

## Announcement

### Bank of Cyprus Holdings Public Limited Company Annual Financial Report for the year ended 31 December 2023

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Nicosia, 28 March 2024

Bank of Cyprus Holdings Public Limited Company ('BOC Holdings' or the 'Company') announces today that its Board of Directors has approved its annual financial report including the audited financial statements of the Bank of Cyprus Group, comprising BOC Holdings, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries (the 'Group') for the year ended 31 December 2023 (the 'Annual Financial Report').

A copy of the Annual Financial Report will be submitted to the National Storage Mechanism and will be shortly available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

The Annual Financial Report will also be available on the Group's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (Group/Investor Relations).

For further information, please contact Investor Relations at [investors@bankofcyprus.com](mailto:investors@bankofcyprus.com).

#### Additional Information

The following information is extracted from the Company's Annual Financial Report and, together with the Company's announcement 'Group Financial Results for the year ended 31 December 2023 dated 28 March 2024, constitutes the material required under Regulation 33(5)(b)(ii) of the Irish Transparency (Directive 2004/109/EC) Regulations 2007 to be communicated to the media in unedited full text. This material is not a substitute for reading the Company's Annual Financial Report in full. Terms in this section Additional Information shall have the meanings given to them in the Annual Financial Report.

#### Group Profile

*The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. At 31 December 2023, the Bank of Cyprus Group operated through a total of 64 branches in Cyprus, of which 4 operated as cash offices. The Bank of Cyprus Group employed 2,830 staff worldwide. At 31 December 2023, the Group's Total Assets amounted to €26.6 bn and Total Equity was €2.5 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.*



## **Additional Information (continued)**

### ***Principal risks and uncertainties - Risk management and mitigation***

*The following information is extracted from pages 36 to 37 of the Annual Financial Report.*

As part of its business activities, the Group faces a variety of risks. The Group identifies, monitors, manages and mitigates these risks through various control mechanisms. Credit risk, liquidity and funding risk, market risk (arising from adverse movements in foreign currency exchange rates, interest rates, security prices and property prices), insurance and re insurance risk and operational risk, are some of the key significant risks the Group faces. In addition, key risks facing the Group include geopolitical risk, legal risk, regulatory compliance risk, information security and cyber risk, digital transformation and technology risks, climate related and environmental risks, and business model and strategic risk.

Information relating to the principal risks the Group faces and risk management is set out in Notes 44 to 47 of the Consolidated Financial Statements and in the 'Risk and Capital Management Report', both of which form part of the Annual Financial Report for the year ended 31 December 2023, and in the 'Pillar III Disclosures 2023' which is published on the Group's website. In addition, in relation to legal risk arising from litigations, investigations, claims and other matters, further information is disclosed in Note 38 of the Consolidated Financial Statements.

Additionally, the Group is exposed to the risk of changes in the value of property which is held either for own use or as stock of property or as investment property. Stock of property is predominately acquired in exchange for debt and is intended to be disposed of in line with the Group's strategy. Further information is disclosed in Note 27 of the Consolidated Financial Statements.

Details of the financial instruments and hedging activities of the Group are set out in Note 21 of the Consolidated Financial Statements. Further information on financial instruments is also presented in Notes 44 and 45 of the Consolidated Financial Statements.

The Group's activities are mainly in Cyprus therefore the Group's performance is impacted by changes in the Cyprus operating environment, as described in the 'Operating environment' section of this Directors' Report and changes in the macroeconomic conditions and geopolitical developments as described in the 'Risk and Capital Management Report' which forms part of the Annual Financial Report for the year ended 31 December 2023.

In addition, details of the significant and other judgements, estimates and assumptions which may have a material impact on the Group's financial performance and position are set out in Note 5 of the Consolidated Financial Statements.

As the war in Ukraine continues and the latest military conflict in the Middle east rages on, considerable uncertainty is added to the outlook for the global economy and the wider impact will depend on how these conflicts evolve in the future. The Group has limited direct exposure to both Ukraine and Russia as well as to Israel, and is continuously monitoring the current affairs and remains vigilant to take precautionary measures as required.

The risk factors discussed above and in the reports referenced above should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. There may be risks and uncertainties of which the Group is not aware of, or which the Group does not consider significant, but which may become significant. There are challenging conditions in global markets due to the high interest rate environment,

## **Additional Information (continued)**

### ***Principal risks and uncertainties - Risk management and mitigation (continued)***

inflationary pressures, the geopolitical developments, the growing threat from cyberattacks and other unknown risks. As a result the precise nature of all risks and uncertainties that the Group faces cannot be predicted with accuracy as many of these risks are outside of the Group's control.

*The Pillar 3 Disclosures Report (unaudited) of the Group, required with respect to the requirements of the Capital Requirement Regulation (EU) No 575/2013, is published on the Group's website [www.bankofcyprus.com](http://www.bankofcyprus.com) (Group/Investor Relations).*

### ***Related party transactions***

*The following information is extracted from pages 418 to 426 of the Annual Financial Report, unless otherwise indicated.*

Related parties of the Group include associates and joint ventures, key management personnel, members of the Board of Directors and their connected persons. Connected persons for the purpose of this disclosure include spouses, minor/dependent children and companies in which the directors/key management personnel, hold directly or indirectly, at least 20% of the voting shares in a general meeting, or act as executive director or exercise control of the entities in any way.

Related parties also include entities providing key management personnel services to the Group where relevant.

