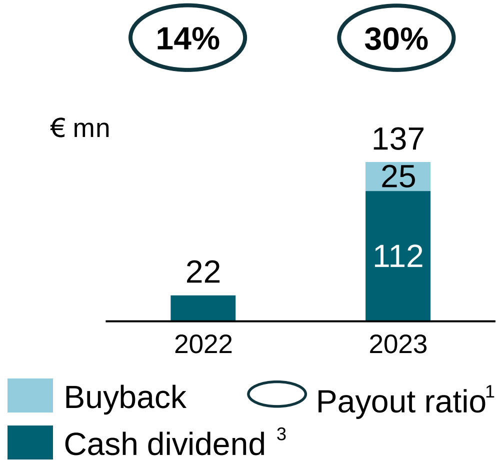
**€112 mn** Cash dividend[3]

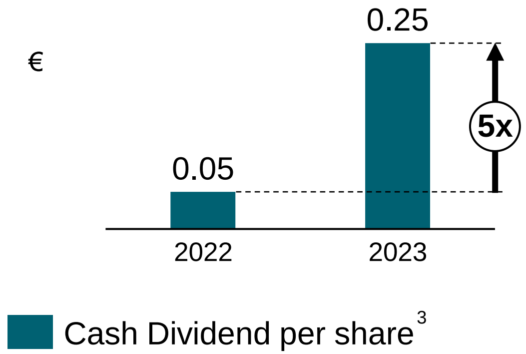
**5x increase in cash dividend[3], yoy;** to be paid on 14 June 2024

**€25 mn** Share buyback

**Launched inaugural share buyback in April 2024;** up to 1.6% of total outstanding shares as at 31 December 2023

**€137 mn**
**FY2023 Distribution**




1) Calculated on Group's adjusted recurring profitability, defined as profit after tax before non-recurring items (attributable to the owners of the Group) taking into account distributions under other equity instruments such as the annual AT1 coupon

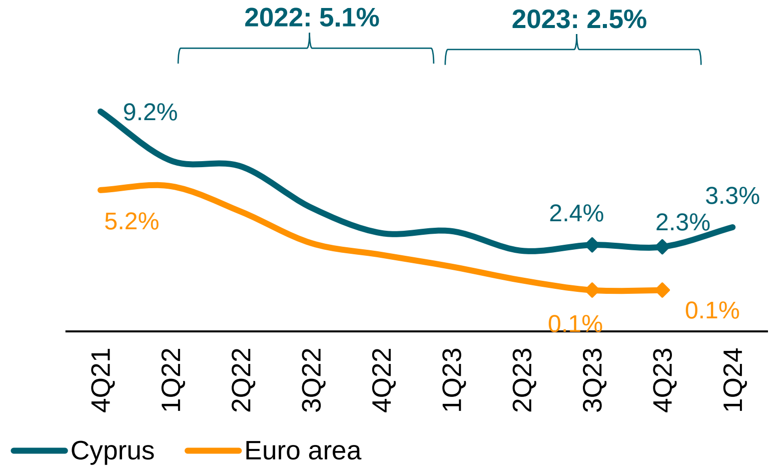
2) Based on share price as at 8 May 2024

3) Subject to approval at the AGM scheduled on 17 May 2024

# Fast Growing Economy, Outpacing Euro Area in 2024

## GDP growth of 3.3% for 1Q2024

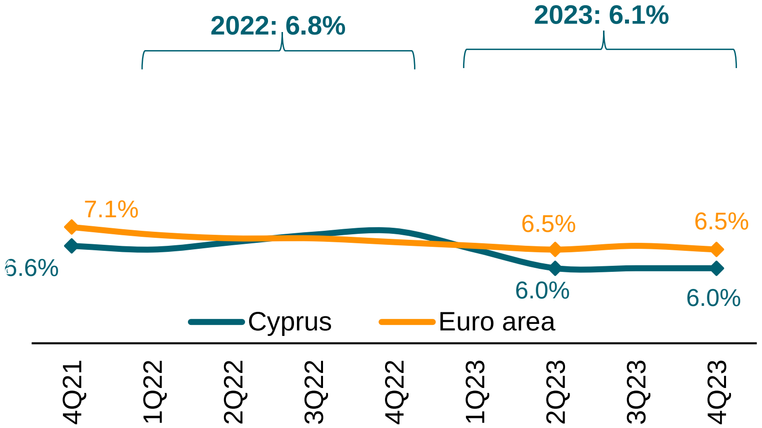
Real GDP (yoy % change)




Estimated GDP growth of c.2.9%[1] for 2024, (vs c.0.8%[2] for Eurozone average)

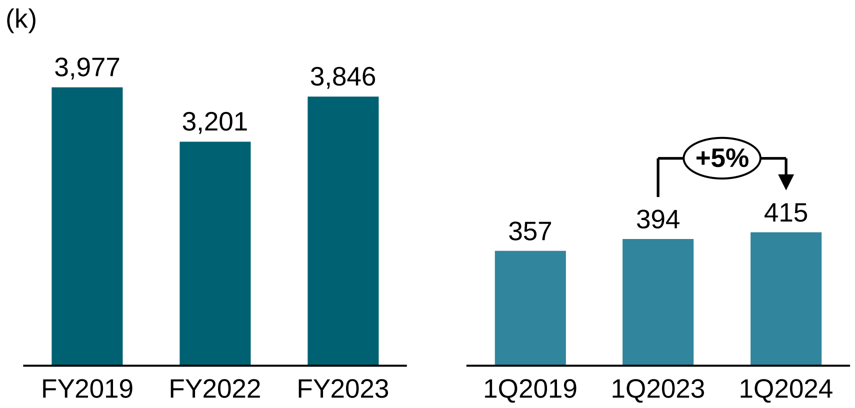
## Unemployment rate decreased to 6.1% for FY2023

Quarterly (%) (seasonally adjusted)

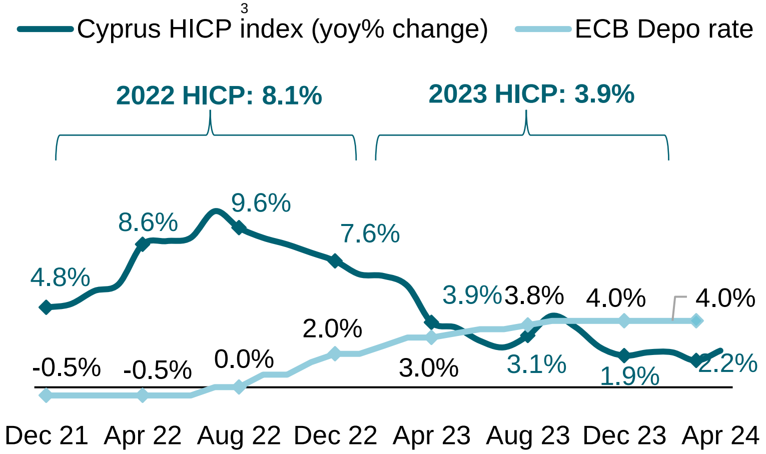



Unemployment rate expected to decrease to c.5.8%[1] in 2024

## Tourist arrivals in 1Q2024 up 5% yoy




## Cyprus inflation decelerating




Estimated HICP of c.2.5%[1] for 2024

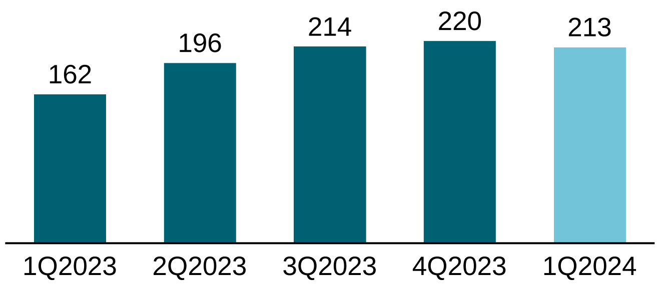
Source: Cystat, Eurostat

1) In accordance with Ministry of Finance April 2024 projections
2) European Commission Forecast Spring 2024
3) Harmonised Index of Consumer Prices

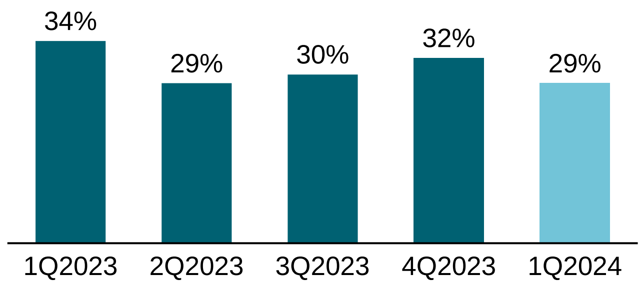
# Strong Performance Continued in 1Q2024

### Net Interest income modestly declined after peaking in 4Q2023

(€ mn)

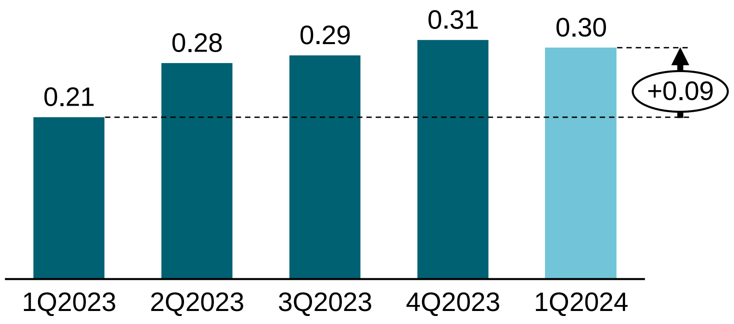



### Cost income ratio[1] remains low, on strong income and continued focus on costs

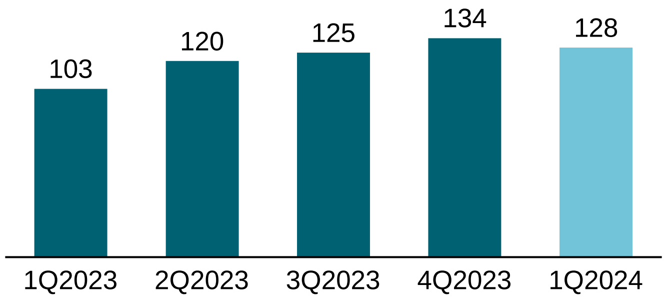



### Earnings per share up €0.09 yoy

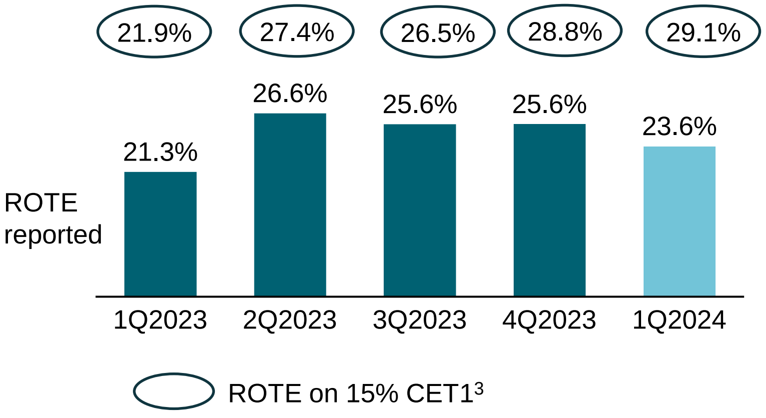
(€)



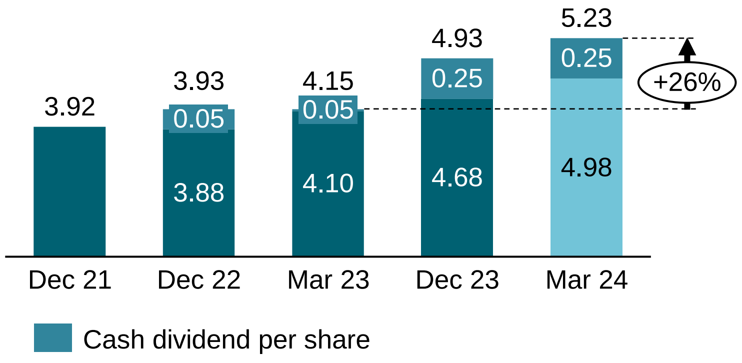

### Organic capital generation of 128 bps[2] in 1Q2024




### Strong ROTE of >20% for 5 consecutive quarters




### Tangible book value per share up 26% yoy




1) Excluding special levy on deposits and other levies/contributions
2) Based on profit after tax (pre-distributions)

3) Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised - (based on year - to - date days), divided by the quarterly average of Shareholders' equity minus intangible assets and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible book value

# 1Q2024– Highlights

**Resilient economic outlook**

- 3.3% GDP growth in 1Q2024; projected to grow by c.2.9%[1] in 2024 outpacing Euro area average
- Seasonally strong quarter of new lending of €676 mn, up 46% qoq and 8% yoy
- Gross performing loan book at €10.0 bn, up 2% qoq

**Delivering ROTE of 23.6% in 1Q2024**

- NII of €213 mn down 3% qoq, reflecting modest decline in Euribor, hedging and marginally higher cost of deposits
- Total operating expenses[2] down 14% on prior quarter due to quarterly seasonality and broadly flat yoy; cost to income ratio[2] reduced to 29% (vs 34% in 1Q2023)
- Profit after tax of €133 mn down 4% qoq and up 40% yoy; basic earnings per share of €0.30 for 1Q2024

**Liquid and resilient balance sheet**

- NPE ratio at 3.4% (0.8% on net basis), down 20 bps qoq
- Coverage at 77% up 4 p.p. on prior quarter; cost of risk at 27 bps
- Retail funded deposit base at €19.3 bn, flat qoq and up 2% yoy
- Highly liquid balance sheet with €7.2 bn placed at the ECB; €1.7 bn TLTRO repaid in March 2024
- In compliance with 2024 final MREL target, post successful issuance of €300 mn Green Senior Preferred Notes in April 2024

**Robust capital and shareholder focus**

- Regulatory CET1 ratio and Total Capital ratio of 17.1% and 22.0% respectively
- Including 1Q2024 profits net of distribution accrual, CET1 ratio at 17.6% and Total Capital ratio at 22.5%
- Organic capital generation[3] of 128 bps in 1Q2024
- Tangible book value per share of €5.23 as at 31 March 2024 up 26% yoy

1) In accordance with Ministry of Finance April 2024 projections
2) Excluding special levy on deposits and other levies/contributions
3) Based on profit after tax (pre-distributions)

# 1Q2024 Performance Currently Tracking Ahead of 2024 Targets

| | 1Q2024 | FY2024 targets (February 2024) |
|---|---|---|
| **Net Interest Income (€)** | 213 mn<br>*average ECB Depo rate: 4.0%* | >670 mn<br>*average ECB Depo rate: 3.4%* |
| **Cost to Income Ratio[1]** | 29% | c.40s |
| **ROTE** | 23.6%<br>(or 29.1% on 15% CET1 ratio) | >17%[2]<br>on 15% CET1 ratio |
| **NPE Ratio** | 3.4% | c.3% |
| **Cost of Risk** | 27 bps | Trending towards normalised levels of 40-50 bps |
| **Capital** | c.90 bps CET1 generation[3] | +200-250 bps CET1 generation[3] |
| **Distributions** | Building prudently and progressively to 30%-50% payout ratio[4]; including cash dividends and buybacks | |

**2025 ROTE of >16%[2]**

*on 15% CET1 ratio*

*Average ECB depo rate 2.2%*

**Financial targets to be reviewed with 1H2024 FR**

1) Excluding special levy on deposits and other levies/contributions
2) Excluding amounts reserved for future distributions and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible book value
3) Yoy Increase in CET1 ratio pre-distributions
4) Calculated on adjusted recurring profitability: Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the distributions from other equity instruments such as AT1 coupon. Any recommendation for a distribution is subject to regulatory approval

# Income Statement

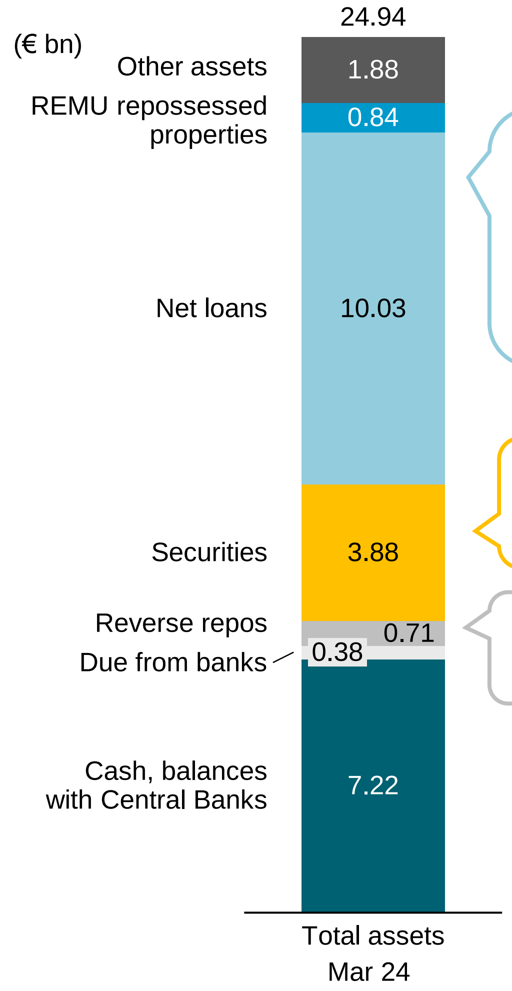
| € mn | 1Q2024 | 4Q2023 | 1Q2023 | qoq% | yoy% |
|---|---|---|---|---|---|
| Net Interest Income | 213 | 220 | 162 | -3% | 31% |
| Non-interest income | 63 | 76 | 72 | -18% | -12% |
| Total income | 276 | 296 | 234 | -7% | 18% |
| Total operating expenses[1] | (81) | (93) | (80) | -14% | 2% |
| **Operating profit** | **184** | **190** | **143** | **-3%** | **28%** |
| Provisions and impairments | (25) | (42) | (28) | -40% | -12% |
| **PAT before non-recurring items** | **133** | **138** | **96** | **-4%** | **38%** |
| Advisory and other transformation costs - organic | - | - | (1) | - | -100% |
| **Profit after tax** | **133** | **138** | **95** | **-4%** | **40%** |

**Key Ratios**

| | 1Q2024 | 4Q2023 | 1Q2023 | qoq% | yoy% |
|---|---|---|---|---|---|
| **Net Interest margin** | **3.70%** | **3.66%** | **2.91%** | **4 bps** | **79 bps** |
| **Net Interest margin (excluding TLTRO III)** | **3.90%** | **4.00%** | **3.18%** | **-10 bps** | **72 bps** |
| **Cost to income ratio[1]** | **29%** | **32%** | **34%** | **-3 p.p.** | **-5 p.p.** |
| **Cost of Risk** | **0.27%** | **0.73%** | **0.44%** | **-46 bps** | **-17 bps** |
| **EPS (€)** | **0.30** | **0.31** | **0.21** | **-0.01** | **0.09** |
| **ROTE** | **23.6%** | **25.6%** | **21.3%** | **-2.0 p.p.** | **2.3 p.p.** |
| **ROTE on 15% CET1 ratio[2]** | **29.1%** | **28.8%** | **21.9%** | **0.3 p.p.** | **7.2 p.p.** |
| **Adjusted recurring profitability[3]** | **133** | **125** | **96** | **6%** | **40%** |

1) Excluding special levy on deposits and other levies/contributions
2) Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised - (based on year - to - date days), divided by the quarterly average of Shareholders' equity minus intangible assets and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible book value
3) Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the distributions from other equity instruments such as AT1 coupon. Used for the distribution payout ratio calculation, in line with the Distribution Policy. Comparatives have been updated to reflect the payment of AT1 coupon semi-annually

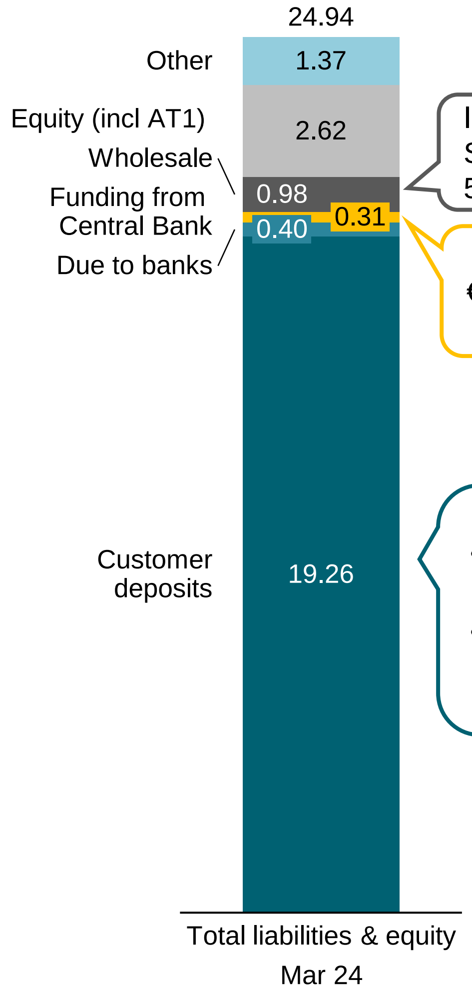
# Highly Liquid Balance Sheet




- 24%[1] linked with Bank's base rate ('natural hedging' of time & notice cost of deposits)
- 49% linked with Euribor
- 16% linked with ECB MRO rate
- c.€475 mn fixed rate loans[2]

€3.7 bn fixed income portfolio; careful expansion to continue

Fixed; used for reducing NII sensitivity




Issuance of €300 mn MREL- Eligible Green Senior Preferred Notes in April 2024; coupon 5.0%

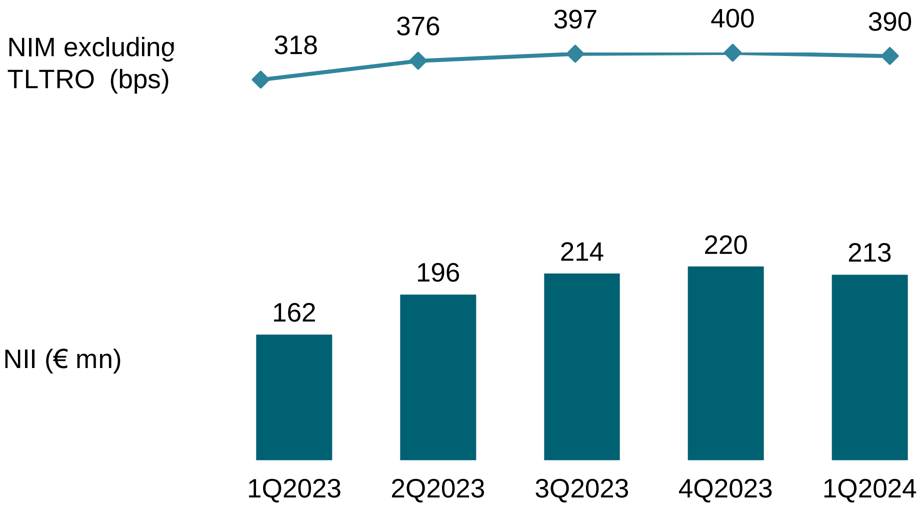
€1.7 bn TLTRO III repaid in March 2024

- Time and Notice deposits account for 33% of total deposits
- Time and Notice deposit pass through[3] at 22% in 1Q2024

