Bank of Cyprus Group

Group Financial Results

For the six months ended 30 June 2023

Bank of Cyprus Holdings

DISCLAIMER

The financial information included in this presentation including the interim Condensed Consolidated Financial Statements for the six months ended 30 June 2023 has not been audited by the Group's external auditors.

The Group's external auditors have conducted a review of the Interim Condensed Consolidated Financial Statements in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" (UK & Ireland)

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 the Note 3.3.1 of the Interim Financial Report 2023).

For Glossary & Definitions refer to slides 71-76

Important Notice Regarding Additional Information Contained in the Investor Presentation

The presentation for the Group Financial Results for the six months ended 30 June 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 and updated in the Interim Financial Report 2023. The Investor Presentation should be read in conjunction with the information contained in the Press Release and neither the financial information in the Press Release nor in the Investor Presentation constitutes statutory financial statements prepared in accordance with International Financial Reporting Standards.

Forward Looking Statements

This document contains certain forward-looking statements which can usually be identified by terms used such as "expect", "should be", "will be" and similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Examples of forward-looking statements include, but are not limited to, statements relating to the Group's near term, medium term and longer term future capital requirements and ratios, intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, expected impairment charges, the level of the Group's assets, liquidity, performance, prospects, anticipated growth, provisions, impairments, business strategies and opportunities. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend upon circumstances, that will or may occur in the future. Factors that could cause actual business, strategy and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Group include, but are not limited to: general economic and political conditions in Cyprus and other European Union (EU) Member States, interest rate and foreign exchange fluctuations, legislative, fiscal and regulatory developments, information technology, litigation and other operational risks, adverse market conditions, the impact of outbreaks, epidemics or pandemics, such as the COVID-19 pandemic. 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.

Table of Contents

Why Bank of Cyprus

Strong Macro

- Open economy growing faster than the Eurozone
- Strong and continued recovery in tourism
- Fiscal discipline, sovereign rated investment grade
- Attractive business hub with low tax regime

Market Leader

- Market leader in a consolidated market
- 42% loan market share; 37% deposit market share
- #1 Life and #2 Non-Life Insurance player in Cyprus
- # 1 in domestic card processing and payment solutions

Diversified & Sustainable Profitability

- Holistic offering with integrated bank-insurance-payment model; digitally engaged
- One of the most highly geared banks to higher interest rates
- Strong capital-light non-interest income
- Efficiency focus with low cost to income ratio
- Resumption of dividend payments after 12 years

Prudent & resilient

- Strong capital base with CET1 >15%
- Strong deposit franchise; one of most liquid banks in EU with LCR >300%
- Asset quality in line with EU peers; NPE ratio at 3.6%
- Experienced management team delivering targets ahead of schedule

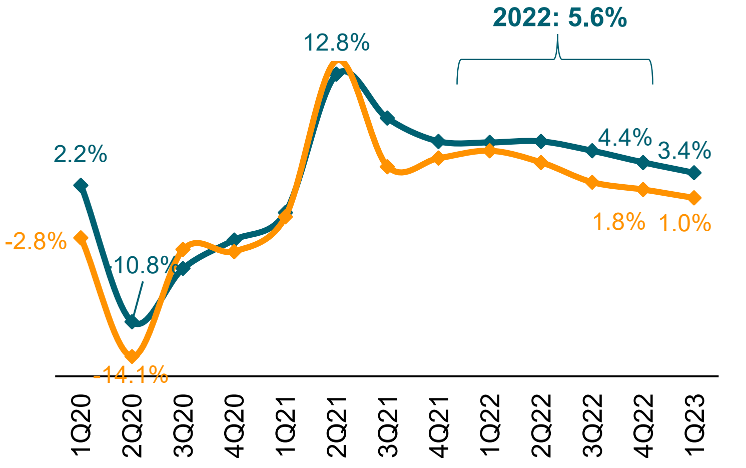
Sustainable ROTE with Strong Capital Generation

