



# Bank of Cyprus Group

Group Financial Results

*For the quarter ended 31 March 2023*

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.

**On 1 January 2023, the Group adopted IFRS 17 'Insurance contracts which replaced IFRS 4 'Insurance contracts'. Comparative data have been restated accordingly, unless otherwise stated (for further information refer to section F9 of the press release).**

**For Glossary & Definitions refer to slides 66-72**

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

The presentation for the Group Financial Results for the quarter ended 31 March 2023 (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) loan portfolio analysis in accordance with the three-stages model for impairment of IFRS 9, (vii) fixed income portfolio per issuer type and (viii) 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 2022. 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, such as the COVID-19 pandemic and ongoing challenges and uncertainties posed by the COVID-19 pandemic for businesses and governments around the world. The Russian invasion of Ukraine has led to heightened volatility across global markets and to the coordinated implementation of sanctions on Russia, Russian entities and nationals. The Russian invasion of Ukraine has caused significant population displacement, and as the conflict continues, the disruption will likely increase. The scale of the conflict and the extent of sanctions, as well as the uncertainty as to how the situation will develop, may have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. 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.

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# 1Q2023 Financial Performance

# 1Q2023– Highlights

## Economic outlook remains strong

- Economy to grow by c.2.8%<sup>1</sup> in 2023, significantly above the eurozone average
- Another seasonally strong quarter of new lending of €624 mn, up 41% qoq and broadly flat yoy
- Gross performing loan book of €9.9 bn, up 1% qoq and yoy

## Strong profitability benefiting from tailwinds

- NII of €162 mn up 127% yoy, underpinned by interest rate rises
- Total operating expenses<sup>2</sup> down 3% yoy; cost to income ratio<sup>2</sup> at 34% down 26 p.p. yoy
- Profit after tax of €95 mn for 1Q2023 vs €17 mn for 1Q2022
- ROTE<sup>3</sup> of 21.3% for 1Q2023 vs 4.0% for 1Q2022, with rates higher than expected and anticipated increases in deposit costs not yet developing

## Resilient asset quality

- Asset quality in line with target
- NPE ratio at 3.8% (1.1%<sup>4</sup> net) down 7.6 p.p. yoy
- Coverage at 73%; cost of risk at 44 bps flat qoq and yoy, reflecting resilient credit portfolio quality

## Robust capital and liquidity

- CET1 ratio of 15.2%<sup>5</sup> and Total Capital ratio of 20.3%<sup>5</sup>
- Organic capital generation of c.90 bps<sup>6</sup>
- Retail funded deposit base at €19.0 bn up 7% yoy and flat qoq
- Highly liquid balance sheet with €9.2 bn placed at the ECB

## Resumption of dividend payments after 12 years

- ✓ €0.05 dividend per ordinary share (€22.3 mn out of FY2022 profitability); payout ratio of 14% on adjusted recurring profitability<sup>7</sup> or 31% based on FY2022 profit after tax<sup>8</sup>
- ✓ Payout ratio expected to build prudently and progressively to 30-50% of adjusted recurring profitability<sup>7</sup>

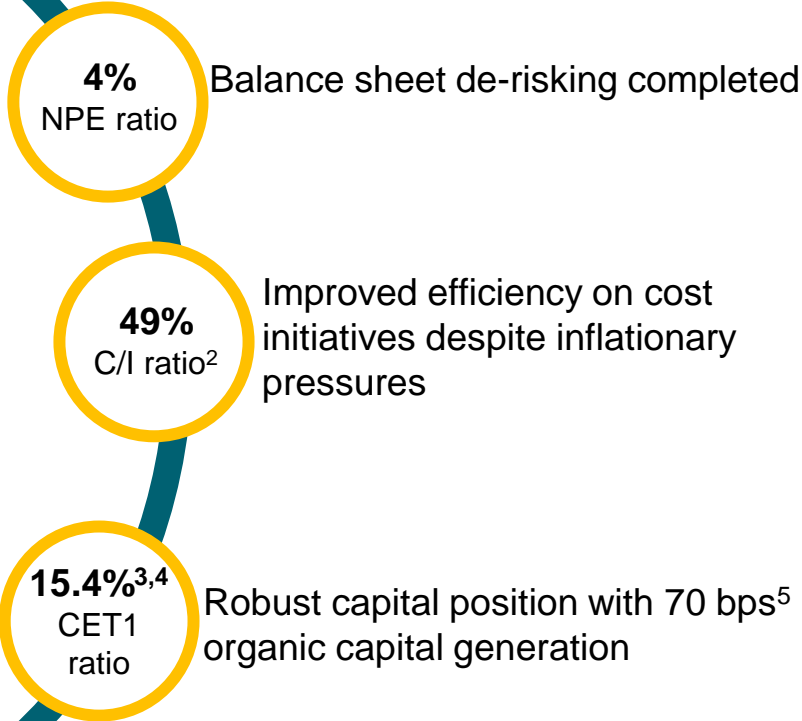
1) Projections in accordance with Ministry of Finance  
2) Excluding special levy on deposits and other levies/contributions  
3) ROTE is calculated as annualised profit after tax (attributed to the owners of the Company) divided by the quarterly average shareholders' equity minus intangible assets  
4) Calculated as NPEs net of provisions over net loans

5) Includes unaudited/unreviewed profits for 1Q2023 and for compliance with CRR an accrual for an estimated final dividend at a payout ratio of 30% of the Group's adjusted recurring profitability in line with the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval  
6) Based on profit after tax before non-recurring items  
7) Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the AT1 coupon  
8) As reported in the 2022 Annual Report

# Resumption of dividend payments after 12 years

FY2022

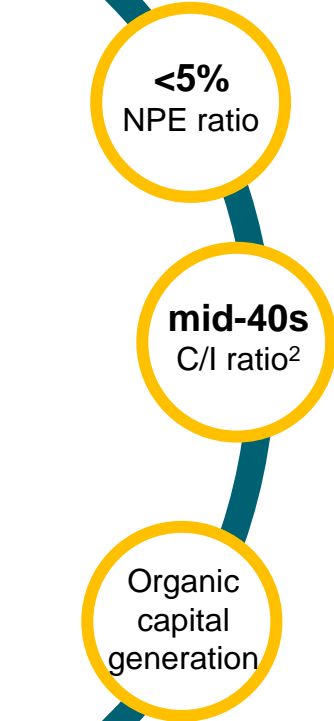
**ROTE:10.0%**  
(Recurring)<sup>1</sup>



**Proposed dividend: €0.05 per ordinary share or 14% payout ratio<sup>6</sup> out of FY2022 earnings<sup>3</sup>**

Going forward

**Sustainable ROTE<sup>7</sup>: >13%**  
2023-2024



**Dividend payout ratio building progressively to 30-50% on adjusted recurring profitability<sup>6</sup>**

1) Recurring ROTE: calculated as annualised Profit after Tax and before non-recurring items divided by quarterly average Shareholders' equity minus Intangible assets  
 2) Excluding special levy on deposits and other levies/contributions  
 3) As reported in 2022 Annual Report  
 4) 2022 CET1 ratio is restated to 15.2% to take into account the dividend proposal in April 2023

5) Based on profit after tax before non-recurring items  
 6) Based on 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  
 7) ROTE calculated as annualised profit after tax (attributable to owners of the Company) divided by quarterly average shareholders' equity minus intangible assets

# 1Q2023 performance ahead of 2023 targets

	FY2023 targets	1Q2023
<b>Net interest income</b>	€520-550 mn (+40-50% yoy)	€162 mn (+127% yoy)
<b>Cost to income ratio<sup>1</sup></b>	Mid-40s	34%
<b>ROTE<sup>2</sup></b>	>13%	21.3%
<b>NPE ratio</b>	<5%	3.8%
<b>Cost of risk</b>	50-80 bps	44 bps
<b>Dividend</b>	Intention to commence from 2023 onwards	€22.3 mn out of FY2022 earnings <sup>3</sup> (announced in April 2023)

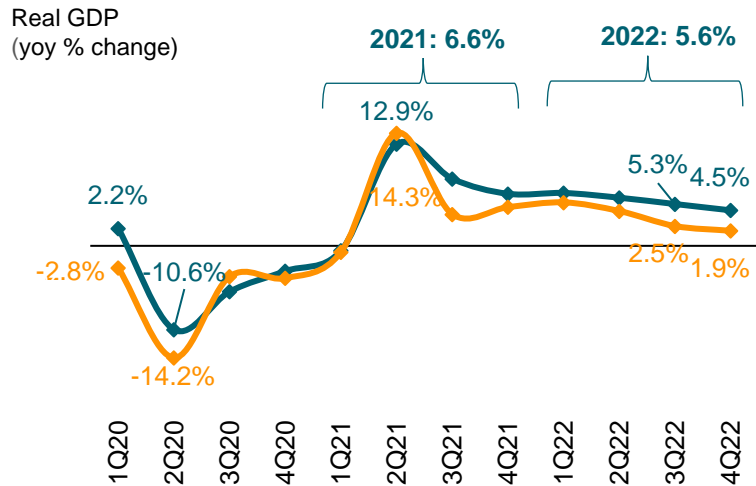
1) Excluding special levy on deposits and other levies/contributions

2) ROTE calculated as annualised profit after tax (attributable to owners of the Company) divided by quarterly average shareholders' equity minus intangible assets

3) As reported in 2022 Annual Report

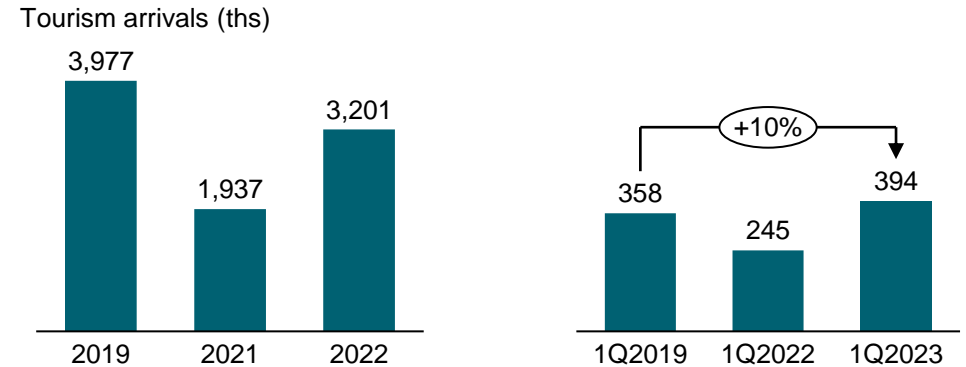
# Strong Cypriot economy; solid GDP growth of c.2.8%<sup>1</sup> expected for 2023

## GDP growth of 5.6% in FY2022

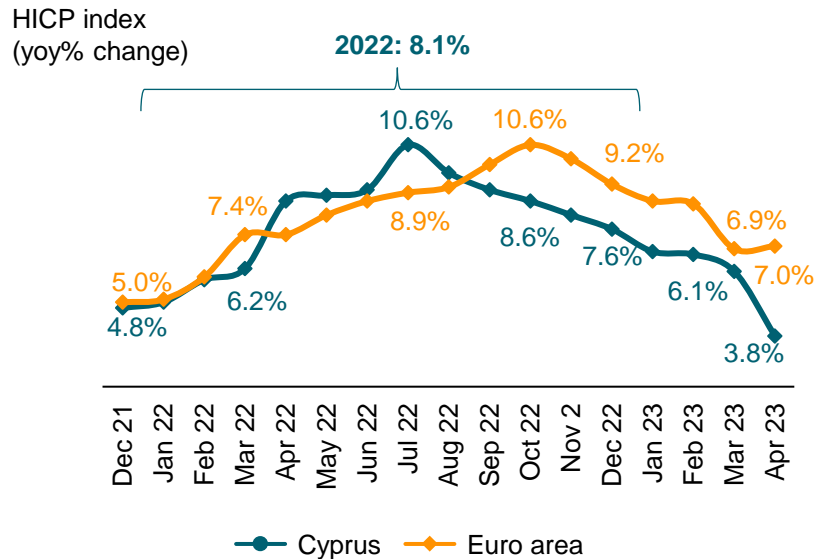


GDP expected to grow by c.2.8%<sup>1</sup> in 2023, well above eurozone average

## 1Q2023 Tourist arrivals 10% ahead of 1Q2019

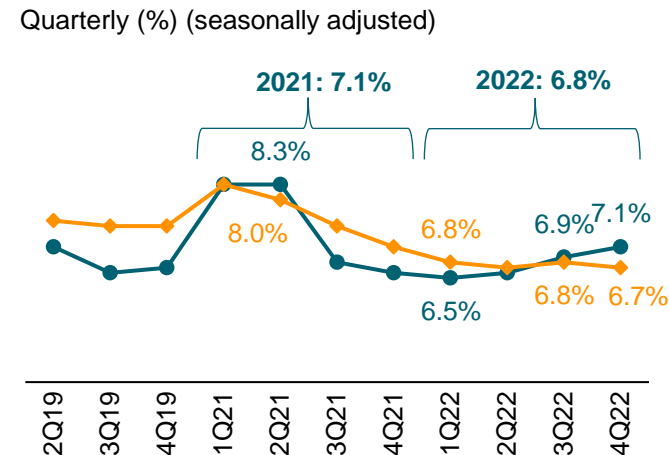


## Inflation decreased to 3.8% for April 2023



HICP expected to drop to c.3%<sup>1</sup> in 2023

## Unemployment rate decreased to 6.8% in 2022



Unemployment rate expected to decrease to 6.5%<sup>1</sup> in 2023

Source: Cystat, Eurostat

1) Projections in accordance with Ministry of Finance

# Income Statement

€ mn	1Q2023	1Q2022 IFRS 17	4Q2022 IFRS 17	qoq%	yoy%
Net Interest Income	162	71	136	19%	127%
Non interest income	72	66	79	-11%	8%
Total income	234	137	215	8%	70%
Total operating expenses <sup>1</sup>	(80)	(81)	(84)	-5%	-3%
<b>Operating profit</b>	<b>143</b>	<b>46</b>	<b>120</b>	<b>19%</b>	<b>213%</b>
Provisions and impairments	(28)	(17)	(32)	-10%	68%
<b>PAT before non-recurring items</b>	<b>96</b>	<b>23</b>	<b>74</b>	<b>28%</b>	<b>-</b>
Advisory and organic restructuring costs	(1)	(1)	(1)	-22%	-15%
<b>PAT-organic<sup>2</sup></b>	<b>95</b>	<b>22</b>	<b>73</b>	<b>29%</b>	<b>-</b>
Restructuring costs - VEP	-	(3)	-	-	-100%
Other exceptionals	0	(2)	2	-109%	-92%
<b>Profit after tax</b>	<b>95</b>	<b>17</b>	<b>75</b>	<b>26%</b>	<b>-</b>
<b>Key Ratios</b>					
<b>Net Interest margin</b>	<b>2.91%</b>	<b>1.32%</b>	<b>2.36%</b>	<b>55 bps</b>	<b>159 bps</b>
<b>Cost to income ratio<sup>1</sup></b>	<b>34%</b>	<b>60%</b>	<b>39%</b>	<b>-5 p.p.</b>	<b>-26 p.p.</b>
<b>Cost of Risk</b>	<b>0.44%</b>	<b>0.44%</b>	<b>0.42%</b>	<b>2 bps</b>	<b>-</b>
<b>EPS (€ cent)</b>	<b>21.24</b>	<b>3.86</b>	<b>16.84</b>	<b>4.40</b>	<b>17.38</b>
<b>ROTE<sup>3</sup></b>	<b>21.3%</b>	<b>4.0%</b>	<b>17.3%</b>	<b>4.0 p.p.</b>	<b>17.3 p.p.</b>
<b>Adjusted recurring profitability<sup>4,5</sup></b>	<b>89</b>	<b>17</b>	<b>68</b>	<b>31%</b>	<b>-</b>

## QoQ Performance (1Q2023 vs 4Q2022)

- NII up 19% supported by interest rate rises and resilient low deposit pass-through
- Non-NII down 11% reflecting mainly the termination of liquidity fees and NPE sale-related servicing fees
- Total operating expenses<sup>1</sup> down 5% as seasonally lower other operating expenses partially offset higher staff costs
- Provisions and impairments down by €4 mn (-10%) mainly due to lower REMU<sup>6</sup> stock impairments on prior quarter
- Cost of risk broadly flat reflecting resilient credit portfolio quality
- **Profit after tax, up 26%**

## YoY Performance (1Q2023 vs 1Q2022)

- NII up 127% underpinned by interest rate rises and resilient low deposit pass-through
- Total operating expenses<sup>1</sup> down 3% reflecting benefits from efficiency actions partly offset by wage and inflationary pressures
- Provisions and impairments up by €11 mn (68%) driven by higher REMU<sup>6</sup> stock impairments
- Cost of risk flat reflecting resilient credit portfolio quality
- **Profit after tax at €95 mn**
- **Reported ROTE<sup>3</sup> at 21.3%**

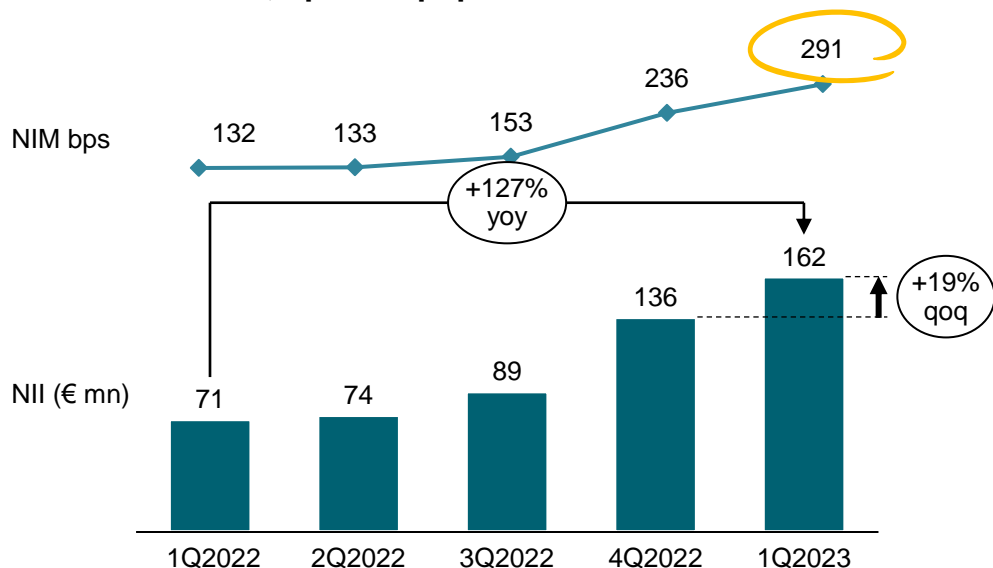
1) Excluding special levy on deposits and other levies/contributions  
2) Used for organic capital generation calculation (refer to slide 23)  
3) ROTE is calculated as annualised profit after tax (attributed to the owners of the Company) divided by the quarterly average shareholders' equity minus intangible assets

4) Used for the payout ratio calculation, in line with the Dividend Policy approved by the BoD in April 2023  
5) Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the AT1 coupon  
6) Real Estate Management Unit



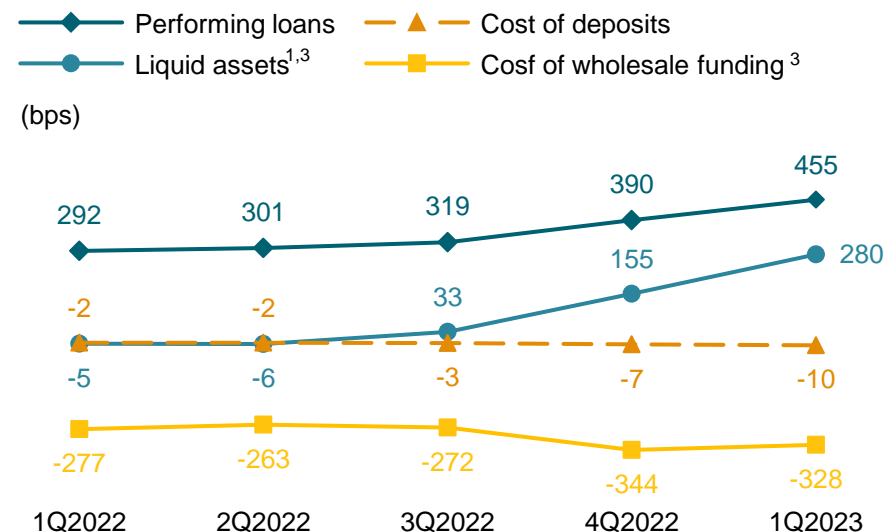
# NII up 127% yoy, supported by interest rate rises and well-managed deposit pass-through

NII of €162 mn, up 19% qoq



- NIM up by 55 bps qoq to 291 bps reflecting repricing of liquid assets and loans
- Effective yields on liquid assets<sup>1</sup> increased to 280 bps (up 125 bps qoq)
- Cost of deposits remains low at 10 bps; Time and Notice deposit pass through remains resilient at 10%<sup>2</sup>
- Cost of other funding broadly flat qoq

## Effective yield on assets & cost of funding



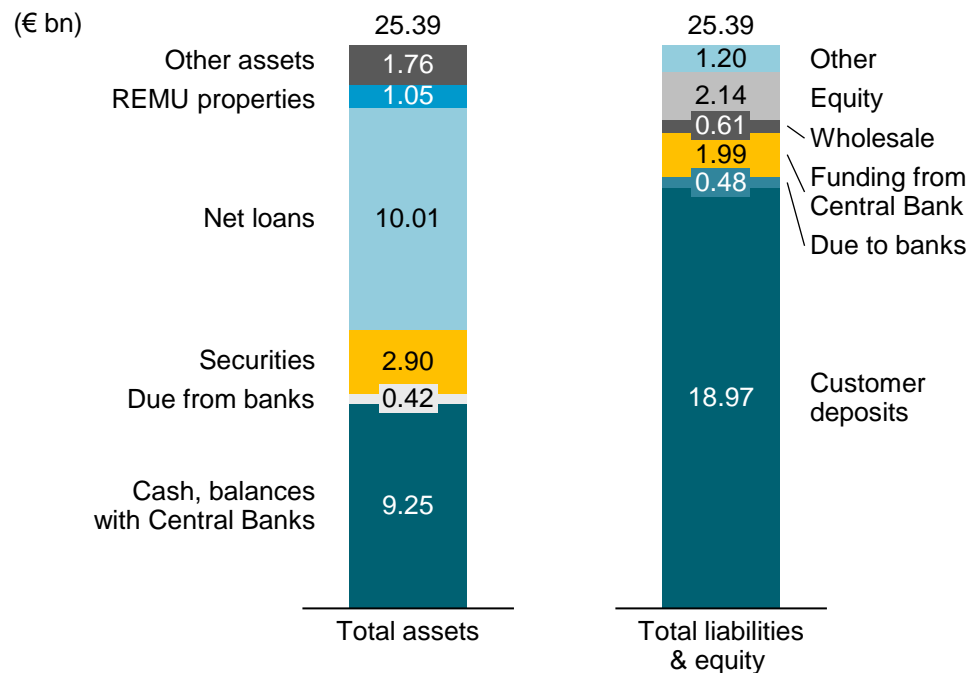
## NII assumptions

	FY2023 assumptions <sup>4</sup>	1Q2023
Average ECB depo rate	2.8%	2.3%
Time deposit pass through <sup>2</sup>	up to c.50% by Dec 2023	10% (vs 7% in 4Q2022)
Deposit mix (Time and Notice deposits)	up to c.45% in by Dec 2023	30% (vs 29% in 4Q2022)

1) Cash, placements with banks, balances with central banks and bonds  
 2) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period  
 3) 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  
 4) As communicated in February 2023

# Highly liquid balance sheet

As at 31 March 2023



- **Cash, balances with Central Banks of €9.2 bn**, of which €2.0 bn TLTRO III
  - Immediate benefit from ECB depo rate increases<sup>1</sup>
- **Securities of €2.9 bn** (of which €2.7 bn fixed income portfolio)
  - Fixed income portfolio up 10% qoq and 48% yoy
  - Careful expansion to continue subject to market conditions
- **Net loans of €10.0 bn** (of which €9.7 bn performing book)
- >95% of loan book variable based including:
  - 52% linked with Euribor; full benefit with a time lag
  - 22% linked with Bank's base rate
  - 17% linked with ECB MRO rate
- **Customer deposits of €19.0 bn**
  - Cyprus banking system has ample liquidity; gradual deposit repricing expected
  - Sticky deposit base of which 60% Retail-based
- **Wholesale funding of €0.6 bn**
  - Expected to gradually increase to comply with MREL requirements

