

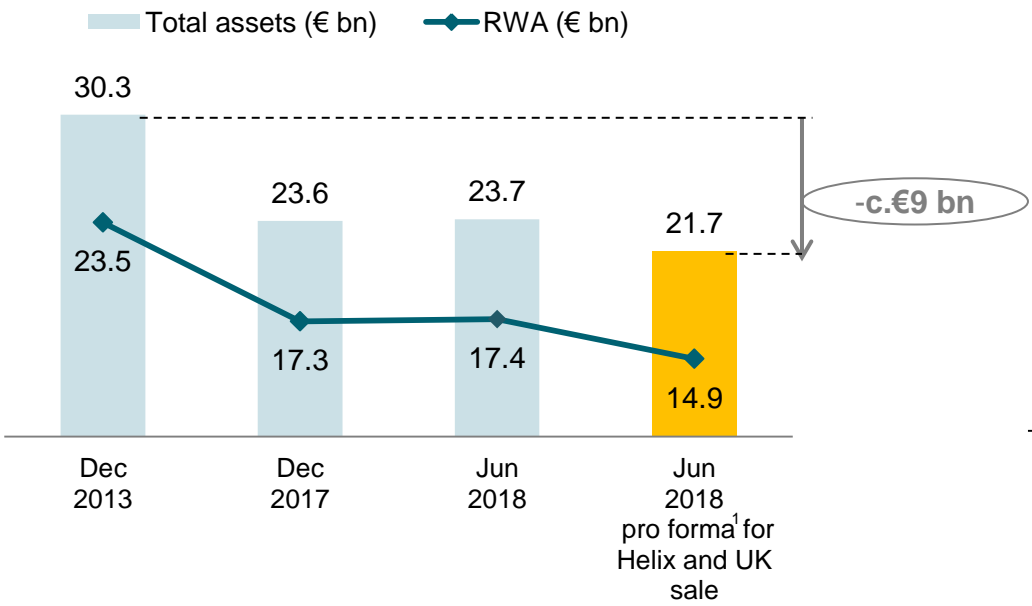
Bank of Cyprus Holdings



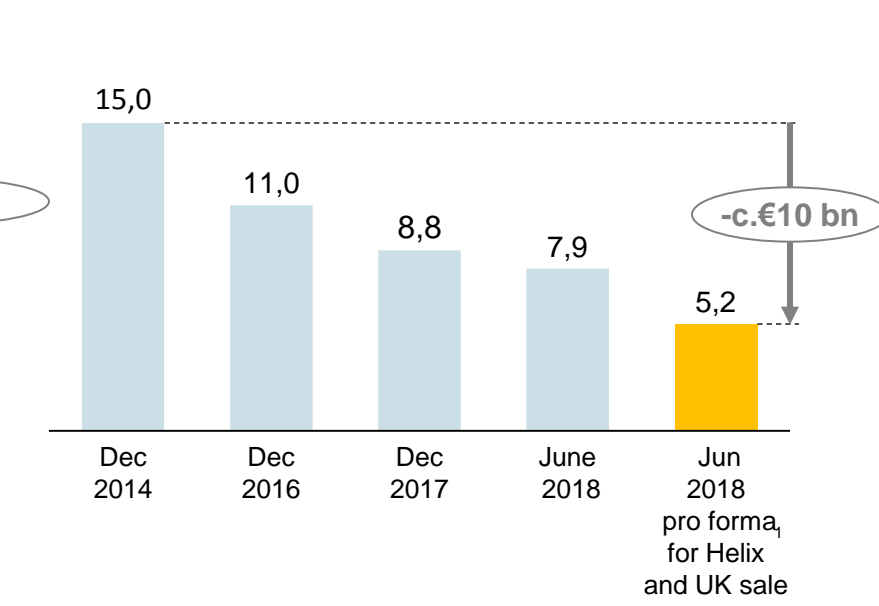
# Ετήσια Γενική Συνέλευση Annual General Meeting