Data as at 30 June 2023

Maintained Strong Economic Momentum; 1Q2023 GDP Growth Second Fastest in Eurozone

GDP growth of 3.4% for 1Q2023

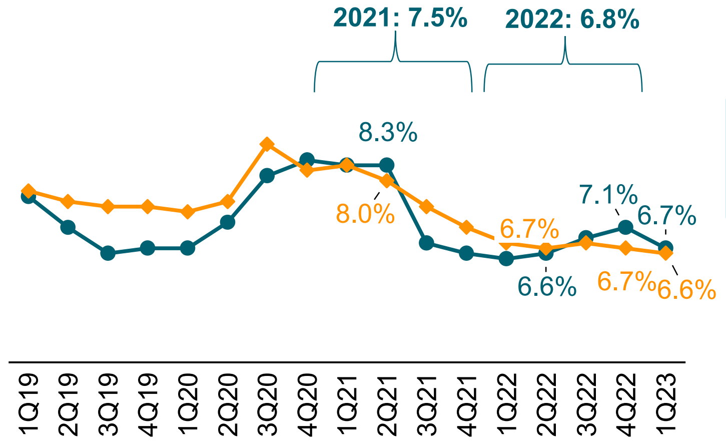
Real GDP (yoy % change)



GDP expected to grow by c.2.8%[1] in 2023, (vs c.1.1%[2] for Eurozone average)

Unemployment rate decreased to 6.7% in 1Q2023

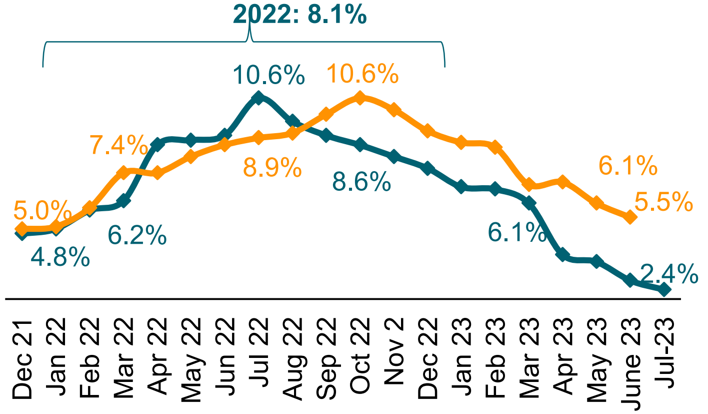
Quarterly (%) (seasonally adjusted)



Unemployment rate expected to decrease to 6.5%[1] in 2023 (vs 6.8%[2] for Eurozone average)

Inflation decreased to 2.4% in July 2023

HICP index (yoy% change)

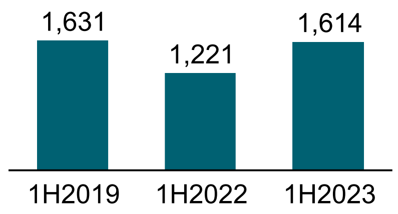


HICP expected to drop to c.3.2%[1] in 2023 (vs 5.8%[2] for Eurozone average)

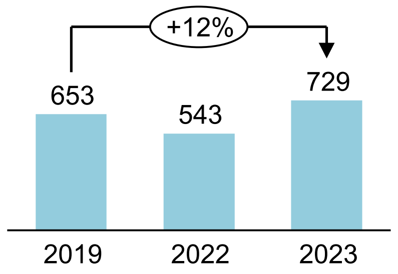
Cyprus   Euro area

Tourist arrivals in 1H2023 at 2019 levels, with higher spending

Tourism arrivals (ths)
January-June



Revenue (€ mn)
January – May



Source: Cystat, Eurostat
1) Projections for Cyprus in accordance with Ministry of Finance
2) European Commission 2023 Spring Forecast

Our Shareholder Focus; ROTE Guidance Raised at Investor Update Event in June 2023