## On-going tangible book value build-up

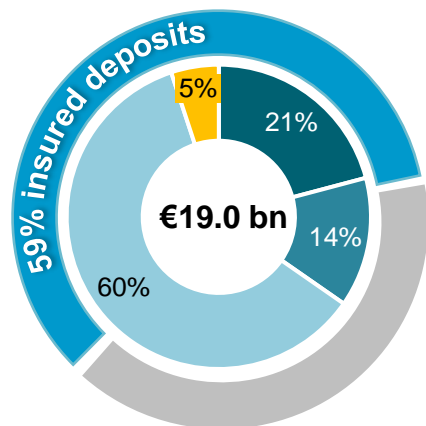
	31 March 2023	31 December 2022 (IFRS 17)	qoq
Tangible Book Value (€ bn)	1.85	1.75	5%
Tangible Book Value per share (€)	4.15	3.93	6%

1) Excluding TLTRO III of €2 bn

# Robust liquidity position; surplus liquidity of €7.4 bn

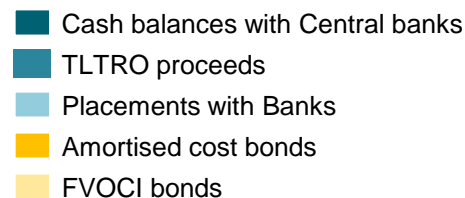
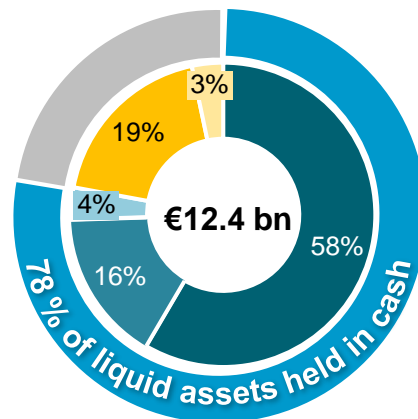
## Diversified, mainly Retail funded deposit base

Group deposits

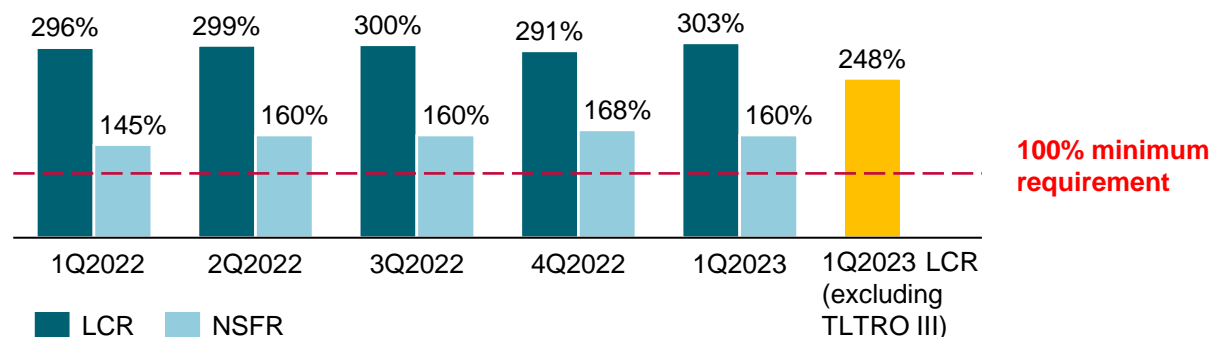


## Highly liquid balance sheet

Liquid assets



## Liquidity ratios historically significantly above minimum requirements



### Sticky deposit base

- 59% insured deposits
- 60% Retail
- Average size of Retail deposits: c.€27k

### Strong liquidity ratios

- LCR ratio of 303% (248% when excluding TLTRO III)
- Surplus liquidity of €7.4 bn (€5.4 bn when excluding TLTRO III)
- Cash, balances with Central Banks of €9.2 bn

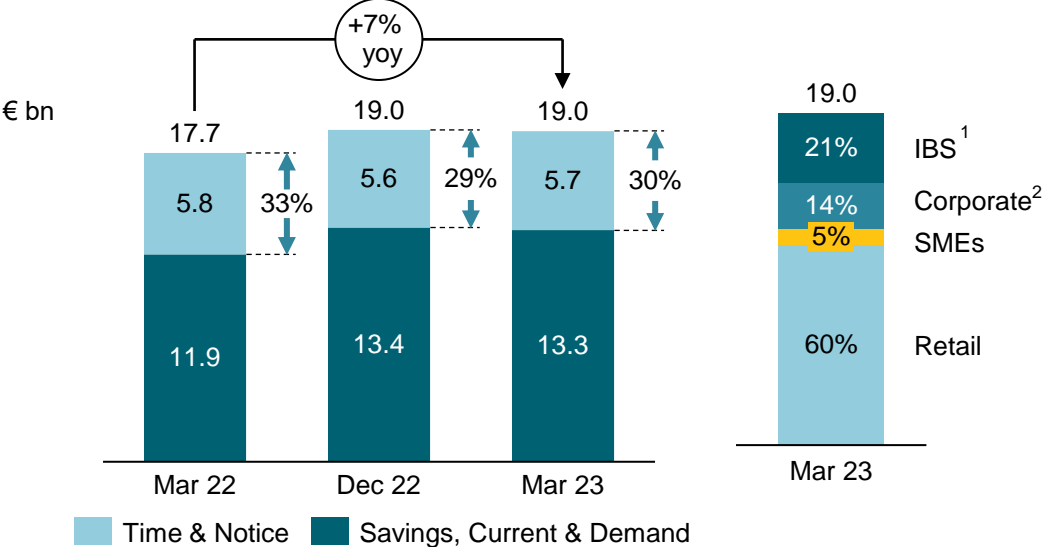
### Highly rated fixed income portfolio of low average duration

- Prudent interest rate risk management; majority of positions in FVOCI<sup>2</sup> book hedged for interest rate risk
- Amortised cost portfolio with low average duration and high average rating of A1 or at Aa3 when Cyprus government bonds are excluded (refer to slide 14)

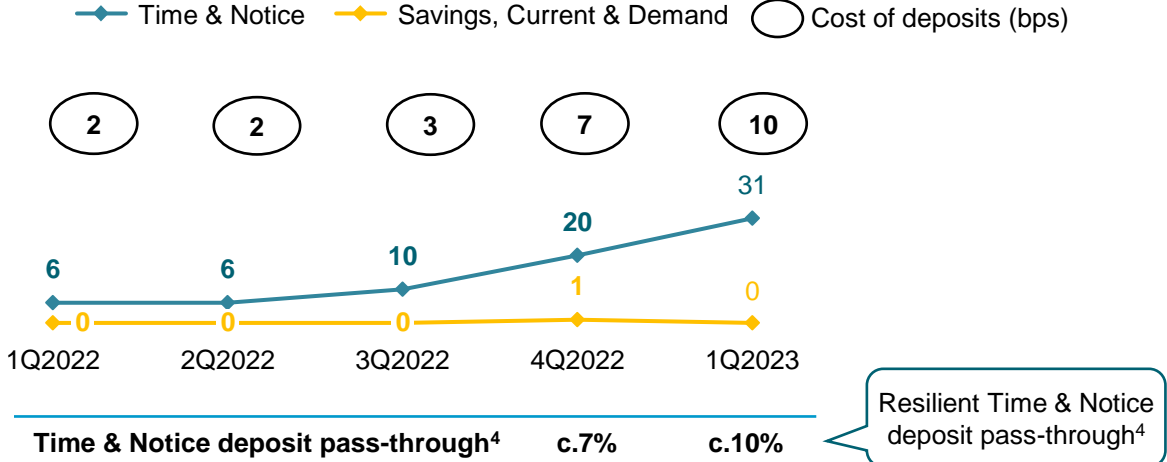
1) International Business Services: servicing exclusively international activity companies registered in Cyprus and abroad and non residents  
 2) Investments classified as fair value through other comprehensive income

# Retail funded deposit base up 7% yoy; loan to deposit ratio at 53%

Deposits at €19.0 bn; market share at 37.3%



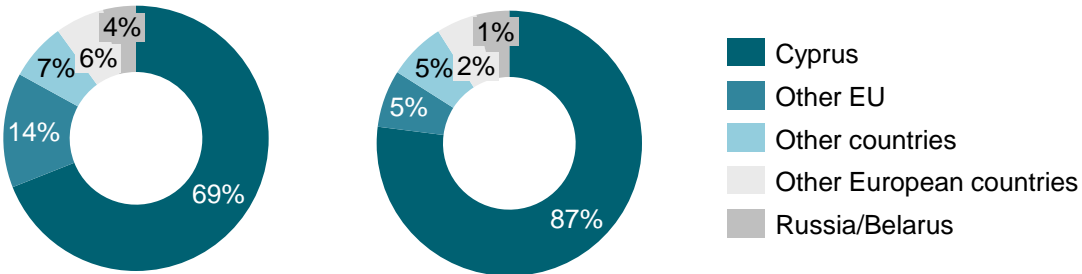
Deposit pass through<sup>4</sup> remained at 10%



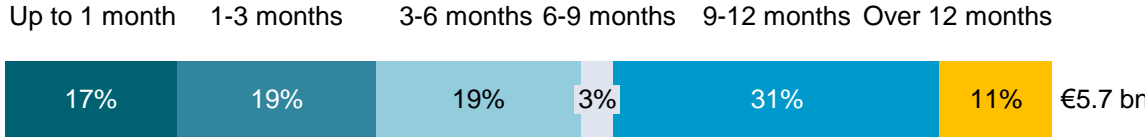
## Group deposits

by passport origin<sup>3</sup>

by country of residence



## Time & notice deposits by maturity

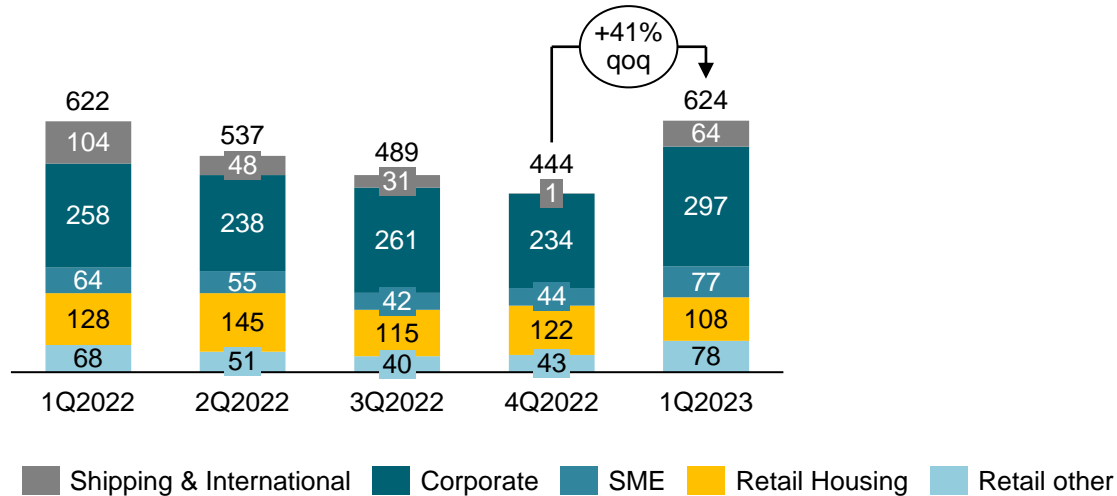


1) International Business Services: servicing exclusively international activity companies registered in Cyprus and abroad and non residents  
 2) Including large and international corporate  
 3) Origin is defined as the country of passport of the Ultimate Beneficial Owner  
 4) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period

# Another seasonally strong quarter of new lending of €624 mn, up 41% qoq

New lending of €624 mn in 1Q2023, broadly flat yoy

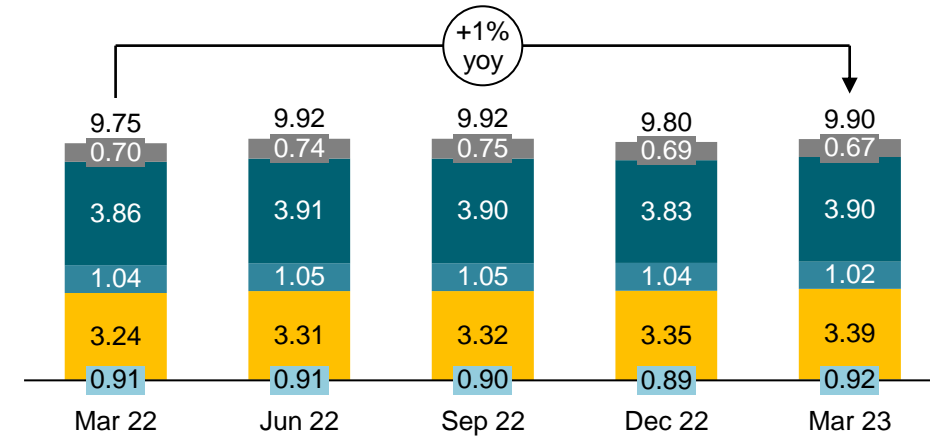
€ mn



**42%<sup>1</sup>**  
Leading market share in loans

Gross performing book<sup>2</sup> up 1% yoy to €9.9 bn

Gross loans (€ bn)

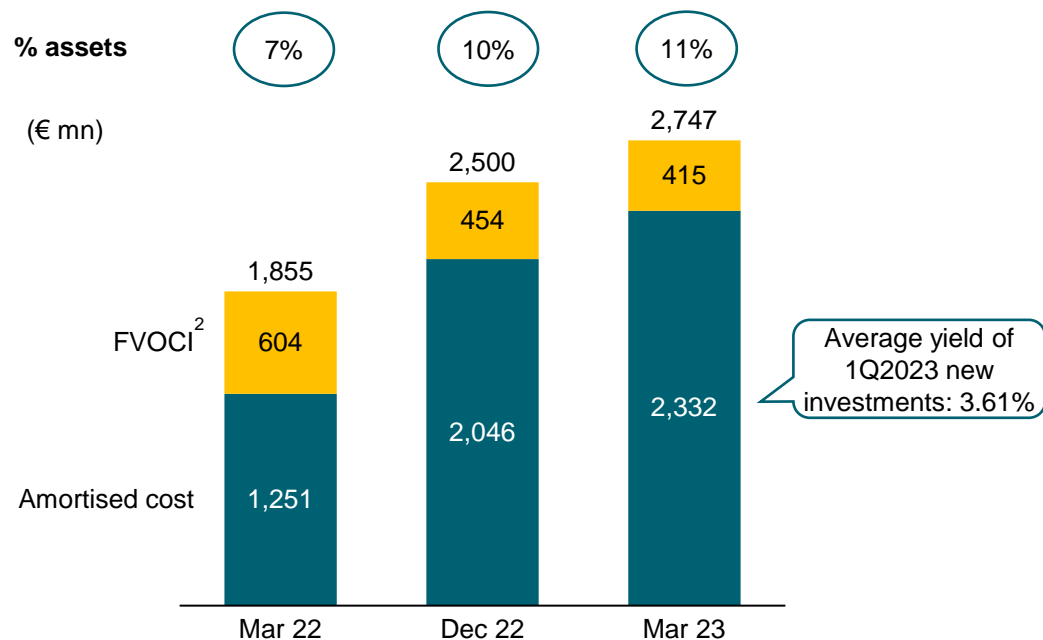


- Another strong quarter of new lending driven by increased seasonal business demand
- Gross performing loan book<sup>2</sup> up 1% yoy and qoq
- Meticulous track record of repayment capability; 99% of new exposures<sup>3</sup> in Cyprus since 2016 are performing

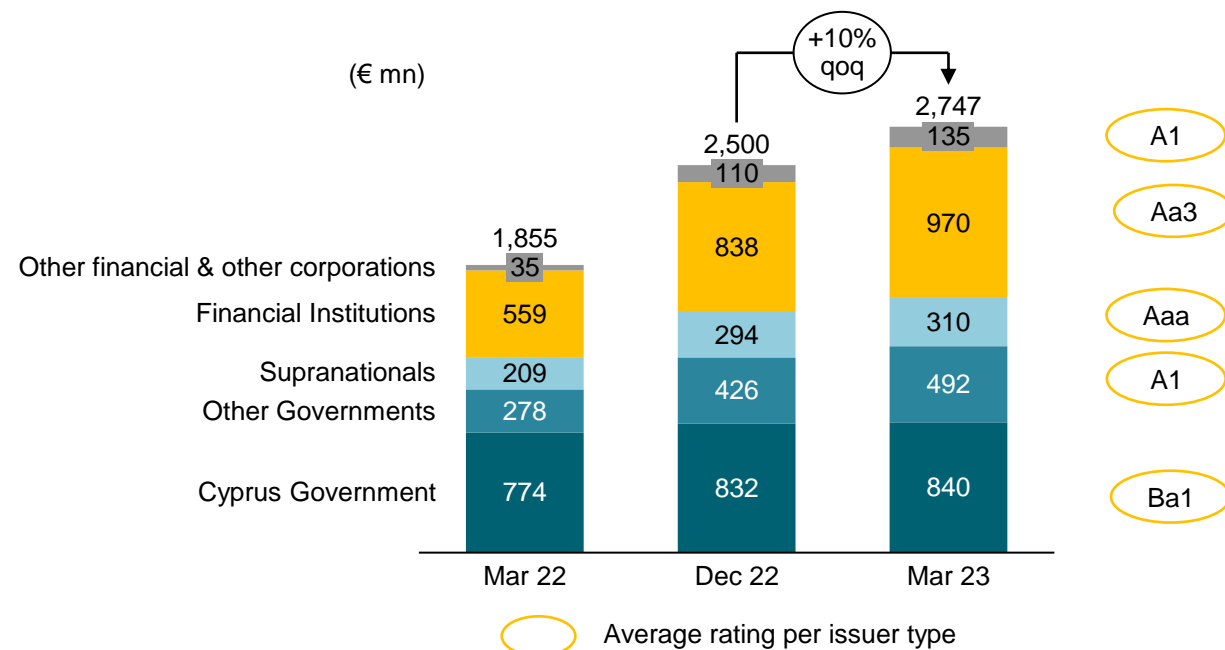
1) As at 31 March 2023  
 2) Non-legacy loan book which includes Corporate and Large corporate, International corporate, International business services, Wealth and Markets, SME and Retail  
 3) Facilities/limits approved in the reporting period

# Fixed income portfolio up 10% qoq; careful expansion to continue<sup>1</sup>

Fixed income securities per category - NBV



Fixed income securities per issuer type - NBV



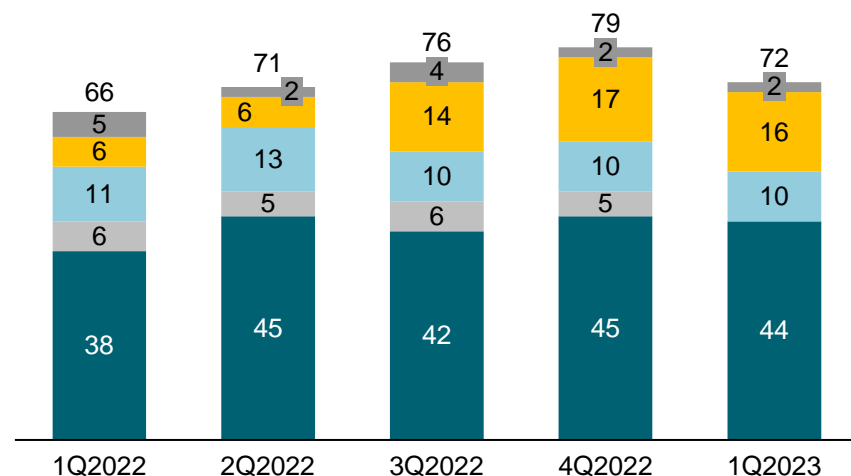
	Amortised cost	FVOCI
<b>Average contractual duration (years)</b>	2.24	3.62
<b>Average duration taking into consideration interest rate hedging (years)</b>	2.12	0.42
<b>Average rating</b>	A1	Baa3

- Mark to market impact of Amortised cost portfolio at €87 mn in 1Q2023; (c.85 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<sup>1</sup>

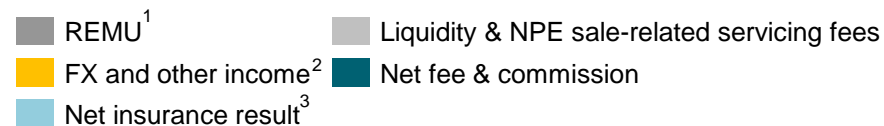
1) Subject to market conditions  
2) Investments classified as fair value through other comprehensive income

# Non interest income at €72 mn in 1Q2023

Total non – NII (€ mn)



Comparative information restated for transition to IFRS 17 from IFRS 4



## QoQ Performance (1Q2023 vs 4Q2022)

- Net fee and commission income net of liquidity fees and NPE sale-related servicing fee, down 3% reflecting seasonally lower transactional fees
- As a reminder, liquidity fees and NPE sale-related servicing fees terminated in December 2022 and in February 2023 respectively
- Net insurance result<sup>3</sup> broadly flat
- Net FX and other income<sup>2</sup> down 3% due to lower FX income through FX swaps partly offset by high revaluation gain in financial instruments

## YoY Performance (1Q2023 vs 1Q2022)

- Net fee and commission income net of liquidity fees and NPE sale-related servicing fee up 16% reflecting the introduction of price adjustments in February 2022, higher non-transactional fees and higher credit card commissions
- Net FX and other income<sup>2</sup> more than doubled, reflecting higher foreign exchange gains through FX swaps and higher revaluation gain in financial instruments
- Net FX gains/(losses) & net gains/(losses) on financial instruments are volatile profit contributors

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

3) Previously called insurance income net of insurance claims

# Transition to IFRS 17 from IFRS 4

IFRS 17 is an accounting standard. It does not change the economics of our insurance business

## Overview

- Accounting change impacting the phasing of profit recognition on insurance contracts
- Implementation on 1 January 2023 with retrospective application
- IFRS 17 **does not change the economics of the insurance contracts** but it does decrease the volatility of Group's insurance companies profitability
- **Profit is recognised over the lifetime of the contract** rather than substantially at inception, as was the case under IFRS 4

### No expected impact on:

- Regulatory capital of the Group
- Insurance business solvency
- Lifetime expected profit of insurance contracts
- The Group's financial results over the longer-term; although near-term reported net insurance result expected to be lower
- Meaningful dividend generation from insurance business is expected to continue



## Balance Sheet and Capital

### Equity 31 December 2022 under IFRS 17 vs IFRS 4

- **Group's Total Equity reduced by €52 mn reflecting:**
  - Elimination of PVIF<sup>1</sup> and related tax effect; c.€101 mn decrease
  - Recognition of contractual service margin (CSM) liability; c.€42 mn decrease
  - Remeasurement of insurance assets and liabilities; c.€91 mn increase
- **Group's Tangible Equity increased by €64 mn**

## 2022 Profit & Loss

- **Decrease in Group's 2022 profit after tax by €14 mn reflecting:**
  - Deferral of new business profit
  - Assumptions changes on the valuation of insurance contract assets and liabilities
  - Less market volatility in P&L for unit-linked business under VFA<sup>2</sup> as part of the changes adjusts the CSM

For more details on the transition to IFRS 17, please refer to section F9 of the press release

1) Present value of in-force life insurance contracts

2) Variable Fee Approach (VFA)

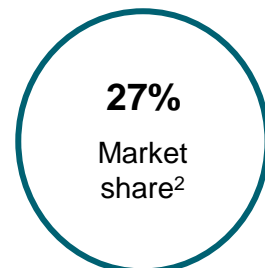
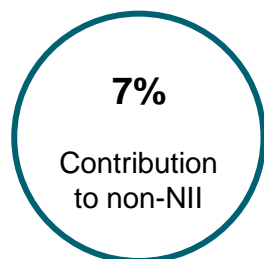


# Profitable Life Insurance business - valuable and sustainable contribution to the Group

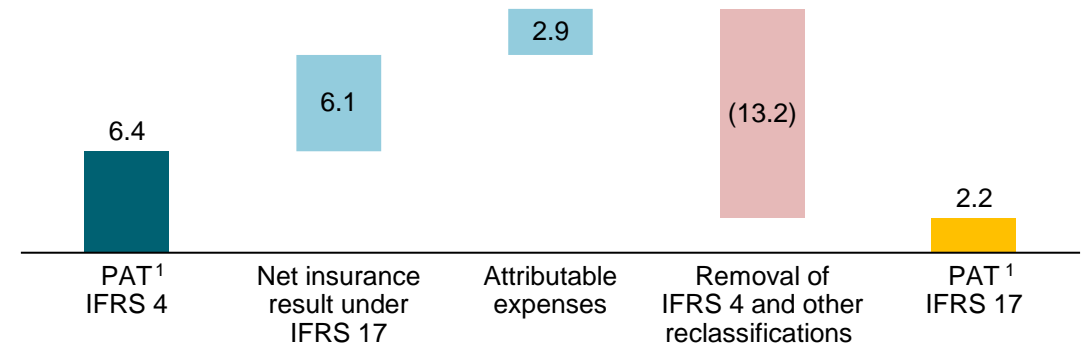


€ mn	1Q2023	1Q2022 (IFRS 17)	yoy%
<b>Net Insurance result</b>	<b>4.7</b>	<b>6.1</b>	<b>-23%</b>
Other operating costs (non-attributable)	(0.3)	(0.3)	-20%
Net revaluations profit/(losses) on own investments	1.5	(3.6)	-
<b>PAT-contribution to the Group<sup>1</sup></b>	<b>5.9</b>	<b>2.2</b>	<b>163%</b>
<b>Gross written premium (GWP)</b>	<b>41.7</b>	<b>37.4</b>	<b>12%</b>