# Good progress in the Bank's recovery

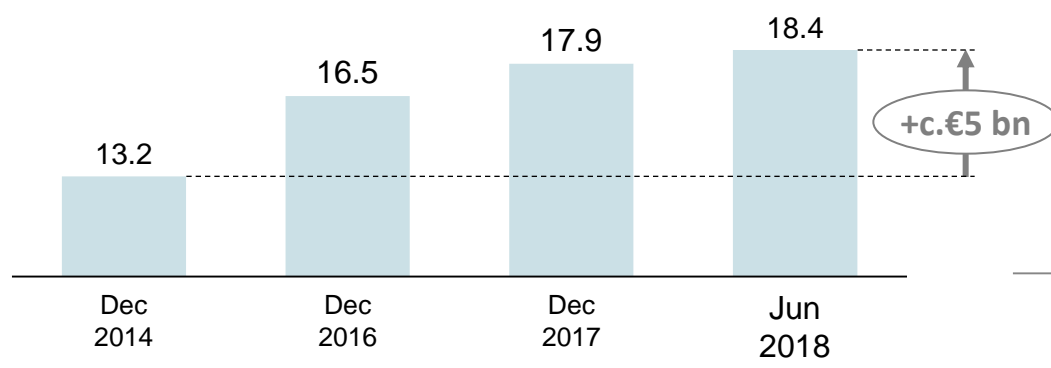
## c.€9 bn balance sheet deleveraging since 2013



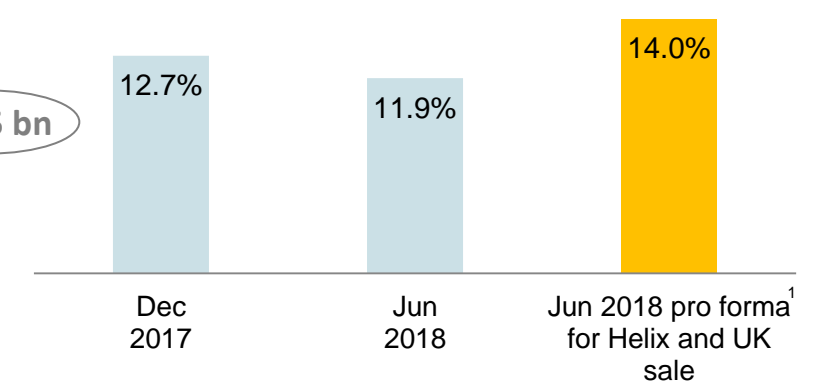
## c.€10 bn Gross NPE reduction since peak



## c.€5 bn increase in deposits since Dec 2014



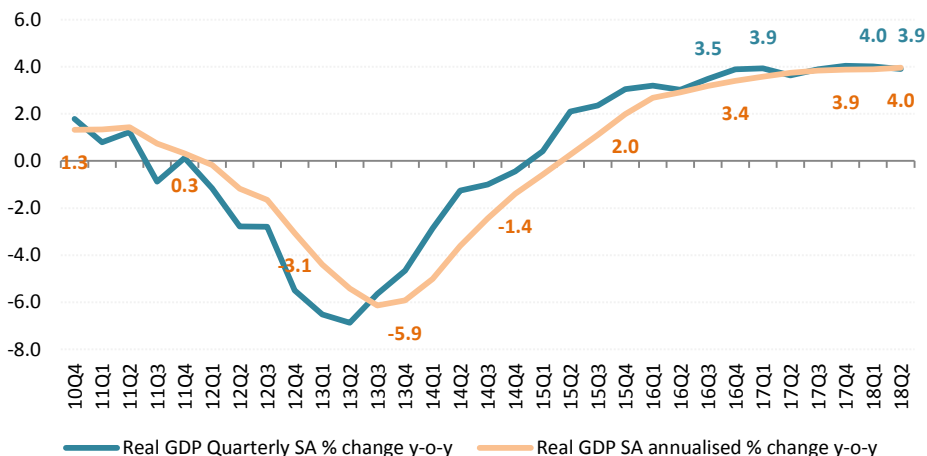
## CET1 ratio at 14.0%<sup>2</sup> pro forma