Highly Profitable

- ROTE of >17% in 2023 & >14% in 2024
- ROTE of >13% in 2025 or >16% on 15% CET1 ratio in 2025

Highly Capital Generative

- Expected to generate 200-250 bps per annum of CET1 pre distributions
- Current CET1 ratio at 16%[1,3], expected to increase significantly

Committed to Shareholder distributions

- Dividend resumed after 12 years, paid in June 2023 out of 2022 profit after tax
- Payout ratio building prudently and progressively towards 30-50% on adjusted recurring profitability[2]
- 2023-2025 expected dividend distribution[3] equivalent to c.20-30% of market capitalisation[4]

1) Includes reviewed profits for 1H2023 and is net of dividend accrual (refer to slide 27)
2) Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration distributions under equity instruments such as AT1 coupon. Any recommendation for a dividend is subject to regulatory approval
3) Dividend distribution is subject to regulatory approval
4) Market capitalisation as at 31 July 2023

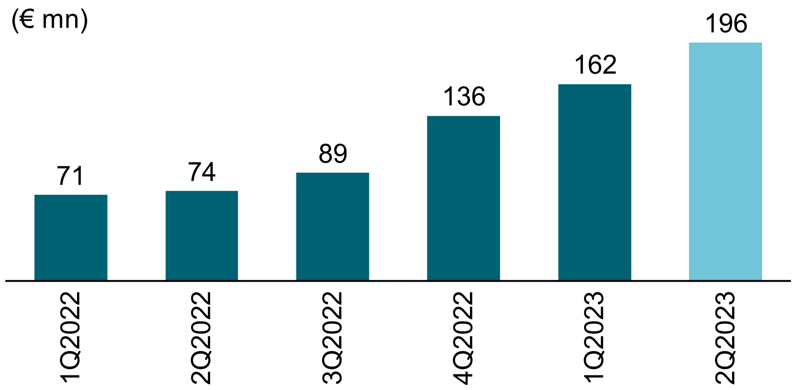
Strong Performance in 1H2023; Well on Track to Meet 2023 Targets

	1H2023	FY2023 targets (June 2023)	FY2024 targets (June 2023)
Net Interest Income	358 mn	>650 mn	>625 mn
Cost to Income Ratio[1]	32%	sub 40%	c.40%
ROTE	24.0%	>17%	>14% *(>17% based on 15% CET1 ratio)*
NPE Ratio	3.6%	<4%	<4%
Cost of Risk	48 bps	50-80 bps	To normalise towards 40-50 bps over the medium-term
Dividend	30%[2] accrual	Building progressively to 30%-50% pay-out[2]	

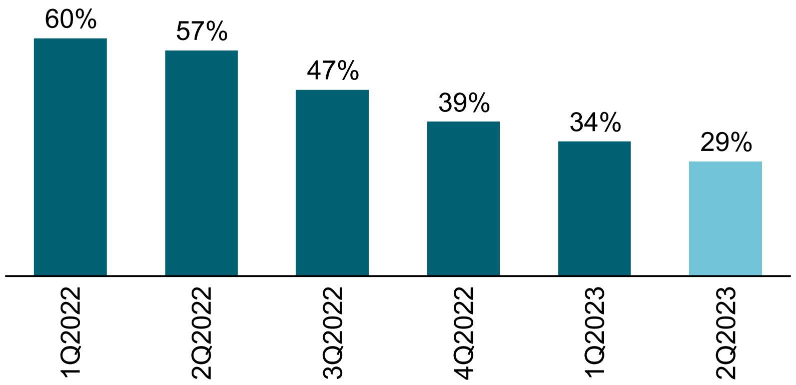
1) Excluding special levy on deposits and other levies/contributions
2) Payout ratio calculated on adjusted recurring profitability: Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the distributions from other equity instruments such as AT1 coupon. Any recommendation for a dividend is subject to regulatory approval