- Net Insurance result down 23% yoy reflecting higher claims and higher attributable expenses due to increased new business, partially offset by lower reinsurance expenses
- PAT<sup>1</sup> up 163% yoy mainly driven by increased net revaluation gains on own investments compared to volatile market conditions in 1Q2022
- GWP up 12% yoy due to increased new business, reflecting continuous focus on business growth
- Solvency ratio at 201% at 31 March 2023



## 1Q2022 Adjusted Income Statement; Transition to IFRS 17<sup>3</sup> from IFRS 4



## IFRS 17 vs. IFRS 4 accounting changes

- Profit is deferred and spread over the insurance contract service period
- Assumptions changes on the valuation of insurance contract assets and liabilities
- Directly attributable expenses (including premium tax) part of net insurance result

1) Contribution to the Group: Adjusted to exclude intercompany transactions between insurance companies and the Bank

2) As at 31 December 2022

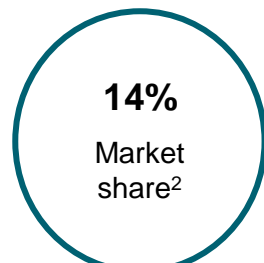
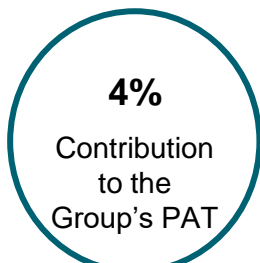
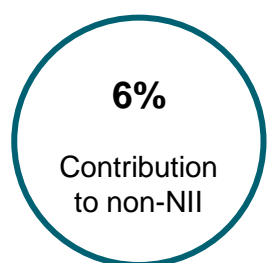
3) For further information on the transition to IFRS 17 refer to section F9 of the press release

# Profitable Non-Life Insurance business – valuable and sustainable contribution to the Group

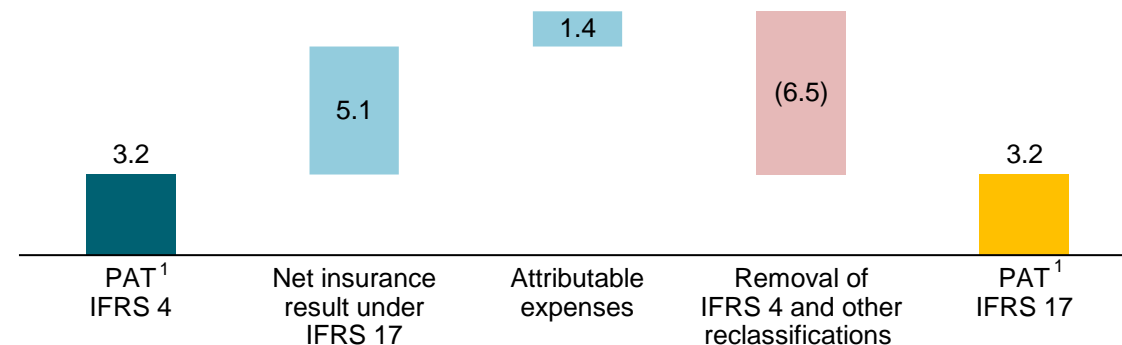


€ mn	1Q2023	1Q2022 (IFRS 17)	yoy%
<b>Net Insurance result</b>	<b>4.8</b>	<b>5.1</b>	<b>-6%</b>
Other operating costs (non-attributable)	(0.7)	(0.7)	10%
Revaluation gains/(losses) on investments	0.3	(0.9)	-
<b>PAT-contribution to the Group<sup>1</sup></b>	<b>4.2</b>	<b>3.2</b>	<b>30%</b>
<b>Gross written premium (GWP)</b>	<b>15.7</b>	<b>13.6</b>	<b>16%</b>

- Net insurance result down 6% yoy mainly driven by the impact of interest rate movements on insurance liabilities
- PAT<sup>1</sup> up 30% yoy mainly due to increased revaluation gains on investments compared to volatile market conditions in 1Q2022
- GWP up 16% yoy due to increased new and renewal business, reflecting continuous focus on business growth
- Solvency ratio at 182% as at 31 March 2023



1Q2022 Adjusted Income Statement; Transition to IFRS 17<sup>3</sup> from IFRS 4



## IFRS 17 vs. IFRS 4 accounting changes

- Discounting and assumptions changes on the valuation of insurance contract assets and liabilities
- Directly attributable expenses part of net insurance result

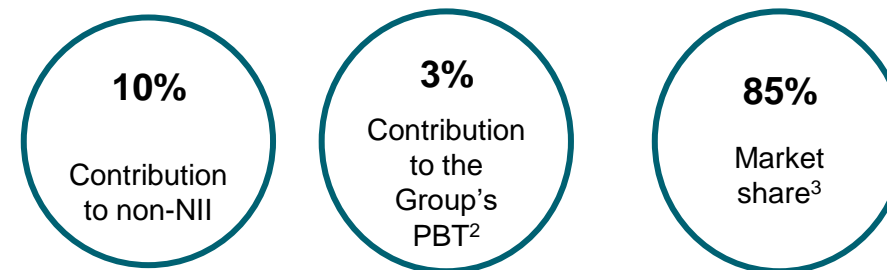
1) Contribution to the Group: Adjusted to exclude intercompany transactions between insurance companies and the Bank  
 2) As at 31 December 2022  
 3) For further information on the transition to IFRS 17 refer to section F9 of the press release

# Leading card processing and payment solutions business in Cyprus



€ mn	1Q2023	1Q2022	yoy%
Net fee and commission income	6.2	5.1	21%
Other income	0.6	1.5 <sup>1</sup>	-62%
FX and net gains on revaluation of investment	0.5	0.4	34%
<b>Total contribution to Group's Non-NII</b>	<b>7.3</b>	<b>7.0</b>	<b>3%</b>
Total operating costs	(4.3)	(3.8)	11%
<b>PBT-contribution to the Group before non-recurring items</b>	<b>3.0</b>	<b>3.2</b>	<b>-6%</b>
Restructuring costs - VEP	-	(3.1)	-
<b>PBT-contribution to the Group</b>	<b>3.0</b>	<b>0.1</b>	<b>-</b>

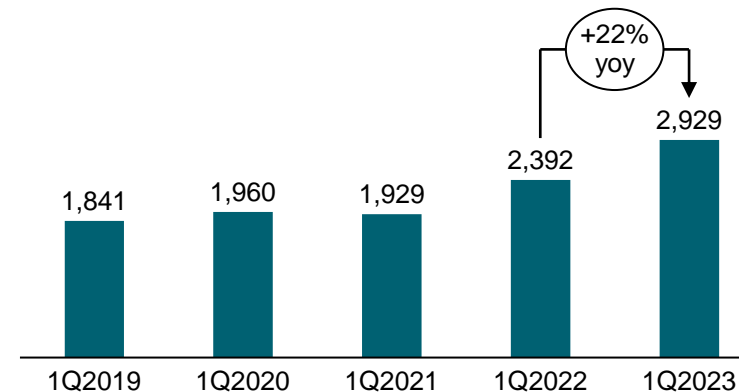
- Net fee and commission income up 21% yoy, in line with higher volume of transactions
- Total operating costs up 11% yoy mainly driven by higher marketing and IT costs
- One-stop shop, providing various innovative solutions
- Backed by BOC with 75% stake



- 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 volume growth; up 22% yoy

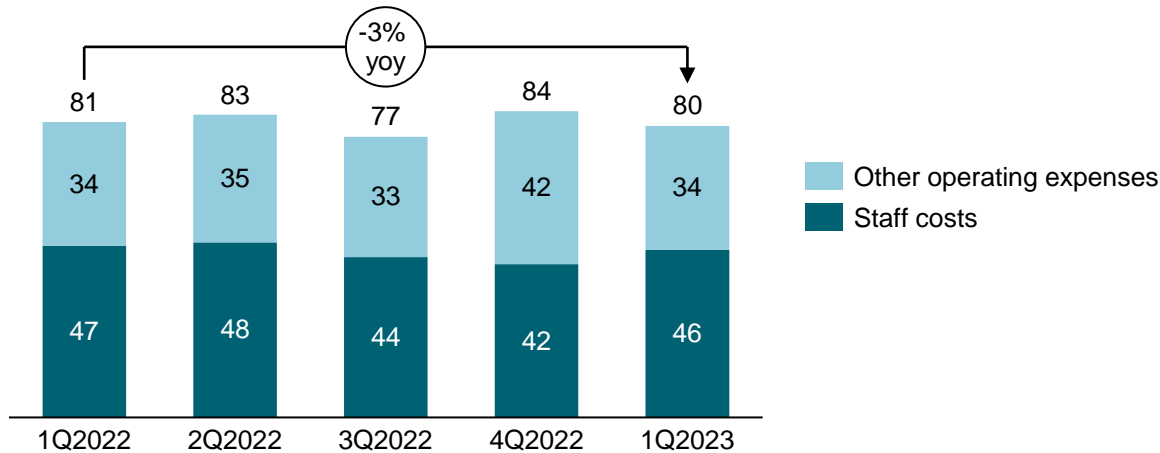
Value of transactions from January to March (€ mn)



1) Includes c.€1mn catch up adjustment  
 2) Before non-recurring items  
 3) As at 31 December 2022 based on market statistics

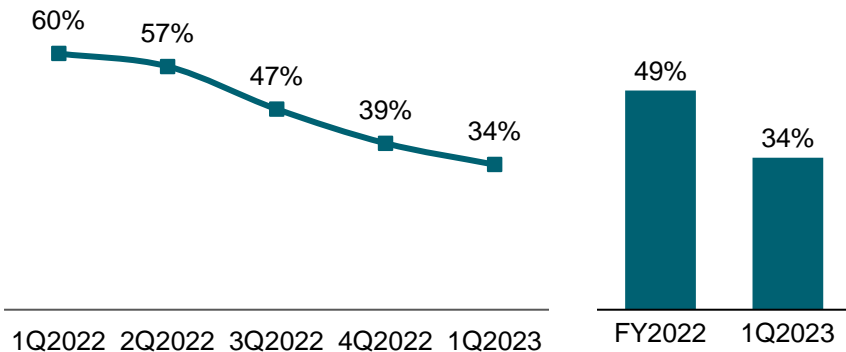
# Cost to income ratio<sup>1</sup> at 34% in 1Q2023

Cost base continues to reflect benefits from efficiency actions



Comparative information restated for transition to IFRS 17 from IFRS 4

Cost to income ratio<sup>1</sup> at 34% supported by higher revenues

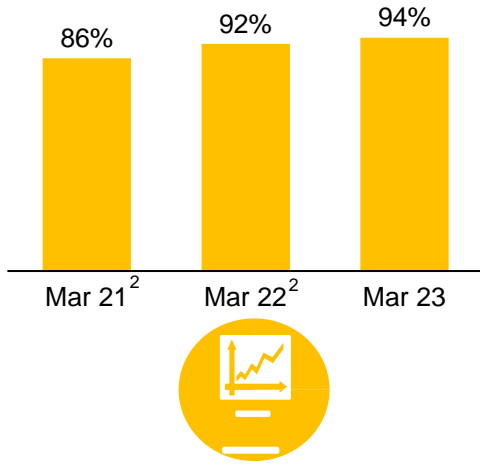


- Total operating expenses down 3% yoy reflecting benefits from efficiency actions partly offset by wage and inflationary pressures
- Staff costs up 9% qoq driven by higher cost-of-living adjustments (COLA<sup>2</sup>), salary increments and accrued staff reward costs of c.€2 mn (variable pay, driven by both delivery of the Group's strategy as well as individual performance)
- Staff costs down 4% yoy as VEP savings offset inflationary pressures
- Other operating expenses down 19% qoq due to seasonally higher professional and marketing expenses in 4Q2022
- Other operating expenses flat yoy
- C/I ratio<sup>1</sup> at 34% for 1Q2023, down 5 p.p. qoq supported by higher revenues

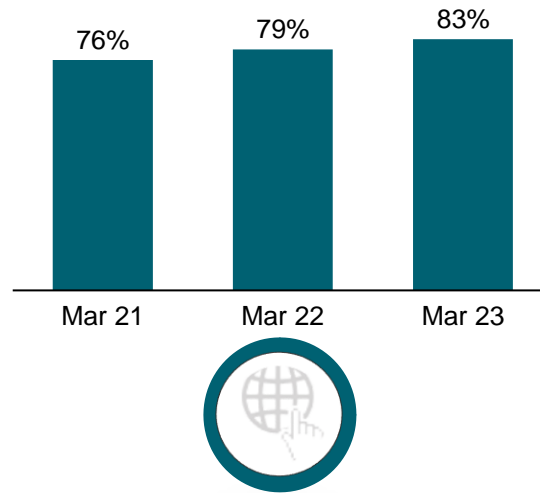
1) Excluding special levy on deposits and other levies/contributions  
 2) 4.4% effective from 1 January 2023, reflecting c.50% of prior year's inflation rate

# Leverage leading Digital Capabilities to serve customers and the economy

Digital transactions ratio<sup>1</sup> at 94%



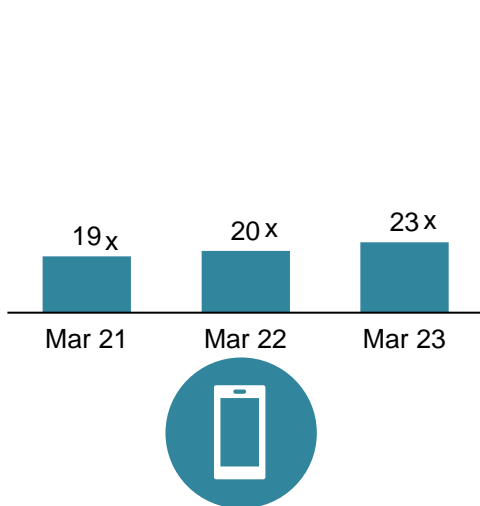
Digitally engaged customers ratio at 83%



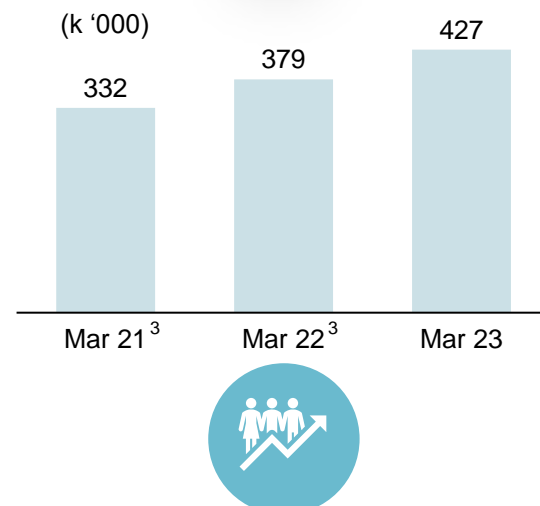
Leader in shaping the digital transformation of local economy



Average mobile logins per month



Active users of Internet and/or Mobile Banking



## Vision

- Introduction of the **Digital Economy Platform** to optimise processes within the economy and create new revenue sources over the medium-term
  - Bringing stakeholders together
  - Connecting businesses with each other and with consumers
  - Driving opportunities in lifestyle banking and beyond
- Launch of first set of services for digitising business to business activities (eg: electronic invoicing, tenders service, remittance management and payments)
- >1,500 companies registered on the platform

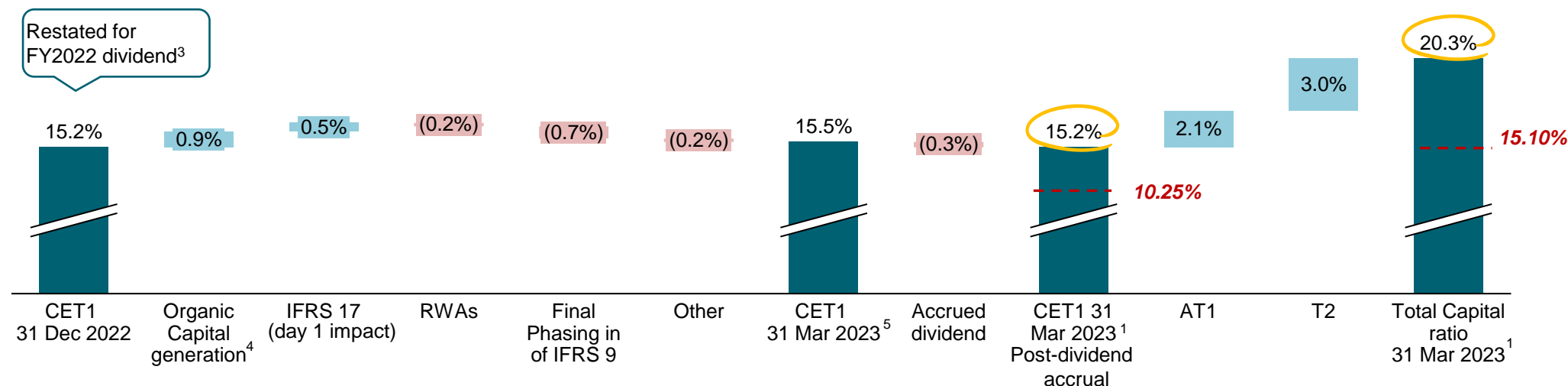
1) This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs  
 2) Comparative figures have been revised in order to include data for the transactions of "Payroll & Group Transfers" through 1Bank  
 3) Comparative figures have been revised in order to include active users for business subscribers

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# Capital, Liquidity & Asset Quality

# Robust capital position with CET1 at 15.2%<sup>1</sup> and Total Capital ratio at 20.3%<sup>1</sup>

----- min OCR requirement for 2023<sup>2</sup>



- **Organic capital generation<sup>4</sup> of c.90 bps in 1Q2023**

- Final phasing in of IFRS 9 impact of c.65 bps on 1 January 2023
- IFRS 17 day 1 (1 January 2023) benefit of c.50 bps on insurance business equity distributed to the Bank as dividend in February 2023
- The Group continues to monitor opportunities for the optimisation of its capital position including Additional Tier1 capital

## Dividend distribution

- Total distribution of €22.3 mn out of FY2022 profitability, equivalent to c.20 bps of CET1 ratio as at 31 December 2022
- Payout ratio of 14% out of FY2022 Group's adjusted recurring profitability<sup>6</sup> (as reported in FY2022 Annual Report)
- For CRR compliance purposes, an accrual for dividend at a payout ratio of 30% of the Group adjusted recurring profitability<sup>6</sup> for the period, in line with the Group's approved dividend policy<sup>7</sup>, was recognised

1) Includes unaudited/unreviewed profits for 1Q2023 and for compliance with CRR an accrual for an estimated final dividend at a payout ratio of 30% of the Group's adjusted recurring profitability in line with the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval

2) OCR - Overall Capital Requirement (refer to slide 43)

3) Opening CET1 restated following ECB approval and BOD recommendation for a final dividend payment of €22.3 mn out of FY2022 profitability. Dividend payment is subject to shareholders approval at the AGM on 26 May 2022

4) Based on profit after tax before non-recurring items

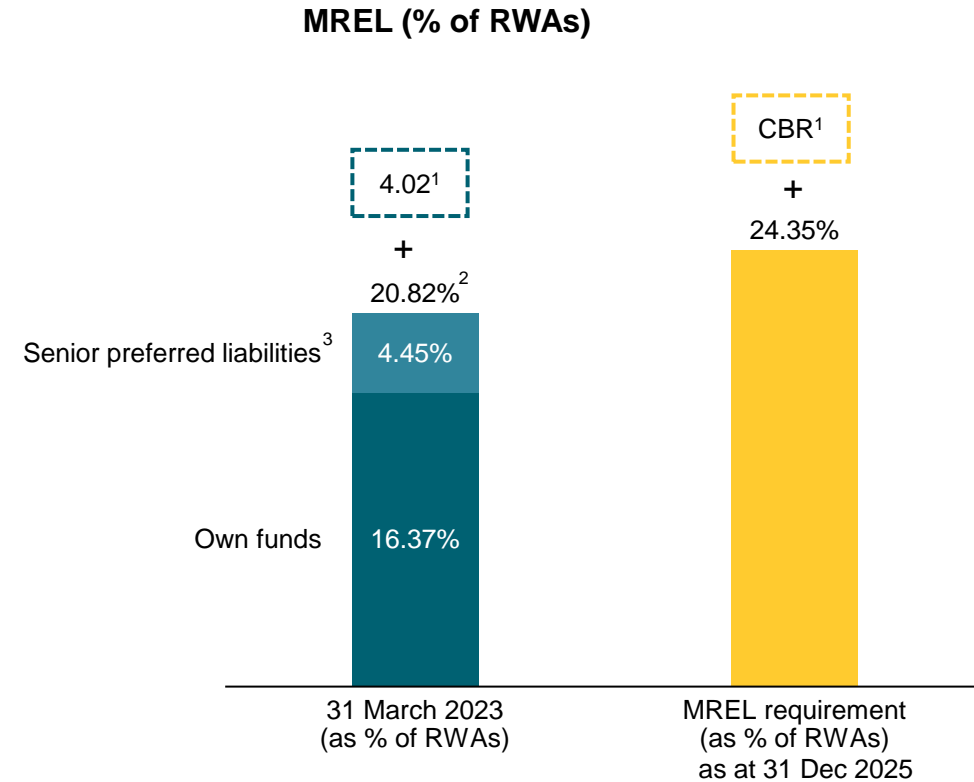
5) Includes unaudited/unreviewed profits for 1Q2023

6) Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the AT1 coupon

7) Any recommendation for a dividend is subject to regulatory approval

# MREL position

- MREL ratio as % of RWAs<sup>1</sup> at 20.82%<sup>2</sup> as at 31 March 2023
- MREL ratio as % of Leverage Ratio Exposure (LRE) of 10.01% as at 31 March 2023
- Based on latest SRB communication:
  - final target is set at 24.35%<sup>1</sup> of RWAs
  - MREL as % of LRE target at 5.91%
  - to be met by 31 December 2025
  - interim requirement of 1 January 2022 set at 14.94% of RWAs and 5.91% of LRE must continue to be met
- The Bank continues to evaluate opportunities to advance the build-up of its MREL liabilities



1) The Combined Buffer Requirement (CBR) of 4.02% as at 31 March 2023 applies on top of MREL as %RWAs and will further increase on 30 November 2023 following increase in CcyB from 0.00% to 0.50% of the total risk exposure amounts in Cyprus (as announced by Central Bank of Cyprus)

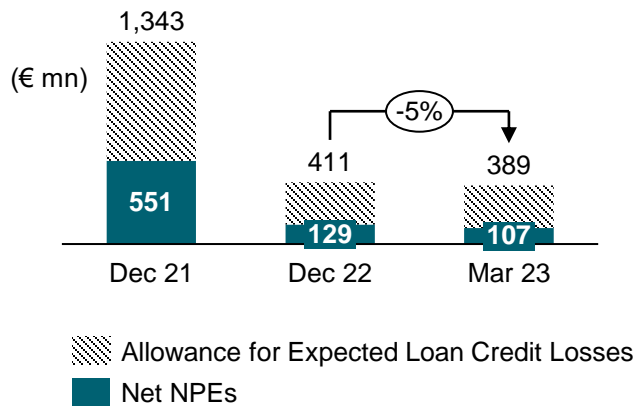
2) Includes unaudited/unreviewed profits for 1Q2023 and for compliance with CRR an accrual for an estimated final dividend at a payout ratio of 30% of the Group's adjusted recurring profitability in line with the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval

3) MREL-eligible senior preferred bonds of €300 mn and other MREL eligible liabilities