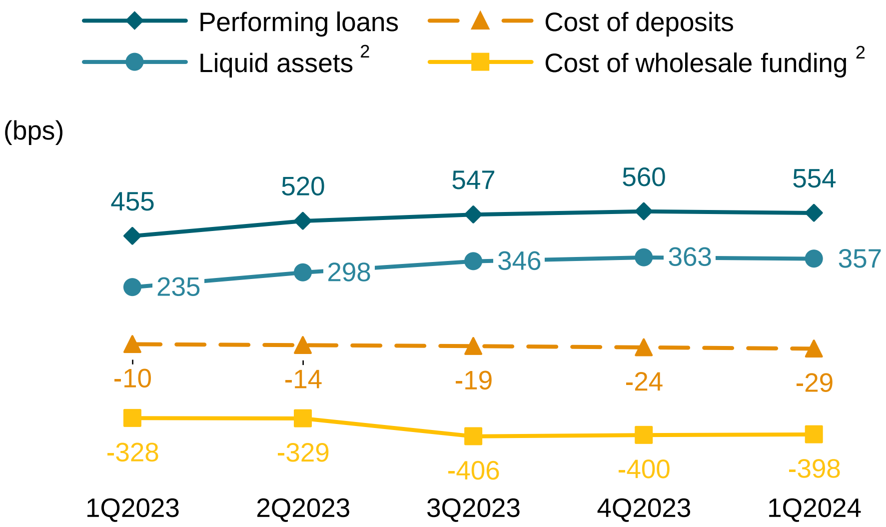
1) Linked to the weighted average of the average interest rate paid on euro-denominated household deposits in the Republic of Cyprus (outstanding amounts) by euro area residents with agreed maturities of up to 2 years as published on the website of the Central Bank of Cyprus and the Bank's cost of wholesale funding
2) Refers to loans with fixed rate period >2 years
3) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period

# Continued Strong NII in 1Q2024

**NII remained strong at €213 mn; NIM at 390 bps**




**Effective yield on assets & cost of funding**




- 1Q2024 NII at €213 mn driven by resiliently low Time and Notice deposit pass through[1] (22%), slower mix (33%) and more favourable interest rate outlook

**Positive impacts on NII for 2024**

- Favourable interest rate outlook
- Expansion of fixed income portfolio
- Low single digit loan growth

**Negative impacts on NII for 2024**

- Cost of hedging
- MREL April 2024 Issuance with coupon rate of 5.0%; c.€15 mn p.a.
- Reduction in ECB MRO spread by 35 bps from September 2024

1) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period
2) Calculation for effective yields on liquids assets and cost of wholesale funding was adjusted to exclude the impact of TLTRO III on both NII and on interest bearing assets & liabilities

# Improved NII Outlook Driven by the Rate Outlook

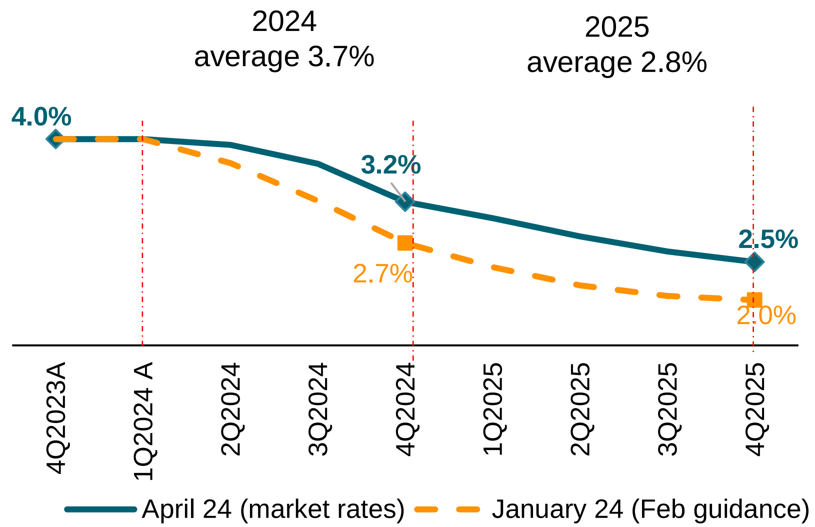
| NII assumptions | 4Q2023 Actual | FY2024 Feb 24 Guidance | 1Q2024 Actual | FY2024 Apr 24 Market rates |
|---|---|---|---|---|
| ECB depo rate- average | 4.00% | 3.43% | 4.00% | 3.72% |
| 6m Euribor rate- average | 4.04% | 3.15% | 3.90% | 3.52% |

**NII Sensitivities**

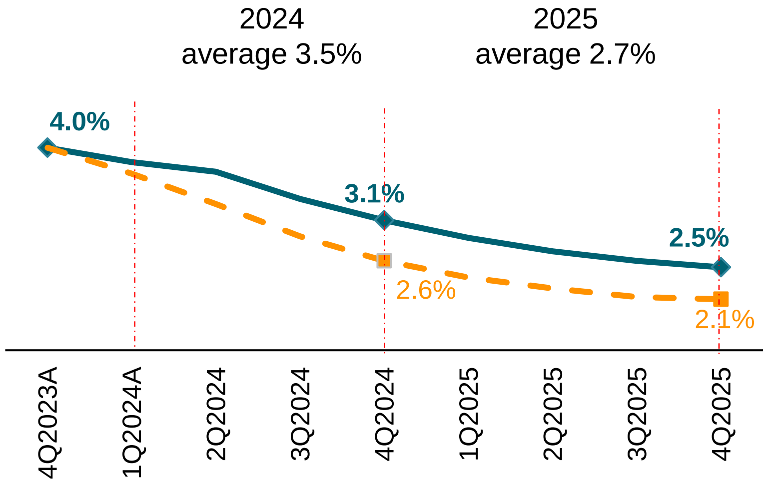
- Positive impact on balances with central banks for 2024: +c.€20 mn[1]
- Positive impact on loans[2] for 2024: +€18 mn

**+c.€40mn NII in 2024**

**Average ECB Deposit rate[3]**




**Average 6m Euribor rate[3]**




1) Calculated on cash, balances with Central banks excluding TLTRO as at 31 March 2024
2) With reference rate on Euribor and ECB MRO rates
3) Source: Bloomberg Economic weighted average forecast on average curves in January 2024 and April 2024

# Reducing NII Sensitivity via Hedging

**NII sensitivity to parallel shift in interest rates (annualised)[1]**

| EUR | +100bps | -100bps |
|---|---|---|
| **Dec 2023**<br>Sensitivity/Total NII | €102 mn | -€110 mn<br>14% |
| **Mar 2024**<br>Sensitivity/Total (annualised) NII | €89 mn | -€90 mn<br>10% |

**€20 mn reduction**

## Outlook

- Target of €4-5 bn hedging in FY2024 with average duration c.3-4 years;
  - c.50% (€2.1 bn) achieved in 1Q2024, reducing NII sensitivity by €20 mn
  - Continue managing the balance sheet dynamically subject to market conditions
- Post 1Q2024, NII sensitivity expected to decrease further by c.€20 mn by the end of 2024

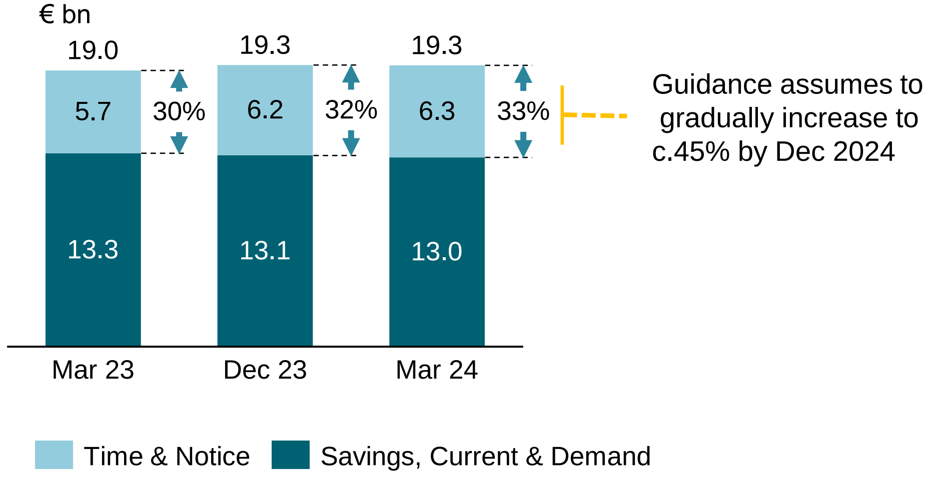
- **€2.1 bn additional hedging in 1Q2024 reducing NII sensitivity by €20 mn; on track to meet 2024 target (€4-5 bn):**
  - +€1.5 bn of hedging of non rate sensitive deposits through receive fixed interest rate swaps
  - +€0.3 bn of 3-year fixed rate reverse repos[2]
  - +€0.2 bn of fixed rate bonds
  - +€0.1 bn of base rate loans[3], reaching €2.4 bn at 31 March 2024; c.24% of loan book, natural hedging c.50% of household time & notice deposits
- c.€475 mn fixed rate loans[4] as at 31 March 2024

c.€2.5 mn cost of hedging in 1Q2024

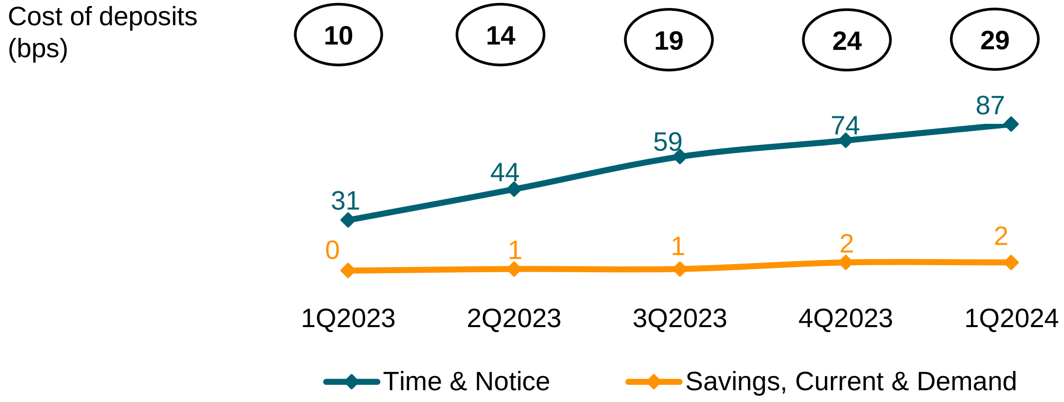
1) Based on key assumptions, refer to slide 71
2) Collateralised lending agreements between banks
3) Linked to the weighted average of the average interest rate paid on euro-denominated household deposits in the Republic of Cyprus (outstanding amounts) by euro area residents with agreed maturities of up to 2 years as published on the website of the Central Bank of Cyprus and the Bank's cost of wholesale funding
4) Refers to loans with fixed rate period >2 years

# Continuing Positive Deposit Trends and Resilient Deposit Pass-through

### Deposits at €19.3 bn[1]; Modest shift to Time & Notice deposits




### Gradual increase in Time & Notice deposit pass-through[2] to 22% for 1Q2024

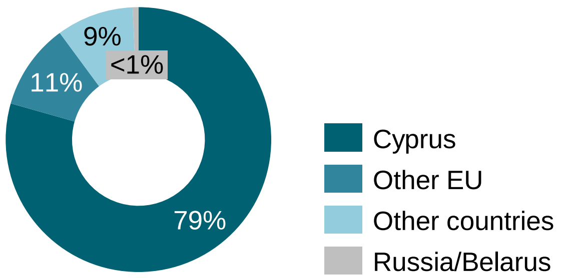



**Pass-through[2]**

| | | | | | |
|---|---|---|---|---|---|
| **Time & Notice** | **c.10%** | **c.12%** | **c.15%** | **c.18%** | **c.22%** |
| **Total** | **c.3%** | **c.4%** | **c.5%** | **c.6%** | **c.8%** |

Guidance assumes average c.40% pass-through for 2024

### Group deposits by UBO country of residence




### Deposit sensitivities

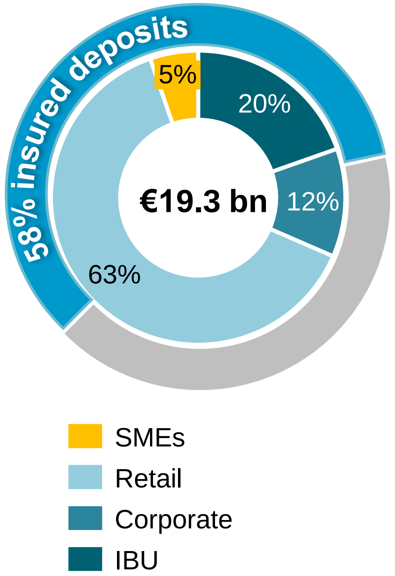
- ± 1 p.p. in Time and Notice deposit mix: ± c.€1.5 mn p.a.[3]
- ±10 bps in total cost of deposits: ±c.€20 mn p.a.

1) Analysis of deposits is excluding the revaluation differences of non-rate sensitive deposits hedging of c.€1.5 mn
2) Calculated as a percentage of the cost of deposits over average 6m Euribor rate of the period
3) Calculation assuming that the cost of deposit remains unchanged

# Robust Liquidity Position; Surplus Liquidity of €7.3 bn Post Repayment of €1.7 bn TLTRO

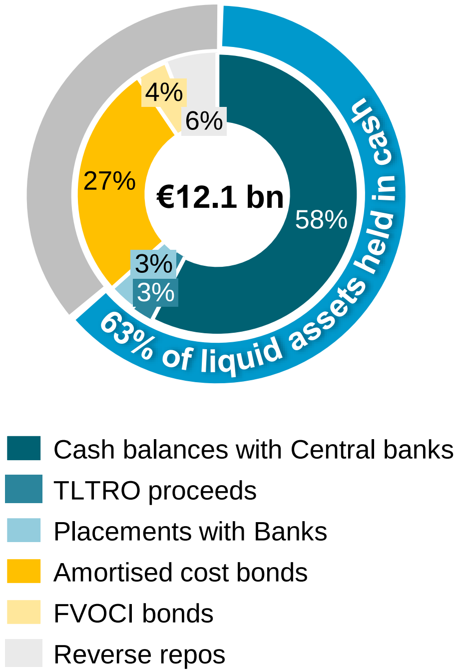
## Diversified, mainly retail funded deposit base

Group deposits

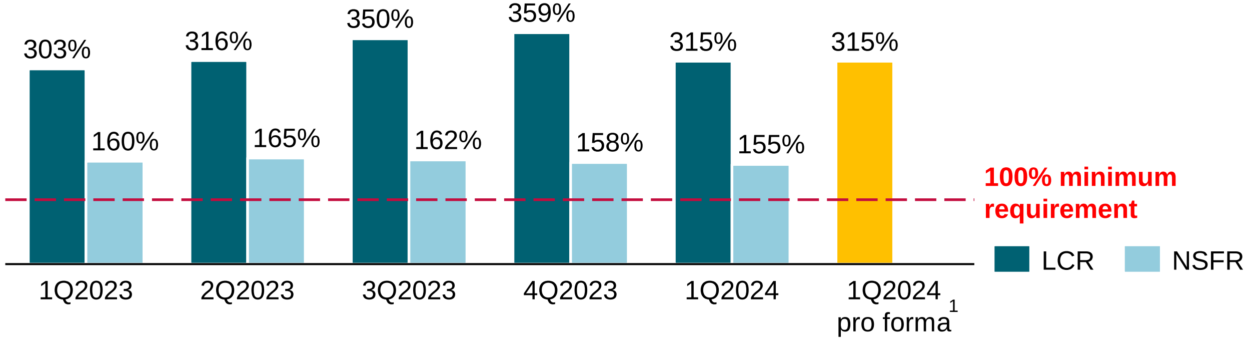



## Highly liquid balance sheet

Liquid assets




## Liquidity ratios significantly above minimum requirements

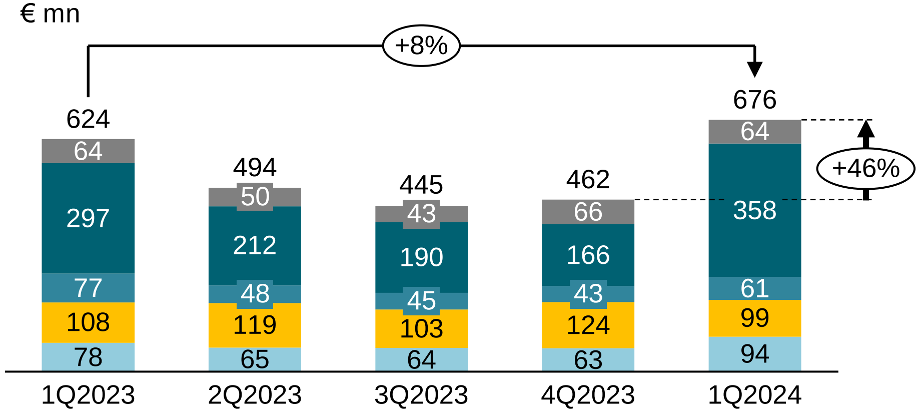



- **Sticky deposit base**
  - 58% insured deposits
  - 63% Retail
  - Average size of Retail deposits: c.€29k
- **Strong liquidity ratios**
  - €1.7 bn TLTRO repaid in March 2024; remaining €0.3 bn matures in June 2024
  - LCR ratio of 315% and surplus liquidity of €7.3 bn
  - Cash, balances with central Banks of €7.2 bn
- **Highly rated fixed income portfolio**
  - Majority of positions in FVOCI book hedged for interest rate risk
  - Amortised cost portfolio with high average rating of Aa3 (refer to slide 18)

1) Pro forma for €0.3 bn TLTRO repayment and issuance of €0.3 bn MREL- Eligible Green Senior Preferred Notes issued in April 2024

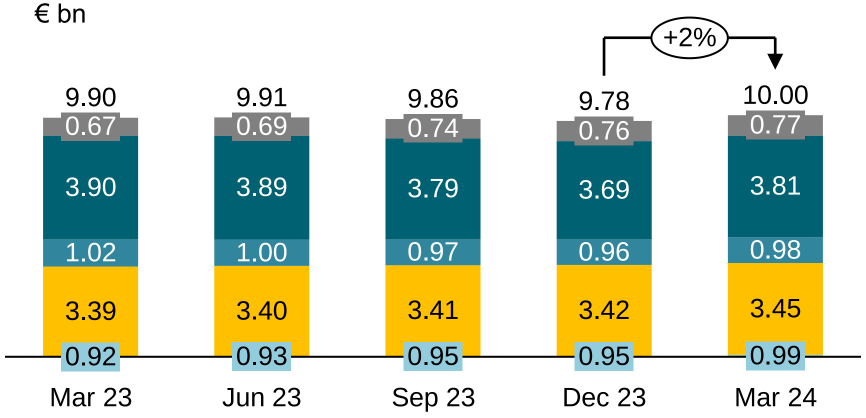
# Seasonally Strong Quarter of New Lending of €676 mn, up 46% qoq

## New lending up 46% qoq





## Gross performing book[1] up 2% qoq




- Another strong quarter of new lending driven mainly by increased seasonal business demand
- Gross performing loan book up 2% qoq to €10.0 bn; as new lending is ahead of repayments
- Inorganic growth of gross performing loan book via acquiring a portfolio of performing and restructured gross loans of c.€58 mn[2]; completed in March 2024
- Strong track record of repayment capability; 99% of new exposures[3] in Cyprus since 2016 are performing

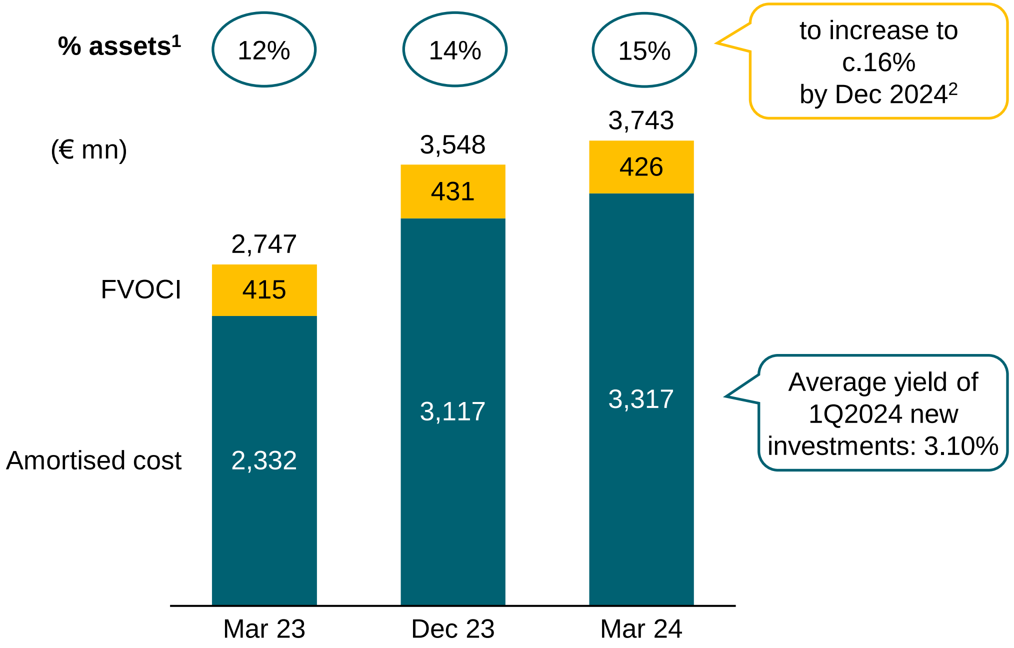
### Outlook

- Low-single digit loan growth p.a. in 2024-2025, supported by GDP growth

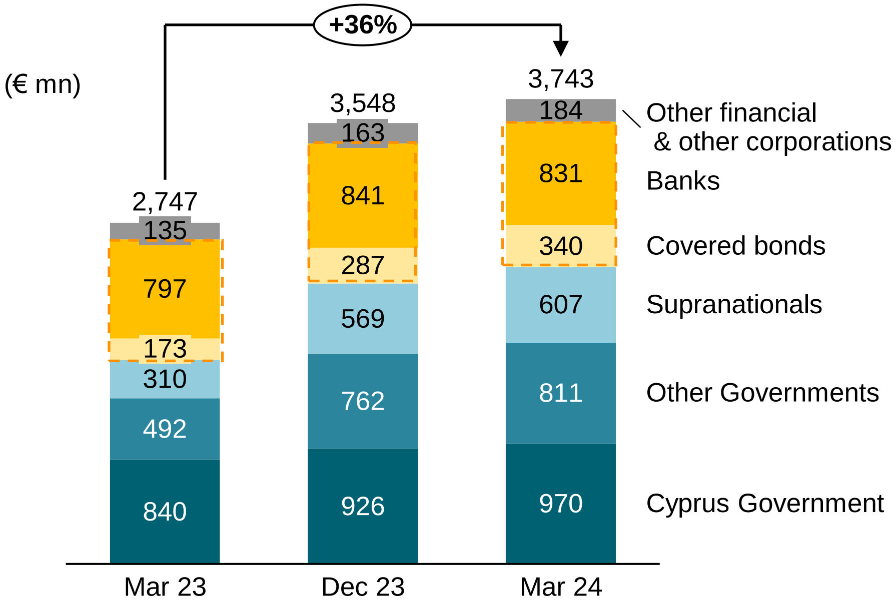
1) Includes Corporate, International corporate, International business services, SME and Retail (previously known as non-legacy)
2) With reference date 31 December 2022
3) Facilities/limits approved in the reporting period
4) As at 31 March 2024