#### ***(a) Transactions with subsidiaries***

The Company is the holding company of the Group. The Company enters into transactions with its subsidiaries in the normal course of business. Balances and transactions between the Company and its subsidiaries are disclosed in Note 17 of the Company's financial statements. Transactions with the subsidiaries have been eliminated on consolidation.

#### ***(b) Transactions with associates***

From time to time, the Group provides to and receives from its associates certain banking and financial services. These are not material to the Group and all the transactions are made on normal business terms as for comparable transactions with customers of a similar standing.

#### ***(c) Compensation of the Board of Directors and key management personnel***

*For disclosures made in accordance with the provisions of IAS 24 Related Party Disclosures and sections 305 and 306 of the Companies Act 2014, in respect of the compensation of the Board of Directors and key management personnel, please refer to Note 49 (c) of the Consolidated Financial Statements.*

#### ***(d) Transactions with Directors and key management personnel***

*For information on the deposits, loans and advances and other credit balances held by the members of the Board of Directors and key management personnel and their connected persons, as at the balance sheet date and other relevant information as required by the Companies Act 2014, please refer to Note 49 (d) of the Consolidated Financial Statements.*

## **Additional Information** (continued)

### ***Related party transactions*** (continued)

#### *Loans to Directors*

The following information is presented in accordance with the Companies Act 2014. For the purposes of the Companies Act 2014 disclosures, 'Directors' means the current Board of Directors of the Company and any past Directors who were members of the Board of Directors of the Company during the year.

All transactions with members of the Board of Directors and their connected persons are made on normal business terms as for comparable transactions, including interest rates, with customers of a similar credit standing.

There were 12 Directors in office during the year (2022: 12 Directors), three of whom availed of credit facilities (2022: four Directors). Two of the Directors who availed of credit facilities had balances outstanding at 31 December 2023 (2022: four of the Directors who availed of credit facilities had balances outstanding).

*For their balances outstanding, please refer to Note 49 (d) of the Consolidated Financial Statements.*

The value of arrangements at the beginning and end of the current and preceding financial years as stated below, expressed as a percentage of the net assets of the Group at the beginning and end of the current and preceding financial years is less than 1% in accordance with section 307 of the Companies Act 2014. No amounts have been waived during the year ended 31 December 2023.

#### *Key management personnel in office during the year (and their connected persons)*

There were 20 key management personnel in office during the year (2022: 21 key management personnel), 20 of whom availed of credit facilities (2022: 20 key management personnel). All of the key management personnel who availed of credit facilities had balances outstanding at 31 December 2023 and 31 December 2022.

A number of loans and advances have been extended to key management personnel on the same terms as those applicable to the rest of the Group's employees and to their connected persons on the same terms as those of customers of a similar credit standing.

Where no amount is shown in the tables below, this indicates a credit balance, a nil balance, or a balance of less than €500.

*For further details of transactions with key management personnel and their connected persons, please refer to Note 49 (d) of the Consolidated Financial Statements.*

*For further information on related party transactions please refer to Note 49 of the Consolidated Financial Statements.*

### **Statement of Directors' Responsibilities**

*The following information is extracted from pages 48 to 49 of the Annual Financial Report.*

The Directors are responsible for preparing the Annual Financial Report and the financial statements in accordance with International Financial Reporting Standards (IFRS) adopted

## **Additional Information** (continued)

### ***Statement of Directors' Responsibilities*** (continued)

by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRSs, the EU (Credit Institutions: Financial Statements) Regulations 2015 and, in respect of the consolidated financial statements, Article 4 of the International Accounting Standards (IAS) Regulation. Company law requires the Directors to prepare Group and Company financial statements for each financial year.

Under Irish law the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Group's and Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group and the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs adopted by the EU and ensure that they contain the additional information required by the Companies Act 2014; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, to disclose with reasonable accuracy at any time the assets, liabilities and financial position of the Company and enable them to ensure that the financial statements comply with the provisions of the Companies Act 2014 and Article 4 of IAS Regulation. The Directors, through the use of appropriate procedures and systems, have also ensured that measures are in place to secure compliance with the Company's and the Group's obligations to keep adequate accounting records. These accounting records are kept at the Company's registered office at 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland and at 51 Stasinou Street, 2002, Strovolos, Nicosia, Cyprus.

In compliance with section 283 of the Companies Act 2014, the information and returns relating to the business dealt with in the accounting records for 2023 have been sent to the registered office of the Company. The Directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and the requirements of the UK's FCA Listing Rules issued by the LSE, the Directors are also responsible for preparing a Directors' Report and reports relating to Directors' remuneration and corporate governance. The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007, as amended Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019 and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority to include a Directors' report containing a fair review of the development and performance of the business and the position of the Group and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Additional Information (continued)**

### ***Statement of Directors' Responsibilities (continued)***

The Directors confirm that, to the best of each Director's knowledge and belief:

- they have complied with the above requirements in preparing the financial statements;
- the financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group and the Company and of the profit or loss of the Group and the Company;
- the Directors' report contained in the Annual Financial Report 2023 includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that they face; and
- the Annual Financial Report 2023 and the financial statements, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

### ***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, including the recently announced reporting changes and the implementation of IFRS 17 'Insurance Contracts', which may have a material impact on the way we prepare our financial statements and (with respect to IFRS 17) may negatively affect the profitability of Group's insurance business.*