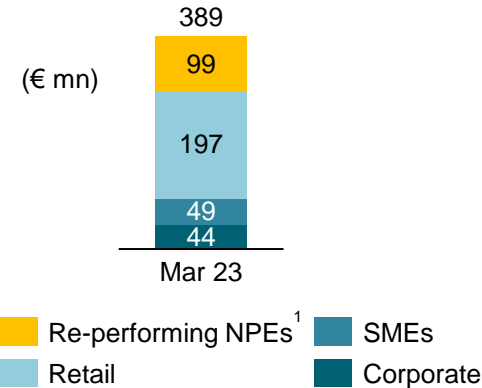


# NPE ratio decreased at 3.8%; limited NPE inflows

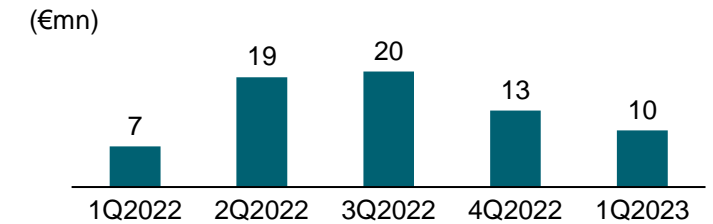
NPE organically reduced by 5% qoq



Residual NPEs comprises mainly Retail

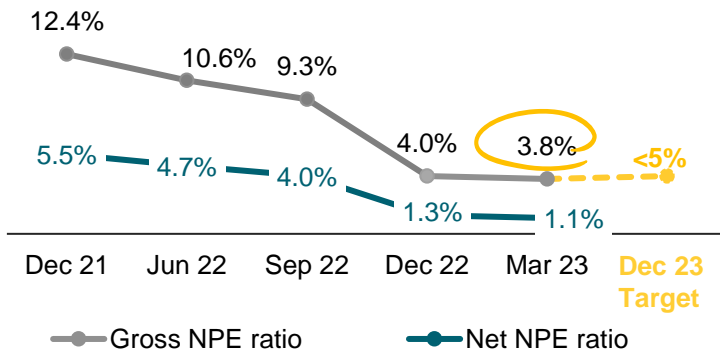


NPE inflows remain under control

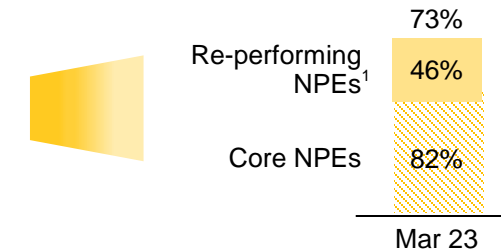
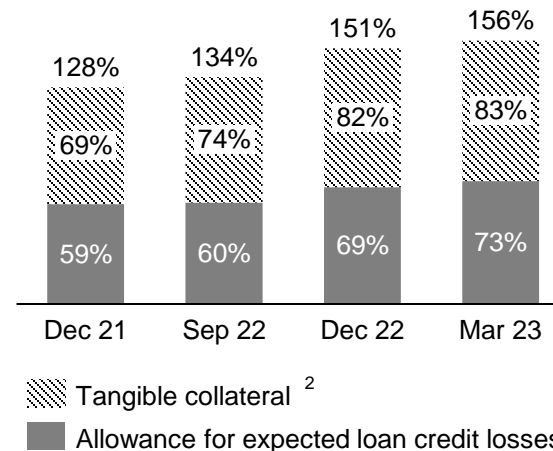


No signs of deterioration due to interest rate rises

NPE ratio reduced to 3.8%; 1.1% on a net basis

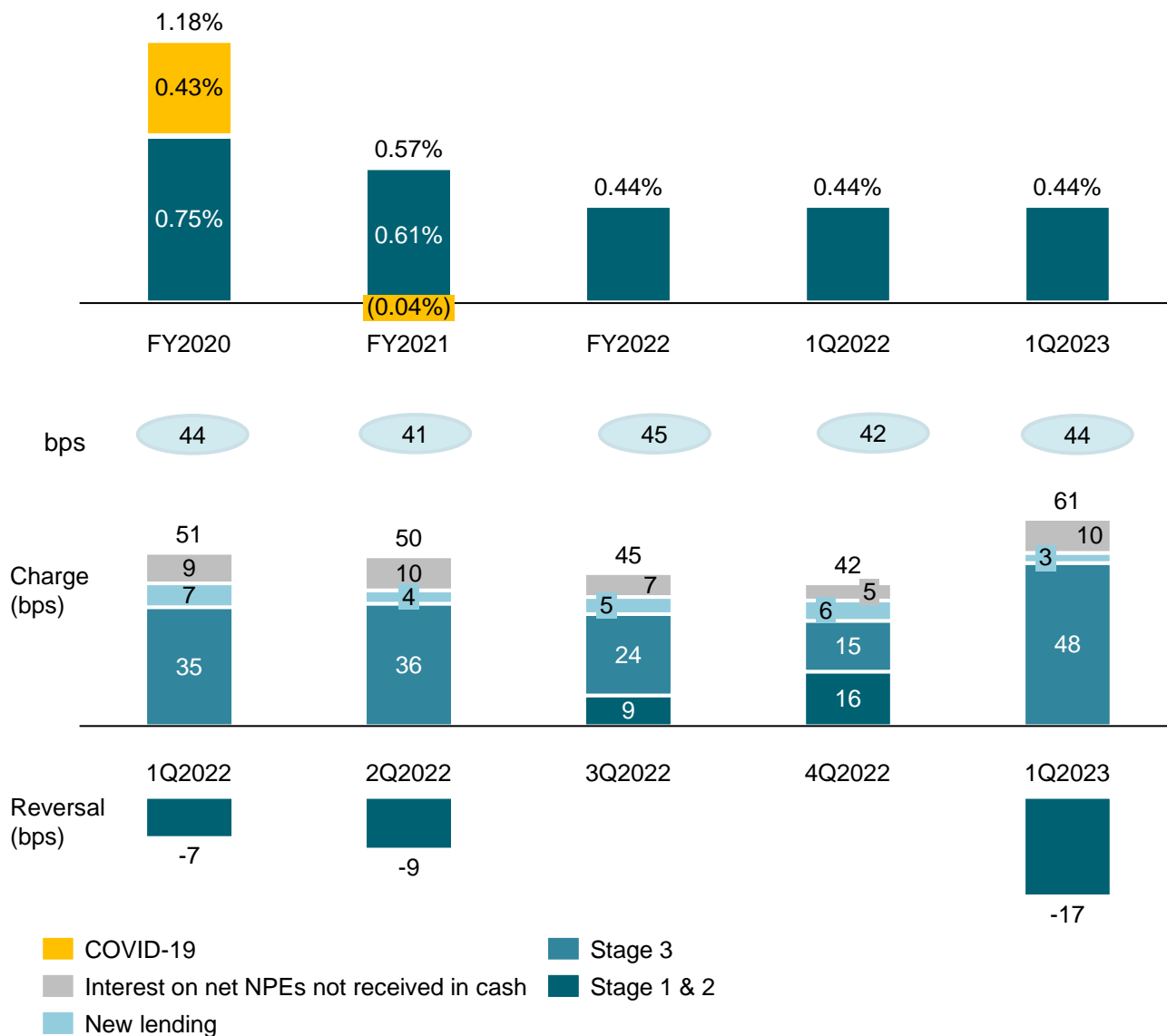


NPE coverage increased to 73%



1) In pipeline to exit NPEs subject to meeting all exit criteria; the analysis is performed on a customer basis  
 2) Restricted to Gross IFRS balance

# COR of 44 bps for 1Q2023; resilient credit portfolio quality



## Bank's IFRS 9 Macroeconomic assumptions

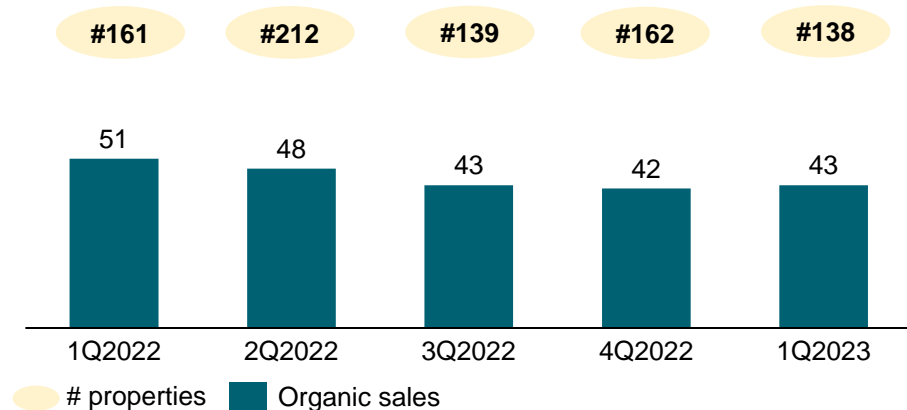
	Base line	GDP rate	Unemployment rate
2023		2.7%	6.9%
2024		2.5%	6.8%

- Cost of risk of 44 bps, flat qoq and yoy mainly reflecting:
  - releases on management overlays for performing book in specific sectors (including tourism) due to continuing strong loan performance and expected improved sector performance
  - loan credit losses on Stage 2 and Stage 3 exposures following post model adjustments to capture uncertain macroeconomic conditions and conservative assumptions
- Ongoing monitoring of asset quality and customer behaviour; no signs of asset quality deterioration to date

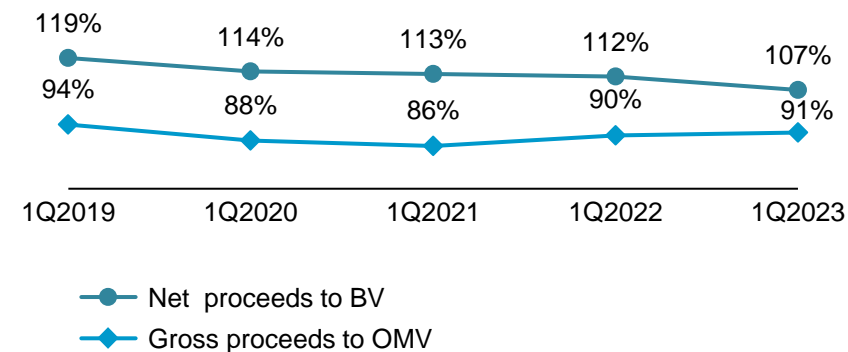
# REMU: Asset disposals steady qoq

## Organic sales of €43 mn in 1Q2023

Organic sales € mn (contract prices<sup>1</sup>)

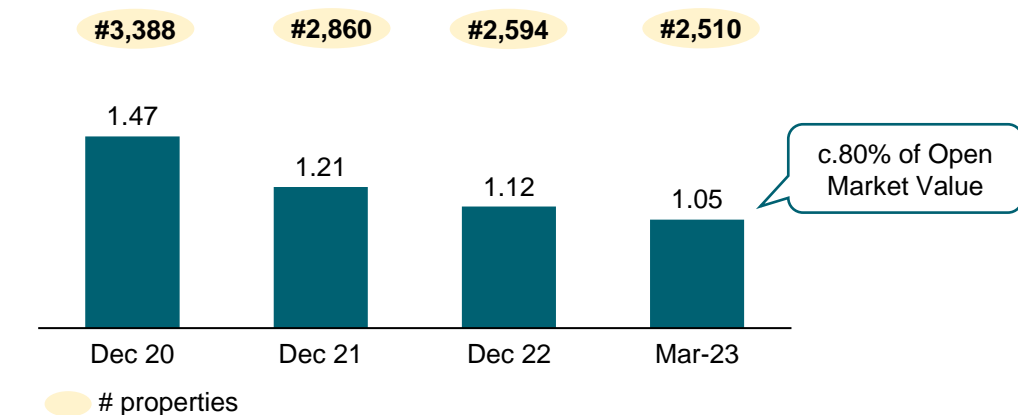


## Organic sales consistently close to Open Market Value; comfortably above Book Value



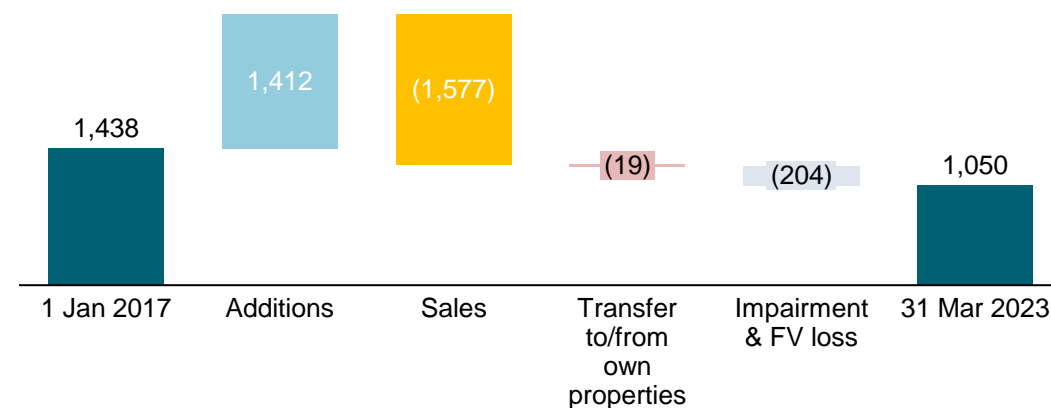
## REMU stock reduced to €1.05 bn as at 31 March 2023

Group BV (€ bn)



## Properties sold exceed properties acquired since 2017

Group BV (€ mn)



<sup>1</sup>) Amounts as per Sales Purchase Agreements (SPAs)

# Substantial progress against our ESG agenda

## Carbon Neutral by 2030

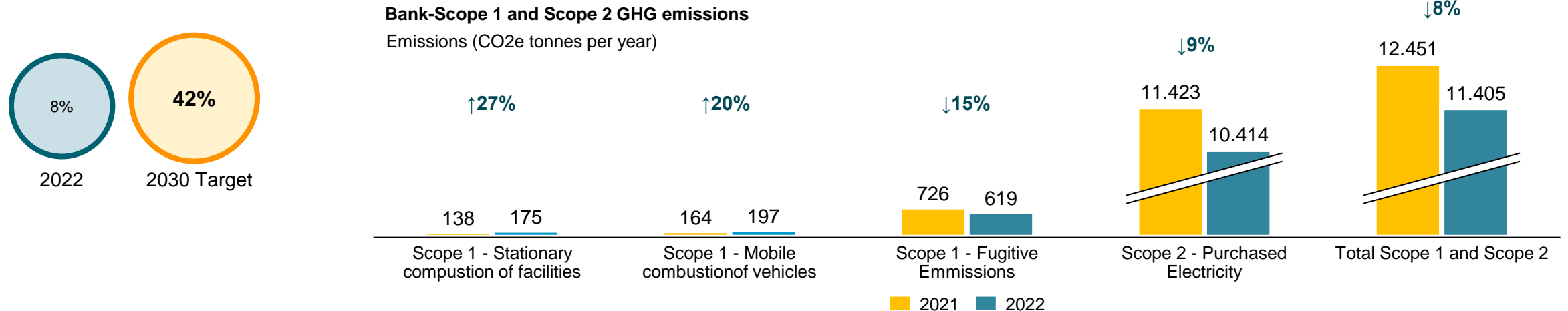
### Progress on carbon neutrality target in FY2022:

- For the Bank to meet the carbon neutrality target, the Scope 1 and Scope 2 GHG emissions should be reduced by **42%** (absolute target) by 2030.
- The absolute reduction target has been set following the climate scenario of 1.5°C which is aligned with the Paris Agreement.
- The Bank achieved 8% reduction in Scope 1 and Scope 2 emissions as at 31/12/2022 compared to the baseline year of 2021.



### Progress on carbon neutrality target in 1Q2023:

- **c.255k KWh** energy savings yoy
- **c.123k** investment in energy-saving activities in 1Q2023
- The Bank formulated a plan of action to reduce Scope 1 and Scope 2 and meet carbon neutrality target by 2030 and plans to invest in energy efficient installations and actions and replace fuel intensive machineries and vehicles from 2023 to 2025, which would lead to approximately 5-10% reduction in Scope 1 and Scope 2 GHG emissions by 2025 compared to 2021.
- The Bank expects that the Scope 2 GHG emissions will be reduced further when the energy market in Cyprus shifts further towards renewable energy.



# Substantial progress against our ESG agenda

## First TCFD Report Published

The first TCFD report has been published by the Company, as part of its 2022 Annual Financial Report, presenting the current activities and future plans in the climate field, structured in the core elements of how organisations operate: governance, strategy, risk management and metrics and targets.

## Net zero by 2050



- The Bank joined the Partnership for Carbon Accounting Financials (PCAF) in October 2022 and is following the recommended methodology for the estimation of the Financed Scope 3 GHG emissions.
- Estimated the Financed Scope 3 GHG emissions for approximately 88% of Gross Loans portfolio using PCAF methodology and proxies
- The Bank is currently in the process to set decarbonisation targets in specific sectors and asset classes of the loan portfolio
- Continue to build out the green product offerings
- Published the Sustainable Finance Framework

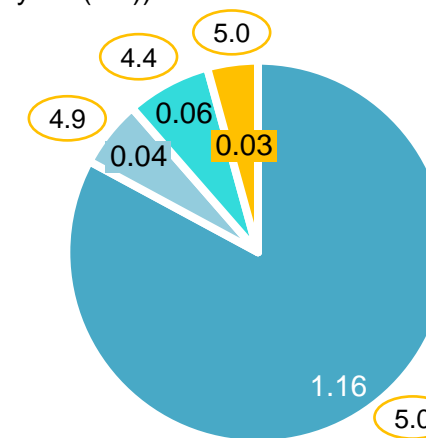


## Customers

- c.€3.62 mn fil-eco loans granted in 1Q2023
- Green car loans launched end of 2022
- c.€0.56 mn Green Cars loans granted in 1Q2023

## Financed Scope 3 GHG emissions on 2022 loan portfolio

(CO<sub>2</sub>e tonnes per year (mn))



■ Business loans     
 ■ Mortgages     
 5.0 DQS: PCAF Data Quality Score<sup>1</sup>  
■ Commercial Real Estate     
 ■ Motor vehicles

- The majority of Financed Scope 3 GHG emissions derive from Business Loan asset class
- The most carbon concentrated sectors under Business Loan asset class are Transportation and storage (24%), Construction (20%), Manufacturing (16%), Accommodation and food service activities (12%), and Wholesale and retail trade (10%)
- Decarbonisation target expected to be set for most carbon concentrated sectors of business loan asset class

1) Score 1-5; 1 represents the highest data quality

# Substantial progress against our ESG agenda

## BOC Oncology Centre

- Cumulative investment of c.€70 mn from 1998 to March 2023
- 60% of diagnosed cancer cases in Cyprus are being treated at the Centre

## CSR Program

>15 projects running in 1Q2023 under the pillars: Health, Education, Environment

## Network Support CY<sup>1</sup>

- SupportCY<sup>1</sup> Network: 174 members including BOC contributing >€880k to the society (monetary, products and services) from March 2020 to March 2023

## Bank of Cyprus Cultural Foundation

- «AISTHISEIS»: Continued multisensory museum experience promoting and facilitating the participation of vulnerable groups in culture and society
- **ReInHerit program**: Second year of facilitating innovation and research cooperation between European museums and heritage
- Participation of **4430** people in Cultural Foundation events between January to March 2023 (including 4 educational programs for schools)

## IDEA (Non-profit organisation, acting as incubator accelerator for start-ups since 2015)

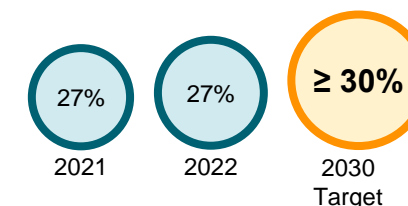
- 89 new companies created and 210+ entrepreneurs supported in total through Startup program since incorporation
- c.€4 mn invested in startup business creation since incorporation



## Women representation at Board and Senior Management levels

As at 31 March 2023:

- 27% of women representation in Group's management<sup>2</sup> bodies as
- 40% at Board Level are female
- 39% for key positions below Extended EXCO are female



## Our people

- **Winning moments** training program launched in 2023 aiming to improve Customer experience through upgrading the customer service.
- **Well at Work** program continues into 2023 with new initiatives to enhance mental health, physical, financial and social health



1) SupportCY is a network of companies and NGOs, created and coordinated by Bank of Cyprus since March 2020, with the aim to support the public services performing frontline duties during the Pandemic. SupportCY has become the leading network for offering assistance and support to the society in general. The members on 31/03/2023 were 174 companies and NGOs  
 2) EXCO and extended EXCO

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## Concluding remarks



**Resumption of dividend payments after 12 years**



**1Q2023 performance ahead of 2023 targets**



**Profit after tax of €95 mn in Q1 2023, equivalent to an annualised ROTE of 21.3%**

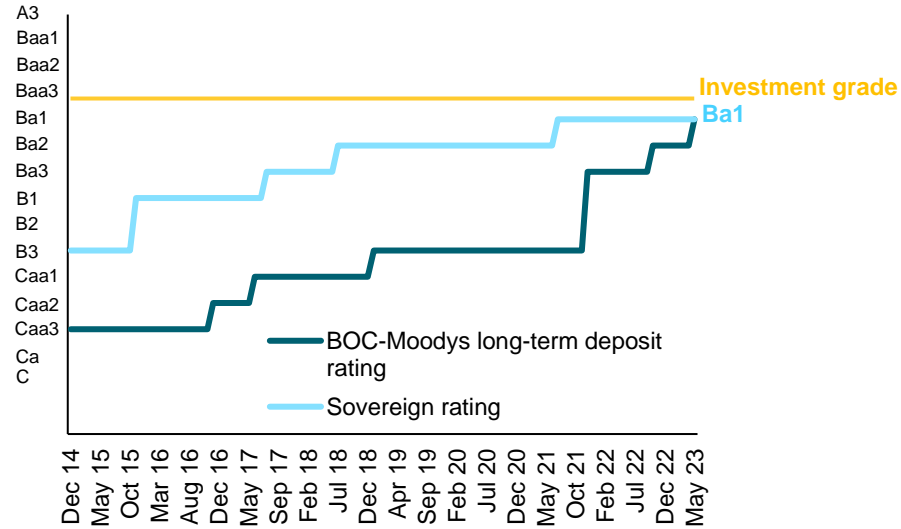
**Investor Update Event**

**8 June 2023**

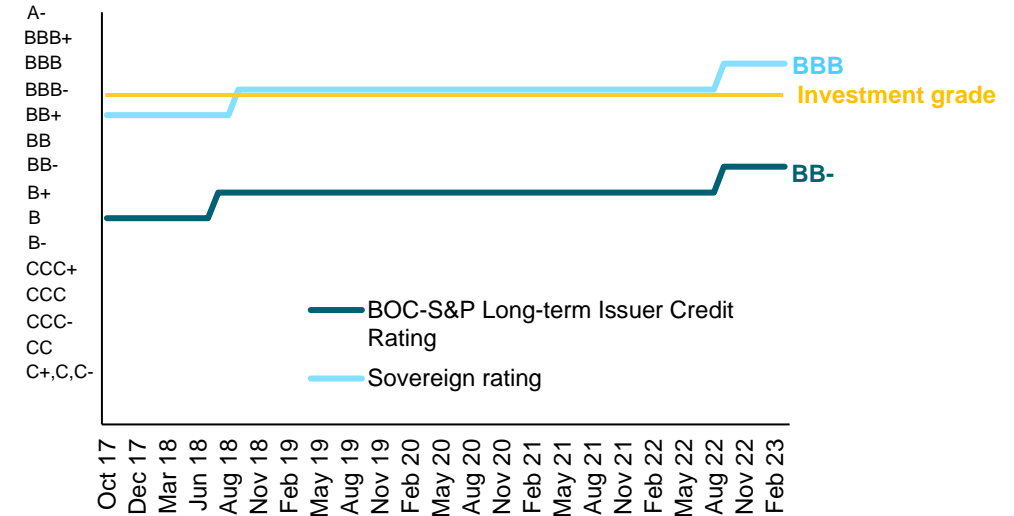
**London**

# Steadily improving credit ratings for BOC

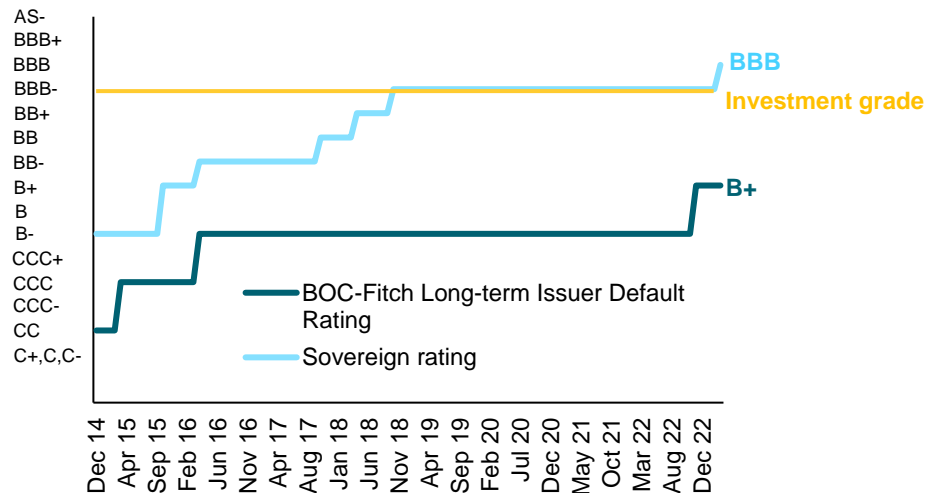
Moody's upgraded rating to Ba1; outlook positive