# Fixed Income Portfolio up 36% yoy, Representing 15% of Total Assets[1]

## Fixed income securities per category - NBV




## Fixed income securities per issuer type - NBV

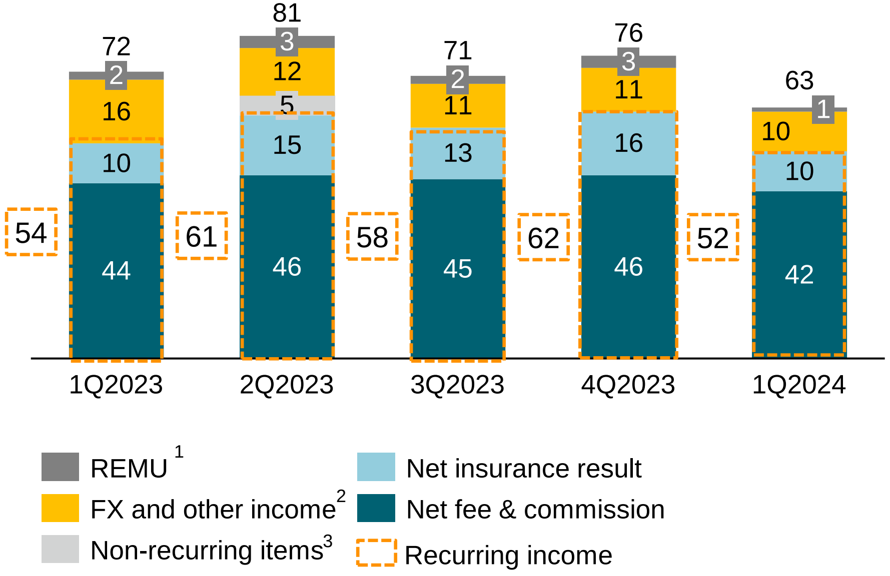



| | Amortised cost | FVOCI |
|---|---|---|
| **Average contractual duration (years)** | 3.36 | 3.80 |
| **Average duration after interest rate hedging (years)** | 3.28 | 0.49 |
| **Average rating** | Aa3 | Baa1 |

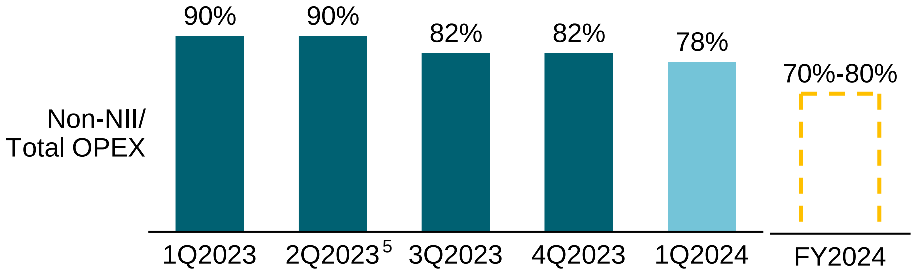
- Mark to market impact of amortised cost portfolio at -€14 mn as at 31 March 2024 (c.10 bps of CET1 ratio)
- Majority of positions in the FVOCI book are hedged for interest rate risk, therefore minimal effect on reserves expected from interest rate changes
- Ample excess liquidity conducive for further expansion of fixed income portfolio[2]
- Continue to invest in fixed rate bonds reducing NII sensitivity (for further details refer to slide 14)

1) Excluding TLTRO III proceeds
2) Subject to market conditions

# Non-NII of €63 mn in 1Q2024 Covering Almost 80% of Total Operating Expenses




**Non-NII remains an important contributor to the Group's revenues;** expected to continue covering 70-80% of total operating expenses[4]




1) Gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties
2) Net FX gains/(losses) & Net gains/(losses) on financial instruments, and other income

### YoY Performance (1Q2024 vs 1Q2023)

- Net fee and commission income down 5% yoy, reflecting mainly lower transactional fees (non-card)
- Net FX and other income[2] down 36%, due to lower gains on financial instruments
- Net insurance result flat yoy
- Net FX gains/(losses) & net gains/(losses) on financial instruments are volatile profit contributors

### QoQ Performance (1Q2024 vs 4Q2023)

- Net fee and commission income down 10% qoq reflecting lower non-transactional fees and seasonally lower transactional fees
- Net insurance result down 37% qoq, reflecting improved experience variance in life insurance in 4Q2023

### Outlook

- Net fee and commission income expected to grow broadly in line with economic growth p.a. for 2024-2025

3) Non-recurring items for 2Q2023 relates to insurance receivable
4) Excluding special levy on deposits and other levies/contributions
5) Net of non-recurring item of c.€5 mn

# Profitable Life Insurance Business - Valuable and Sustainable Contribution to the Group

eurolife

| € mn | 1Q2024 | 1Q2023 | yoy% |
|---|---|---|---|
| **Net Insurance result** | **5.8** | **4.7** | **25%** |
| Net other operating costs (non-attributable) | (0.3) | (0.3) | 10% |
| Net revaluations profit on own investments | 0.2 | 1.5 | -89% |
| **PAT-contribution to the Group[1]** | **5.6** | **5.9** | **-4%** |
| **Total Regular income** | **47.0** | **42.7** | **10%** |

- Net insurance result up 25% yoy, reflecting improved experience variance (mainly better claims experience than anticipated)
- Net revaluations profit on own investments down 89% yoy, reflecting the revision in investment instruments used to reduce post IFRS 17 income statement volatility and market conditions
- PAT[1] down 4% yoy, mainly due to the reduction in net revaluation profit on own investments
- Total regular income up 10% yoy, driven by increased new business
- Solvency ratio at 214% at 31 March 2024

**9%** Contribution to non-NII

**4%** Contribution to the Group's PAT

**27%** Market share[2]

## Outlook

- Total Regular income to grow by CAGR c.6% in 2023-2025

## To be achieved by:

- Pursuing new market segments
- Cross-sell opportunities with the Bank
- Continued strengthening of the agency force
- Further leveraging bancassurance
- Enhancing customer service via a holistic servicing model approach
- Developing further digital channel for servicing and efficient cost management

1) Contribution to the Group: Adjusted to exclude intercompany transactions between insurance companies and the Bank
2) As at 31 December 2023

# Profitable Non–Life Insurance Business – Valuable and Sustainable Contribution to the Group

Genikes Insurance

| € mn | 1Q2024 | 1Q2023 | yoy% |
|---|---|---|---|
| **Net Insurance result** | **4.0** | **4.8** | **-17%** |
| Other operating costs (non-attributable) | (0.8) | (0.7) | 12% |
| Revaluation/disposal gains on investments | 0.2 | 0.3 | -37% |
| **PAT-contribution to the Group[1]** | **2.7** | **4.2** | **-35%** |
| **Gross written premium (GWP)** | **16.9** | **15.7** | **7%** |

- Net insurance results down 17% yoy due to higher cost of claims in 1Q2024, reflecting severe weather-related events occurred in 1Q2024
- PAT[1] down 35% yoy mainly driven by lower net insurance result
- GWP up 7% yoy due to increased business
- Solvency ratio at 202% as at 31 March 2024

**6%** Contribution to non-NII

**2%** Contribution to the Group's PAT

**14%** Market share[2]

## Outlook

- Gross written premium to grow by CAGR c.8% in 2023-2025

## To be achieved by:

- Growing the bancassurance potential
- Continue to promote and enhance digital sales
- Enhancing underwriting quality, claims management and automation
- Optimising synergies with life insurance
- Pursuing profitable segments and products
- Simplifying procedures to enhance efficiency and service quality
- Transforming into a customer centric business

1) Contribution to the Group: Adjusted to exclude intercompany transactions between insurance companies and the Bank
2) As at 31 December 2023

# Leading Card Processing and Payment Solutions Business in Cyprus

JCC PAYMENT SYSTEMS

| € mn | 1Q2024 | 1Q2023 | yoy% |
|---|---|---|---|
| Net fee and commission income | 6.7 | 6.2 | 9% |
| Net other income | 0.9 | 0.6 | 54% |
| FX and net gains on revaluation of investment | 0.2 | 0.5 | -74% |
| **Total contribution to Group's Non-NII** | **7.8** | **7.3** | **7%** |
| Total operating costs | (4.7) | (4.3) | 12% |
| **PAT-contribution to the Group** | **2.6** | **2.4** | **7%** |

- Net fee and commission income up 9% yoy, driven by higher volume of transactions
- One-stop shop, providing various innovative solutions
- Backed by BOC with 75% stake

**12%** Contribution to non-NII

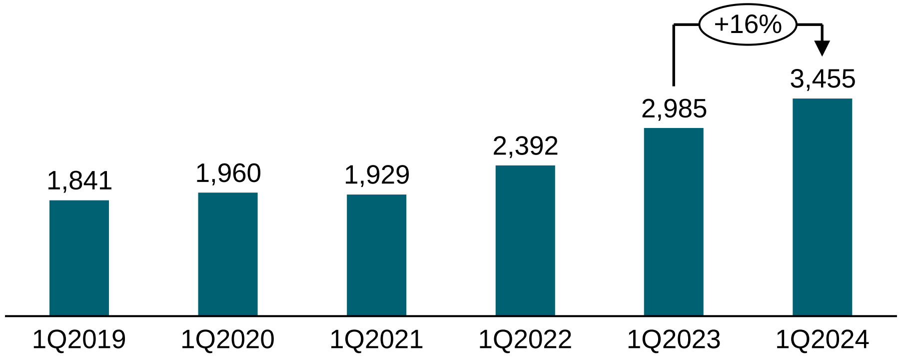
**2%** Contribution to the Group's PAT

**84%** Market share[1]

- Market leader in payment business in Cyprus
- Trusted business partner
- Strong market growth reflects transition away from cash transactions
- Compulsory credit card payments in most businesses in Cyprus

**Strong transaction growth in value; up 16% yoy**

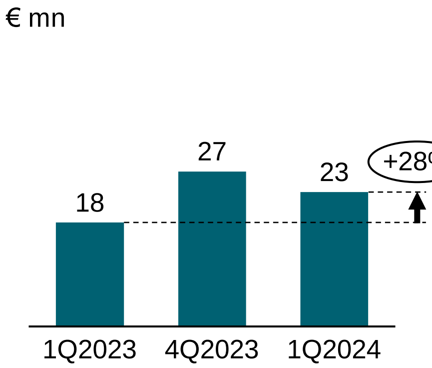
**Value of transactions (€ mn)**

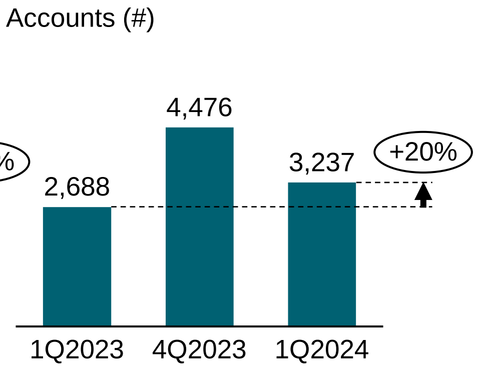



1) As at 31 March 2024, based on internal estimates

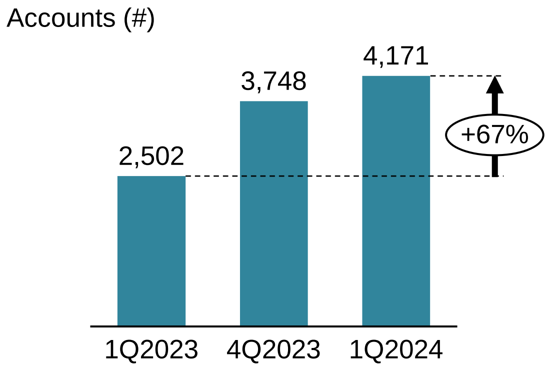
# Digital Offerings via Digital Channels Enhance Group's Sales

### New Quickloans[1] of €23 mn in 1Q2024; launched in Jan 2023

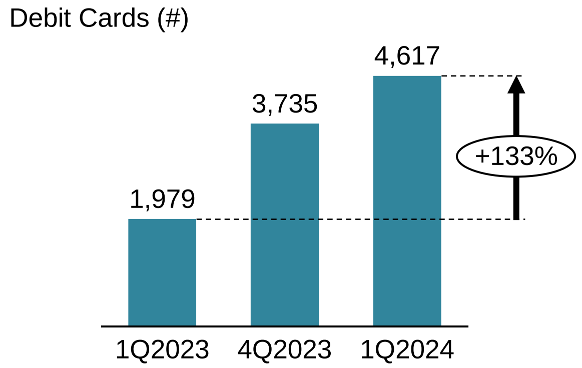


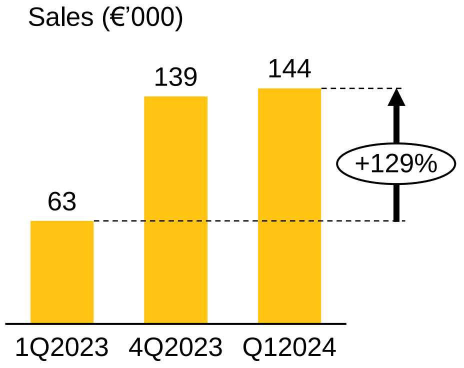

### Digital account Openings[2] up 67% yoy

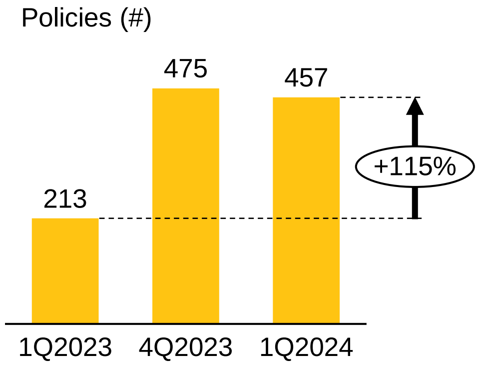



### New debit cards up 133% yoy

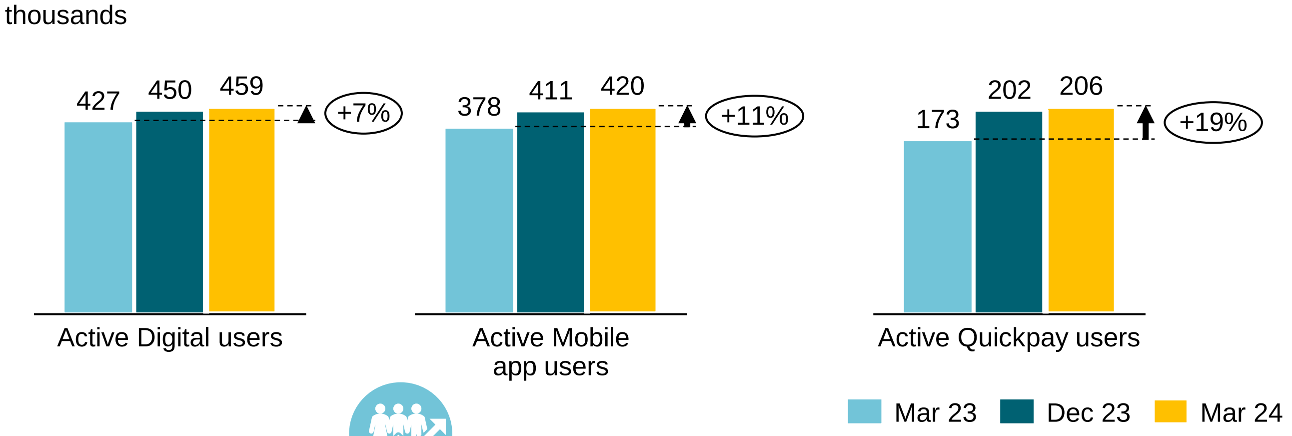



### Non-life insurance e-sales of €144k in Q12024




### Active digital, mobile app and Quickpay users up 7%, 11% and 19% yoy respectively




1) Loans disbursed via digital channels

2) Includes Digital accounts and QuickOverdrafts

# JINIUS; Leader in Shaping the Digital Local Economy

- Establishment of Jinius Ltd subsidiary in April 2023

- **Business-to-Business** services and enhanced current ones in 2024:
  - Tenders management (New!)
  - Ecosystem management (New!)
  - Invoicing management
  - Remittance management

✓ c.2,100 companies registered on Jinius platform

✓ >€500 mn money was exchanged via the platform since 2023, through invoicing and remittance services

JINIUS


- Launched new **Business-to-Consumer** service in February 2024:
  - Product Marketplace (Fashion, Technology & Beauty products)
  - Toys & Outdoors, Sports, Home/DIY and Whitegoods products to be introduced

✓ c.100 Retailers onboarded

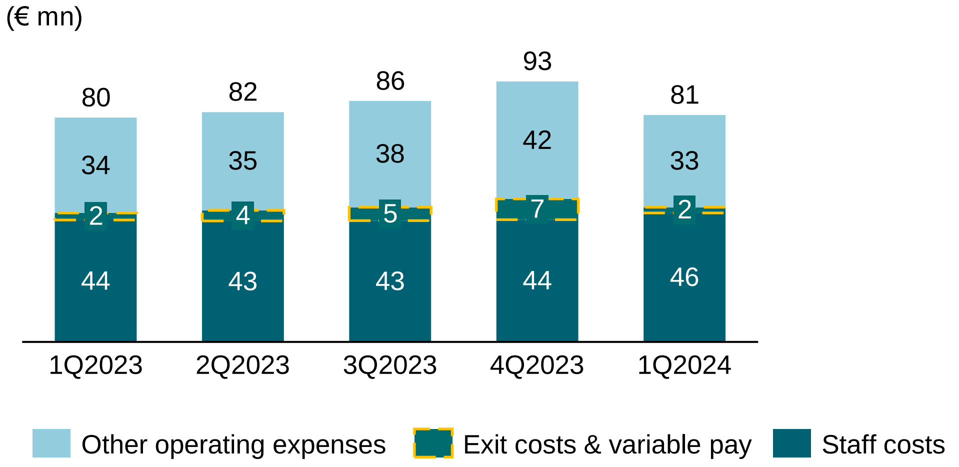
✓ c.150k products across all categories

## Our Vision

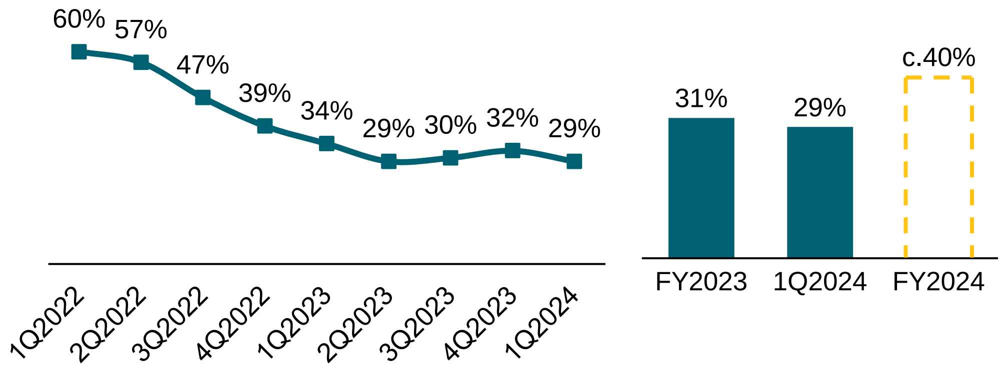
*To enable everyone to achieve more, through a seamless digital experience – spark new possibilities, inspire progress, and drive innovation*

# Cost to Income Ratio[1] Remains Low at 29%, on Strong Income and Continued Focus on Costs

**Total operating expenses[1] down 14% qoq and broadly flat yoy**




**Cost to income ratio[1] at 29% in 1Q2024**




**YoY Performance (1Q2024 vs 1Q2023)**

- Staff costs up 6% yoy due to salary increments and higher cost-of-living adjustments (COLA) and employer's contributions
- Other operating expenses broadly flat qoq

**QoQ Performance (1Q2024 vs 4Q2023)**

- Staff costs up 5% qoq due to salary increments and higher cost-of-living adjustments (COLA) and employer's contributions
- Other operating expenses down 24% qoq reflecting mainly seasonally lower marketing and other professional expenses
- Cost to income ratio[1] improved to 29%, down 3 p.p. qoq and 5 p.p. yoy

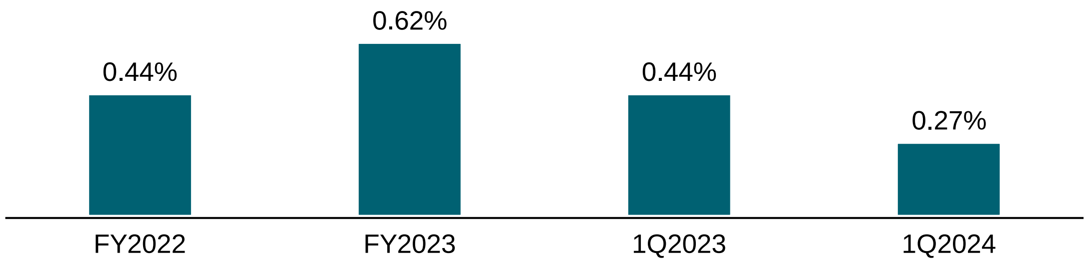
**Outlook**

- Continued disciplined cost management
- 2024 cost income ratio[1] target of c.40% reflecting mainly lower income on gradually declining interest rates

1) Excluding special levy on deposits and other levies/contributions

# COR of 27 bps in 1Q2024

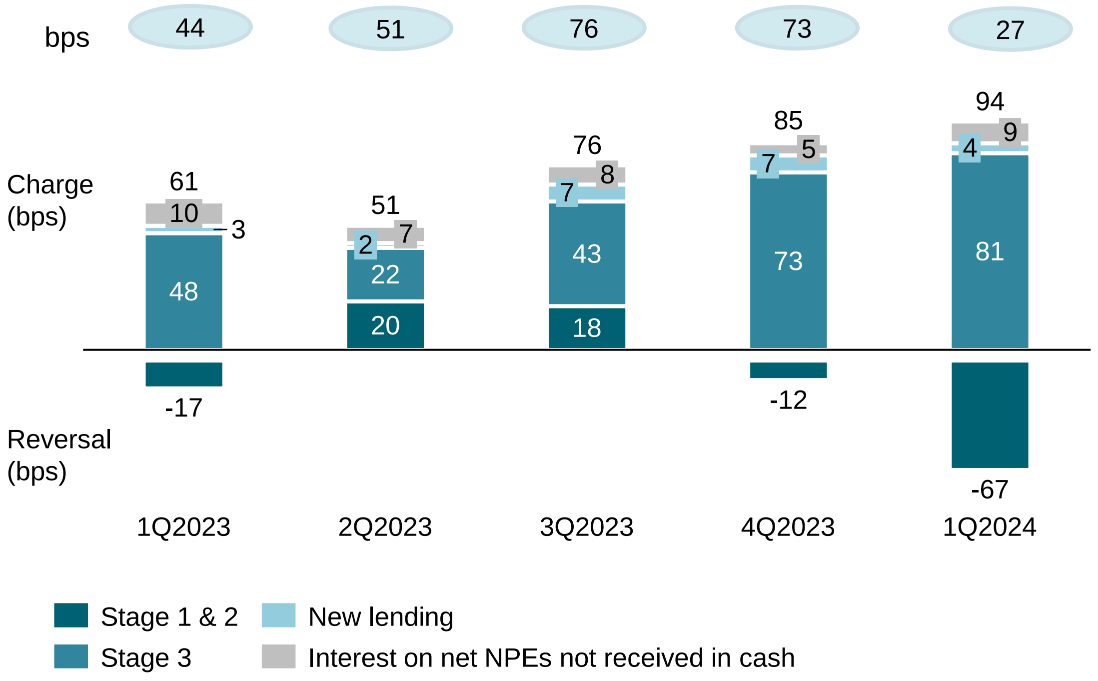
### Cost of risk




### Bank's IFRS 9 macroeconomic assumptions

| Base line | GDP rate | Unemployment rate |
|---|---|---|
| 2024 | 2.6% | 6.0% |
| 2025 | 2.6% | 5.7% |