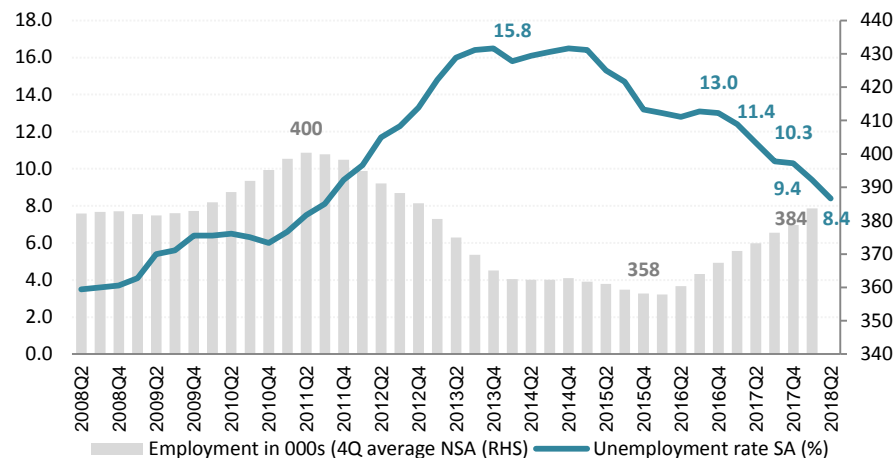
(1) Calculations assume Significant Risk Transfer benefit from Helix, which as at the date of slides has not been approved by the ECB). Calculations assume no changes in capital or provisioning levels required as result of upcoming SREP process or otherwise. Any such changes may be materially adverse  
 (2) Transitional basis: Allowing for IFRS 9 transitional arrangements

# Strong Macroeconomic Backdrop

## GDP growth of 3.9% yoy in 2Q108

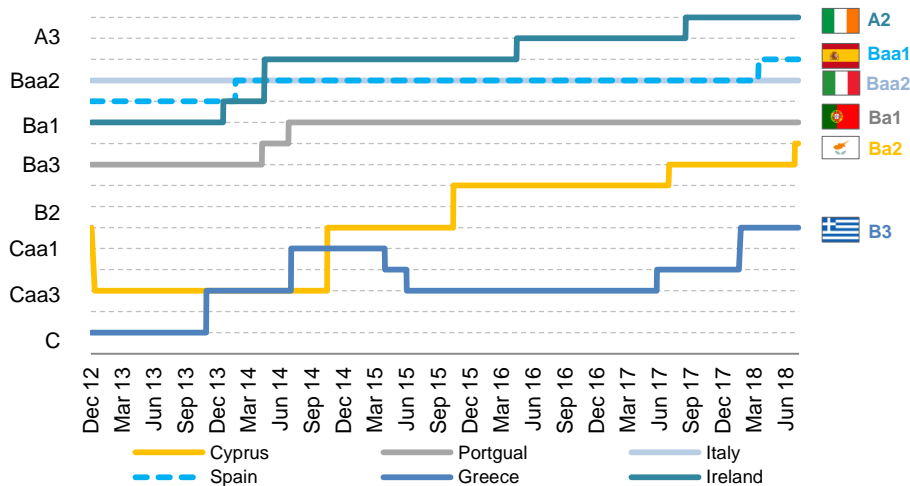


## Unemployment rate dropped to 9.4% in Q1 & 8.4 in Q2, 2018 SA



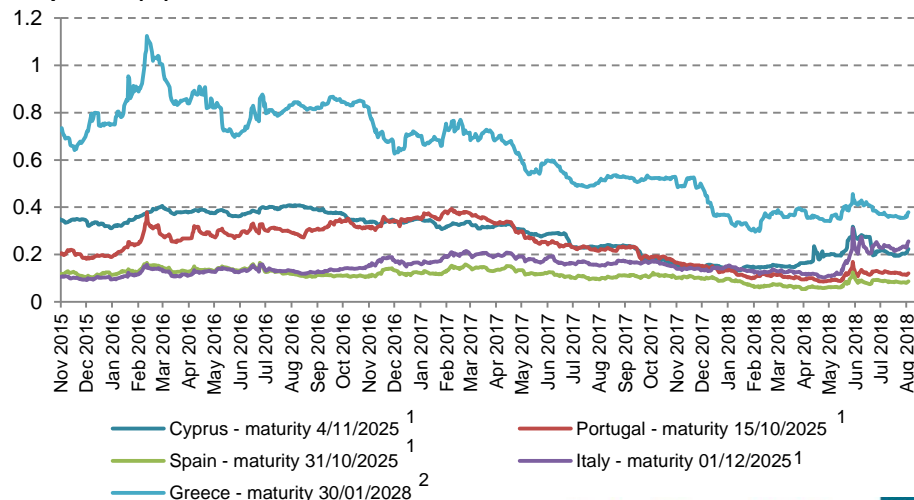
## Credit ratings improving faster than peers...