S&P upgraded rating to BB+; outlook positive



Fitch upgraded rating to B+; outlook positive



## Bank of Cyprus



	Cyprus Sovereign Credit rating	LT Deposit rating	LT Counterparty Risk Rating	Outlook	Senior Unsecured Debt	Subordinate (Tier 2)
<b>MOODY'S</b>	Ba1	Ba1	Baa3	Positive	Ba3	B1
<b>S&amp;P Global Ratings</b>	BBB	N/A	BB+	Positive	BB-	CCC
<b>FitchRatings</b>	BBB	BB-	N/A	Positive	N/A	N/A



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# Key Information and Contact Details

## Contacts

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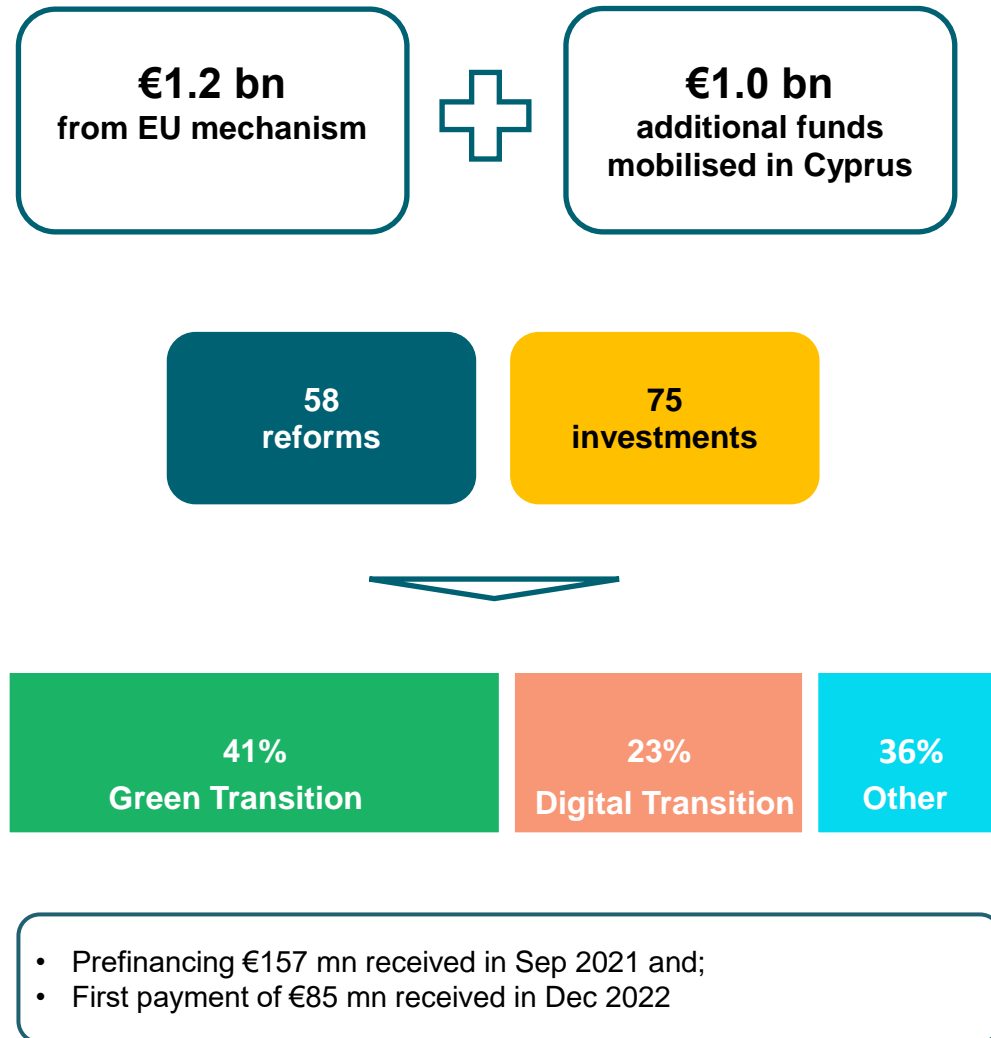
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# Appendix

## Macroeconomic overview

# EU Recovery and Resilience Facility (RRF)

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



-  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

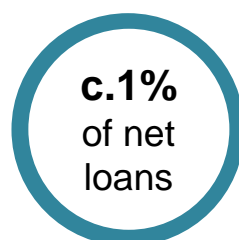
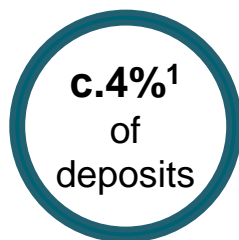
- 
- 75 new investments to be initiated including:**
- Interconnection between Cyprus, Greece and Israel
  - Promotion of diversification and competitiveness via introduction of financing schemes to SMEs and start-ups
  - Promotion of sustainable transport (eg: electric vehicles)
- 
- 58 reforms to be introduced including:**
- Modernising public and local authorities, improving efficiency in judicial system
  - Introducing green taxation
  - Establishing e-government

# Limited economic effects on BOCH from Russia-Ukraine war

## Direct Impact

- No banking operations in Ukraine/Russia since 2015; <€1 mn net legacy exposure as at 31 March 2023
- Limited direct exposure to loans (c.€87 mn of which c.€80 mn is performing) related to Russia and Belarus; granular portfolio and secured mainly by real estate properties in Cyprus; none of which are under sanctions

## Exposure to Russia and Belarus



## Indirect Impact

- The economic effects result from higher inflation and a slowdown in activity, with tourism sector most impacted; **Tourism sector recovering to pre-pandemic levels.** Stronger than anticipated tourist arrivals in 2022 from markets other than Russia (like UK, Greece, Germany)
- **Cyprus is not an importer of Russian oil/gas** though it is indirectly affected by pricing pressures in the international energy markets. Cyprus mainly imports oil from other countries (like Greece, Italy, the Netherlands), though a steady increase in contribution from renewables is noted
- **Services** accounting for c.10% of GDP<sup>2</sup> of which some relate to Russia/Ukraine and thus adversely impacted; **no credit risk exposure as sector not levered**

## Actions taken by the Bank to address legacy shortcomings

- Since 2014, the Bank has engaged in a very demanding and rigorous anti-financial crime remediation programme
- The Bank fully adheres to all relevant UN, EU, USA, UK sanction frameworks
- The Bank has implemented additional measures to monitor the complicated sanctions environment in 2022 including systemic enhancements, specialised training, revision of risk appetite and continuous support by US lawyers specialised on sanctions

### Recent Progress

Eliminating  
Professional  
Intermediaries



1.601  
Intermediaries in 2014

currently  
0  
Intermediaries

Customer  
Terminations  
and Rejections



25.909 customers terminated / suspended (\*)

12.028 potential new customers rejected

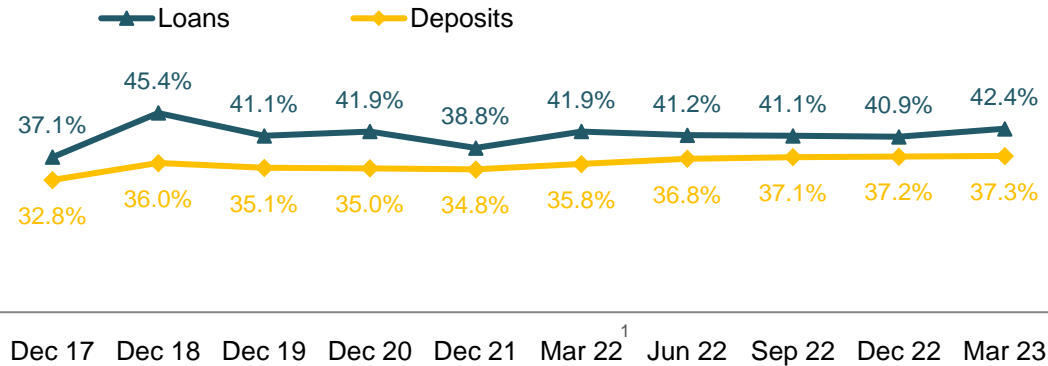
exclusively on Compliance (KYC/AML) grounds in years 2012-2022

(\*) customers have multiple accounts

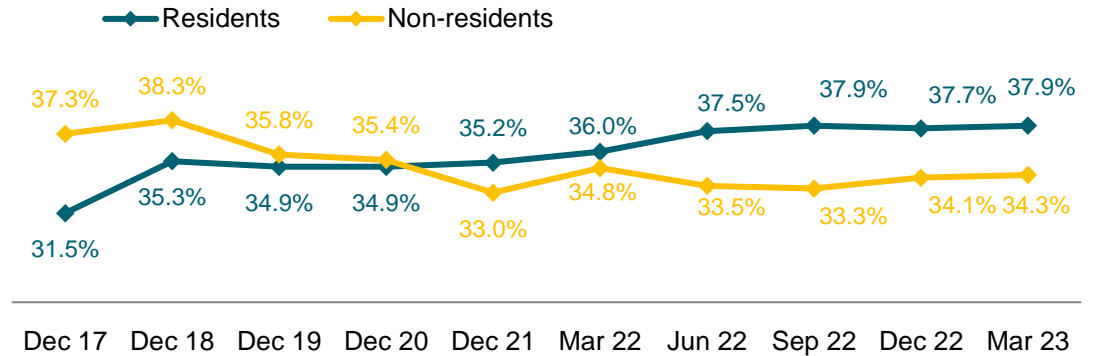
1) By passport origin, defined as the country of passport of the Ultimate Beneficial Owner  
2) In accordance with 2021 structure of the economy

# Macro & Banking Overview

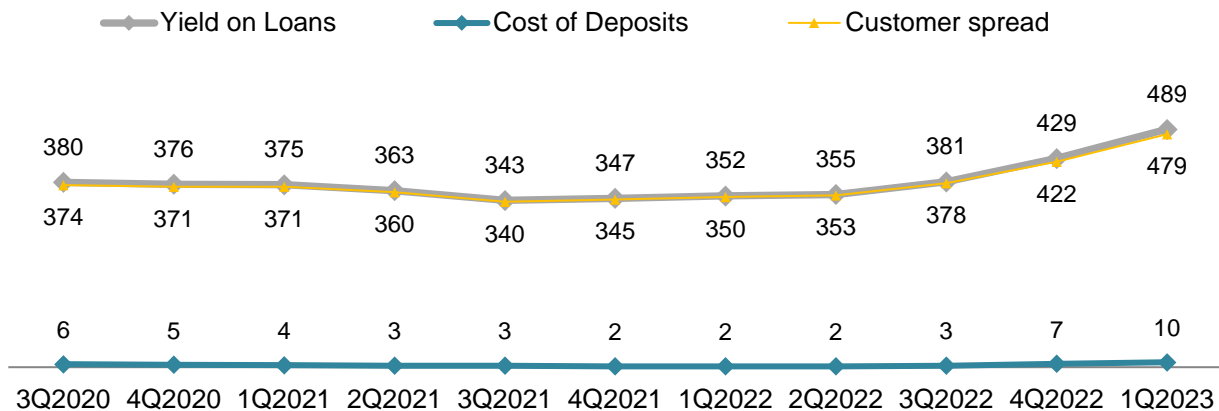
## Loan market share at 42% in Mar 2023



## Strong market shares in resident and non-resident deposits



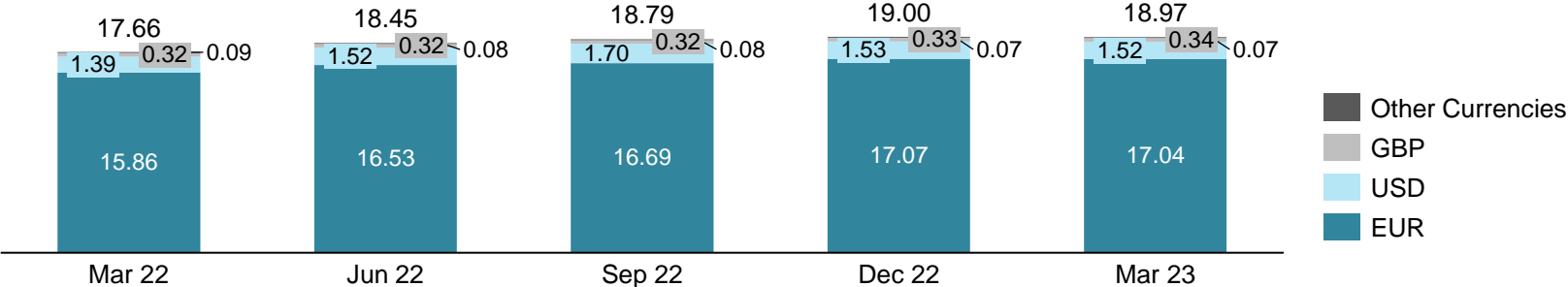
## Average contractual interest rates (bps) (Cy)



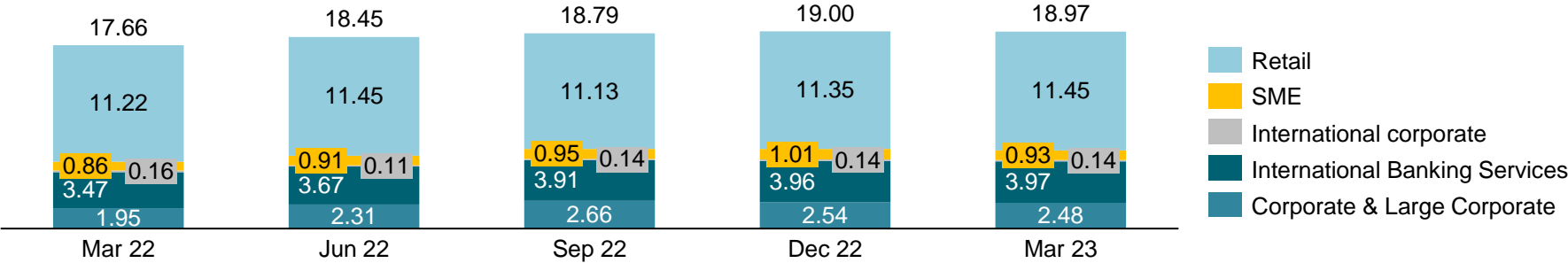
1) The market share as at 31 March 2022 was affected by the decrease in total loans in the banking sector, following RCB's decision to phase out its banking activities, and NPE disposal of a peer

# Analysis of Deposits

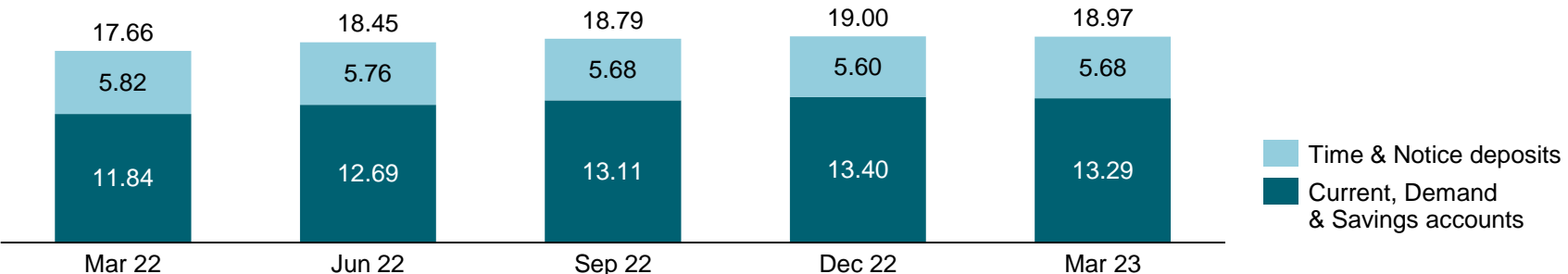
Deposits by Currency (€ bn)



Deposits by Customer Sector (€ bn)



Deposits by Type (€ bn)



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## **Appendix**

### Additional financial information

# Income Statement

€ mn	1Q2023	1Q2022 (IFRS 17)	4Q2022 (IFRS 17)	qoq%	yoy%
Net Interest Income	162	71	136	19%	127%
Net fee and commission income	44	44	50	-12%	1%
Net foreign exchange gains and net gains/(losses) on financial instruments	13	2	12	12%	-
Net insurance result	10	11	10	-11%	-15%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	2	5	2	-34%	-68%
Other income	3	4	5	-38%	-31%
<b>Total income</b>	<b>234</b>	<b>137</b>	<b>215</b>	<b>8%</b>	<b>70%</b>
Staff costs	(46)	(47)	(42)	9%	-4%
Other operating expenses	(34)	(34)	(42)	-19%	-1%
Special levy on deposits and other levies/contributions	(11)	(10)	(11)	-7%	12%
<b>Total expenses</b>	<b>(91)</b>	<b>(91)</b>	<b>(95)</b>	<b>-5%</b>	<b>-1%</b>
<b>Operating profit</b>	<b>143</b>	<b>46</b>	<b>120</b>	<b>19%</b>	<b>213%</b>
Loan credit losses	(11)	(12)	(11)	0%	-6%
Impairments of other financial and non-financial assets	(11)	(5)	(13)	-8%	126%
Provisions for pending litigations, regulatory and other matters (net of reversals)	(6)	(0)	(8)	-26%	-
<b>Total loan credit losses, impairments and provisions</b>	<b>(28)</b>	<b>(17)</b>	<b>(32)</b>	<b>-10%</b>	<b>68%</b>
<b>Profit before tax and non-recurring items</b>	<b>115</b>	<b>29</b>	<b>88</b>	<b>29%</b>	<b>-</b>
Tax	(18)	(6)	(13)	40%	236%
Profit attributable to non-controlling interests	(1)	0	(1)	-45%	-
<b>Profit after tax and before non-recurring items (attributable to the owners of the Company)</b>	<b>96</b>	<b>23</b>	<b>74</b>	<b>28%</b>	<b>-</b>
Advisory and other restructuring costs – organic	(1)	(1)	(1)	-22%	-15%
<b>Profit after tax – organic (attributable to the owners of the Company)</b>	<b>95</b>	<b>22</b>	<b>73</b>	<b>29%</b>	<b>-</b>
Provisions/net profit/(loss) relating to NPE sales	-	(1)	2	-100%	-100%
Restructuring and other costs relating to NPE sales	-	(1)	0	-41%	-72%
Restructuring costs – Voluntary Staff Exit Plan (VEP)	-	(3)	-	-	-100%
<b>Profit after tax (attributable to the owners of the Company)</b>	<b>95</b>	<b>17</b>	<b>75</b>	<b>26%</b>	<b>-</b>



# Consolidated Balance Sheet

Assets (€ mn)	31.03.2023	31.12.2022 (IFRS 17)	% change
Cash and balances with central banks	9,248	9,567	-3%
Loans and advances to banks	416	205	103%
Debt securities, treasury bills and equity investments	2,897	2,704	7%
Net loans and advances to customers	10,013	9,953	1%
Stock of property	978	1,041	-6%
Investment properties	83	85	-2%
Other assets	1,752	1,734	1%
<b>Total assets</b>	<b>25,387</b>	<b>25,289</b>	<b>0%</b>

Liability and Equity (€ mn)	31.03.2023	31.12.2022 (IFRS 17)	% change
Deposits by banks	481	508	-5%
Funding from central banks	1,988	1,977	1%
Customer deposits	18,974	18,998	0%
Debt securities in issue	300	298	1%
Subordinated liabilities	307	302	2%
Other liabilities	1,195	1,157	3%
<b>Total liabilities</b>	<b>23,245</b>	<b>23,240</b>	<b>0%</b>
<b>Shareholders' equity</b>	<b>1,899</b>	<b>1,807</b>	<b>5%</b>
Other equity instruments	220	220	-
<b>Total equity excluding non-controlling interests</b>	<b>2,119</b>	<b>2,027</b>	<b>5%</b>
Non-controlling interests	23	22	3%
<b>Total equity</b>	<b>2,142</b>	<b>2,049</b>	<b>5%</b>
<b>Total liabilities and equity</b>	<b>25,387</b>	<b>25,289</b>	<b>0%</b>

- As at 31 March 2023 there were 446,199,933 issued ordinary shares

# Risk Weighted Assets– Regulatory Capital

## Risk Weighted Assets by Geography (€ mn)

	31.12.21	30.09.22	31.12.22	31.03.23
Cyprus	10,595	10,472	10,059	10,108
Overseas	99	66	55	56
<b>RWAs</b>	<b>10,694</b>	<b>10,538</b>	<b>10,114</b>	<b>10,164</b>
<b>RWA intensity</b>	<b>43%</b>	<b>40%</b>	<b>40%</b>	<b>40%</b>

## Risk Weighted Assets by type of risk (€ mn)

	31.12.21	30.09.22	31.12.22	31.03.23
Credit risk	9,678	9,523	9,103	9,153
Market risk	-	-	-	-
Operational risk	1,016	1,015	1,011	1,011
<b>Total</b>	<b>10,694</b>	<b>10,538</b>	<b>10,114</b>	<b>10,164</b>

## Reconciliation of Group Equity to CET1

€ mn	31.03.23
Shareholder's equity	1,899
Less: Intangibles	(28)
Less: Deconsolidation of insurance entities and other entities <sup>1</sup>	(123)
Less: Regulatory adjustments	(200)
<b>CET1</b>	<b>1,548</b>
<b>Risk Weighted Assets</b>	<b>10,164</b>
<b>CET1 ratio<sup>2</sup></b>	<b>15.2%</b>
<b>CET1 ratio fully loaded</b>	<b>15.2%</b>

## Equity and Regulatory Capital (€ mn)

	31.12.21	31.12.22 <sup>3</sup>	31.03.23 <sup>2</sup>
<b>Total equity excl. non-controlling interests</b>	<b>2,059</b>	<b>2,027</b>	<b>2,119</b>
<b>CET1 capital</b>	<b>1,620</b>	<b>1,540</b>	<b>1,548</b>
Tier I capital	1,840	1,760	1,768
Tier II capital	300	300	300
<b>Total regulatory capital (Tier I + Tier II)</b>	<b>2,140</b>	<b>2,060</b>	<b>2,068</b>

1) Includes for compliance with CRR an accrual for an estimated final dividend at a payout ratio of 30% of the Group's adjusted recurring profitability in line with the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval

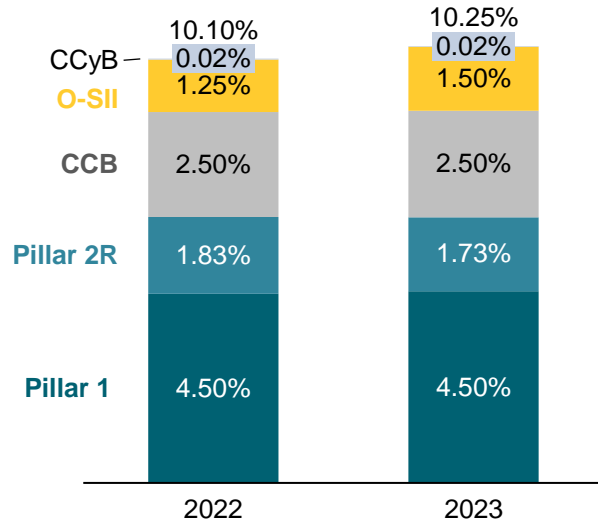
2) Includes unaudited/unreviewed profits for 1Q2023 and for compliance with CRR an accrual for an estimated final dividend at a payout ratio of 30% of the Group's adjusted recurring profitability in line with the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval

3) Capital amounts and ratios include profits for the year ended 31 December 2022; restated following ECB approval and BOD recommendation for a final dividend payment of €22.3 mn out of FY2022 profitability. Dividend payment is subject to shareholders approval at the AGM on 26 May 2022