### Breakdown of quarterly cost of risk




- Cost of Risk of 27 bps (€7 mn) in 1Q2024 down 46 bps qoq and 17 bps yoy, indicative of the robust performance of the credit portfolio and stable economic environment
- Stage 1 and Stage 2 releases were driven by enhanced IFRS9 modelling which allowed the removal of conservative management overlays
- Stage 3 charge was a result of one-off modelling enhancements and a one-off charge on a small part of the NPE legacy portfolio
- Additionally, impairments of €8 mn in 1Q2024 relate to REMU stock properties due to the ageing of the stock
- Provisions for pending litigations, claims regulatory and other matters (net of reversals) of €10 mn in 1Q2024 relate mainly to the progress of cases on existing litigations and a one-off provision charge on tax related matters

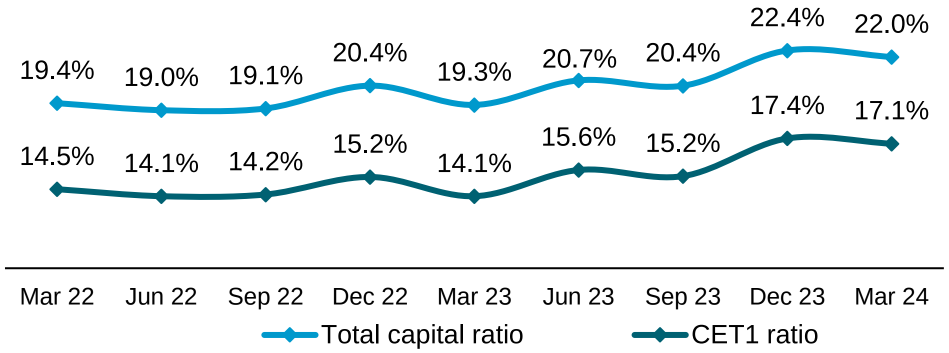
### Outlook

- Trending towards normalised levels of 40-50 bps in 2024-2025

## Capital, Liquidity & Asset Quality

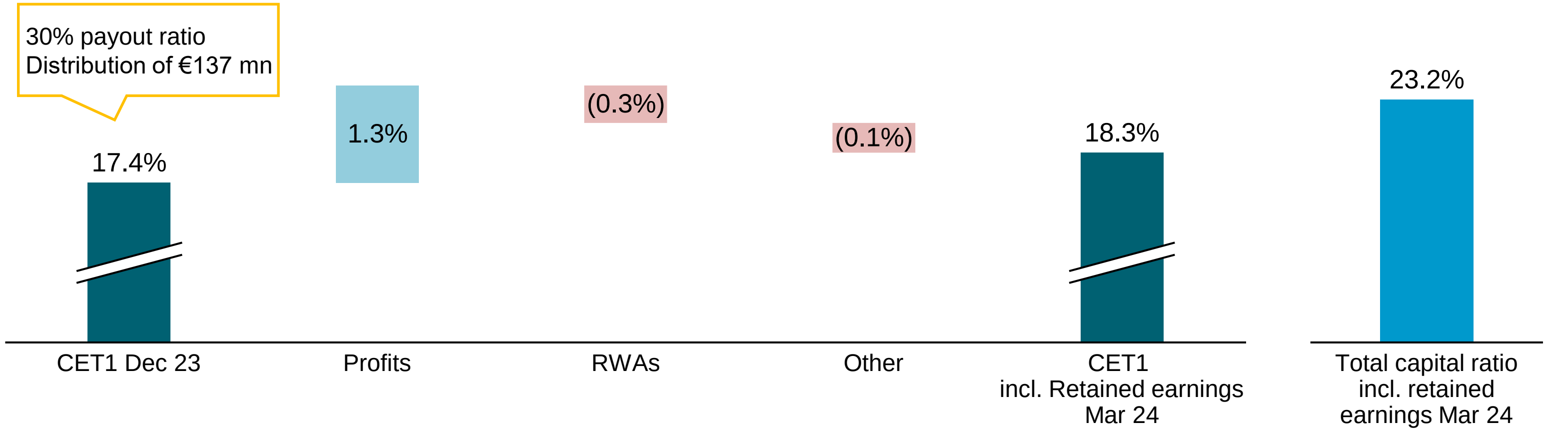
# Robust Capital Position

### Regulatory capital ratios

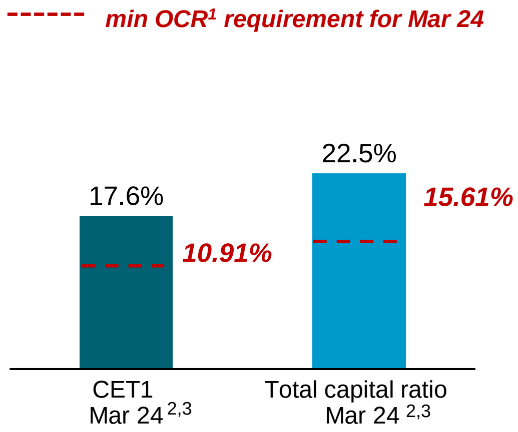



- **Regulatory CET1 ratio at 17.1%; including 1Q2024 profits net of distribution accrual[3] at 17.6%**
- **Organic capital generation[4] of 128 bps in 1Q2024**
- Distribution accrual in 1Q2024 is based on top end of distribution policy (i.e. 50% payout[5]) in line with Commission Delegated Regulation (EU) No 241/2014 principles.
- The distribution accrual level does not constitute an approval by regulators or a decision by the Bank with respect to distribution payment for 2024[3]

### CET1 ratio including retained earnings




### Post distribution accrual

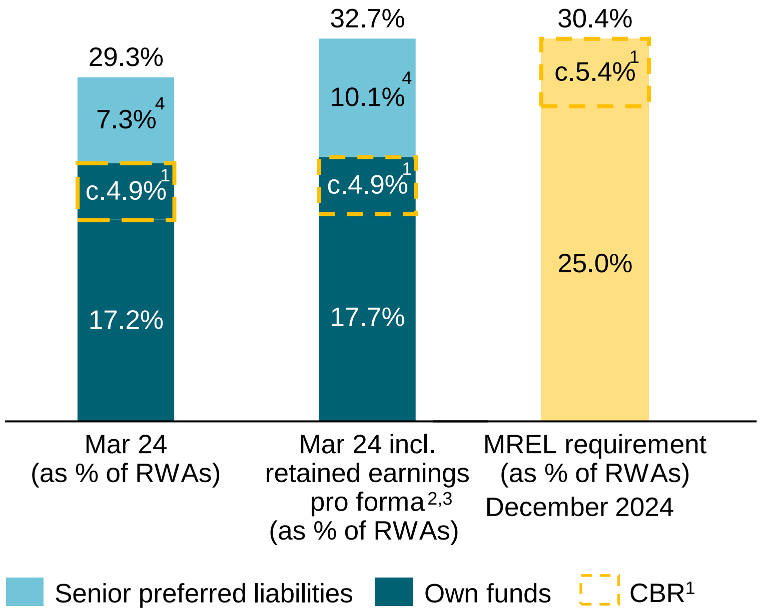



1) Based on final SREP letter in November 2023; OCR - Overall Capital Requirement. For more details refer to slide 52
2) Including retained earnings for the period 31 March 2024; i.e.. including unaudited/unreviewed profits for 1Q2024 and a distribution accrual thereon at the top end of the Group's distribution policy
3) Any recommendation of distribution is subject to regulatory approval
4) Based on profit after tax (pre-distributions)
5) Payout ratio calculated on adjusted recurring profitability: Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the distributions from other equity instruments such as AT1 coupon

# 2024 Final MREL Requirement Already Achieved with Significant Buffer

- **Successful issuance of €300 mn MREL-Eligible Green Senior Preferred Notes in April 2024**
  - Coupon of 5.0% p.a.; 50 bps tighter than the initial price guidance
  - Final order book 4x over-subscribed at €1.3 bn
  - First green bond issuance among Cypriot banks
- MREL ratio including capital used to meet the CBR[1] ( as % of RWAs) at 29.3% as at 31 March 2024 (32.7%[2,3] including retained earnings and pro forma for the issuance of Green Senior Preferred Notes)
- MREL ratio (as % of Leverage Ratio Exposure (LRE)) of 12.5% as at 31 March 2024 (14.0%[2,3] including retained earnings and pro forma for the issuance of Green Senior Preferred Notes)
- Based on SRB communication, final MREL target to be met by 31 December 2024:
  - 25.00% of RWAs plus prevailing CBR[1]
  - 5.91% of LRE
- Distance to M-MDA restriction as at 31 March 2024: 282 bps (€297 mn)[2,3,5] including retained earnings and pro forma for the issuance of Green Senior Preferred Notes)
- The CBR[1] is expected to increase further (for more details refer to slide 52)

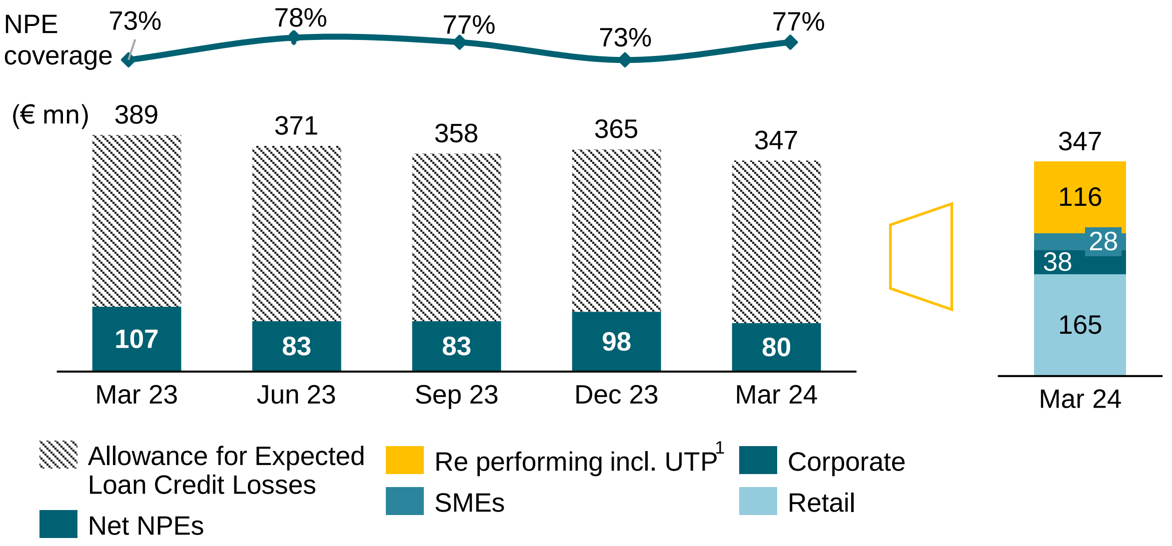
**MREL (% of RWAs)**



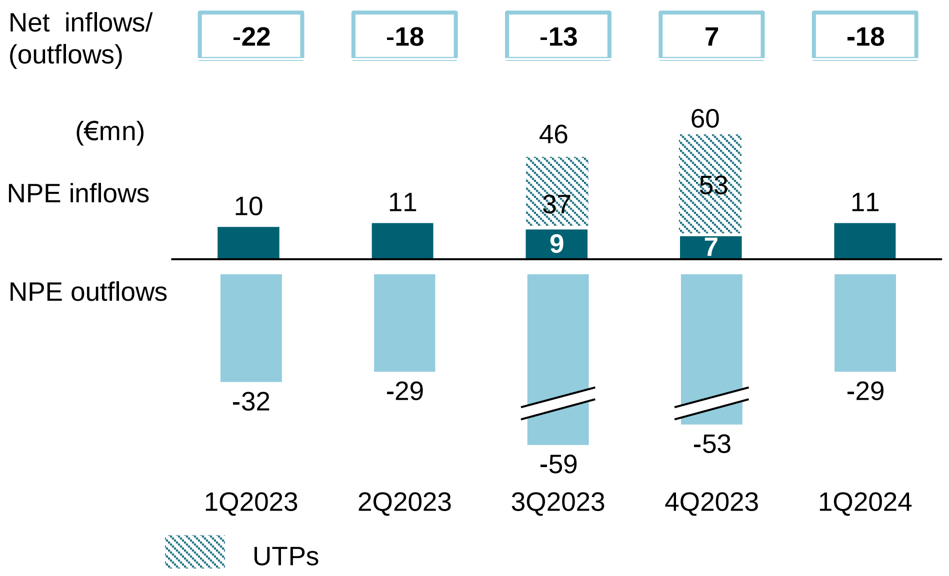

1) The Combined Buffer Requirement (CBR) is at 4.86% as at 31 March 2024 and is expected to increase by c.50 bps by June 2024 in line with the increase in CcyB (for more details refer to slide 52)
2) Includes retained earnings for the period ended 31 March 2024; MREL ratios as at 31 March 2024 include unaudited/ unreviewed profits for 1Q2024 and a distribution accrual at the top end of the Group's Distribution Policy. Any recommendation of distribution is subject to regulatory approval; distribution accrual does not constitute a binding commitment of the Group for a payment.
3) Pro forma for the issuance of Green Senior Preferred notes of €300 mn in April 2024
4) MREL-Eligible Senior Preferred Notes and other MREL eligible liabilities
5) Calculated against the final MREL requirement of 25.0% of RWAs (+ CBR as at 31 March 2024)

# NPE Ratio at 3.4%, on Track with 2024 NPE ratio Target of c.3%

### NPEs down 5% qoq to €347 mn; residual NPEs mainly Retail

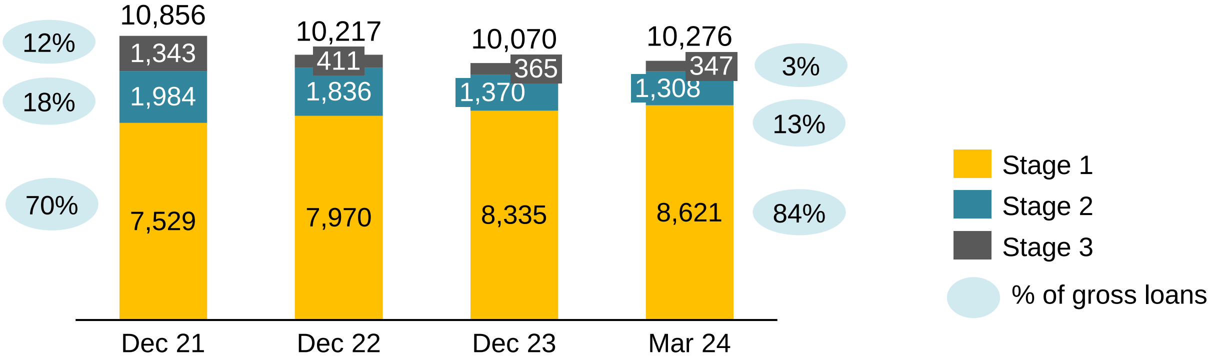



### Underlying NPE inflows remain under control

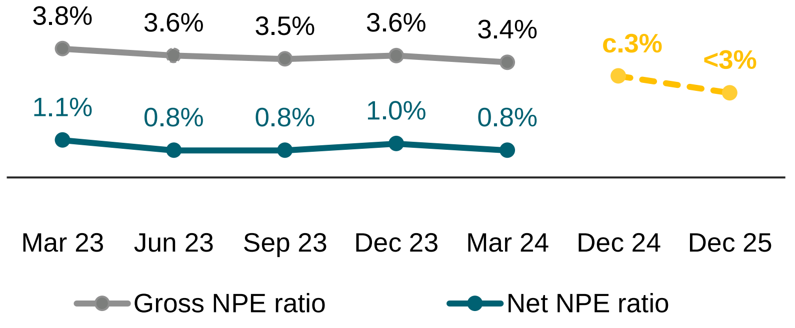



### Stage 2 loans at 13% of loan book

Gross loans by IFRS 9 staging (€ mn)




### NPE ratio reduced to 3.4% (0.8% on a net basis)

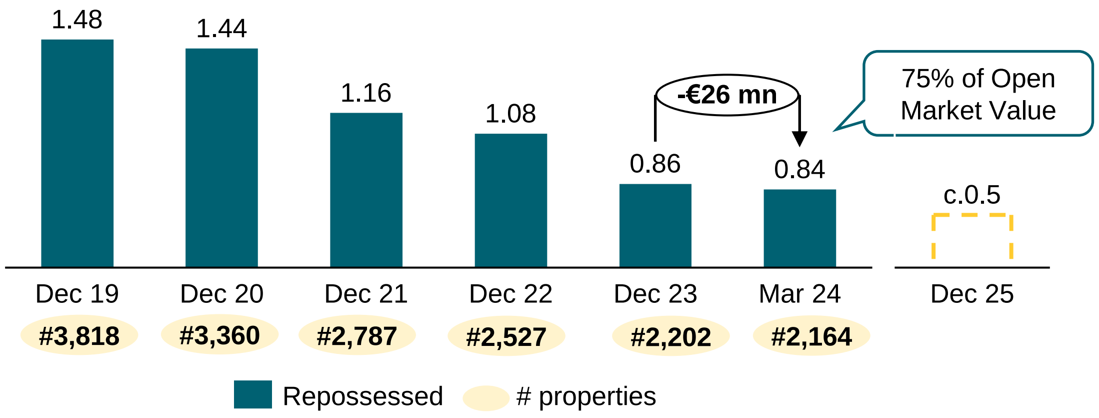



1) In pipeline to exit NPEs subject to meeting all exit criteria; the analysis is performed on a customer basis and it also includes unlikely to pay (UTP) exposures

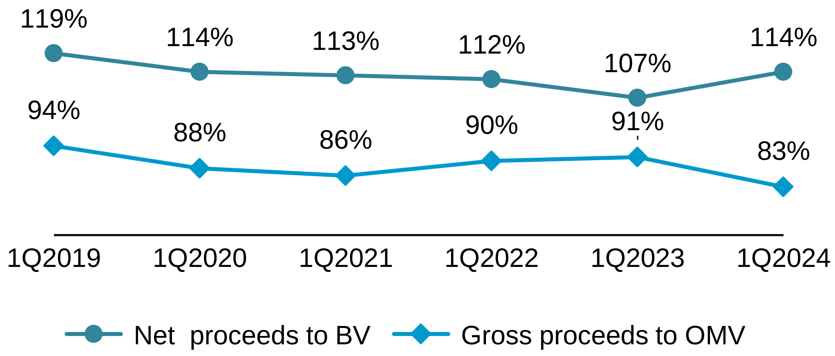
# REMU Stock Properties on Track to Achieve 2025 Target

## REMU repossessed stock at €836 mn at March 2024

Group BV (€ bn)

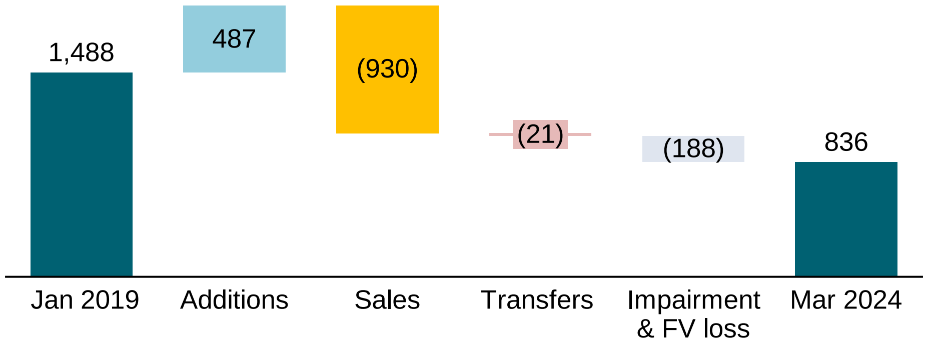



## Organic sales[1] consistently close to Open Market Value; comfortably above Book Value

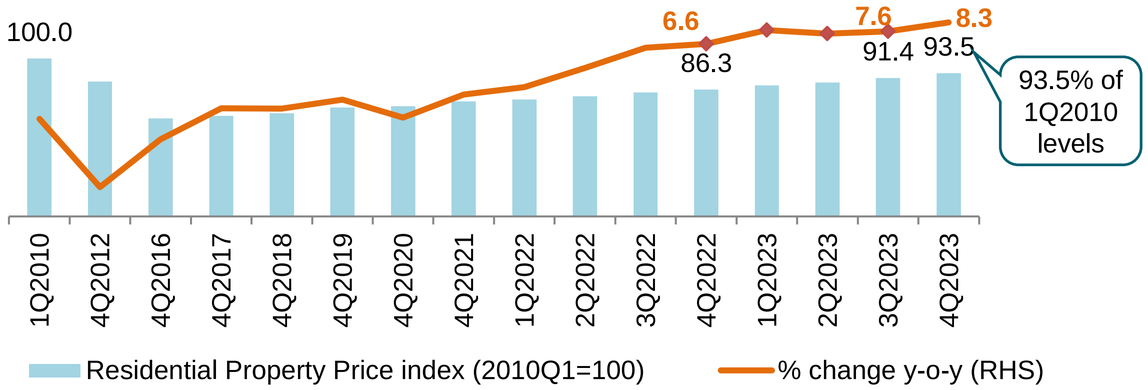



## Repossessed properties sold exceed properties acquired since 2019

Group BV (€ mn)




## Residential property prices up 8.3%[2] yoy in 4Q2023




1) Amounts as per Sales Purchase Agreements (SPAs)

2) Source: Central Bank of Cyprus: Residential Property Price index report published on 14 May 2024 https://www.centralbank.cy/en/publications/residential-property-price-indices