2Q2023 Financial Snapshot

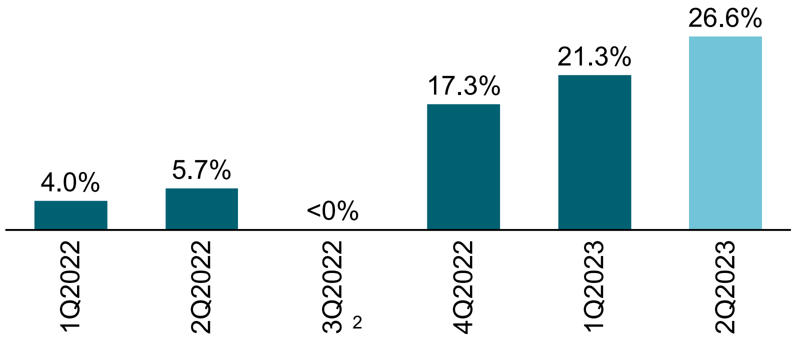
Net Interest Income up 21% qoq



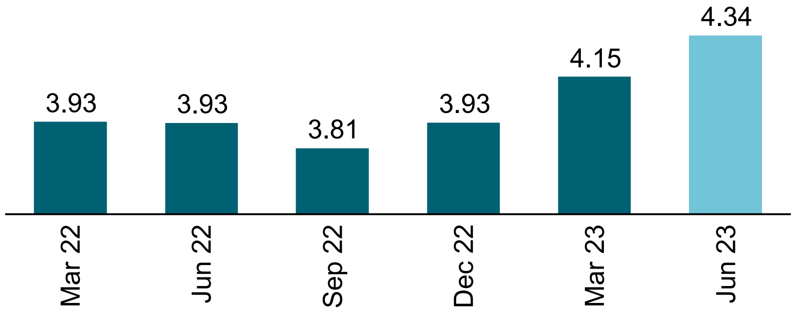
Improved Cost to Income ratio[1] to 29%



Strong ROTE trajectory



Growing Tangible book value per share



1) Excluding special levy on deposits and other levies/contributions
2) Includes cost of Voluntary Staff Exit Plan of €101 mn

1H2023 Achievements & Corporate Actions

Bank of Cyprus Holdings

Investor Update Event

- Held our inaugural investor update event in London, in June 2023
- Updated medium term strategic targets
- Confirming Group's very strong market position, diversified business model, strong earnings momentum supported by continued benefits from higher interest rates and continuing efficiency focus

Dividend

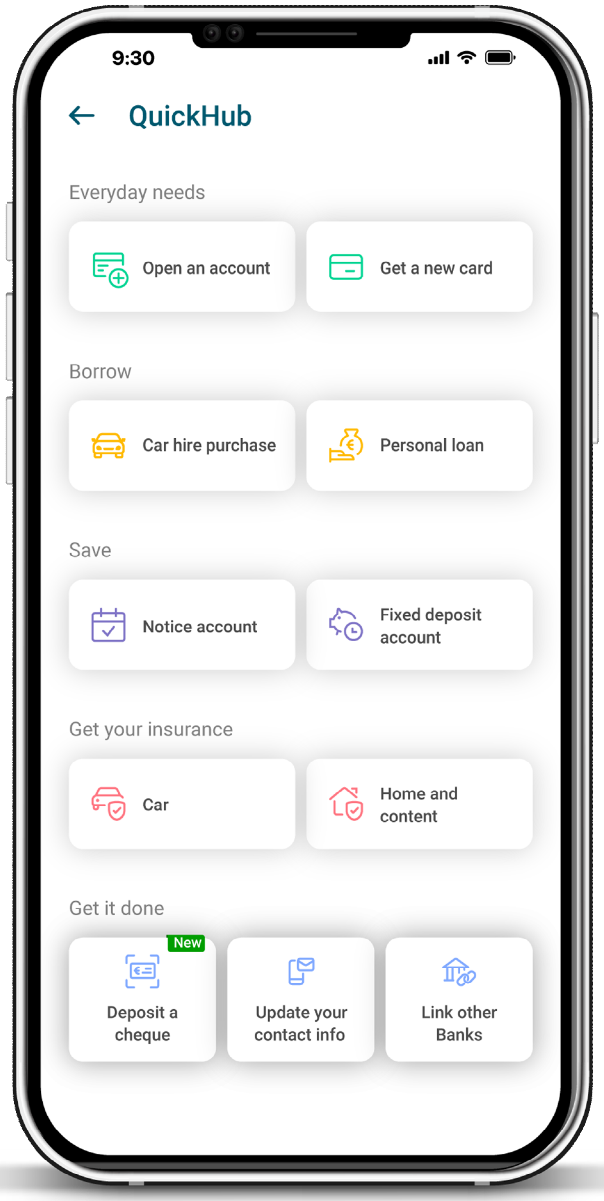
- Resumption of dividend payments after 12 years
- Payout ratio expected to build prudently and progressively to 30-50%[1]