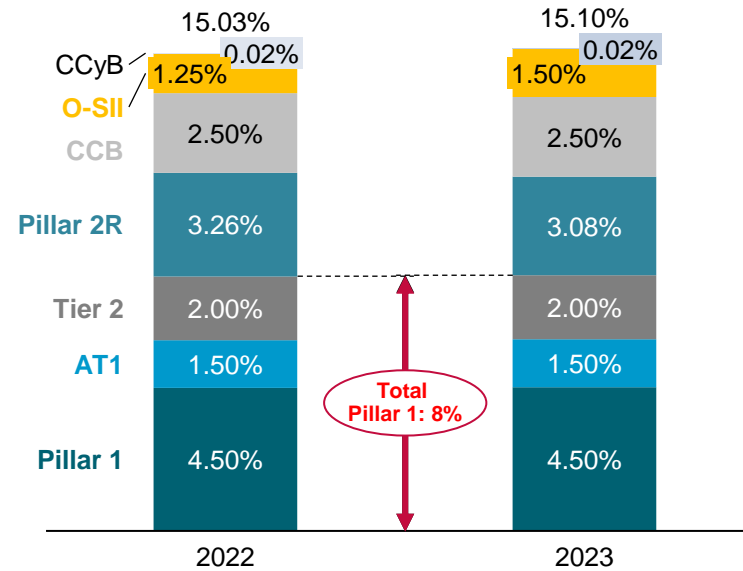
# Overall capital requirements

## Overall capital requirements for 2022 and 2023

### CET1 ratio



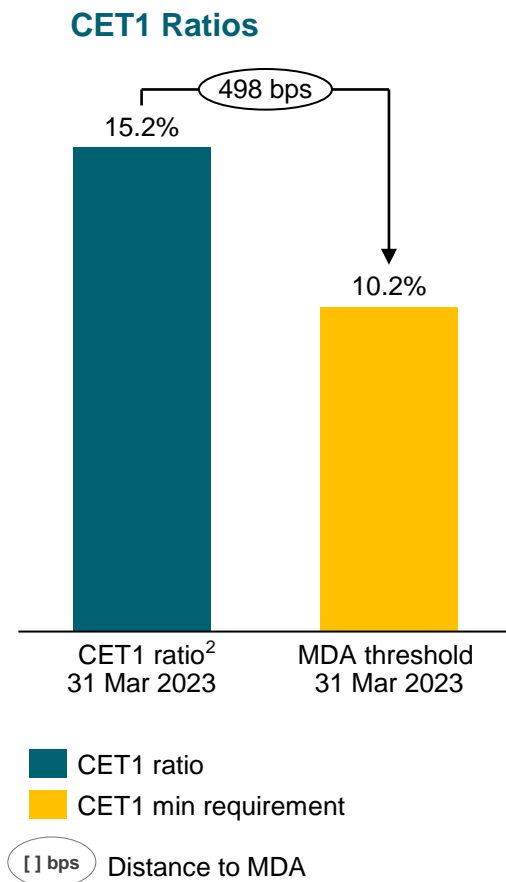
### Total capital ratio



- CET1 and Total capital ratio minimum capital requirements for 2023 set at 10.25% and 15.10%
- P2R decreased by 25 bps to 3.08% in 2023. The revised P2R includes a revised P2R add-on of 0.33% relating to ECB's prudential provisioning expectations
- Non-public guidance for P2G remains unchanged
- Total O-SII buffer fully phased in January 2023 at 1.50%
- Following the CBC's revised methodology described in its macroprudential policy in November 2022, the CcyB for the Group is expected to increase<sup>1</sup>

1) According to CBC, following the revised methodology described in its macroprudential policy in November 2022, decided to increase the CcyB from 0.00% to 0.50% of the total risk exposure amounts in Cyprus of each licensed credit institution incorporated in Cyprus. The new rate of 0.50% must be observed as from 30 November 2023

# Buffer to MDA Restrictions Level & Distributable Items<sup>1</sup>



- Significant CET1 MDA buffer as at 31 Mar 2023: 498 bps (€506mn)
- Distributable items of €952 mn for BOCH as at 31 March 2023
- M-MDA<sup>3</sup> buffer as at 31 Mar 2023: 588 bps (€598 mn)
- BOCH fully utilises its AT1 and Tier 2 buckets as at 31 Mar 2023
- No prohibition applies to the payment of coupons on any AT1 capital instruments issued by the Company and the Bank
- Dividend distribution subject to regulatory approval as per 2022 SREP decision (previous dividend distribution prohibition lifted)

1) Distributable Items definition per CRR  
2) Includes unaudited/unreviewed profits for 1Q2023 and for compliance with CRR an accrual for an estimated final dividend at a payout ratio of 30% of the Group's adjusted recurring profitability in line with the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval  
3) The SRMR2 introduces the Maximum Distributable Amount related to MREL (M-MDA). The SRB may set restrictions for banks that do not comply with the CBR, which under the new Banking Package is added on top of the MREL requirements expressed in TREA, preventing them from distributing more than the M-MDA via various actions (including dividend payments on CET1, variable remuneration and payments on AT1 instruments). The M-MDA is calculated against the binding interim requirement of 14.94%

# Income Statement bridge<sup>1</sup> for 1Q2023

€ mn	Underlying basis	Other	Statutory Basis
Net interest income	162	-	162
Net fee and commission income	44	-	44
Net foreign exchange gains and net gains on financial instruments	13	1	14
Net gains on derecognition of financial assets measured at amortised cost	-	0	0
Net insurance result	10	-	10
Net gains from revaluation and disposal of investment properties and on disposal of stock of properties	2	-	2
Other income	3	-	3
<b>Total income</b>	<b>234</b>	<b>1</b>	<b>235</b>
<b>Total expenses</b>	<b>(91)</b>	<b>(7)</b>	<b>(98)</b>
<b>Operating profit</b>	<b>143</b>	<b>(6)</b>	<b>137</b>
Loan credit losses	(11)	11	-
Impairments of other financial and non-financial assets	(11)	11	-
Credit losses on financial assets and impairment net of reversals of non-financial assets	-	(23)	(23)
Provisions for pending litigations, regulatory and other matters (net of reversals)	(6)	6	-
<b>Profit before tax and non-recurring items</b>	<b>115</b>	<b>(1)</b>	<b>114</b>
Tax	(18)	-	(18)
Profit attributable to non-controlling interests	(1)	-	(1)
<b>Profit after tax and before non-recurring items (attributable to the owners of the Company)</b>	<b>96</b>	<b>(1)</b>	<b>95</b>
Advisory and other restructuring costs - organic	(1)	1	-
<b>Profit after tax - attributable to the owners of the Company</b>	<b>95</b>	<b>-</b>	<b>95</b>

1) Please refer to section F.1 'Unaudited reconciliation of consolidated income statement for the quarter ended 31 March 2023 between statutory basis and underlying basis' of the press release

# Analysis of Interest Income and Interest Expense

Analysis of Interest Income (€ mn)	1Q2022	2Q2022	3Q2022	4Q2022	1Q2023
Loans and advances to customers	77	81	87	102	113
Loans and advances to banks and central banks	7	7	9	36	57
Investments and other financial assets at amortised costs	4	4	5	11	13
Investments FVOCI	3	2	2	2	2
	<b>91</b>	<b>94</b>	<b>103</b>	<b>151</b>	<b>185</b>
Trading Investment					
Derivative financial instruments	2	2	2	5	6
Other investments at fair value through profit or loss					
<b>Total Interest Income</b>	<b>93</b>	<b>96</b>	<b>105</b>	<b>156</b>	<b>191</b>
Analysis of Interest Expense (€ mn)					
Customer deposits	(1)	(1)	(1)	(3)	(4)
Funding from central banks and deposits by banks	0	0	(1)	(6)	(14)
Loan stock	(7)	(7)	(7)	(7)	(7)
Repurchase agreements	0	0	0	0	0
Negative interest on loans and advances to banks and central banks	(10)	(10)	(3)	0	0
	<b>(18)</b>	<b>(18)</b>	<b>(12)</b>	<b>(16)</b>	<b>(25)</b>
Derivative financial instruments	(4)	(4)	(4)	(4)	(4)
<b>Total Interest Expense</b>	<b>(22)</b>	<b>(22)</b>	<b>(16)</b>	<b>(20)</b>	<b>(29)</b>

# Net interest income positively geared to further interest rate rises

## NII sensitivity to parallel shift in interest rates (annualised)

Y1	+60bps	+100bps
EUR	€69 mn	€112 mn
USD	€1 mn <sup>1</sup>	€2 mn
<b>Total</b>	<b>€70 mn</b>	<b>€114 mn</b>

<sup>1</sup> 75 bps parallel shift in USD interest rates

## Key simplifying assumptions

- An instantaneous and sustained parallel movement in EUR and USD interest rates
- Static balance sheet in size and composition
- Assets and liabilities whose pricing is mechanically linked to market / central bank rates assumed to reprice accordingly
- 50% pass through assumption for term deposits (Fixed and Notice)
- This sensitivity is not a forecast of interest rate expectations, and the Bank's pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis

# Income Statement by business line for 1Q2023

€ mn	Consumer Banking	SME Banking	Corporate and large Banking	International corporate Banking	International Banking Services	Wealth & Markets	RRD	REMU	Insurance	Treasury	Other	Total
Net interest income/(expense)	80	13	40	7	27	4	4	(10)	-	(3)	-	162
Net fee & commission income/(expense)	15	3	6	1	13	1	1	-	(2)	-	6	44
Other income	1	-	-	-	1	-	-	4	11	8	3	28
<b>Total income</b>	<b>96</b>	<b>16</b>	<b>46</b>	<b>8</b>	<b>41</b>	<b>5</b>	<b>5</b>	<b>(6)</b>	<b>9</b>	<b>5</b>	<b>9</b>	<b>234</b>
<b>Total expenses</b>	<b>(41)</b>	<b>(5)</b>	<b>(12)</b>	<b>(2)</b>	<b>(8)</b>	<b>(2)</b>	<b>(5)</b>	<b>(4)</b>	<b>(1)</b>	<b>(3)</b>	<b>(8)</b>	<b>(91)</b>
<b>Operating profit/ (loss)</b>	<b>55</b>	<b>11</b>	<b>34</b>	<b>6</b>	<b>33</b>	<b>3</b>	<b>0</b>	<b>(10)</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>143</b>
Loan credit losses of customer loans net of gains/(losses) on derecognition of loans and changes in expected cash flows	(7)	1	8	-	(1)	-	(13)	-	-	-	1	(11)
Impairment of other financial and non financial instruments	-	-	-	-	-	-	-	(11)	-	-	-	(11)
Provision for litigation, claims, regulatory and other matters	-	-	-	-	-	-	-	-	-	-	(6)	(6)
<b>Profit/ (loss) before tax</b>	<b>48</b>	<b>12</b>	<b>42</b>	<b>6</b>	<b>32</b>	<b>3</b>	<b>(13)</b>	<b>(21)</b>	<b>8</b>	<b>2</b>	<b>(4)</b>	<b>115</b>
Tax	(6)	(2)	(5)	(1)	(4)	-	2	3	-	-	(5)	(18)
Profit attributable to non controlling interest	-	-	-	-	-	-	-	-	-	-	(1)	(1)
<b>Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)</b>	<b>42</b>	<b>10</b>	<b>37</b>	<b>5</b>	<b>28</b>	<b>3</b>	<b>(11)</b>	<b>(18)</b>	<b>8</b>	<b>2</b>	<b>(10)</b>	<b>96</b>



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## **Appendix**

### IFRS 17 Implementation

# Statutory Income Statement for insurance businesses for 1Q2023



€ mn	1Q2023	1Q2022 (IFRS 17)	yoy%
Insurance revenue	17.9	19.0	-6%
Insurance service expense	(14.0)	(12.3)	14%
<b>Net insurance service result</b>	<b>3.9</b>	<b>6.7</b>	<b>-42%</b>
Reinsurance service expense	(4.1)	(4.1)	-1%
Reinsurance revenue	2.9	1.8	63%
<b>Net reinsurance service result</b>	<b>(1.2)</b>	<b>(2.3)</b>	<b>-50%</b>
Net insurance finance income/(expense)	(3.8)	13.1	-
Loss from investment and occupational pension contracts	(0.5)	(0.2)	134%
<b>Insurance service result</b>	<b>(1.6)</b>	<b>17.3</b>	<b>-</b>
Other income	0.1	0.2	-37%
Staff costs (non attributable)	(0.1)	(0.2)	-30%
Other operating costs (non-attributable)	(0.1)	(0.2)	-3%
Net revaluations and/or sale on financial assets at fair value through profit or loss <sup>1</sup>	6.9	(15.6)	-
<b>Total net expenses</b>	<b>6.8</b>	<b>(15.8)</b>	<b>-</b>
<b>Profit before tax</b>	<b>5.2</b>	<b>1.5</b>	<b>-</b>
Tax expense	-	(0.1)	-100%
<b>Profit after tax</b>	<b>5.2</b>	<b>1.4</b>	<b>-</b>



€ mn	1Q2023	1Q2022 (IFRS 17)	yoy%
Insurance revenue	15.4	13.7	12%
Insurance service expense	(8.8)	(6.8)	30%
<b>Net insurance service result</b>	<b>6.6</b>	<b>6.9</b>	<b>-5%</b>
Reinsurance service expense	(6.0)	(4.4)	34%
Reinsurance revenue	3.1	1.1	-
<b>Net reinsurance service result</b>	<b>(2.9)</b>	<b>(3.3)</b>	<b>-11%</b>
Insurance finance income and expense	(0.4)	0.4	-
Reinsurance finance income or expense	0.2	(0.1)	-
<b>Net insurance financial result</b>	<b>(0.2)</b>	<b>0.3</b>	<b>-</b>
<b>Insurance service result</b>	<b>3.5</b>	<b>3.9</b>	<b>-11%</b>
Staff costs (non attributable)	(0.4)	(0.4)	9%
Other operating costs (non-attributable)	(0.5)	(0.5)	-4%
Loss from revaluation and/or sale of investments	0.3	(0.9)	-
<b>Total net expenses</b>	<b>(0.6)</b>	<b>(1.8)</b>	<b>-70%</b>
<b>Profit before tax</b>	<b>2.9</b>	<b>2.1</b>	<b>37%</b>
Tax expense	(0.3)	(0.4)	-15%
<b>Profit after tax</b>	<b>2.6</b>	<b>1.7</b>	<b>48%</b>

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

<sup>1</sup>) Includes net revaluations and/or sale on policyholder assets included within "Net Insurance result" line in the Group's Income Statement (refer to slides 17 and 40)

# IFRS 17 implementation; Adjusted Balance Sheet as at 31 December 2022

Assets (€ mn)	31.12.2022 (IFRS 4)	IFRS 17 adjustments	31.12.2022 (IFRS 17 <sup>1</sup> )
Cash and balances with central banks	9,567	-	9,567
Loans and advances to banks	205	-	205
Debt securities, treasury bills and equity investments	2,704	-	2,704
Net loans and advances to customers	9,953	-	9,953
Stock of property	1,041	-	1,041
Investment properties	85	-	85
Other assets	1,880	(146)	1,734
<b>Total assets</b>	<b>25,435</b>	<b>(146)</b>	<b>25,289</b>
Liability and Equity (€ mn)			
Deposits by banks	508	-	508
Funding from central banks	1,977	-	1,977
Customer deposits	18,998	-	18,998
Debt securities in issue	298	-	298
Subordinated liabilities	302	-	302
Other liabilities	1,251	(94)	1,157
<b>Total liabilities</b>	<b>23,334</b>	<b>(94)</b>	<b>23,240</b>
<b>Shareholders' equity</b>	<b>1,859</b>	<b>(52)</b>	<b>1,807</b>
Other equity instruments	220	-	220
<b>Total equity excluding non-controlling interests</b>	<b>2,079</b>	<b>(52)</b>	<b>2,027</b>
Non-controlling interests	22	-	22
<b>Total equity</b>	<b>2,101</b>	<b>(52)</b>	<b>2,049</b>
<b>Total liabilities and equity</b>	<b>25,435</b>	<b>(146)</b>	<b>25,289</b>

1) For more details on the transition to IFRS 17, please refer to section F9 of the press release

# IFRS 17 implementation; adjusted FY2022 Income Statement

€ mn	FY2022 IFRS 4	IFRS 17 adjustments	FY2022 IFRS 17 <sup>1</sup>
Net Interest Income	370	-	370
Net fee and commission income	192	-	192
Net foreign exchange gains and net gains/(losses) on financial instruments	36	(10)	26
Net insurance result <sup>2</sup>	71	(27)	44
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	13	-	13
Other income	17	-	17
<b>Total income</b>	<b>699</b>	<b>(37)</b>	<b>662</b>
Staff costs	(190)	9	(181)
Other operating expenses	(153)	9	(144)
Special levy on deposits and other levies/contributions	(38)	-	(38)
<b>Total expenses</b>	<b>(381)</b>	<b>18</b>	<b>(363)</b>
<b>Operating profit</b>	<b>318</b>	<b>(19)</b>	<b>299</b>
Loan credit losses	(47)	-	(47)
Impairments of other financial and non-financial assets	(33)	-	(33)
Provisions for pending litigations, regulatory and other matters (net of reversals)	(11)	-	(11)
<b>Total loan credit losses, impairments and provisions</b>	<b>(91)</b>	<b>-</b>	<b>(91)</b>
<b>Profit before tax and non-recurring items</b>	<b>227</b>	<b>(19)</b>	<b>208</b>
Tax	(36)	5	(31)
Profit attributable to non-controlling interests	(3)	-	(3)
<b>Profit after tax and before non-recurring items (attributable to the owners of the Company)</b>	<b>188</b>	<b>(14)</b>	<b>174</b>
Advisory and other restructuring costs – organic	(11)	-	(11)
<b>Profit after tax – organic (attributable to the owners of the Company)</b>	<b>177</b>	<b>(14)</b>	<b>163</b>
Provisions/net profit/(loss) relating to NPE sales	1	-	1
Restructuring and other costs relating to NPE sales	(3)	-	(3)
Restructuring costs – Voluntary Staff Exit Plan (VEP)	(104)	-	(104)
<b>Profit after tax (attributable to the owners of the Company)</b>	<b>71</b>	<b>(14)</b>	<b>57</b>

1) For more details on the transition to IFRS 17, please refer to section F9 of the press release

2) Previously reported as insurance income net of claims and commissions under IFRS 4

# 2022 Quarterly Income Statement adjusted under IFRS 17<sup>1</sup>

€ mn	1Q2022		2Q2022		3Q2022		4Q2022	
	IFSR 4	IFSR 17	IFSR 4	IFSR 17	IFSR 4	IFSR 17	IFSR 4	IFSR 17
Net Interest Income	71	71	74	74	89	89	136	136
Net fee and commission income	44	44	50	50	48	48	50	50
Net foreign exchange gains and net gains/(losses) on financial instruments	6	2	5	1	13	11	12	12
Net insurance result <sup>2</sup>	16	11	17	13	15	10	23	10
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	5	5	2	2	4	4	2	2
Other income	4	4	5	5	3	3	5	5
<b>Total income</b>	<b>146</b>	<b>137</b>	<b>153</b>	<b>145</b>	<b>172</b>	<b>165</b>	<b>228</b>	<b>215</b>
Staff costs	(50)	(47)	(50)	(48)	(46)	(44)	(44)	(42)
Other operating expenses	(36)	(34)	(37)	(35)	(35)	(33)	(45)	(42)
Special levy on deposits and other levies/contributions	(10)	(10)	(7)	(7)	(10)	(10)	(11)	(11)
<b>Total expenses</b>	<b>(96)</b>	<b>(91)</b>	<b>(94)</b>	<b>(90)</b>	<b>(91)</b>	<b>(87)</b>	<b>(100)</b>	<b>(95)</b>
<b>Operating profit</b>	<b>50</b>	<b>46</b>	<b>59</b>	<b>55</b>	<b>81</b>	<b>78</b>	<b>128</b>	<b>120</b>
Loan credit losses	(12)	(12)	(11)	(11)	(13)	(13)	(11)	(11)
Impairments of other financial and non-financial assets	(5)	(5)	(8)	(8)	(7)	(7)	(13)	(13)
Provisions for pending litigations, regulatory and other matters (net of reversals)	0	0	(1)	(1)	(2)	(2)	(8)	(8)
<b>Total loan credit losses, impairments and provisions</b>	<b>(17)</b>	<b>(17)</b>	<b>(20)</b>	<b>(20)</b>	<b>(22)</b>	<b>(22)</b>	<b>(32)</b>	<b>(32)</b>
<b>Profit before tax and non-recurring items</b>	<b>33</b>	<b>29</b>	<b>39</b>	<b>35</b>	<b>59</b>	<b>56</b>	<b>96</b>	<b>88</b>
Tax	(6)	(6)	(6)	(5)	(8)	(7)	(16)	(13)
Profit attributable to non-controlling interests	-	0	(1)	(1)	(1)	(1)	(1)	(1)
<b>Profit after tax and before non-recurring items (attributable to the owners of the Company)</b>	<b>27</b>	<b>23</b>	<b>32</b>	<b>29</b>	<b>50</b>	<b>48</b>	<b>79</b>	<b>74</b>
Advisory and other restructuring costs – organic	(1)	(1)	(4)	(4)	(5)	(5)	(1)	(1)
<b>Profit after tax – organic (attributable to the owners of the Company)</b>	<b>26</b>	<b>22</b>	<b>28</b>	<b>25</b>	<b>45</b>	<b>43</b>	<b>78</b>	<b>73</b>
Provisions/net profit/(loss) relating to NPE sales	(1)	(1)	1	1	(1)	(1)	2	2
Restructuring and other costs relating to NPE sales	(1)	(1)	-	-	(2)	(2)	0	0
Restructuring costs – Voluntary Staff Exit Plan (VEP)	(3)	(3)	-	-	(101)	(101)	-	-
<b>Profit/ (loss) after tax (attributable to the owners of the Company)</b>	<b>21</b>	<b>17</b>	<b>29</b>	<b>26</b>	<b>(59)</b>	<b>(61)</b>	<b>80</b>	<b>75</b>

1) For more details on the transition to IFRS 17, please refer to section F9 of the press release

2) Previously reported as insurance income net of claims and commissions under IFRS 4

# IFRS 17 implementation<sup>1</sup>; adjusted FY2022 Key Performance Ratios

Key Performance Ratios	FY2022 IFRS 4	FY2022 IFRS 17 <sup>1</sup>	Change
Cost to income ratio	54%	55%	+1 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	49%	49%	-
Operating profit return on average assets	1.2%	1.2%	-
Basic earnings per share attributable to the owners of the Company (€ cent)	15.94	12.68	-3.26
Tangible book value per share (€)	3.79	3.93	+0.14
Return on tangible equity (ROTE) after tax and before nonrecurring items <sup>2</sup>	11.3%	10.0%	-1.3 p.p.
Return on tangible equity (ROTE) <sup>3</sup>	4.3%	3.2%	-1.1 p.p.
Leverage ratio <sup>4</sup>	7.5%	7.8%	+30 bps

1) For more details on the transition to IFRS 17, please refer to section F9 of the press release

2) Recurring ROTe: calculated as Profit after Tax and before non-recurring items divided by quarterly average Shareholders' equity minus Intangible assets

3) ROTe is calculated as profit after tax (attributed to the owners of the Company) divided by the quarterly average shareholders' equity minus intangible assets

4) The ratio of tangible total equity (including Other equity instruments) to total assets as presented on the balance sheet. Tangible total equity comprises of equity attributable to the owners of the Company minus intangible assets

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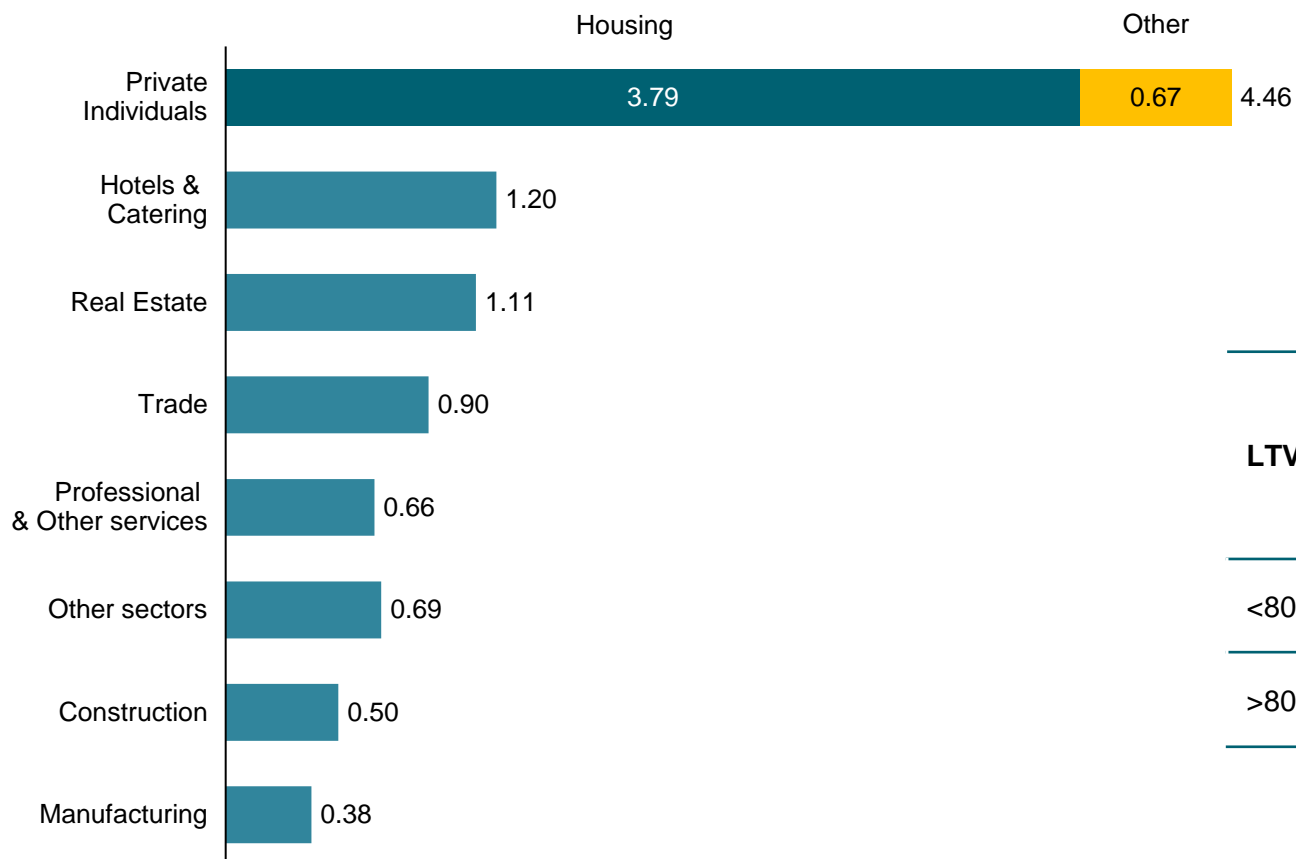
## **Appendix**