# Concluding Remarks

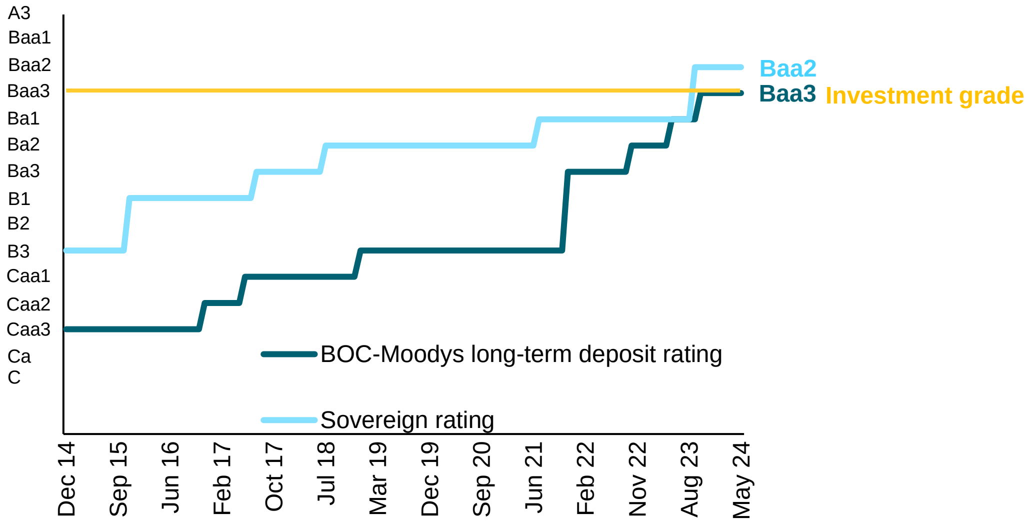
- ✓ 30% distribution out of 2023 earnings, equivalent to 8%[1] distribution yield; launched inaugural share buyback
- ✓ Profit after tax of €133 mn in 1Q2024, equivalent to a ROTE of 23.6%
- ✓ 1Q2024 Performance tracking ahead of 2024 targets

**Financial targets to be reviewed with 1H2024 FR**

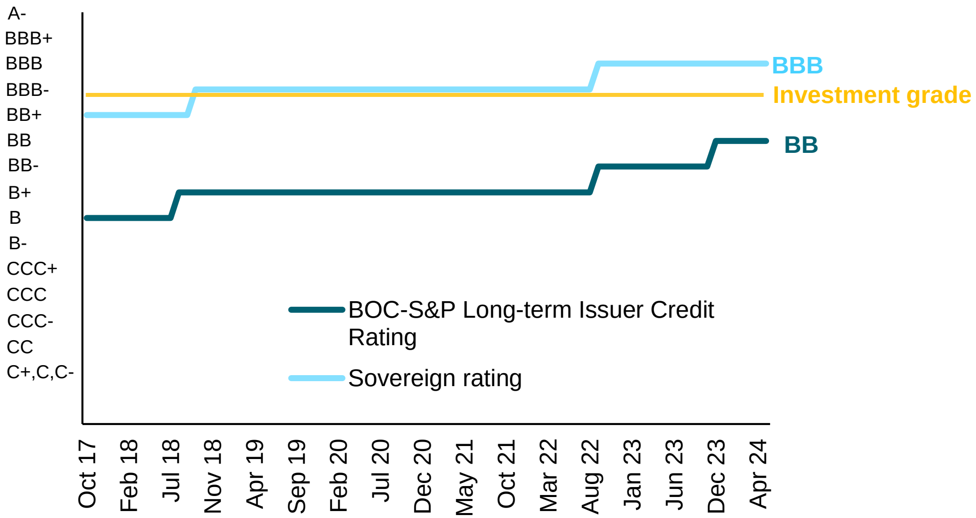
1. Based on a share price as at 8 May 2024

# Steadily Improving Credit Ratings for BOC: Investment Grade by Moody's

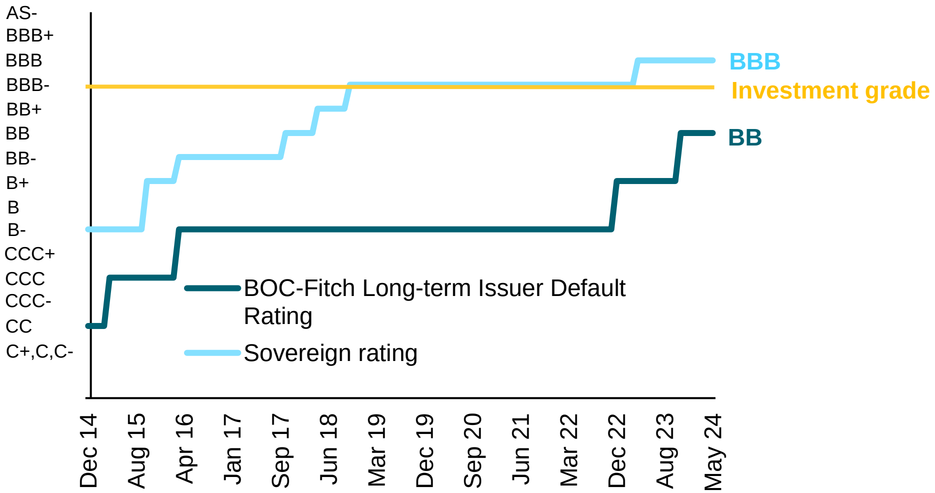
**Moody's upgraded rating to Baa3 in October 2023; outlook positive**




**S&P upgraded rating to BB in December 2023; outlook positive**




**Fitch upgraded rating to BB in November 2023; outlook positive**




Bank of Cyprus

| | Cyprus Sovereign Credit rating | LT Deposit rating | LT Counterparty Risk Rating | LT Issuer credit rating | Outlook | Senior Unsecured Debt | Subordinate (Tier 2) |
|---|---|---|---|---|---|---|---|
| Moody's | Baa2 | Baa3 | Baa2 | N/A | Positive | Ba2 | Ba3 |
| S&P Global Ratings | BBB | N/A | N/A | BB | Positive | BB | CCC+ |
| FitchRatings | BBB | BB | N/A | N/A | Positive | N/A | N/A |

MSCI ESG RATINGS AA

CCC B BB BBB A AA AAA

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**Listing:**

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

**Visit our website at: www.bankofcyprus.com**

# ESG update

https://www.bankofcyprus.com/globalassets/csr/sustainability-reports/bocsustainabilityreport2022_eng.pdf

# ESG Journey

*The ESG strategy formulated in 2021 is continuously expanding. The Group is maintaining its leading role in the Social and Governance pillars and focuses on increasing the Group's positive impacts on the Environment, by transforming not only its own operations, but also the operations of its customers.*

## 2022

BOC establishes a **set of ESG targets** aimed at integrating ESG across the Bank's value chain

First bank in Cyprus **joining** Partnership of Carbon Accounting Financials (PCAF) and **estimating** the Financed Scope 3 emissions on loan portfolio

**Set decarbonization target** on GHG emissions of own operations and designed the strategy to meet the target

Established an **ESG Working plan**

## 2023

Set the first **decarbonization target on Mortgage portfolio** aligned with International Energy Agency's Below 2 Degree Scenario

**First Bank in Cyprus to sign the Principles for Responsible Banking** representing a single framework for a sustainable banking industry under United Nations Environment Programme Finance Initiative (UNEP FI)

**Met the target of at least 30%** women representation in ExCo and Senior Management

Designed the **strategy** to meet the **decarbonization targets** set

**Estimated** the Scope 3 GHG emissions of loan, **investment and insurance portfolio** (based on methodology availability) by applying PCAF standard and proxies

Published the first **TCFD r**eport, **Pillar 3** disclosures on ESG risks and the **sixth Sustainability report** (FY2022)

Established a structured and detailed **Business Environment Scan** process on C&E[1] risks

Launched **ESG questionnaires** in the loan origination

**Restricted** new lending and investment in specific **carbon-intensive sectors**

**Set and monitor** Green/Transition new lending targets

Developed a **Sustainable Finance Framework**

Launched a **Green Housing product** by applying the GLPs[2] of LMA[3]

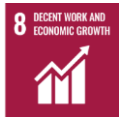
Established thorough sustainability Governance arrangements

Performed Board of Directors, Senior Management and Control functions **ESG trainings**

**Established a holistic approach** on ESG and Climate data

1) Climate related and environment
2) Green Loan principles
3) Loan market association

# Delivering on our ESG Commitments

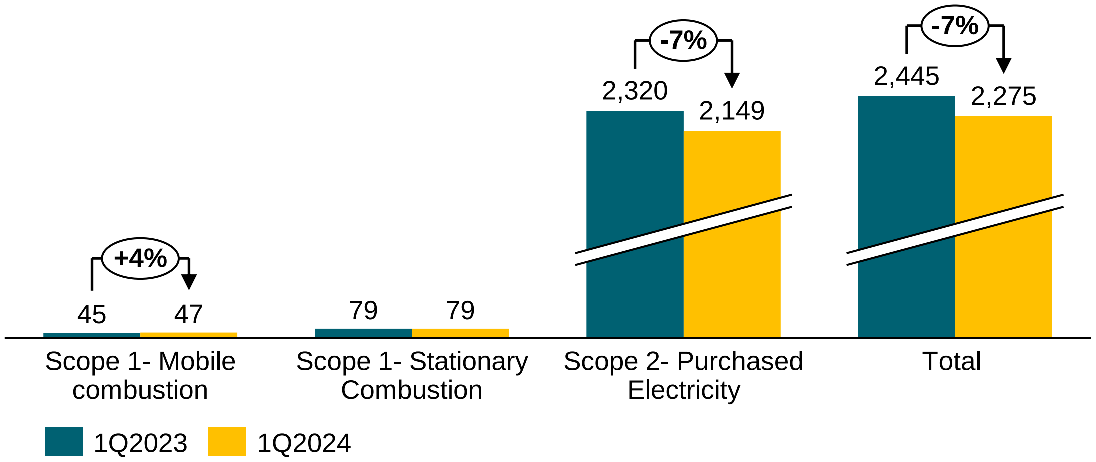
| Stakeholder | ESG Priorities in 2024 | SDG |
| --- | --- | --- |
| Investors | • Set additional decarbonization targets on loan and investment portfolios<br>• Enhance ESG disclosures to ensure transparency against the ESG performance by publishing the seventh Sustainability Report<br>• Monitor the impact of climate-related and environmental risks on its business environment |  |
| Regulatory | • Implement ‘ECB Guide’ on Climate related and Environmental risks (C&E)<br>• Establish and monitor additional key risk indicators on C&E risks<br>• Improve the quality of ESG data, through the continued update and implementation of the ESG Data Strategy<br>• Perform Double Materiality, Gap assessment and implement the Corporate Sustainability Reporting Directive (CSRD) |   |
| Customers & Markets | • Continue enhancement of environmentally friendly product offerings<br>• Monitor performance against Green new lending targets<br>• Provide a high-level transition action plan to customers following the completion of ESG questionnaires |  |

# Delivering on our ESG Commitments

**Climate Stability - Target 1: Become Carbon Neutral**
by reducing Scope 1 & Scope 2 GHG emissions by 42% by 2030

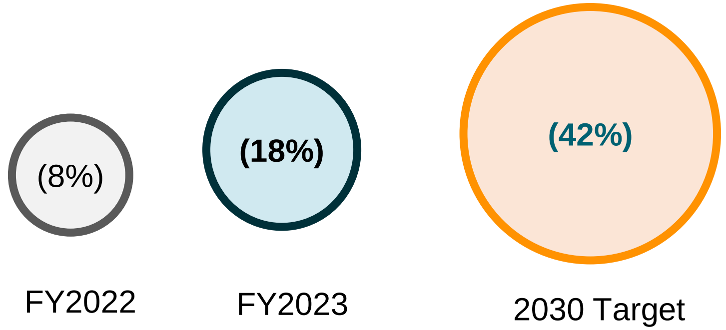
- **c.11%** yoy reduction in Scope 1 & Scope 2 GHG emissions in FY2023
- **c.7%** reduction in Scope 2 GHG emissions in 1Q2024

**GHG Emissions – Scope 1 & Scope 2 ($tCO_2e$)**

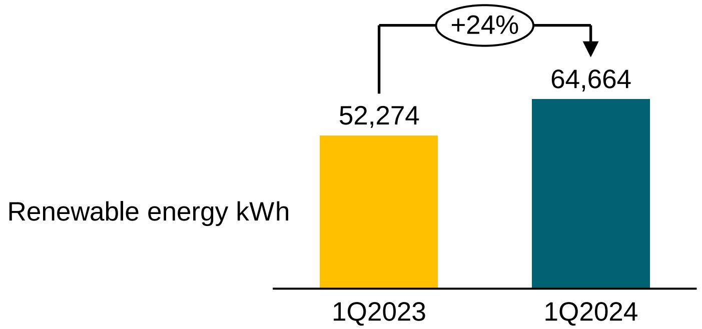



- 7% reduction of Scope 2- Purchased electricity due to installation solar panels in 4 buildings at the end of 2022 and early 2023 as well as branch rationalisation as part of the digitalisation journey.

**Estimated performance against baseline for FY2024**




**Climate Stability - Target 2:** Increase utilisation of renewable energy in own operationspo

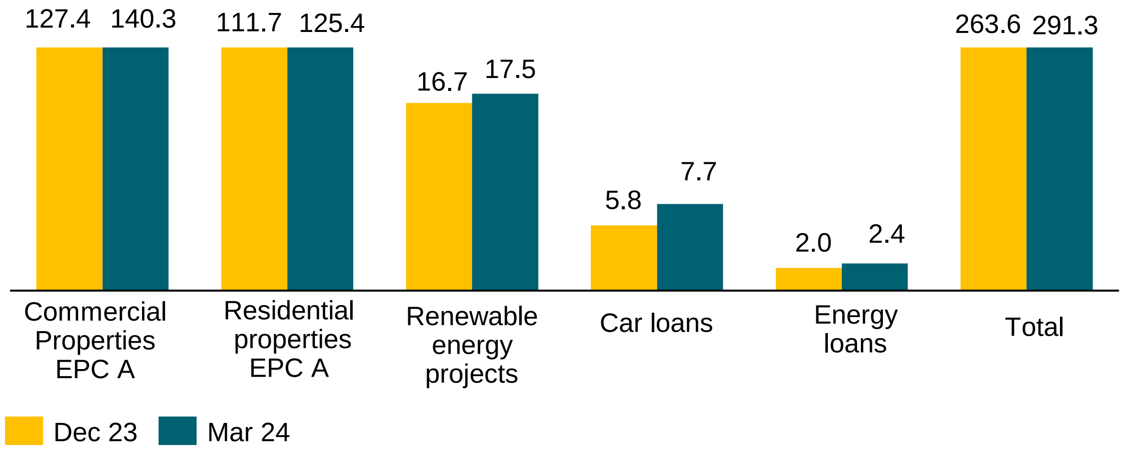



- **c.65%** yoy increase in renewable energy utilisation in FY2023
- **c. 24%** yoy increase in renewable energy utilization in 1Q2024

# Delivering on our ESG Commitments

**Climate Stability – Target 3:** Increase portfolio of environmentally friendly loans

Gross loans (€ mn)

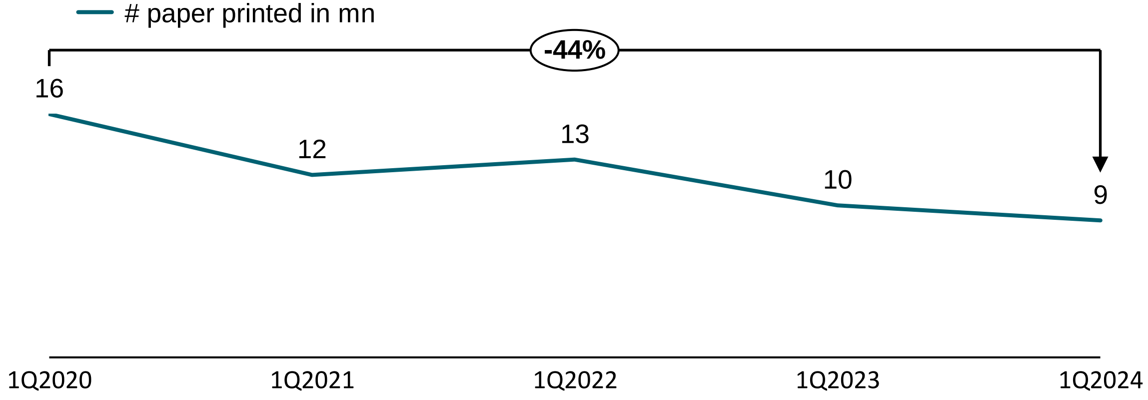



- The Bank at the end of 2023 launched a Green Housing product aligned with Green Loan Principles (GLPs) of Loan Market Association (LMA) which is expected to contribute significantly to the environmentally friendly portfolio of the Bank by the end of 2024.

- The Bank performed an Energy Performance Certificate gathering exercise for financing of acquisition or construction of Commercial or Residential properties, in 2024, to identify a pool of eligible assets under its Sustainable Finance Framework.

**Financial Inclusion and Resilience - Target 5:** Facilitate financial technology solutions and promote digital transformation

**Climate Stability – Target 4:** Reduce paper consumption

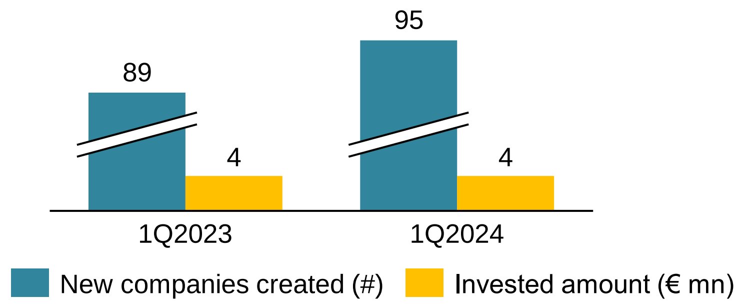



- **c.16%** yoy reduction in paper consumption in FY2023
- **c.8%** yoy reduction in paper consumption in 1Q2024
- Overall, **44%** reduction in paper consumption since 1Q2020

# Delivering on our ESG Commitments

**Financial Inclusion and Resilience - Target 6:** Continue supporting start-ups under The IDEA[1] Innovation Center.

The IDEA Innovation Center (since incorporation)



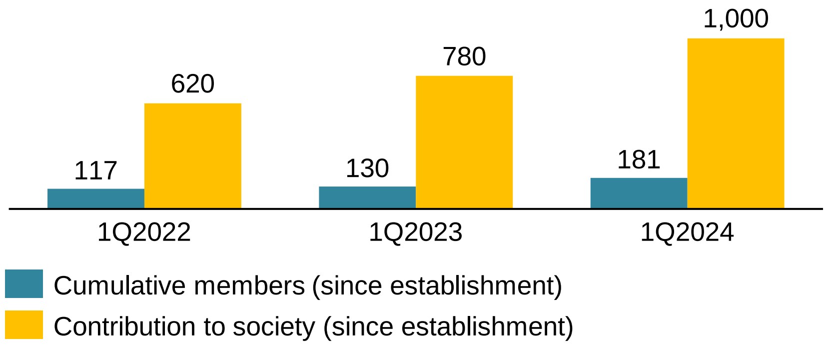

IDEA provided support to 210+ entrepreneurs through its Startup Program since incorporation and provided education to 7,000 entrepreneurs.

**Health and Safety - Target 7:** Contribute and support cancer patients and their families through the Bank of Cyprus Oncology Centre

- Cumulative investment of c.€70 mn from 1998 to March 2024
- 55% of diagnosed cancer cases in Cyprus are being treated at the Centre

**Health and Safety - Target 8:** Maintain leadership and continue playing an active and positive role in the community

SupportCy




**Health and Safety - Target 9:** Continue supporting and engaging employees under our wellbeing program "Well at Work"

## 4 events organized:

- Mental Health: 3
- Physical Health: 1

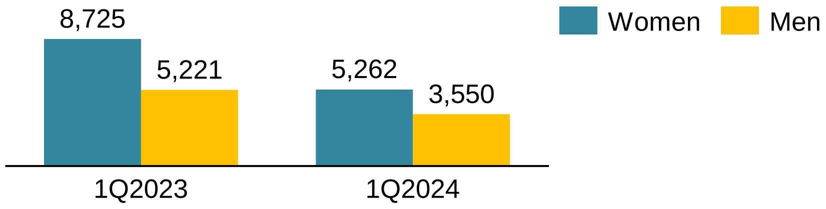
**250+** employees participated

1) IDEA Innovation Centre is the largest non-profit incubator-accelerator for start-ups and an entrepreneurship hub for Cypriot young entrepreneurs, founded by Bank of Cyprus and other Partners

# Delivering on our ESG Commitments

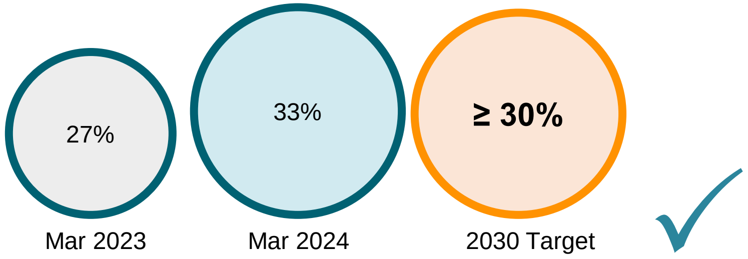
**Education - Target 10:** Provide upskilling/reskilling employee opportunities in line with the digital transformation initiatives to broaden career opportunities

Training Attendance (hours)



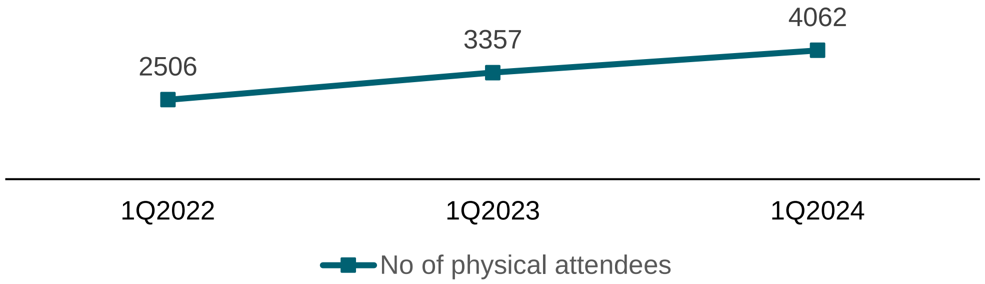

- The reduction in training hours is mainly due to the implementation of a large-scale training programme of Consumer Banking in 1Q2023 (“Winning Moments”) which was not repeated in 2024.
- BOC Academy in January 2024 announced 2 full scholarships for a master’s degree in “MSc in Governance, Risk & Compliance” offered by EIMF.
- **1 full scholarship** awarded to one applicant based on the criteria defined by the Academy (4 applications received).

**Governance - Target 12:** At least 30% women in ExCo and Senior Management by 2030



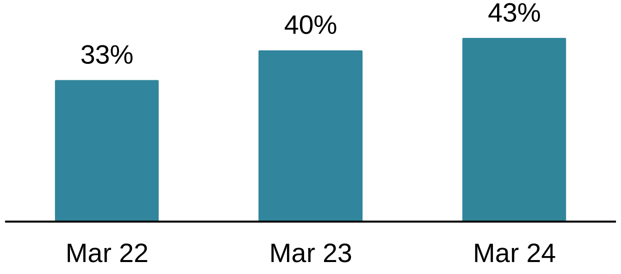

**Culture and Heritage - Target 11:** The Foundation’s main strategic aim is to encourage the research and study of Cypriot civilisation in the fields of archaeology, history, art and literature as well as to preserve and disseminate the cultural and natural heritage of Cyprus, with a particular emphasis on the international promotion of the island’s centuries-long Greek civilisation, through various activities and actions.

