

## Announcement

### Resumption of dividend payments

Nicosia, 13 April 2023

**This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014.**

#### **Group Profile**

*The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. At 31 December 2022, the Bank of Cyprus Group operated through a total of 64 branches in Cyprus, of which 4 operated as cash offices. The Bank of Cyprus Group employed 2,889 staff worldwide. At 31 December 2022, the Group's Total Assets amounted to €25.4 bn and Total Equity was €2.1 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.*



Bank of Cyprus Holdings Public Limited Company (“BOC Holdings”, and together with its subsidiaries, the “Group”) has obtained today the approval of the European Central Bank (“ECB”) to pay a dividend.

Following this approval from the ECB, the Board of Directors of BOC Holdings is pleased to recommend to the shareholders for approval at the Annual General Meeting (“AGM”) that will be held on 26 May 2023, of a final dividend of €0.05 per ordinary share in respect of earnings for the year ended 31 December 2022 (“FY2022”) (the “Dividend”). This proposed Dividend amounts to €22.3 mn in total and is equivalent to a payout ratio of 14% of the FY2022 adjusted recurring profitability<sup>1</sup> or 31% based on FY2022 profit after tax<sup>2</sup>. Subject to approval at the AGM, the Dividend will be paid in cash on 16 June 2023 to those shareholders on the register on 5 May 2023 (“Record date”) with an Ex-Dividend date of 4 May 2023. Further details will be provided in the AGM Notice that will be published on or around 25 April 2023.

The CET1 ratio, on a transitional basis and adjusted for the proposed Dividend, stands at 15.2%<sup>3</sup> as at 31 December 2022 (compared to reported 15.4%<sup>3</sup>) which is comfortably in excess of regulatory requirements.

This proposed Dividend reflects the resumption of dividend payments after 12 years, underpinning the Group’s position as a strong and well-diversified organisation, capable of delivering sustainable shareholder returns.

## **Dividend Policy**

The Board of Directors has today also approved the Group dividend policy. The Group aims to provide a sustainable return to shareholders. Dividend payments are expected to build prudently and progressively over time, towards a payout ratio in the range of 30-50% of the Group’s adjusted recurring profitability<sup>1</sup> taking into consideration market conditions as well as the outcome of capital and liquidity planning<sup>4</sup>.

## **Mr. Takis Arapoglou, Chairman of the Group commented:**

“Today we have delivered on our longstanding intention to recommence dividend payments confirming our commitment to delivering sustainable value to our shareholders.

The resumption of dividend payments is a significant milestone and represents a new chapter for the Group. We are well capitalised, sustainably profitable and digitally enabled such that we can support our customers, Cypriot society and the growth of the Cypriot economy.

We are deeply grateful for the trust of our customers, the support of our investors and the dedication of our employees, which were crucial during the ten-year transformation of the Group. We look to the future with confidence given our strength, our diversified business model, and the resilience of the Cypriot economy.”

Shareholders who hold shares on the London Stock Exchange through Euroclear Bank and/or CREST should contact their brokers and/or consult the relevant operating procedures of Euroclear Bank and/or CREST if they have any questions regarding receiving the Dividend.

Holders of Depositary Interests on the Cyprus Stock Exchange (“CSE DIs”) representing shares in BOC Holdings will receive a letter with further information regarding receipt of the Dividend and any steps that they need to take. They can also access this information on [www.bankofcyprus.com/group](http://www.bankofcyprus.com/group) (Investor Relations/Shareholder information/Dividends).

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

1. The Group’s profit after tax before non-recurring items (attributable to the owners of the Group) taking into account distributions under other equity instruments such as the annual AT1 coupon.
2. Attributable to the owners of the Group.
3. Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements.
4. Pursuant to 2022 SREP decision, dividend is subject to regulatory approval.