Additional asset quality slides

# Well diversified loan portfolio with high quality collateral

## Gross loans (excluding legacy)<sup>1</sup> by business sector of €9.90 bn

€ bn



LTV <sup>2</sup>	Private individuals housing €3.79 bn	Private individuals other €0.67 bn	Business €5.44 bn
<80%	91%	34%	73%
>80%	9%	66%	27%

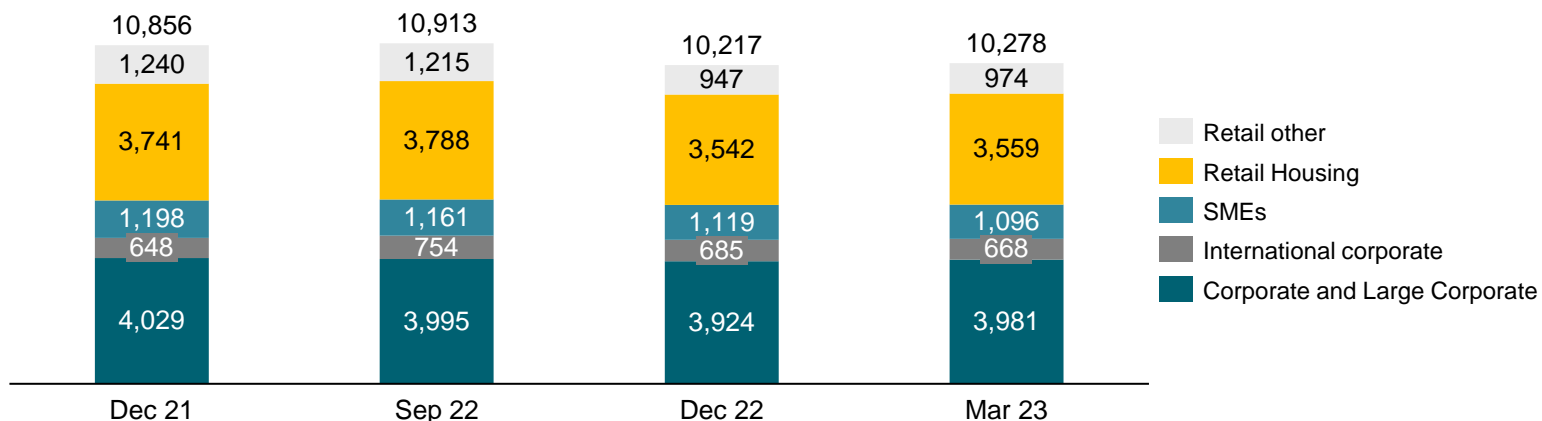
1) Gross loans as at 31 March 2023 of Corporate (incl. IB and W&M, Large corporate and International corporate), SME and Retail

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)



## Corporate

	Dec 2021	Sep 2022	Dec 2022	Mar 2023
NPE ratio	6.0%	3.0%	2.4%	2.3%
NPE coverage	80%	110%	130%	121%
NPE total coverage	122%	176%	198%	190%

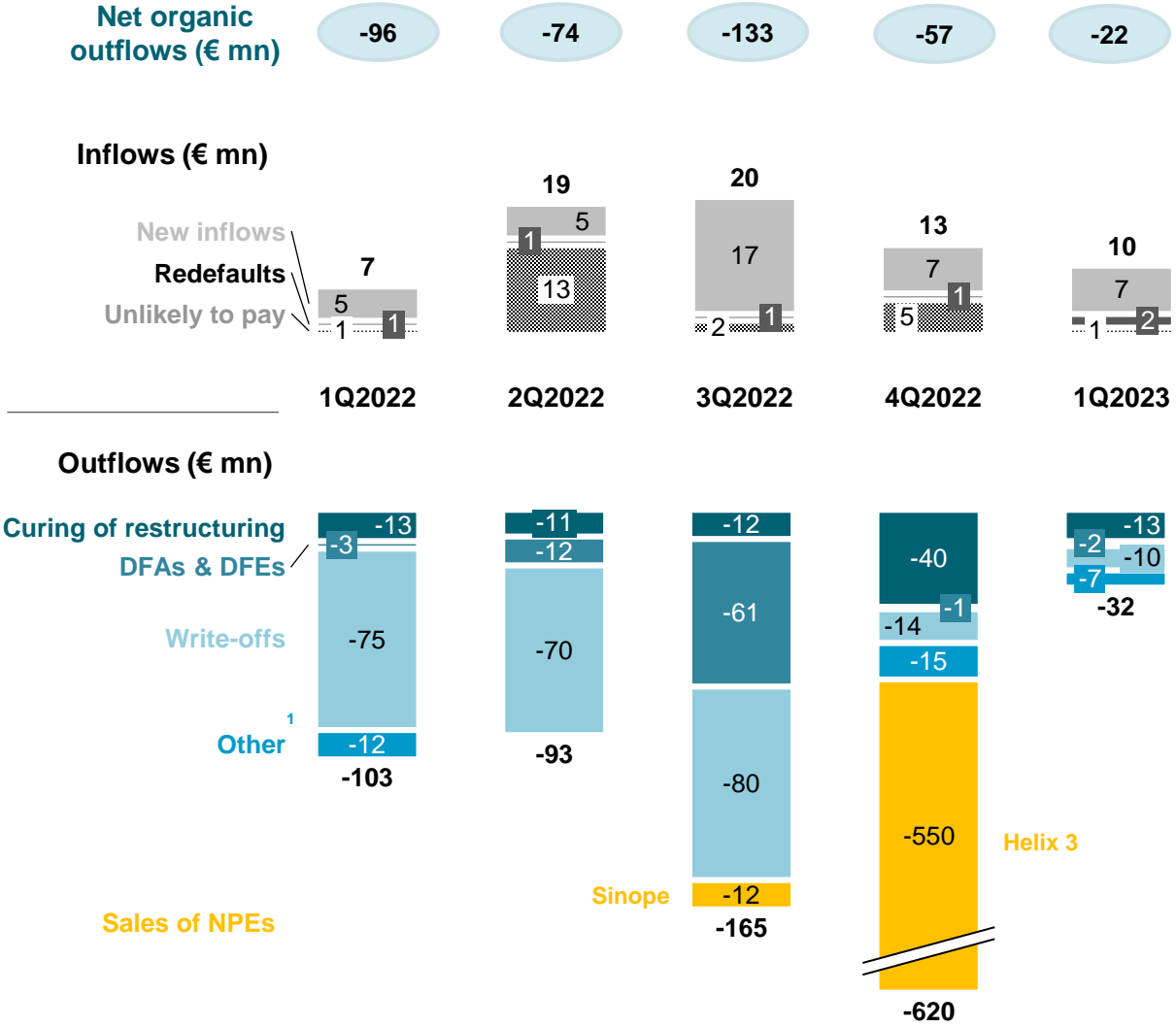
## SME

	Dec 2021	Sep 2022	Dec 2022	Mar 2023
NPE ratio	9.4%	7.0%	5.3%	5.0%
NPE coverage	63%	65%	68%	67%
NPE total coverage	136%	140%	148%	151%

## Retail

	Dec 2021	Sep 2022	Dec 2022	Mar 2023
NPE ratio	19.1%	15.9%	5.4%	5.0%
NPE coverage				
➤ Retail Housing	46%	42%	39%	48%
➤ Retail Other	62%	62%	49%	59%
NPE total coverage	130%	125%	130%	141%

# €22 mn net organic NPE reduction in 1Q2023

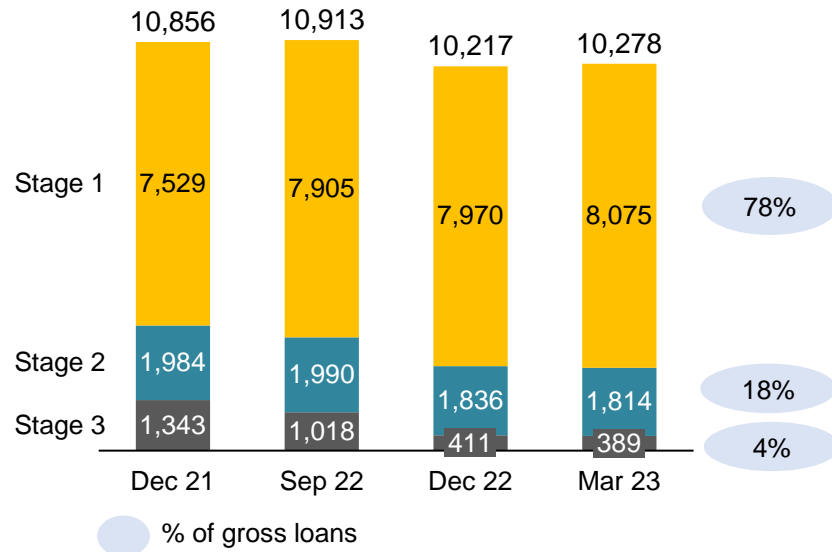


- €32 mn organic NPE outflows in 1Q2023, leading to €22 mn net organic NPE reduction

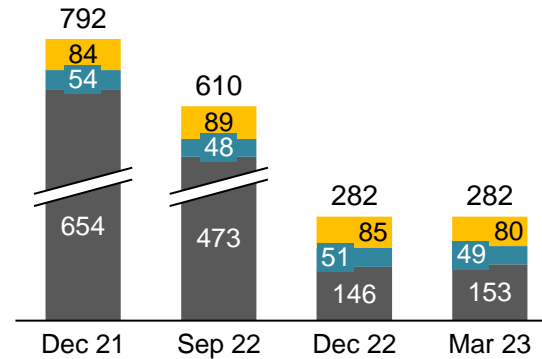
1) Other includes interest, cash collections and changes in balances

# Gross loans and coverage by IFRS 9 staging

Gross loans by IFRS 9 stage (€ mn)



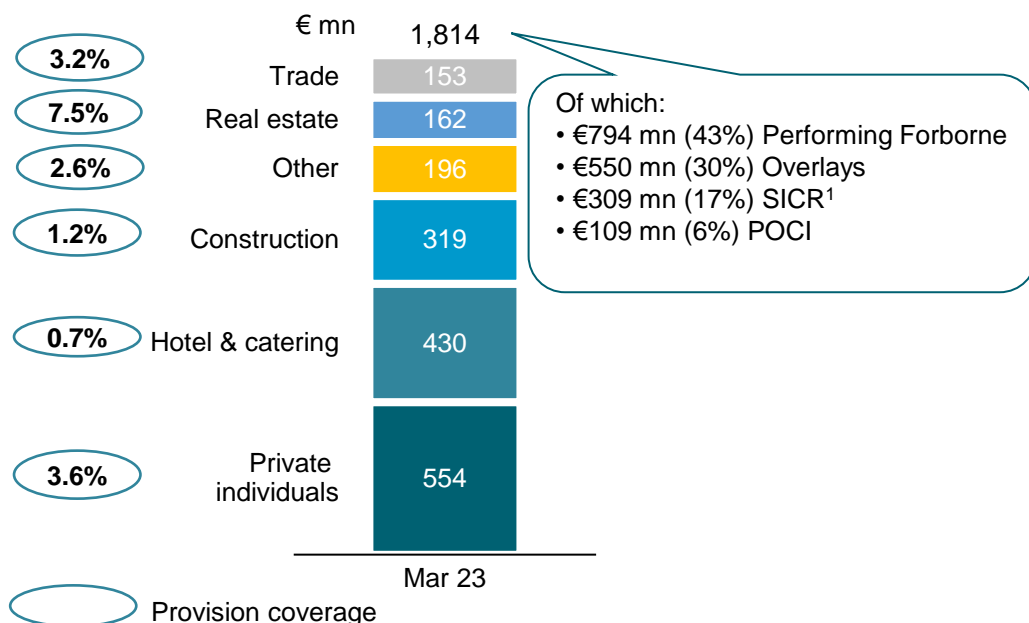
Allowance for expected loan credit losses (€ mn)



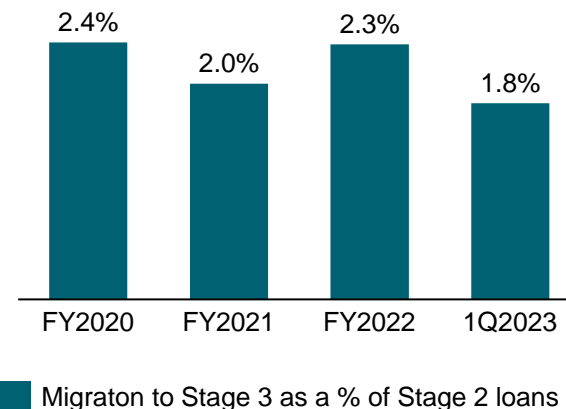
Coverage ratio

	Dec 21	Sep 22	Dec 22	Mar 23
<b>Stage 1</b>	1.1%	1.1%	1.1%	1.0%
<b>Stage 2</b>	2.7%	2.4%	2.8%	2.7%
<b>Stage 3</b>	48.7%	46.5%	35.4%	39.5%

# Stage 2 exposures well collateralised with low migration history



## Limited historic migration of Stage 2 to Stage 3



- Strong performance of Stage 2 exposures; 99% present no arrears
- Only c.2% p.a. of Stage 2 loans migrated to Stage 3 in the last three years
- 95% of Stage 2 loans are collateralised
- 18% of gross loans classified as Stage 2 of which:
  - 43% were classified as Stage 2 mainly due to Covid-19 forbearances (of which 31% relate to hotel & catering exposures)
  - 55% expected to be eligible for transfer to Stage 1 in 2023
- 30% were classified as Stage 2 due to overlays; reviewed on an on going basis and expected to be eligible for transfer to Stage 1 in 2023

Days past due	0 dpd	1-30 dpd	>30 dpd
Private Individuals	97%	2%	1%
Business	99%	1%	0%

LTV <sup>2</sup>	0-75%	75%-100%	>100%
Private Individuals	75%	9%	16%
Business	79%	7%	14%
<b>Total</b>	<b>78%</b>	<b>7%</b>	<b>15%</b>

1) Significant increase in credit risk

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

# Asset quality - NPE analysis

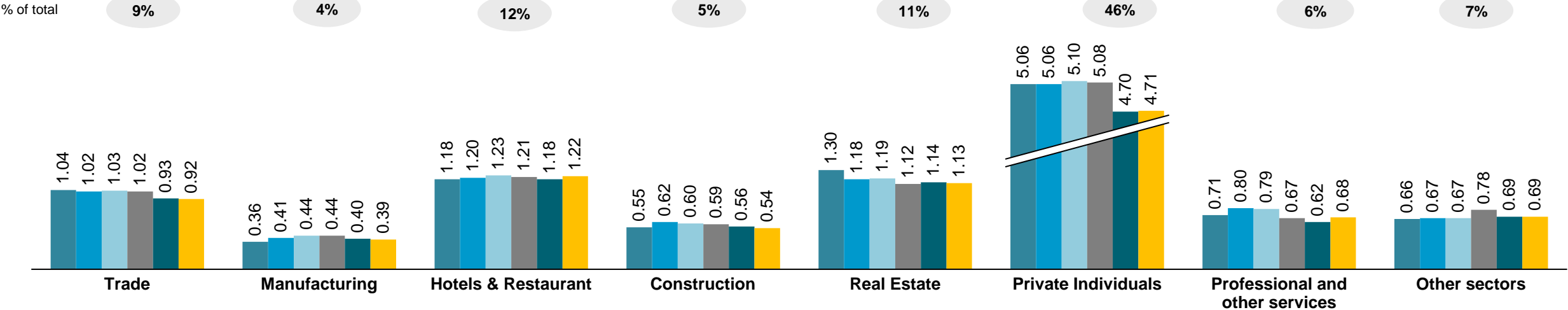
(€ mn)	Mar-23	Dec-22	Sep-22	Jun-22	Mar-22	Dec-21	Sep-21	Jun-21	Mar-21	Dec-20
<b>A. Gross Loans after Residual Fair value adjustment on initial recognition</b>	<b>10,200</b>	<b>10,131</b>	<b>10,797</b>	<b>10,902</b>	<b>10,815</b>	<b>10,678</b>	<b>10,683</b>	<b>10,708</b>	<b>12,055</b>	<b>12,031</b>
Residual Fair value adjustment on initial recognition	78	86	116	145	149	178	181	185	226	230
<b>B. Gross Loans</b>	<b>10,278</b>	<b>10,217</b>	<b>10,913</b>	<b>11,047</b>	<b>10,964</b>	<b>10,856</b>	<b>10,864</b>	<b>10,893</b>	<b>12,281</b>	<b>12,261</b>
<b>B1. Loans with no arrears</b>	<b>9,860</b>	<b>9,788</b>	<b>9,874</b>	<b>9,840</b>	<b>9,681</b>	<b>9,492</b>	<b>9,385</b>	<b>9,268</b>	<b>9,230</b>	<b>9,149</b>
<b>B2. Loans with arrears but not NPEs</b>	<b>29</b>	<b>18</b>	<b>21</b>	<b>39</b>	<b>36</b>	<b>21</b>	<b>31</b>	<b>36</b>	<b>39</b>	<b>26</b>
1-30 DPD	17	12	13	25	31	16	23	29	27	21
31-90 DPD	12	6	8	14	5	5	8	7	12	5
<b>B3. NPEs</b>	<b>389</b>	<b>411</b>	<b>1,018</b>	<b>1,168</b>	<b>1,247</b>	<b>1,343</b>	<b>1,449</b>	<b>1,589</b>	<b>3,012</b>	<b>3,086</b>
With no arrears	153	170	217	307	312	348	363	413	536	548
Up to 30 DPD	3	2	4	6	3	4	5	11	15	16
31-90 DPD	5	5	9	6	10	10	11	16	35	26
91-180 DPD	13	12	25	13	11	19	24	31	18	18
181-365 DPD	32	30	22	28	40	49	41	16	31	81
Over 1 year DPD	183	192	741	808	871	913	1,005	1,102	2,377	2,397
<b>NPE ratio (NPEs / Gross Loans)</b>	<b>3.8%</b>	<b>4.0%</b>	<b>9.3%</b>	<b>10.6%</b>	<b>11.4%</b>	<b>12.4%</b>	<b>13.3%</b>	<b>14.6%</b>	<b>24.5%</b>	<b>25.2%</b>
<b>Allowance for expected loan credit losses (including residual fair value adjustment on initial recognition<sup>1</sup>)</b>	<b>282</b>	<b>282</b>	<b>610</b>	<b>677</b>	<b>734</b>	<b>792</b>	<b>849</b>	<b>947</b>	<b>1,869</b>	<b>1,902</b>
<b>Gross loans coverage</b>	<b>3%</b>	<b>3%</b>	<b>6%</b>	<b>6%</b>	<b>7%</b>	<b>7%</b>	<b>8%</b>	<b>9%</b>	<b>15%</b>	<b>16%</b>
<b>NPEs coverage</b>	<b>73%</b>	<b>69%</b>	<b>60%</b>	<b>58%</b>	<b>59%</b>	<b>59%</b>	<b>59%</b>	<b>60%</b>	<b>62%</b>	<b>62%</b>

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

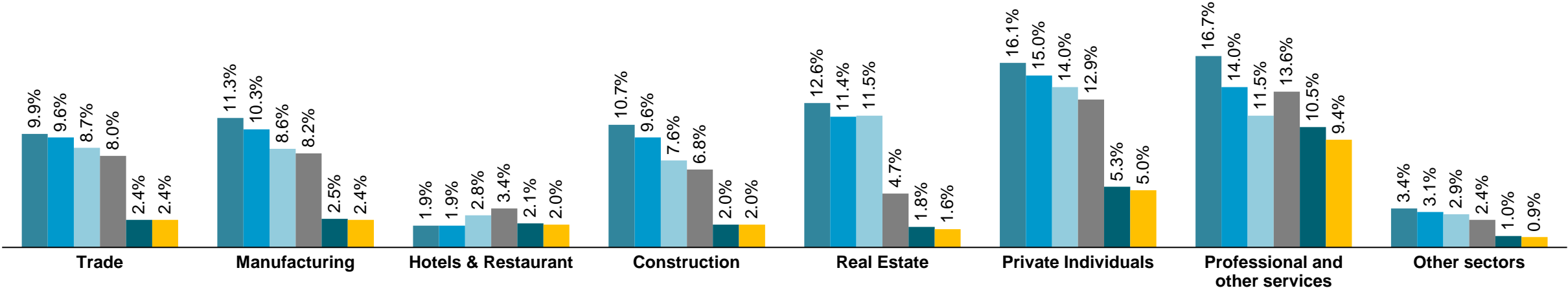
# Analysis of gross loans and NPE ratio by Economic activity

Gross loans by economic activity (€ bn)

Dec 21 Mar 22 Jun 22 Sep 22 Dec 22 Mar 23

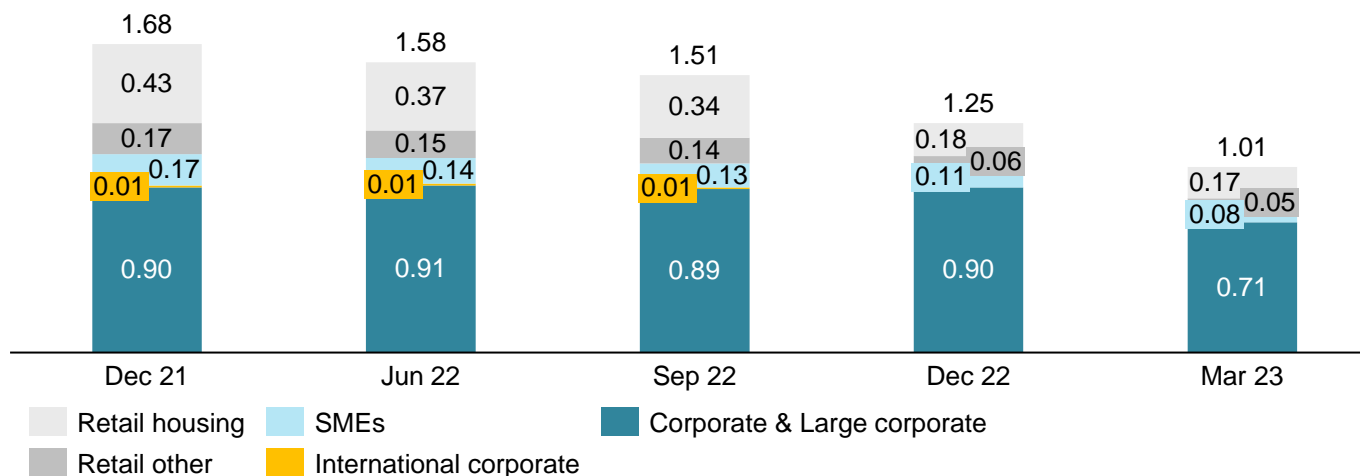


NPE ratio by economic activity

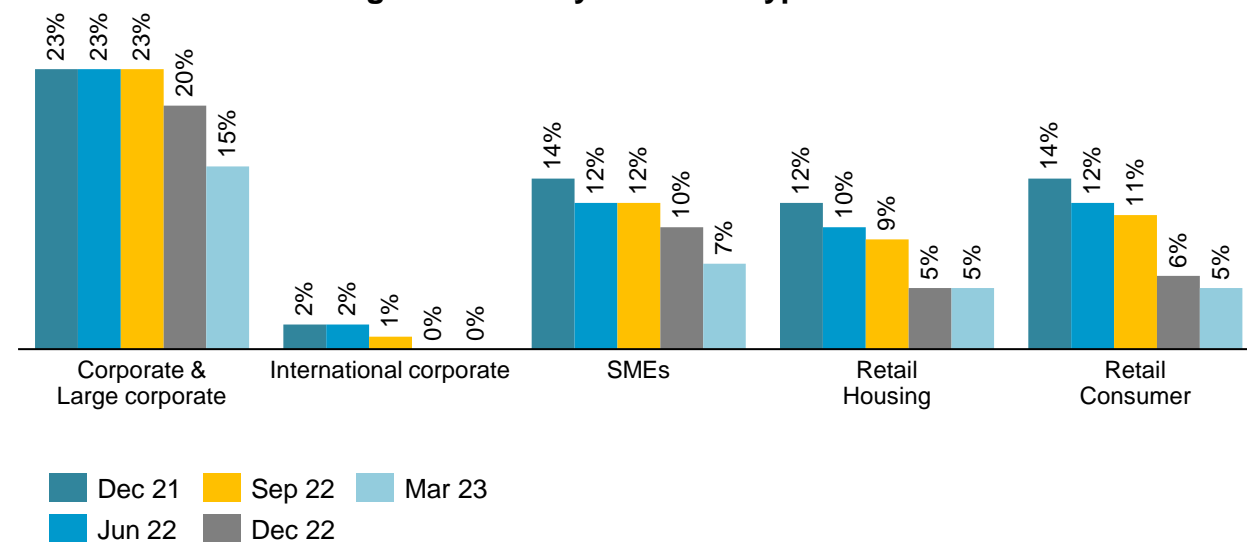


# Rescheduled Loans<sup>1</sup>

Rescheduled loans<sup>1</sup> by customer type (€ bn)