Bank of Cyprus Cultural Foundation activities




**ReInHerit program:** In February 2024 BOCCF has successfully concluded the ReInHerit program as the coordinator of the biggest research and innovation EU program, facilitating innovation and research between European museums and heritage.

Female representation on the Board of Directors



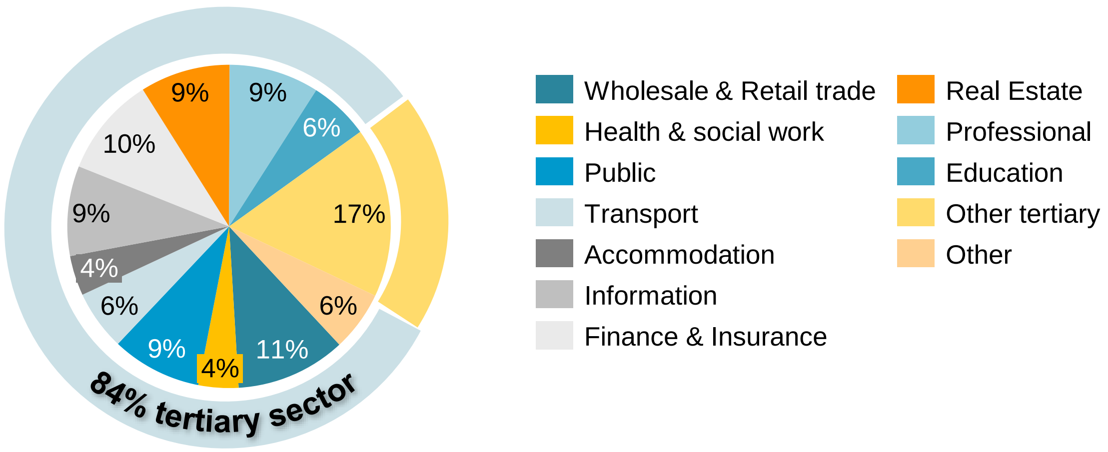
**Appendix**

Macroeconomic overview

# Strong, Diversified Economy Demonstrated by Key Enablers

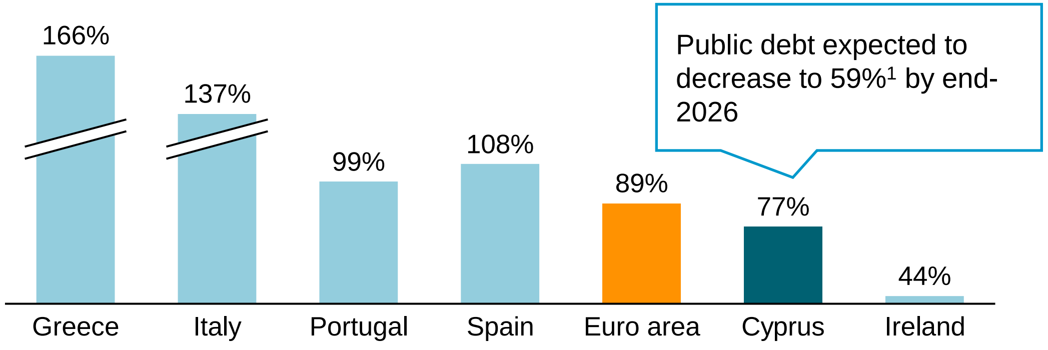
## A diversified, service-based economy

Structure of Economy in 2022 (% of GVA)



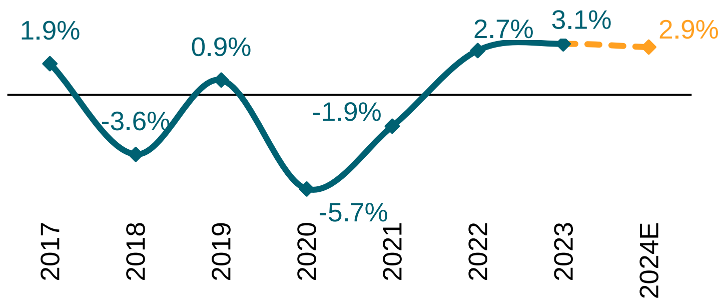

## Cyprus Public Debt to GDP below Euro area average

As at 31 December 2023

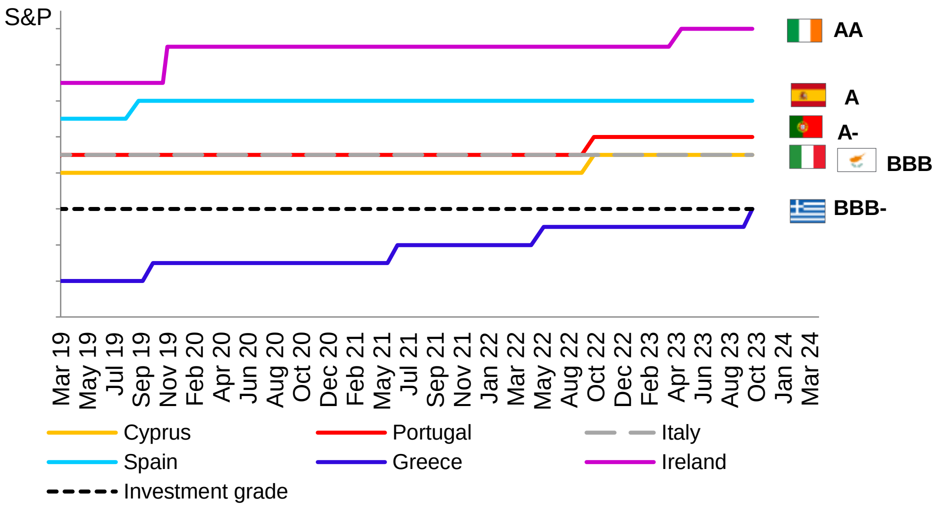



## Rebound in public finances from 2021 onwards

Budget surplus as % of GDP[1]




## Cyprus has an investment grade rating by four credit rating agencies

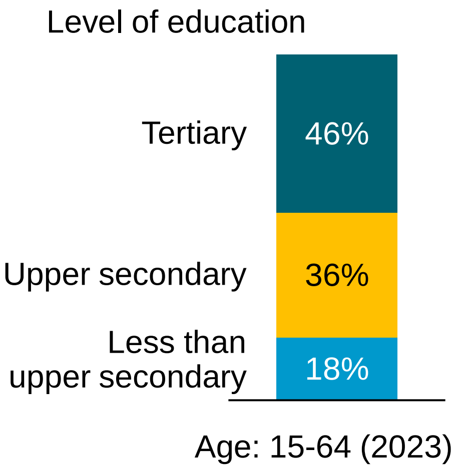



Source: Cystat, Eurostat

1) In accordance with Ministry of Finance April 2024 projections

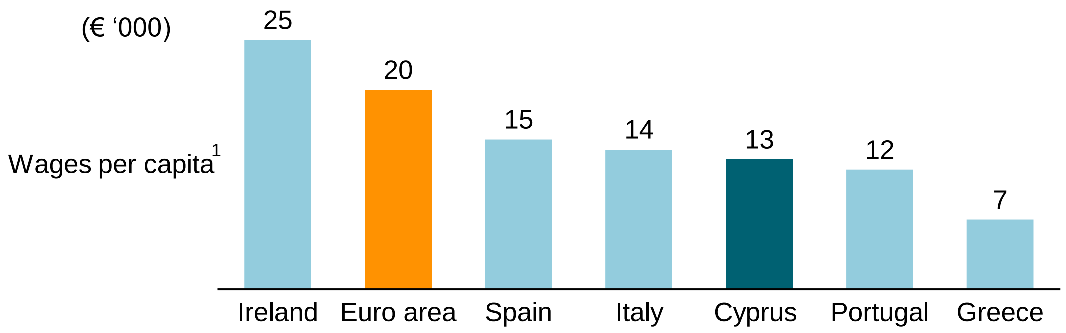
# Cyprus is a Growing Business and Tech Hub in the Region

**Well educated, highly skilled labour force**




Within #3 countries in Europe on number of university graduates per capita in 2023

**Labour costs significantly below the average Euro area**




**Cyprus as an attractive business…**

- Cyprus is the eastern gateway to the European Union and a safe, stable and business friendly hub for the region
- #3 largest party Ship Management centre in the EU
- Within top 10 countries worldwide for post-COVID recovery in terms of attracting FDI

- c.1,900 companies registered in Cyprus in since March 2022 with a large number operating in the technology industry
  - c.27,000 work permits granted (c.6% of labour force[2])
  - Access to tech-savvy EU talent pool
  - Labour cost for tech talents below Euro average

Source: Eurostat
1) Data for population is as at 31 December 2022. Data for wages refer to FY2023
2) Data for labour force is as at 31 December 2023 (Labour force age 15-64)

# EU Recovery and Resilience Facility (RRF)

**To mitigate the socioeconomic impact of the pandemic & to strengthen the resilience and competitiveness of the Cypriot economy**

**€1.2 bn**
**from EU mechanism**

**+**

**€1.0 bn**
**additional funds mobilised in Cyprus**

**58 reforms**

**75 investments**

| 41% Green Transition | 23% Digital Transition | 36% Other |
|---|---|---|

- Prefinancing €157 mn received in September 2021 and;
- First payment of €85 mn received in December 2022

**c.7% increase in GDP for 2022-2026**

**c.3% increase in employment for 2021-2026**

**+11,000 new high value-added jobs**

**preparing for a green and digital era**

### 75 new investments to be initiated including:

- Interconnection between Cyprus, Greece and Israel
- Promotion of diversification and competitiveness via introduction of financing schemes to SMEs and start-ups
- Promotion of sustainable transport (eg: electric vehicles)

### 58 reforms to be introduced including:

- Modernising public and local authorities, improving efficiency in judicial system
- Introducing green taxation
- Establishing e-government

**Appendix**

Additional financial information

# Analysis of Deposits

**Deposits by Currency** (€ bn)

| Currency | Dec 22 | Jun 23 | Sep 23 | Dec 23 | Mar 24 |
|---|---|---|---|---|---|
| **EUR** | 17.07 | 17.30 | 17.35 | 17.51 | 17.42 |
| **USD** | 1.53 | 1.47 | 1.53 | 1.45 | 1.46 |
| **GBP** | 0.33 | 0.33 | 0.32 | 0.31 | 0.32 |
| **Other Currencies** | 0.07 | 0.07 | 0.07 | 0.07 | 0.06 |
| **Total** | **19.00** | **19.17** | **19.27** | **19.34** | **19.26** |

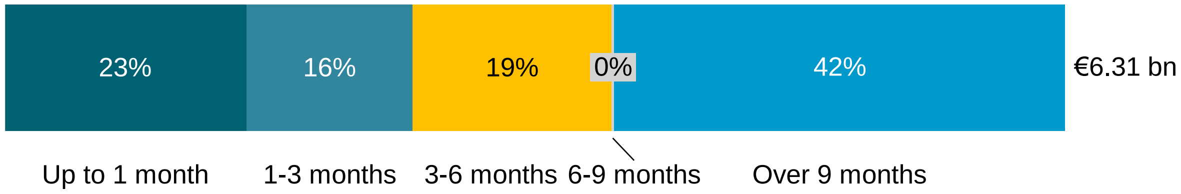
**Deposits by Customer Sector** (€ bn)

| Sector | Dec 22 | Jun 23 | Sep 23 | Dec 23 | Mar 24 |
|---|---|---|---|---|---|
| **Retail** | 11.35 | 11.68 | 11.68 | 11.79 | 12.16 |
| **SME** | 1.01 | 0.97 | 1.01 | 1.03 | 1.02 |
| **International Corporate** | 0.14 | 0.13 | 0.14 | 0.12 | 0.12 |
| **International Business Unit** | 3.96 | 3.85 | 3.86 | 3.78 | 3.79 |
| **Corporate** | 2.54 | 2.54 | 2.58 | 2.62 | 2.17 |
| **Total** | **19.00** | **19.17** | **19.27** | **19.34** | **19.26** |

**Deposits by Type** (€ bn)

| Type | Dec 22 | Jun 23 | Sep 23 | Dec 23 | Mar 24 |
|---|---|---|---|---|---|
| **Current, Demand & Savings** | 13.40 | 13.31 | 13.31 | 13.15 | 12.95 |
| **Time & Notice** | 5.60 | 5.86 | 5.96 | 6.19 | 6.31 |
| **Total** | **19.00** | **19.17** | **19.27** | **19.34** | **19.26** |

**Time & Notice deposits by maturity**




c.5% of time and notice deposits with maturity >12 months

# Income Statement

| € mn | 1Q2024 | 4Q2023 | 1Q2023 | qoq% | yoy% |
|---|---|---|---|---|---|
| Net Interest Income | 213 | 220 | 162 | -3% | 31% |
| Net fee and commission income | 42 | 46 | 44 | -10% | -5% |
| Net foreign exchange gains and net gains on financial instruments | 7 | 8 | 13 | -12% | -44% |
| Net insurance result | 10 | 16 | 10 | -37% | 4% |
| Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties | 1 | 3 | 2 | -81% | -65% |
| Other income | 3 | 3 | 3 | -8% | 1% |
| **Total income** | **276** | **296** | **234** | **-7%** | **18%** |
| Staff costs | (48) | (51) | (46) | -6% | 5% |
| Other operating expenses | (33) | (42) | (34) | -24% | -3% |
| Special levy on deposits and other levies/contributions | (11) | (13) | (11) | -8% | 4% |
| **Total expenses** | **(92)** | **(106)** | **(91)** | **-13%** | **2%** |
| **Operating profit** | **184** | **190** | **143** | **-3%** | **28%** |
| Loan credit losses | (7) | (19) | (11) | -64% | -39% |
| Impairments of other financial and non-financial assets | (8) | (15) | (11) | -45% | -22% |
| Provisions for pending litigations, claims, regulatory and other matters (net of reversals) | (10) | (8) | (6) | 24% | 55% |
| **Total loan credit losses, impairments and provisions** | **(25)** | **(42)** | **(28)** | **-40%** | **-12%** |
| **Profit before tax and non-recurring items** | **159** | **148** | **115** | **7%** | **39%** |
| Tax | (25) | (10) | (18) | 148% | 40% |
| Profit attributable to non-controlling interests | (1) | 0 | (1) | - | 5% |
| **Profit after tax and before non-recurring items (attributable to the owners of the Company)** | **133** | **138** | **96** | **-4%** | **38%** |
| Advisory and other transformation costs – organic | - | - | (1) | - | -100% |
| **Profit after tax (attributable to the owners of the Company)** | **133** | **138** | **95** | **-4%** | 40% |

- Tax charge up 148% qoq as prior quarter was positively impacted by the recognition of deferred tax assets on temporary differences between tax and accounting treatment
- Minimum effective tax rate of 15% legislation approved by the European Commission in December 2022; legislation expected to be enacted in 2024. Impact of new legislation is estimated to be in the range of up to 2% of profit before tax

# Consolidated Balance Sheet

| Assets (€ mn) | 31.03.2024 | 31.12.2023 | % change |
|---|---|---|---|
| Cash and balances with central banks | 7,217 | 9,615 | -25% |
| Loans and advances to banks | 384 | 385 | 0% |
| Reverse repurchase agreements | 708 | 403 | 75% |
| Debt securities, treasury bills and equity investments | 3,876 | 3,695 | 5% |
| Net loans and advances to customers | 10,028 | 9,822 | 2% |
| Stock of property | 804 | 826 | -3% |
| Investment properties | 62 | 62 | 0% |
| Other assets | 1,862 | 1,821 | 2% |
| **Total assets** | **24,941** | **26,629** | **-6%** |

| Liability and Equity (€ mn) | 31.03.2024 | 31.12.2023 | % change |
|---|---|---|---|
| Deposits by banks | 396 | 472 | -16% |
| Funding from central banks | 310 | 2,044 | -85% |
| Customer deposits | 19,260 | 19,377 | 0% |
| Debt securities in issue | 673 | 672 | 0% |
| Subordinated liabilities | 309 | 307 | 1% |
| Other liabilities | 1,370 | 1,309 | 5% |
| **Total liabilities** | **22,318** | **24,141** | -8% |
| **Shareholders' equity** | **2,381** | **2,247** | **6%** |
| Other equity instruments | 220 | 220 | - |
| **Total equity excluding non-controlling interests** | **2,601** | **2,467** | **5%** |
| Non-controlling interests | 22 | 21 | 3% |
| **Total equity** | **2,623** | **2,488** | **5%** |
| **Total liabilities and equity** | **24,941** | **26,629** | **-6%** |

- As at 31 March 2024 there were 446,199,933 issued ordinary shares

# ROTE on 15% CET1 Ratio

### TBV adjusted for excess CET1 capital on a 15% CET1 ratio

| | € mn | Mar 24 | Dec 23 |
|---|---|---|---|
| | Shareholders' equity | **2,381** | 2,247 |
| - | Intangible assets | **(47)** | (49) |
| - | FY23 distribution[1] | **(137)** | (137) |
| - | Excess CET1 capital[2] on a 15% CET1 ratio | **(341)** | (247) |
| = | **TBV adjusted for excess CET1 capital on a 15% CET1 ratio** | **1,856** | 1,814 |
| | **Quarterly Average TBV for excess CET1 capital on a 15% CET1 ratio** | **1,835** | |

### ROTE on 15% CET1

| | € mn | Mar 24 | Mar 23 |
|---|---|---|---|
| | PAT annualised | **534** | 384 |
| / | Average TBV adjusted for excess CET1 capital on a 15% CET1 ratio | **1,835** | 1,756 |
| = | **ROTE on 15% CET1** | **29.1%** | 21.9% |

1) Total distribution at 30% payout ratio out of FY2023 adjusted recurring profitability following ECB approval in March 2024 and BOD recommendation/approval
2) Includes distribution accrual at the top end of the distribution policy deducted from CET1 ratio of 17.6%. Any recommendation of distribution is subject to regulatory approval. The distribution accrual level does not constitute an approval by regulators or a decision by the Bank with respect to distribution payment for 2024

# Risk Weighted Assets– Regulatory Capital

## Risk Weighted Assets by Geography

| € mn | 31.12.22 | 31.12.23 | 31.03.24 |
|---|---|---|---|
| Cyprus | 10,059 | 10,297 | 10,504 |
| Overseas | 55 | 44 | 44 |
| **RWAs** | **10,114** | **10,341** | **10,548** |
| **RWA intensity** | **40%** | **39%** | **42%** |

## Risk Weighted Assets by type of risk

| € mn | 31.12.22 | 31.12.23 | 31.03.24 |
|---|---|---|---|
| Credit risk | 9,103 | 9,013 | 9,220 |
| Market risk | - | - | - |
| Operational risk | 1,011 | 1,328 | 1,328 |
| **Total** | **10,114** | **10,341** | **10,548** |

1) Includes unaudited/unreviewed profits for 1Q2024 not recognised in CET1 capital. It also includes accrual for a total distribution at 30% payout ratio out of FY2023 adjusted recurring profitability following ECB approval and BOD recommendation/approval and other prudential adjustments, as described in Section 'A.2.1 Capital Base' of press release
2) Includes distribution accrual for the period ended 31 March 2024 at the top end of the Group's distribution policy. It also includes accrual for a total distribution at 30% payout ratio out of FY2023 adjusted recurring profitability following ECB approval and BOD recommendation/approval and other prudential adjustments, as described in Section 'A.2.1 Capital Base' of press release
3) Including retained earnings for the period 31 March 2024; i.e.. including unaudited/unreviewed profits for 1Q2024 and a distribution accrual thereon at the top end of the Group's distribution policy
4) Any recommendation of distribution is subject to regulatory approval. The distribution accrual level does not constitute an approval by regulators or a decision by the Bank with respect to distribution payment for 2024

## Reconciliation of Group Equity to CET1

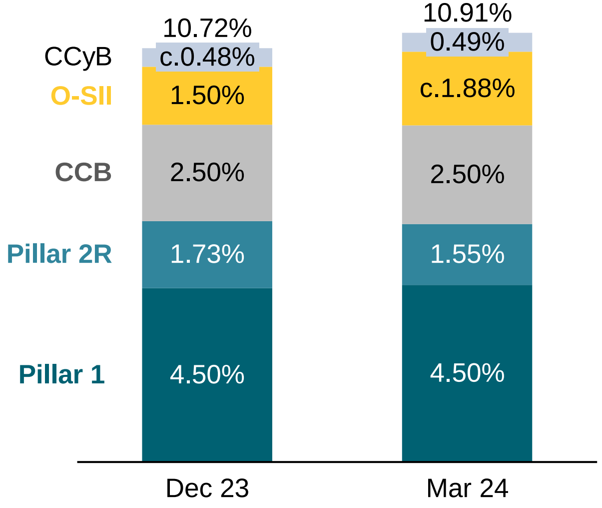
| € mn | 31.03.24 | 31.03.24 Inc. retained earnings |
|---|---|---|
| Shareholder's equity | 2,381 | 2,381 |
| Less: Intangibles | (21) | (21) |
| Less: Deconsolidation of insurance entities and other entities | (143) | (143) |
| Less: Regulatory adjustments | (414)[1] | (360)[2,4] |
| **CET1** | **1,803** | **1,857** |
| **Risk Weighted Assets** | **10,548** | **10,548** |
| **CET1 ratio** | **17.1%** | **17.6%**[3,4] |
| **CET1 ratio fully loaded** | **17.1%** | **17.6%**[3,4] |

## Equity and Regulatory Capital (€ mn)

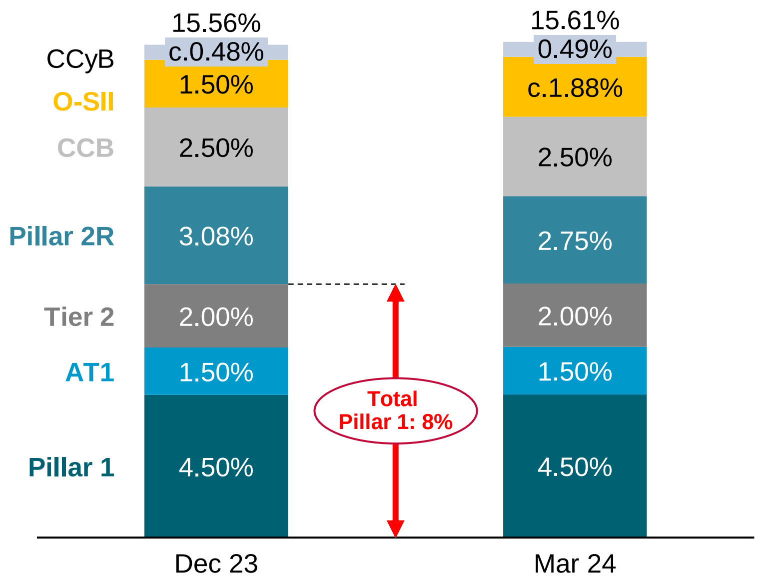
| | 31.12.22 | 31.12.23 | 31.03.24 | 31.03.24 Inc. retained earnings[3,4] |
|---|---|---|---|---|
| **Total equity excl. non-controlling interests** | **2,027** | **2,467** | **2,601** | **2,601** |
| **CET1 capital** | **1,540** | **1,798** | **1,803** | **1,857** |
| Tier I capital | 1,760 | 2,018 | 2,023 | 2,077 |
| Tier II capital | 300 | 300 | 300 | 300 |
| **Total regulatory capital (Tier I + Tier II)** | **2,060** | **2,318** | **2,323** | **2,377** |