### Moody's credit ratings



## ...reflected in reduced government bond yields

### Spreads (%)



SOURCE: Statistical Service of Republic of Cyprus; Bloomberg;

1) All the above bonds are normalised against Germany Government bond with maturity 15/8/2025 except Greece

2) Due to the Debt swap of the Hellenic Republic, from November 2017 onwards data for the new Hellenic Republic Bond with maturity 30/01/2028 was used and normalised against the closest maturity of German Government bond (DBR) 15/08/2027

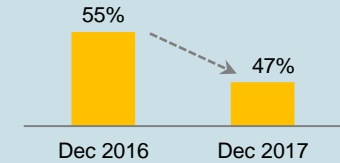
# 2017 Highlights

## Asset Quality

NPEs down by €2.2 bn or 20% during FY2017

NPE coverage increased by 10 p.p. to 48% rising to 51% after IFRS 9 FTA

### NPE ratio



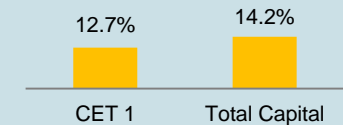
## Capital Position

CET 1 ratio (transitional basis) at 12.7%

Total capital at 14.2%

Elevated provisions in FY2017 to further accelerate risk reduction

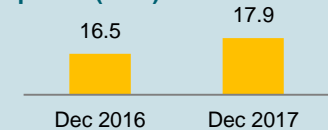
### Capital ratios



## Funding and Liquidity

Deposits increased by €1.3 bn or 8% during FY2017 facilitating full compliance with liquidity requirements on 1 January 2018

### Deposits (€ bn)

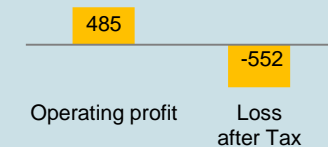


## Operating Performance

Operating profit of €485 mn for FY2017

FY2017 provisions of €942 mn resulted in €552 mn loss after tax

### FY2017 (€ mn)

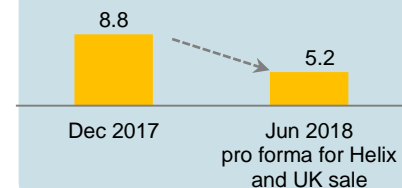


# 1H2018 Highlights

## Significant Progress on Balance Sheet repair

Positive momentum continued in 2018  
 NPEs reduced by €890 mn<sup>2</sup> or 10% in 1H2018 to €7.9 bn  
 NPE sale accelerated reduction to €5.2 bn pro forma<sup>1</sup>

### NPEs (€ bn)

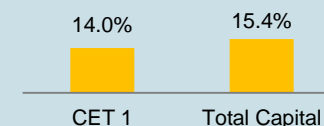


## Adequate Capital Position

CET 1 ratio (transitional basis) at 14.0%<sup>1</sup> and Total Capital ratio at 15.4%<sup>1</sup> pro forma for NPE sale and UK sale

### Capital ratios

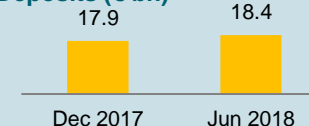
pro forma for NPE sale and UK sale



## Strong Liquidity Position

Deposits increased by c.€600 mn or 3% in 1H2018  
 Significant liquidity surplus of €1.4 bn<sup>2</sup>

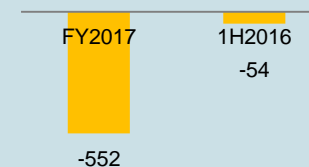
### Deposits (€ bn)



## Organic Performance

Organic performance before Helix of €93mn in 1H2018, in line with guidance of 10 cents per quarter  
 Loss after tax of €54 mn in 1H2018, post accounting for Helix in 1H2018

### (Loss) after tax (€ mn)



1) Calculations assume Significant Risk Transfer benefit from Helix, which as at the date of slides has not been approved by the ECB. Calculations assume no changes in capital or provisioning levels required as result of upcoming SREP process or otherwise. Any such changes may be materially adverse  
 2) The surplus relates to the Bank's LCR add-on requirement adjusted to reflect the relaxed add-on weights applicable as from 1 July 2018

Bank of Cyprus Holdings



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