Rescheduled loans<sup>1</sup> % gross loans by customer type



## Rescheduled loans<sup>1</sup> - Asset Quality

31 March 2023	€ mn
Stage 1	-
Stage 2	777
Stage 3	201
POCI	31
FVPL	-
<b>Total</b>	<b>1,009</b>

## Fair value of collateral and credit enhancements

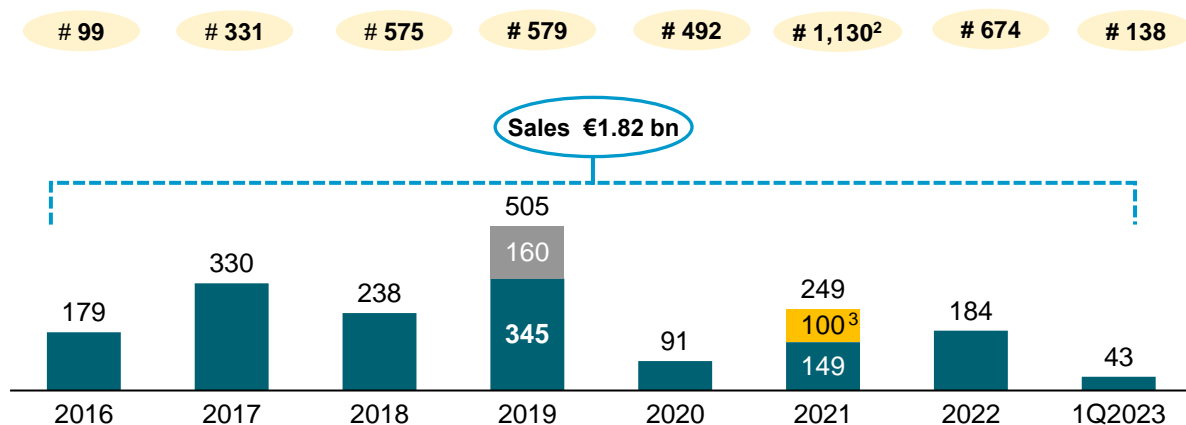
Loans and advances to customers	31 March 2023 (€ mn)
Cash	477
Securities	569
Letters of credit / guarantee	133
Property	16,229
Other	270
Surplus collateral	(8,692)
<b>Net collateral</b>	<b>8,986</b>

1) Rescheduled loans are presented net of fair value

# REMU - decline of foreclosed assets inflows and sales record positive results

€1.82 bn sales of 4,018 properties across all property classes since set-up

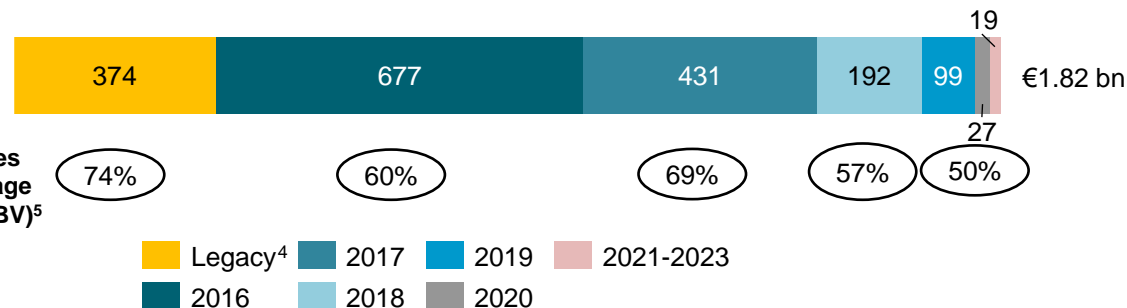
Sales € mn (contract prices<sup>1</sup>)



■ Helix 3 and Sinope 
 ■ Organic sales 
 ● # properties  
■ Cyreit

## Breakdown of cumulative sales<sup>1</sup>

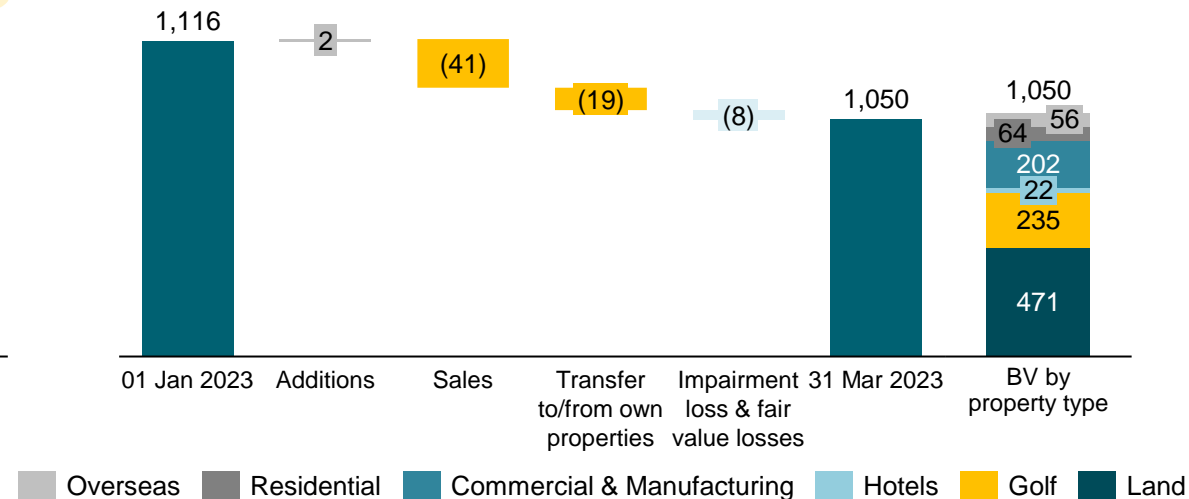
by on-boarding year (€ mn)



■ Legacy<sup>4</sup>
■ 2017 
 ■ 2019 
 ■ 2021-2023  
■ 2016 
 ■ 2018 
 ■ 2020

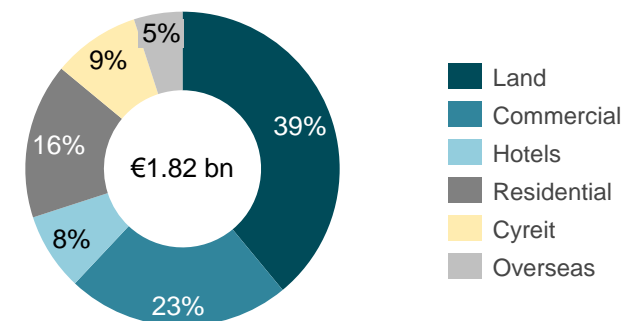
## Evolution of properties managed by REMU

Group BV (€ mn)



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

Sales contract price



1) Amounts as per Sales purchase Agreements (SPAs)

2) Number of properties include 421 properties from Project Helix 3 and 6 from Project Sinope

3) Classified as non-current assets and disposal groups held for sale<sup>2</sup> since 2021 and were derecognised with the completion of Project Helix 3 in November 2022

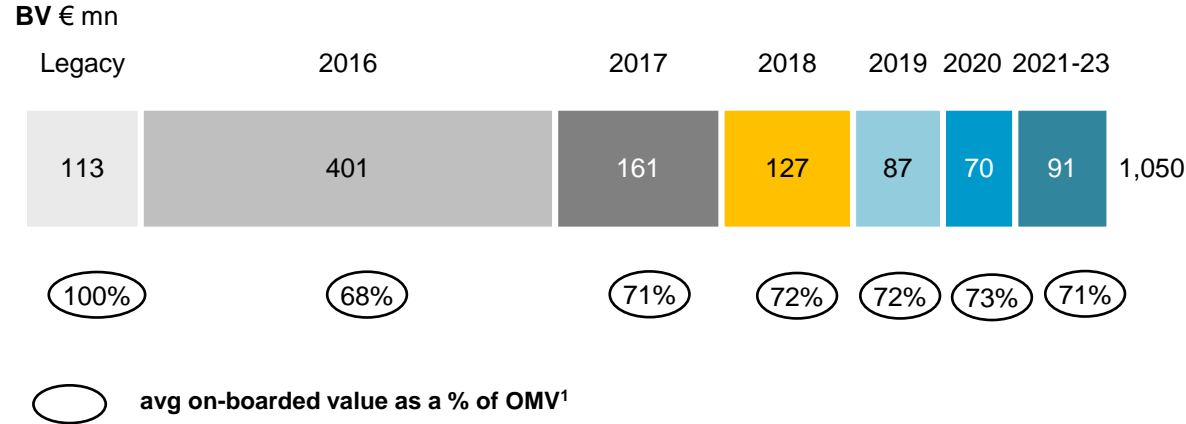
4) Legacy properties relate to properties that were on-boarded before REMU set-up in January 2016

5) 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 Mar 2023

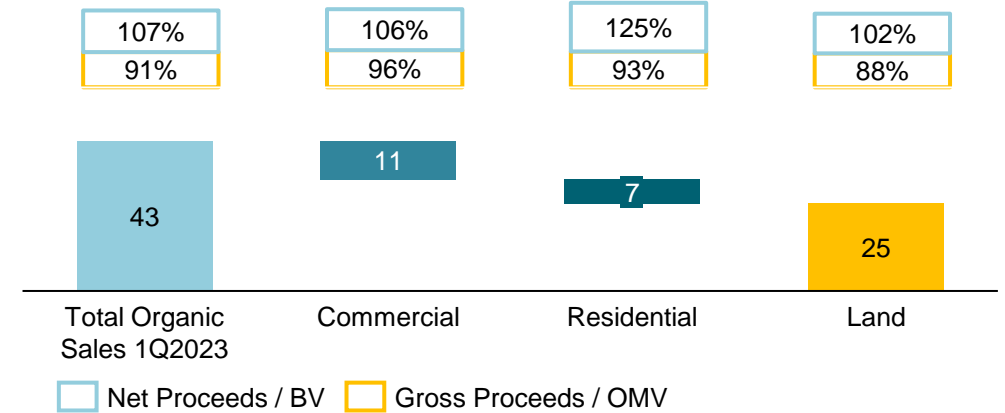


# REMU - the engine for dealing with foreclosed assets

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

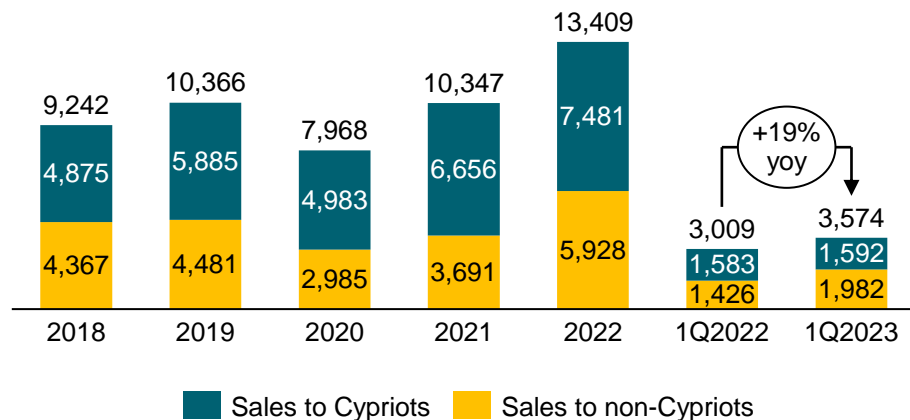


€43 mn organic sales<sup>3</sup> in 1Q2023; comfortably above Book Value

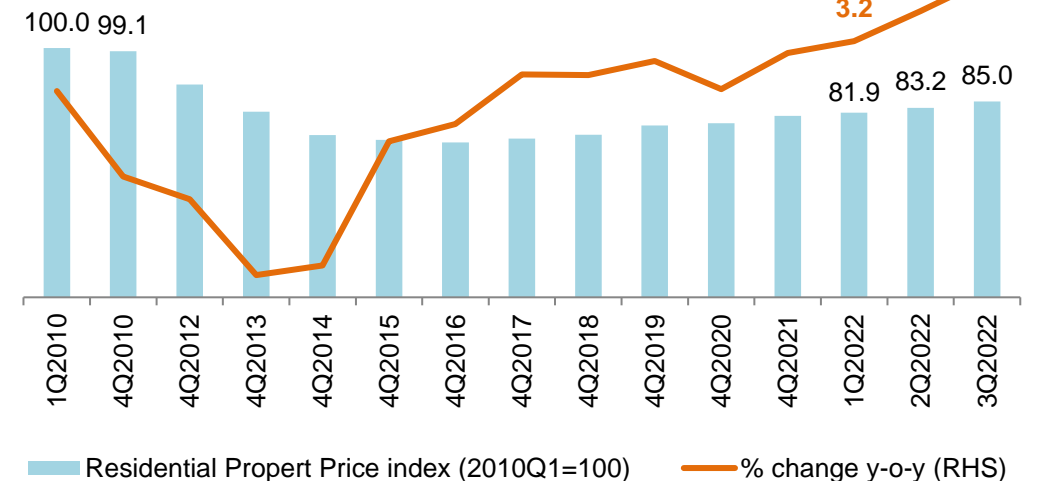


- Relatively strong pipeline of €58 mn by contract value as at 31 March 2023, of which €38 mn related to SPAs signed

Sales contracts (excl. DFAs)<sup>2</sup> for 1Q2023 up 19% yoy



Real estate property prices up 6.3% yoy in 3Q2022<sup>4</sup>



1) Open market value at on-boarding date  
 2) Based on data from Land of Registry- Sales contracts  
 3) Amounts as per Sales purchase Agreements (SPAs)  
 4) Based on Residential price index published by Central Bank dated on 3 February 2023

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# **Appendix**

## Glossary & Definitions

# Glossary & Definitions

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 restructuring costs	Comprise mainly (a) fees of external advisors in relation to: (i) disposal of operations and non-core assets, and (ii) customer loan restructuring activities, and (b) the cost of the tender offer for the Old T2 Capital Notes, where applicable.
Allowance for expected loan credit losses (previously 'Accumulated provisions')	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. Average interest earning assets exclude interest earning assets of any discontinued operations at each quarter end, if applicable. Interest earning assets include: cash and balances with central banks (including cash and balances with central banks classified as non-current assets held for sale), plus loans and advances to banks, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus '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.
Average contractual interest rates	Interest rates on cost of deposits were previously calculated as the Interest Expense over Average Balance. The current calculation which the Bank considers more appropriate is based on the weighted average of the contractual rate times the balance at the end of the month. The rates are calculated based on the month end contractual interest rates. The quarterly rates are the average of the three quarter month end contractual rates.
Book Value	BV= book value = Carrying value prior to the sale of property.
Basic earnings/(losses) after tax per share (attributable to the owners of the Company)	Basic earnings/(losses) 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. 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.
DFA	Debt for Asset Swaps.

# Glossary & Definitions

<b>DFEs</b>	Debt for Equity Swaps.
<b>Digitally engaged customers ratio</b>	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.
<b>Digital transactions ratio</b>	This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs.
<b>DTA</b>	Deferred tax asset.
<b>DTC</b>	Deferred Tax Credit.
<b>EBA</b>	European Banking Authority.
<b>ECB</b>	European Central Bank.
<b>Effective yield</b>	Interest Income on Loans/Average Net Loans.
<b>Effective yield of liquid assets</b>	Interest income on liquids after hedging, over average liquids (Cash and balances with central banks, placements with banks and bonds).
<b>FTP</b>	Fund transfer pricing methodologies applied between the business lines to present their results on an arm's length basis.
<b>FVOCI</b>	Fair value through other comprehensive income bonds.
<b>GBV</b>	Gross Book Value.
<b>Gross Loans</b>	<p>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.</p> <p>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 €78 mn as at 31 March 2023 (compared to €86 mn as at 31 December 2022 and €149 mn as at 31 March 2022).</p> <p>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 €208 mn as at 31 March 2023 (compared to €211 mn as at 31 December 2022 and €312 mn at 31 March 2022).</p>
<b>Gross Sales Proceeds</b>	Proceeds before selling charge and other leakages.
<b>Group</b>	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.

# Glossary & Definitions

<b>IB, W&amp;M</b>	International Banking, Wealth and Markets.
<b>IBU</b>	Servicing exclusively international activity companies registered in Cyprus and abroad and not residents.
<b>Impact of parallel shifts in interest curves</b>	The sensitivity is calculated assuming a constant balance sheet. This sensitivity is not a forecast of interest rate expectations, and the Bank's pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis.
<b>Legacy exposures</b>	Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.
<b>Leverage Ratio Exposure (LRE)</b>	Leverage Ratio Exposure (LRE) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended.
<b>Liquid assets</b>	Cash, placements with banks, balances with central banks and bonds.
<b>Loan credit losses (PL) (previously 'Provision charge')</b>	Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers, (ii) net gains on derecognition of financial assets measured at amortised cost and (iii) net gains on loans and advances to customers at FVPL, for the reporting period/year.
<b>Loan to Value ratio (LTV)</b>	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.
<b>Market shares</b>	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 42.4% as at 31 March 2023 compared to 40.9% as at 31 December 2022, and 41.9% as at 31 March 2022.
<b>MSCI ESG Rating</b>	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.
<b>Net Proceeds</b>	Proceeds after selling charges and other leakages.
<b>Net interest margin (NIM)</b>	Net interest margin is calculated as the net interest income (annualised) divided by the 'quarterly average interest earning assets' (as defined).
<b>Net loans and advances to customers</b>	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).
<b>Net performing loan book</b>	Net performing loan book is the total net loans and advances to customers (as defined) excluding the legacy exposures (as defined).
<b>Net zero emissions</b>	The reduction of greenhouse gas emissions to net zero through a combination of reduction activities and offsetting investments.

# Glossary & Definitions

New lending	New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forbore or re-negotiated accounts) as well as the average year-to-date change (if positive) of the current accounts and overdraft facilities between the balance at the beginning of the period and the end of the period. Recoveries are excluded from this calculation since their overdraft movement relates mostly to accrued interest and not to new lending.
Non-interest income	Non-interest income comprises Net fee and commission income, Net foreign exchange gains/(losses) and net gains/(losses) 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 Condensed Consolidated Income Statement – Underlying basis' relate to the following items, as applicable: (i) Advisory and other restructuring costs - organic, (ii) Provisions/net profit/(loss) relating to NPE sales, (iii) Restructuring and other costs relating to NPE sales, and (iv) Restructuring costs relating to the Voluntary Staff Exit Plan.
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	<p>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:</p> <ul style="list-style-type: none"> <li>(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.</li> <li>(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.</li> <li>(iii) Material exposures as set by the CBC, which are more than 90 days past due.</li> <li>(iv) Performing forbore exposures under probation for which additional forbearance measures are extended.</li> <li>(v) Performing forbore exposures previously classified as NPEs that present more than 30 days past due within the probation period.</li> </ul> <p>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).</p> <p>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.</p> <p>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.</p> <p>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%.</p> <p>For further information please refer to the Annual Financial Report 2022.</p>

# Glossary & Definitions

<b>Non-legacy (performing)</b>	Relates to all business lines excluding Restructuring and Recoveries Division (“RRD”), REMU and non-core overseas exposures.
<b>Phased-in Capital Conservation Buffer (CCB)</b>	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).
<b>NSFR</b>	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.
<b>OMV</b>	Open Market Value.
<b>Operating profit</b>	The operating profit comprises profit before Total loan credit losses, impairments and provisions (as defined), tax, (profit)/loss attributable to non-controlling interests and non-recurring items (as defined).
<b>p.p.</b>	percentage points.
<b>Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)</b>	This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined).
<b>Profit/(loss) after tax – organic (attributable to the owners of the Company)</b>	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 restructuring costs – organic’).
<b>Pro forma for HFS (held for sale)</b>	References to pro forma figures and ratios as at 30 September 2022 refer to Project Helix 3. Numbers on a pro forma basis are based on 30 September 2022 underlying basis figures and are adjusted for Project Helix 3 and assume its completion, currently expected to occur by the end of November 2022, which remains subject to customary regulatory and other approvals.
<b>Project Helix 3</b>	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. For further information please refer to section A.1.5 Loan portfolio quality of the Press release.
<b>Project Sinope</b>	Project Sinope refers to the agreement the Group reached in December 2021 for the sale of a portfolio of NPEs with gross book value of €12 mn as at 31 December 2021, as well as properties in Romania with carrying value €0.6 mn as at 31 December 2021. Project Sinope was completed in August 2022.
<b>Qoq</b>	Quarter on quarter change.
<b>Restructured loans</b>	Restructuring activity within quarter as recorded at each quarter end and includes restructurings of NPEs, performing loans and re-restructurings.
<b>Return on Tangible equity (ROTE) after tax and before non-recurring items</b>	Return on Tangible Equity (ROTE) after tax and before non-recurring items is calculated as Profit/(loss) after tax and before non-recurring items (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 end.

# Glossary & Definitions

<b>Return on Tangible equity (ROTE)</b>	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 end.
<b>Risk adjusted yield</b>	Interest Income on Loans net of allowance for expected loan credit losses/Average Net Loans.
<b>RRD</b>	Restructuring and Recoveries Division.
<b>RWAs</b>	Risk Weighted Assets.
<b>RWA Intensity</b>	Risk Weighted Assets over Total Assets.
<b>Special levy on deposits and other levies/contributions</b>	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.
<b>Stage 2 &amp; Stage 3 Loans</b>	Include purchased or originated credit-impaired.
<b>Tangible Collateral</b>	Restricted to Gross IFRS balance.
<b>Total Capital ratio</b>	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.
<b>Total expenses</b>	Total expenses comprise staff costs, other operating expenses and the special levy on deposits and other levies/contributions. It does not include (i) 'advisory and other restructuring costs-organic', (ii) restructuring and other costs relating to NPE sales, or (iii) restructuring costs relating to the Voluntary Staff Exit Plan. (i) 'Advisory and other restructuring costs-organic' amounted to €1 mn for 1Q2023 (compared to €1 mn for 4Q2022, and €1 mn for 1Q2022) (ii) Restructuring costs relating to NPE sales for 1Q2023 amounted to €0.2 mn (compared to €0.3 mn for 4Q2022, and €1 mn for 1Q2022), and (iii) Restructuring costs relating to the Voluntary Staff Exit Plan (VEP) for 1Q2023 was nil (compared to nil for 4Q2022 and €3 mn for 1Q2022).
<b>Total income</b>	Total income comprises net interest income and non-interest income (as defined).
<b>Total loan credit losses, impairments and provisions</b>	Total loan credit losses, impairments and provisions comprises loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus (provisions)/net reversals for litigation, claims, regulatory and other matters.
<b>T2</b>	Tier 2 Capital.
<b>Underlying basis</b>	This refers to the statutory basis after being adjusted for certain items as explained in the Basis of Presentation.
<b>Write offs</b>	Loans together with the associated loan credit losses are written off when there is no realistic prospect of future recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
<b>Yoy</b>	Year on year change.