# Overall Capital Requirements

### CET1 ratio



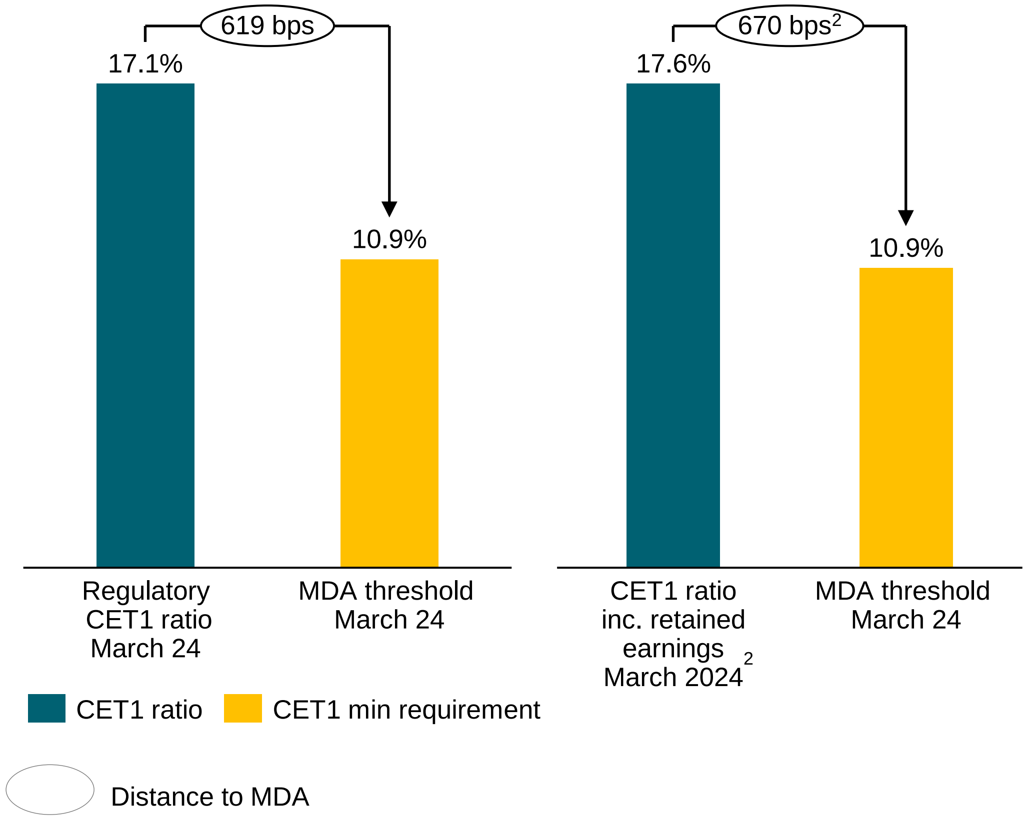

### Total capital ratio




- CET1 and Total capital ratio minimum capital requirements on 31 March 2024 at 10.91% and 15.61% respectively
- Pillar 2 requirement is revised to 2.75% from 1 January 2024 as the Pillar 2 add-on relating to ECB's prudential provisioning expectations is taken as capital deduction.
- Following communication from CBC in April 2024, total O-SII buffer is expected to increase to 2.00% by January 2026 (gradual phasing-in by 0.0625% in January 2025 and January 2026 respectively)
- Countercyclical buffer for total exposures in Cyprus increased to 0.5% in November 2023; to increase to 1.0% in June 2024
- The ECB provided revised lower non-public guidance for P2G for 2024

# Buffer to MDA Restrictions Level & Distributable Items[1]

## CET1 Ratios




- Significant CET1 MDA buffer as at 31 March 2024: 619 bps (€653 mn)
- Including retained earnings for the period ended 31 March 2024, significant CET1 MDA buffer as at 31 March 2024 at 670 bps[2] (€707 mn[2] )
- Distributable items[1] of €1,533 mn for BOCH as at 31 March 2024
- BOCH fully utilises its AT1 and Tier 2 buckets as at 31 March 2024
- Distribution subject to regulatory approval as per 2023 SREP decision



1) Distributable Items definition per CRR
2) Including retained earnings for the period 31 March 2024; i.e.. including unaudited/unreviewed profits for 1Q2024 and a distribution accrual thereon at the top end of the Group’s distribution policy. Any recommendation of distribution is subject to regulatory approval. The distribution accrual level does not constitute an approval by regulators or a decision by the Bank with respect to distribution payment for 2024

# Income Statement Bridge[1] for 1Q2024

| € mn | Underlying basis | Other | Statutory Basis |
|---|---|---|---|
| Net interest income | 213 | - | 213 |
| Net fee and commission income | 42 | - | 42 |
| Net foreign exchange gains and net gains on financial instruments | 7 | - | 7 |
| Net gains on derecognition of financial assets measured at amortised cost | - | 2 | 2 |
| Net insurance result | 10 | - | 10 |
| Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties | 1 | - | 1 |
| Other income | 3 | - | 3 |
| **Total income** | **276** | **2** | **278** |
| **Total expenses** | **(92)** | **(10)** | **(102)** |
| **Operating profit** | **184** | **(8)** | **176** |
| Loan credit losses | (7) | 7 | - |
| Impairments of other financial and non-financial assets | (8) | 8 | - |
| Credit losses on financial assets and impairment net of reversals of non-financial assets | - | (17) | (17) |
| Provisions for pending litigations, claims regulatory and other matters (net of reversals) | (10) | 10 | - |
| **Profit before tax and non-recurring items** | **159** | **-** | **159** |
| Tax | (25) | - | (25) |
| Profit attributable to non-controlling interests | (1) | - | (1) |
| **Profit after tax - attributable to the owners of the Company** | **133** | **-** | **133** |

1) Please refer to section F.1 'Reconciliation of Interim Consolidated Income statement for the three months ended 31 March 2024 between the statutory and underlying basis' of the Results Announcement

# Analysis of Interest Income and Interest Expense

| Analysis of Interest Income (€ mn) | 1Q2024 | 4Q2023 | 3Q2023 | 2Q2023 | 1Q2023 |
|---|---|---|---|---|---|
| Loans and advances to customers | **138** | 141 | 138 | 131 | 113 |
| Loans and advances to banks and central banks | **92** | 97 | 92 | 76 | 57 |
| Repurchase agreements | **4** | 3 | - | - | - |
| Investments and other financial assets at amortised costs | **25** | 24 | 22 | 16 | 13 |
| Investments FVOCI | **2** | 2 | 2 | 2 | 2 |
| | **261** | **267** | **254** | **225** | **185** |
| Derivative financial instruments | **24** | 20 | 18 | 9 | 6 |
| **Total Interest Income** | **285** | **287** | **272** | **234** | **191** |

| Analysis of Interest Expense (€ mn) | | | | | |
|---|---|---|---|---|---|
| Customer deposits | **(15)** | (13) | (9) | (6) | (4) |
| Funding from central banks and deposits by banks | **(21)** | (22) | (21) | (18) | (14) |
| Loan stock | **(13)** | (14) | (12) | (7) | (7) |
| Repurchase agreements | **0** | 0 | 0 | 0 | 0 |
| Negative interest on loans and advances to banks and central banks | **0** | 0 | 0 | 0 | 0 |
| | **(49)** | **(49)** | **(42)** | **(31)** | **(25)** |
| Derivative financial instruments | **(23)** | (18) | (16) | (7) | (4) |
| **Total Interest Expense** | **(72)** | **(67)** | **(58)** | **(38)** | **(29)** |

# Income Statement by Business line for 1Q2024

| € mn | Consumer Banking | SME Banking | Corporate Banking | International corporate Banking | International Business Unit | RRD | REMU | Insurance | Treasury | JCC | Other | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Net interest income/(expense) | 106 | 14 | 39 | 9 | 31 | 4 | (7) | - | 17 | - | - | **213** |
| Net fee & commission income/(expense) | 16 | 3 | 5 | - | 11 | - | - | (2) | 1 | 7 | 1 | **42** |
| Other income | 1 | - | - | - | 2 | - | 2 | 10 | 5 | 1 | - | **21** |
| **Total income** | **123** | **17** | **44** | **9** | **44** | **4** | **(5)** | **8** | **23** | **8** | **1** | **276** |
| **Total expenses** | **(43)** | **(6)** | **(11)** | **(2)** | **(8)** | **(5)** | **(4)** | **(1)** | **(3)** | **(5)** | **(4)** | **(92)** |
| **Operating profit/ (loss)** | **80** | **11** | **33** | **7** | **36** | **(1)** | **(9)** | **7** | **20** | **3** | **(3)** | **184** |
| Loan credit losses of customer loans net of gains/(losses) on derecognition of loans and changes in expected cash flows | - | 2 | 5 | - | - | (12) | - | - | - | - | (2) | **(7)** |
| Impairment of other financial and non-financial instruments | - | - | - | - | - | - | (8) | - | - | - | - | **(8)** |
| Provision for pending litigations, claims regulatory and other matters (net of reversals) | - | - | - | - | - | - | - | - | - | - | (10) | **(10)** |
| **Profit/ (loss) before tax** | **80** | **13** | **38** | **7** | **36** | **(13)** | **(17)** | **7** | **20** | **3** | **(15)** | **159** |
| Tax | (12) | (2) | (6) | (1) | (5) | 2 | 3 | (1) | (3) | - | - | **(25)** |
| Profit attributable to non-controlling interest | - | - | - | - | - | - | - | - | - | - | (1) | **(1)** |
| **Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)** | **68** | **11** | **32** | **6** | **31** | **(11)** | **(14)** | **6** | **17** | **3** | **(16)** | **133** |

The above analysis is prepared on the basis of the Bank's internal MIS, which includes FTP and central cost allocation

# Statutory Income Statement for Insurance Businesses for 1Q2024

eurolife

| € mn | 1Q2024 | 1Q2023 | yoy% |
|---|---|---|---|
| Insurance revenue | 19.1 | 17.1 | 12% |
| Insurance service expense | (12.0) | (13.2) | -9% |
| **Net insurance service result** | **7.1** | **3.9** | **82%** |
| Reinsurance revenue | 2.9 | 2.0 | 45% |
| Reinsurance service expense | (4.5) | (3.2) | 40% |
| **Net reinsurance service result** | **(1.6)** | **(1.2)** | **31%** |
| Net insurance finance expense | (25.0) | (3.8) | - |
| Loss from investment and occupational pension contracts | (0.2) | (0.5) | -42% |
| **Insurance service result** | **(19.7)** | **(1.6)** | **-** |
| Other income | 0.2 | 0.1 | 83% |
| Staff costs (non-attributable) | (0.2) | (0.1) | 33% |
| Other operating costs (non-attributable) | (0.4) | (0.1) | - |
| Net revaluations and/or sale on financial assets at fair value through profit or loss[1] | 25.1 | 6.9 | - |
| **Total net income/(expenses)** | **24.7** | **6.8** | **-** |
| **Profit before tax** | **5.0** | **5.2** | **-4%** |
| Tax expense | (0.1) | - | - |
| **Profit after tax** | **4.9** | **5.2** | **-6%** |

Genikes Insurance

| € mn | 1Q2024 | 1Q2023 | yoy% |
|---|---|---|---|
| Insurance revenue | 16.5 | 15.4 | 7% |
| Insurance service expense | (9.0) | (8.8) | 2% |
| **Net insurance service result** | **7.5** | **6.6** | **15%** |
| Reinsurance revenue | 2.0 | 3.1 | -34% |
| Reinsurance service expense | (6.6) | (6.0) | 12% |
| **Net reinsurance service result** | **(4.6)** | **(2.9)** | **60%** |
| Insurance finance income and expense | (0.5) | (0.4) | 27% |
| Reinsurance finance income or expense | 0.3 | 0.2 | 32% |
| **Net insurance financial result** | **(0.2)** | **(0.2)** | **24%** |
| **Insurance service result** | **2.7** | **3.5** | **-24%** |
| Staff costs (non-attributable) | (0.5) | (0.4) | 23% |
| Other operating costs (non-attributable) | (0.5) | (0.5) | 0% |
| Revaluation/disposal gains on investments | 0.2 | 0.3 | -37% |
| **Total net income/ (expenses)** | **(0.8)** | **(0.6)** | **43%** |
| **Profit before tax** | **1.9** | **2.9** | **-35%** |
| Tax expense | (0.2) | (0.3) | -32% |
| **Profit after tax** | **1.7** | **2.6** | **-36%** |

**Income statement based on the statutory financial statements of Eurolife and Genikes Insurance and including transactions with the Bank**

1) Includes net revaluations and/or sale on policyholder assets included within “Net Insurance result” line in the Group’s Income Statement (refer to slide 20)

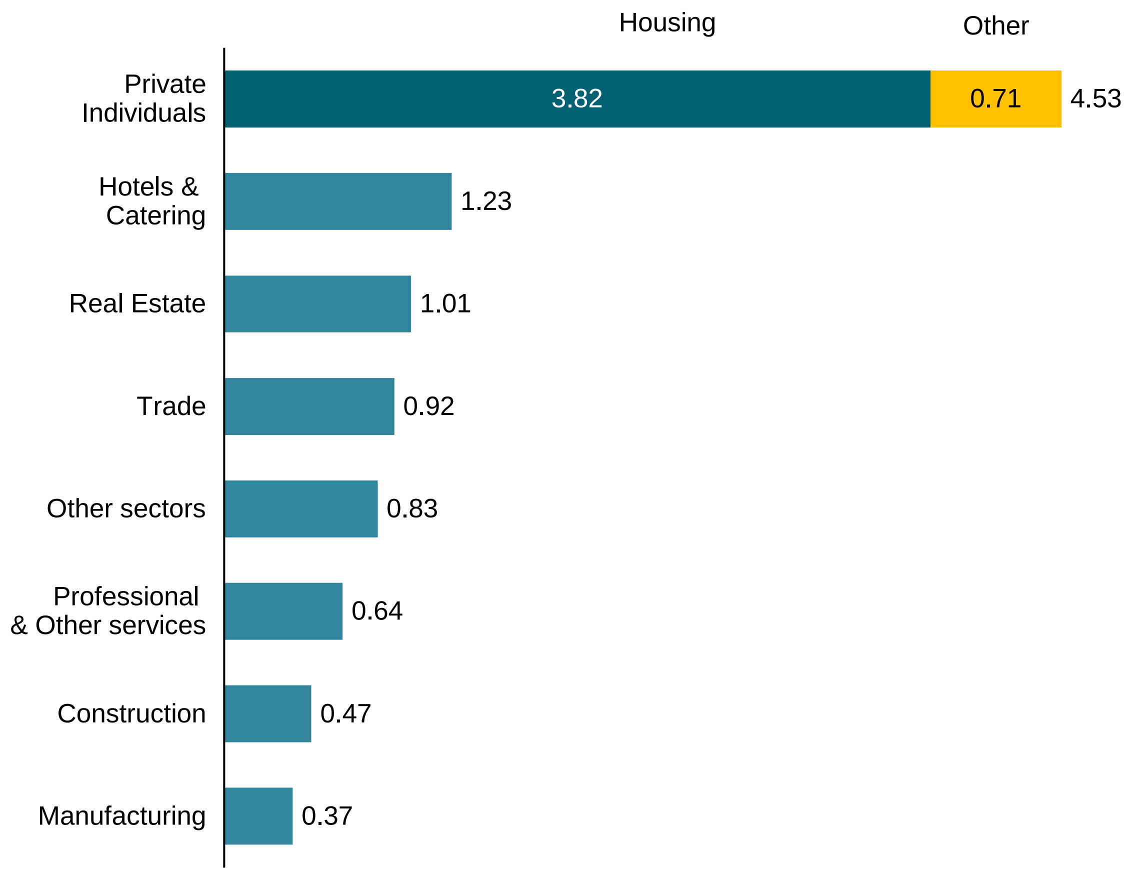
**Appendix**

Additional Asset Quality Slides

# Well Diversified Loan Portfolio With High Quality Collateral

## Gross loans (excluding legacy)[1] by business sector of €10.00 bn

€ bn




| LTV[2] | Private individuals Housing €3.82 bn | Private individuals Other €0.71 bn | Business €5.47 bn |
|---|---|---|---|
| <80% | 92% | 31% | 75% |
| >80% | 8% | 69% | 25% |

1) Gross loans as at 31 March 2024 of Corporate (incl. IB and International corporate), SME and Retail
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

# Gross Loans and NPE Coverage by Customer Type

### Gross loans by customer type

| € mn | Mar 23 | Dec 23 | Mar 24 |
|---|---|---|---|
| **Retail Housing** | 3,559 | 3,556 | 3,575 |
| **Retail other** | 974 | 994 | 1,038 |
| **SMEs** | 1,096 | 1,010 | 1,024 |
| **International corporate** | 668 | 763 | 773 |
| **Corporate** | 3,981 | 3,747 | 3,866 |
| **Total** | **10,278** | **10,070** | **10,276** |

| **Corporate** | | | |
|---|---|---|---|
| | Mar 23 | Dec 23 | Mar 24 |
| NPE ratio | 2.3% | 3.0% | 2.8% |
| NPE coverage | 121% | 102% | 98% |
| NPE total coverage | 190% | 182% | 181% |

| **SMEs** | | | |
|---|---|---|---|
| | Mar 23 | Dec 23 | Mar 24 |
| NPE ratio | 5.0% | 3.7% | 3.2% |
| NPE coverage | 67% | 72% | 74% |
| NPE total coverage | 151% | 160% | 162% |

| **Retail** | | | |
|---|---|---|---|
| | Mar 23 | Dec 23 | Mar 24 |
| NPE ratio | 5.0% | 4.2% | 4.0% |
| NPE coverage | | | |
| ➢ Retail Housing | 48% | 50% | 62% |
| ➢ Retail Other | 59% | 62% | 64% |
| NPE total coverage | 141% | 141% | 150% |

# Loans by Economic Activity and Arrears Analysis

| Gross loans (€ mn) | Mar 23 | Dec 23 | Mar 24 |
|---|---|---|---|
| **Trade** | 924 | 886 | 940 |
| **Manufacturing** | 393 | 364 | 377 |
| **Hotels & Catering** | 1,222 | 1,178 | 1,250 |
| **Construction** | 538 | 498 | 492 |
| **Real Estate** | 1,127 | 1,051 | 1,025 |
| **Private Individuals** | 4,705 | 4,704 | 4,713 |
| **Professional and other services** | 675 | 601 | 644 |
| **Other sectors** | 693 | 788 | 835 |
| **Total** | **10,278** | **10,070** | **10,276** |

| NPE ratio | Mar 23 | Dec 23 | Mar 24 |
|---|---|---|---|
| **Trade** | 2.4% | 4.4% | 3.9% |
| **Manufacturing** | 2.4% | 1.1% | 1.1% |
| **Hotels & Catering** | 2.0% | 1.4% | 1.1% |
| **Construction** | 2.0% | 5.2% | 5.3% |
| **Real Estate** | 1.6% | 4.0% | 4.0% |
| **Private Individuals** | 5.0% | 4.2% | 4.0% |
| **Professional and other services** | 9.4% | 6.0% | 5.3% |
| **Other sectors** | 0.9% | 0.4% | 0.3% |
| **Total** | **3.8%** | **3.6%** | **3.4%** |

| Loans arrears analysis (€ mn) | Mar 23 | Dec 23 | Mar 24 |
|---|---|---|---|
| **Loans with no arrears** | 9,860 | 9,675 | 9,897 |
| **Loans with arrears but not NPEs** | 29 | 30 | 32 |
| NPEs with no arrears | 153 | 185 | 168 |
| NPEs Up to 30 DPD | 3 | 2 | 8 |
| NPEs 31-90 DPD | 5 | 6 | 5 |
| NPEs 91-180 DPD | 13 | 11 | 11 |
| NPEs 181-365 DPD | 32 | 20 | 21 |
| NPEs Over 1 year DPD | 183 | 141 | 134 |
| **Total loans** | **10,278** | **10,070** | **10,276** |

# €18 mn Net NPE Outflows in 1Q2024

| Analysis of total inflows(€ mn) | 1Q2024 | 4Q2023 | 3Q2023 | 2Q2023 | 1Q2023 |
|---|---|---|---|---|---|
| New inflows | 8 | 6 | 9 | 9 | 7 |
| Redefaults | 1 | 1 | 0 | 1 | 2 |
| Unlikely to pay | 2 | 53 | 37 | 1 | 1 |
| **Total inflows** | **11** | **60** | **46** | **11** | **10** |

| Analysis of total outflows (€ mn) | | | | | |
|---|---|---|---|---|---|
| Curing of restructuring | (6) | (9) | (7) | (8) | (13) |
| DFAs & DFEs | (3) | (1) | (8) | (2) | (2) |
| Write-offs | (9) | (29) | (32) | (9) | (10) |
| Other[1] | (11) | (14) | (12) | (10) | (7) |
| **Total outflows** | (29) | (53) | (59) | (29) | (32) |

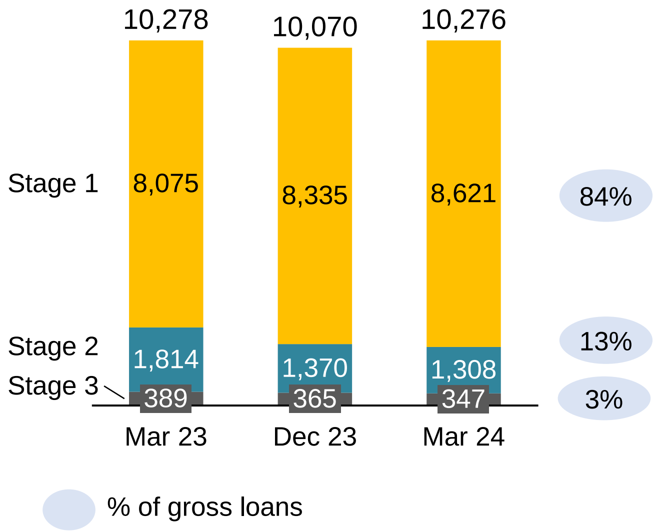
| | | | | | |
|---|---|---|---|---|---|
| **Net inflows/ (outflows) (€ mn)** | **(18)** | **7** | **(13)** | **(18)** | **(22)** |

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

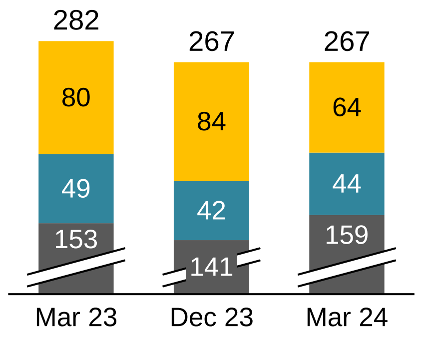
# Gross Loans and Coverage by IFRS 9 Staging

### Gross loans by IFRS 9 stage

(€ mn)



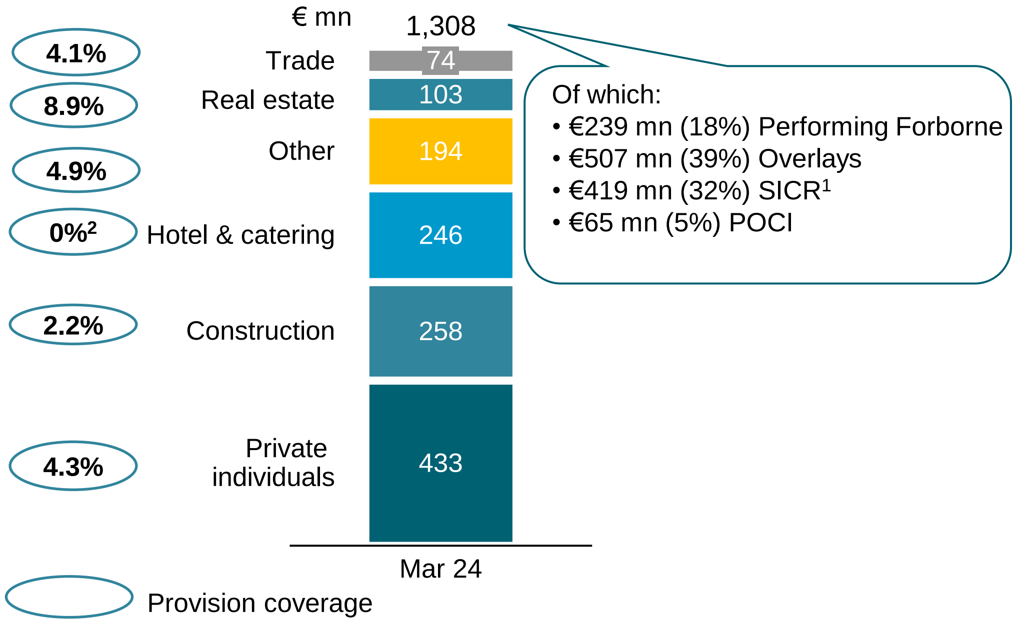

### Allowance for expected loan credit losses




### Coverage ratio

| | Mar 23 | Dec 23 | Mar 24 |
|---|---|---|---|
| **Stage 1** | 1.0% | 1.0% | 0.7% |
| **Stage 2** | 2.7% | 3.1% | 3.4% |
| **Stage 3** | 39.5% | 38.6% | 45.7% |

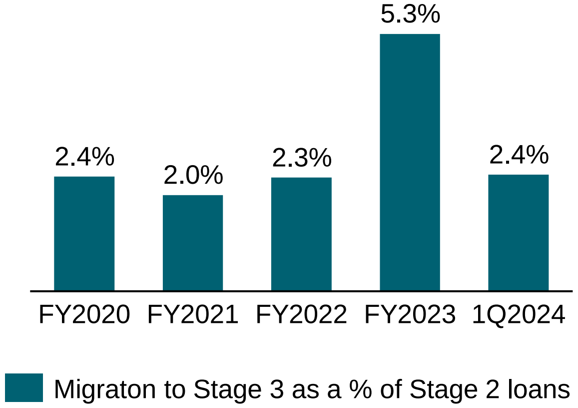
# Stage 2 Exposures Well Collateralise; 97% of Exposures Present no Arrears




| Days past due | 0 dpd | 1-30 dpd | >30 dpd |
|---|---|---|---|
| Private Individuals | 96% | 3% | 1% |
| Business | 98% | 1% | 1% |

| LTV | 0-75% | 75%-100% | >100% |
|---|---|---|---|
| Private Individuals | 77% | 8% | 15% |
| Business | 76% | 4% | 20% |
| Total | 77% | 5% | 18% |

**Limited migration rate of Stage 2 to Stage 3 at 2.4%**




- Net c.€40 mn Stage 2 loans were migrated to Stage 1 in 1Q2024
- Strong performance of Stage 2 exposures; 97% present no arrears
- Only 2.4% of Stage 2 loans were migrated to Stage 3 in 1Q2024 vs 5.3% in FY2023 reflecting reclassification of specific customers assessed as UTPs
- c.90% of Stage 2 loans are collateralised
- 13% of gross loans classified as Stage 2 of which:
  - 18% were classified as Stage 2 mainly due to Covid-19 forbearances (of which 24% relate to hotel & catering exposures)
    - c.50% expected to exit the forborne status in 2024 and hence be eligible for transfer to Stage 1

1) Significant increase in credit risk
2) Stage 2 loans under hotel & catering sector are high collateralised, hence the low provision coverage

# Rescheduled Loans[1]

### Rescheduled loans[1] by customer type

| € bn | Mar 23 | Dec 23 | Mar 24 |
|---|---|---|---|
| Retail housing | 0.17 | 0.14 | 0.12 |
| Retail other | 0.05 | 0.03 | 0.03 |
| SMEs | 0.08 | 0.04 | 0.04 |
| International corporate | - | - | - |
| Corporate | 0.71 | 0.25 | 0.22 |
| **Total** | **1.01** | **0.46** | **0.41** |

### Fair value of collateral and credit enhancements

| Loans and advances to customers | 31 Mar 2024 (€ mn) |
|---|---|
| Cash | 497 |
| Securities | 760 |
| Letters of credit / guarantee | 240 |
| Property | 17,123 |
| Other | 286 |
| Surplus collateral | (9,940) |
| **Net collateral** | **8,966** |

### Rescheduled loans[1]

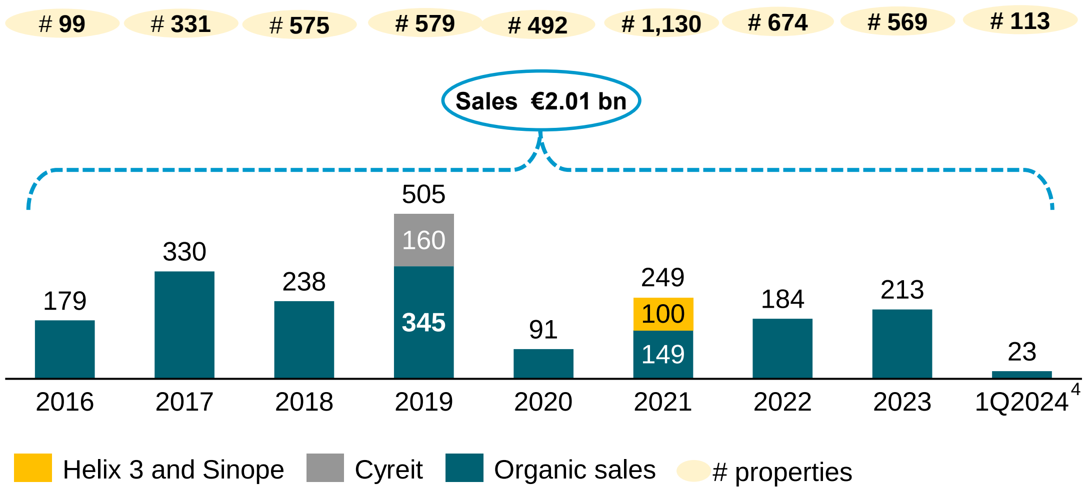
| 31 Mar 2024 | € mn |
|---|---|
| Stage 1 | - |
| Stage 2 | 229 |
| Stage 3 | 163 |
| POCI | 21 |
| FVPL | - |
| **Total** | **413** |

1) Rescheduled loans are presented net of fair value

# REMU - the Engine for Dealing with Foreclosed Assets

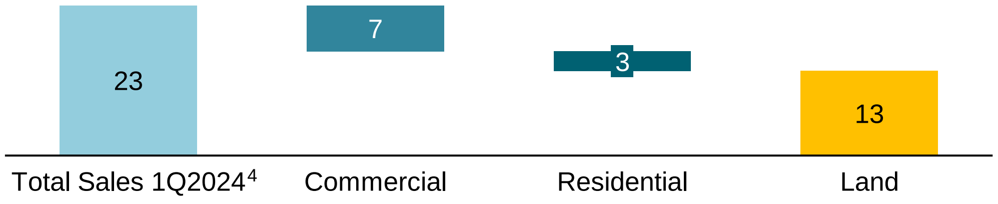
### €2.01 bn sales[1] of 4,562 properties across all property classes since set-up

Sales € mn (contract prices[1])




### €23 mn sales[1] in 1Q2024; comfortably above Book Value

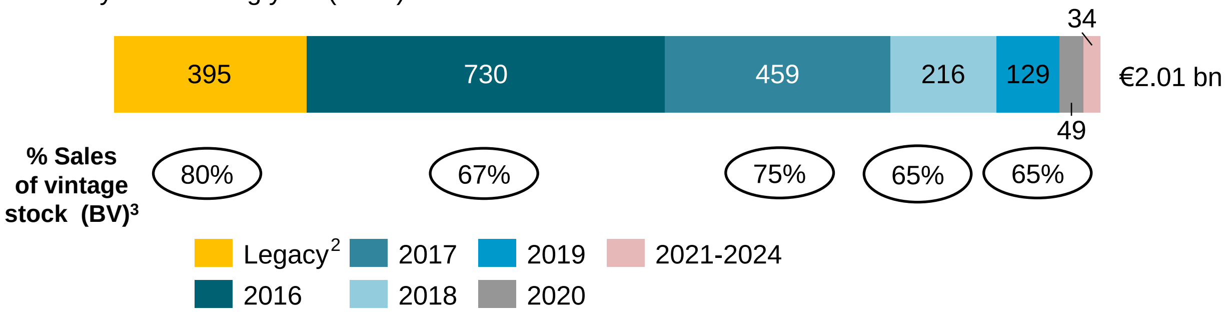
| | | | | |
|---|---|---|---|---|
| Net Proceeds / BV | 114% | 102% | 142% | 112% |
| Gross Proceeds / OMV | 83% | 84% | 88% | 82% |




- Strong pipeline of €48 mn by contract value as at 31 March 2024, of which €23 mn relates to SPAs signed

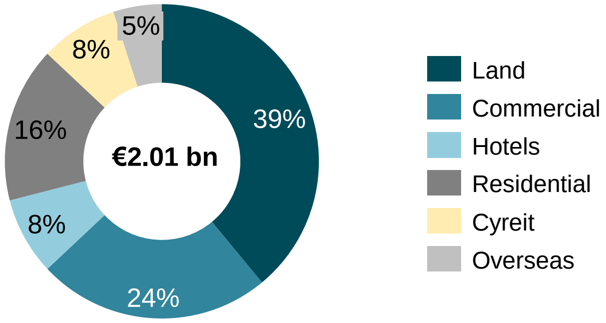
### Breakdown of cumulative sales[1]

by on-boarding year (€ mn)




### Cumulative sales by property type; 39% of sales relate to land

**Sales contract price**

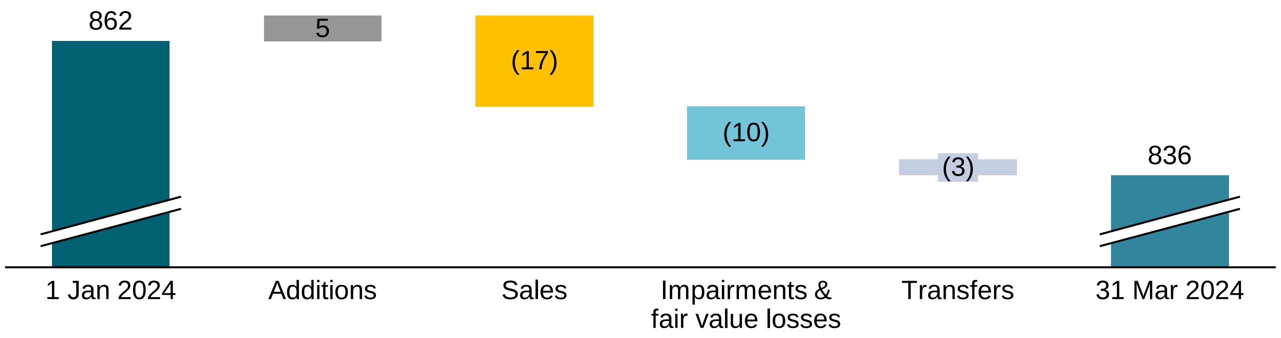



1) Amounts as per Sales Purchase Agreements (SPAs)
2) Legacy properties relate to properties that were on-boarded before REMU set-up in January 2016
3) The BV of the properties disposed at the date of disposal as a proportion of the: BV of the properties disposed at the time of the disposal plus the BV of the residual properties managed by REMU as at 31 March 2024
4) Includes Transfer of €3 mn

# REMU - the Engine for Dealing with Foreclosed Assets

## Evolution of repossessed properties managed by REMU

Group BV (€ mn)

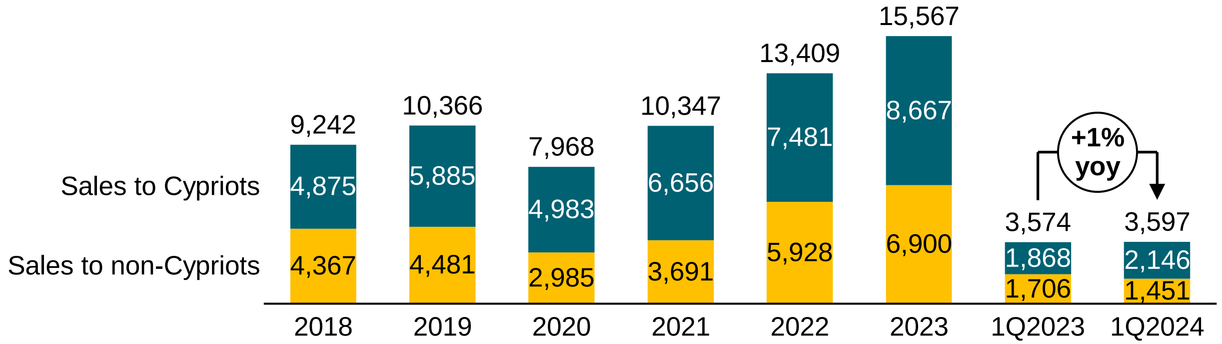



By type (€ mn)


## REMU net sales proceeds consistently exceed initial acquisition price

| Quarter | Net sales proceeds/Initial acquisition costs | Quarter | Net sales proceeds/Initial acquisition costs |
|---|---|---|---|
| 1Q2018 | 125% | 2Q2021 | 105% |
| 2Q2018 | 105% | 3Q2021 | 112% |
| 3Q2018 | 110% | 4Q2021 | 106% |
| 4Q2018 | 117% | 1Q2022 | 111% |
| 1Q2019 | 119% | 2Q2022 | 110% |
| 2Q2019 | 118% | 3Q2022 | 109% |
| 3Q2019 | 120% | 4Q2022 | 104% |
| 4Q2019 | 101% | 1Q2023 | 101% |
| 1Q2020 | 117% | 2Q2023 | 105% |
| 2Q2020 | 116% | 3Q2023 | 96% |
| 3Q2020 | 115% | 4Q2023 | 101% |
| 4Q2020 | 102% | 1Q2024 | 96% |
| 1Q2021 | 108% | | |

## Sales contracts (excl. DFAs)[1]




1) Based on data from Land of Registry - Sales contracts

# Appendix

Glossary & Definitions

# Glossary & Definitions

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| **AC** | Amortised cost bonds. |
| **Adjusted recurring profitability** | The Group's profit after tax before non-recurring items (attributable to the owners of the Company) taking into account distributions under other equity instruments such as the annual AT1 coupon. |
| **Advisory and other transformation costs** | Comprise mainly of fees of external advisors in relation to: (i) the transformation program and other strategic projects of the Group and (ii) customer loan restructuring activities, where applicable. |
| **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 where applicable), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers (including residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale where applicable), (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. |
| **AIEA** | This relates to the average of 'interest earning assets' as at the beginning and end of the relevant quarter. 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 reverse repos, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus 'deferred consideration receivable' included within 'other assets', plus investments (excluding equities and mutual funds). |
| **AT1** | AT1 (Additional Tier 1) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date. |
| **Book Value** | BV= book value = Carrying value prior to the sale of property. |
| **Basic earnings/(losses) after tax per share (attributable to the owners of the Company)** | Basic earnings after tax per share (attributable to the owners of the Company) is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of shares in issue during the period, excluding treasury shares. |
| **Carbon neutral** | The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations. |
| **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. |
| **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 (as defined). 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. |
| **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. |

# Glossary & Definitions

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| **DTA** | Deferred tax asset. |
| **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). |
| **FTP** | Fund transfer pricing methodologies applied between the business lines to present their results on an arm's length basis. |
| **FVOCI** | Fair value through other comprehensive income bonds. |
| **GBV** | Gross Book Value. |
| **Green Asset ratio** | The proportion of the share of a credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets. |
| **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 where applicable) and (ii) loans and advances to customers classified and measured at FVPL adjusted for the aggregate fair value adjustment.<br><br>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 €67 mn as at 31 March 2024 (compared to to €69 mn as at 31 December 2023).<br><br>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 €134 mn as at 31 March 2024 (compared to €138 mn as at 31 December 2023). |
| **Gross Sales Proceeds** | Proceeds before selling charge and other leakages. |
| **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. |
| **IB** | International Banking |
| **IBU** | Servicing exclusively international activity companies registered in Cyprus and abroad and not residents. |

# Glossary & Definitions

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| **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. |
| **Leverage Ratio Exposure (LRE)** | Leverage Ratio Exposure (LRE) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended. |
| **Liquid assets** | Cash, placements with banks, balances with central banks, reverse repos and bonds. |
| **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 relating to loans and advances to customers 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 42.9% as at 31 March 2024 (compared to 42.2% as at 31 December 2023). The Bank’s deposit market share in Cyprus reached 37.5% as at 31 March 2024 (compared to 37.7% as at 31 December 2023). |
| **MSCI ESG Rating** | The use by the Company and 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 Company or 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 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 NPE ratio** | Calculated as NPEs (as defined) net of allowance for expected loan credit losses (as defined) over net loans and advances to customers (as defined) |
| **Net performing loan book** | Net performing loan book is the total net loans and advances to customers (as defined) excluding net loans included in the legacy exposures (as defined) |
| **Net zero emissions** | The reduction of greenhouse gas emissions to net zero through a combination of reduction activities and offsetting investments. |
| **New lending** | New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forborne 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. |
| **NII sensitivity** | Key simplifying assumptions<br>An instantaneous and sustained parallel movement in EUR interest rates<br>Static balance sheet in size and composition<br>Assets and liabilities whose pricing is mechanically linked to market / central bank rates assumed to reprice accordingly<br>40% pass through assumption for term deposits (Fixed and Notice) |

# Glossary & Definitions

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| **Non-interest income** | Non-interest income comprises Net fee and commission income, Net foreign exchange gains/(losses) and net gains on financial instruments and (excluding net gains on loans and advances to customers at FVPL), Net insurance result, 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 Interim Condensed Consolidated Income Statement–Underlying basis’ relate to ‘Advisory and other transformation costs - organic’. |
| **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** | As per the European Banking Authorities (EBA) standards and European Central Bank’s (ECB) Guidance to Banks on Non-Performing Loans (which was published in March 2017), non-performing exposures (NPEs) are defined as those exposures that satisfy one of the following conditions:<br>(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.<br>(ii) Defaulted or impaired exposures as per the approach provided in the Capital Requirement Regulation (CRR), which would also trigger a default under specific credit adjustment, diminished financial obligation and obligor bankruptcy.<br>(iii) Material exposures as set by the CBC, which are more than 90 days past due.<br>(iv) Performing forborne exposures under probation for which additional forbearance measures are extended.<br>(v) Performing forborne exposures previously classified as NPEs that present more than 30 days past due within the probation period.<br><br>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).<br><br>The Days-Past-Due (DPD) counter begins counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than as of the first day of presenting any amount of arrears or 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.<br><br>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 specific 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.<br><br>Material arrears/excesses are defined as follows: (a) Retail exposures: Total arrears/excess amount greater than €100, (b) Exposures other than retail: Total arrears/excess amount greater than €500 and the amount in arrears/excess in relation to the customer’s total exposure is at least 1%.<br><br>The NPEs are reported before the deduction of allowance for expected loan credit losses (as defined). |

# Glossary & Definitions

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| **Non-legacy (performing)** | Relates to all business lines excluding Restructuring and Recoveries Division (“RRD”), REMU and non-core overseas exposures. |
| **NSFR** | The NSFR is calculated as the amount of “available stable funding” (ASF) relative to the amount of “required stable funding” (RSF). The regulatory limit, enforced in June 2021, has been set at 100% as per the CRR II. |
| **OMV** | Open Market Value. |
| **Operating profit** | Operating profit comprises profit before loan credit losses (as defined), impairments of other financial and non-financial assets, provisions for pending litigations, claims, regulatory and other matters (net of reversals), tax, profit attributable to non-controlling interests and non-recurring items (as defined). |
| **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). |
| **p.p.** | percentage points. |
| **Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)** | This refers to the profit after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined). |
| **Profit/(loss) after tax – organic (attributable to the owners of the Company)** | This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined, except for the ‘advisory and other transformation costs – organic’). |
| **Project Helix 3** | Project Helix 3 refers to the agreement the Group reached in November 2021 for the sale of a portfolio of NPEs with gross book value of €551 mn, as well as real estate properties with book value of c.€88 mn as at 30 September 2022. Project Helix 3 was completed in November 2022. |
| **Qoq** | Quarter on quarter change. |
| **REMU** | Real Estate Management Unit |
| **Restructured loans** | Restructuring activity within quarter as recorded at each quarter end and includes restructurings of NPEs, performing loans and re-restructurings. |
| **Return on Tangible equity (ROTE)** | Return on Tangible Equity (ROTE) is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders’ equity minus intangible assets at each quarter/year end. |

# Glossary & Definitions

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| **Return on Tangible equity (ROTE) on 15% CET1 ratio, excluding amounts reserved for distributions** | Return on Tangible Equity (ROTE) on 15% CET1 ratio, excluding amounts reserved for distributions is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders' equity minus intangible assets at each quarter/year end and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible book value. |
| **RRD** | Restructuring and Recoveries Division. |
| **RWAs** | Risk Weighted Assets. |
| **RWA Intensity** | Risk Weighted Assets over Total Assets. |
| **Special levy on deposits and other levies/contributions** | Relates to the special levy on deposits of credit institutions in Cyprus, contributions to the Single Resolution Fund (SRF), contributions to the Deposit Guarantee Fund (DGF), as well as the DTC levy, where applicable. |
| **Stage 2 & Stage 3 Loans** | Include purchased or originated credit-impaired. |
| **Tangible book value per share** | Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter/year end divided by the number of ordinary shares. |
| **Tangible book value per share excluding the cash dividend** | Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter/year end and the amounts of cash dividend recommended for distribution in respect of earnings of the relevant year the dividend relates to, divided by the number of ordinary shares. |
| **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 on deposits and other levies/contributions. It does not include 'advisory and other transformation costs-organic', where applicable. (i) 'Advisory and other transformation costs-organic' amounted to nil for 1Q2024 (compared to nil for 4Q2023, €1 mn for for 1Q2023). |
| **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 comprise loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for pending litigations, claims, regulatory and other matters (net of reversals). |
| **T2** | Tier 2 Capital. |
| **Underlying basis** | This refers to the statutory basis after being adjusted for reclassification of 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 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. |