Capital market presence

- Successful refinancing of €220 mn AT1 Capital Securities; orderbook >12x over-subscribed
- Significant improvement in credit spread of c.350 bps compared to the AT1 issued in 2018
- Successful issuance of €350 mn MREL- Eligible Senior Preferred Notes
- Already in full compliance with 2025 MREL requirement

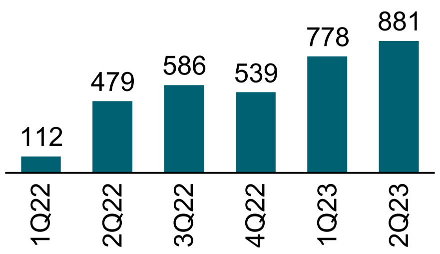
1) Of adjusted recurring profitability: Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration distributions under equity instruments such as AT1 coupon. Any recommendation for a dividend is subject to regulatory approval

Digital Offerings via Digital Channels Enhance Group's Sales Further



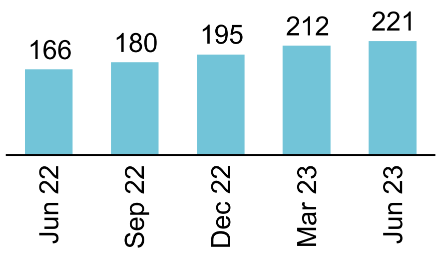
Digital sales

3,375 new customers onboarded through digital channels since Jan 2022

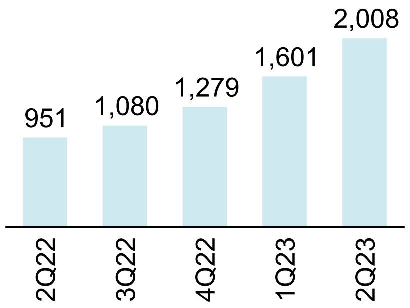


e-deposits at €221 mn as at 30 Jun 2023; up 33% yoy

e-deposits (€mn)



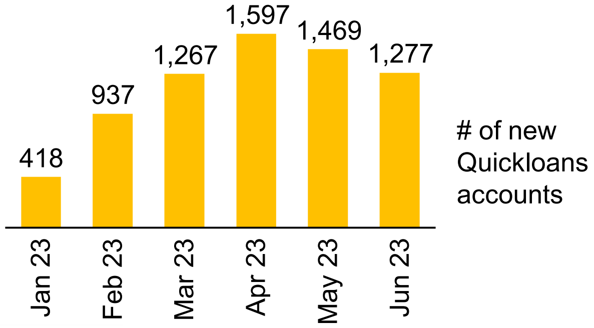
New e-deposits accounts up 111% yoy



Quickloans launched in Oct 2022; €44 mn Quickloans in 1H2023

1Q2023: €18 mn

2Q2023: €26 mn



1H2023 non-life insurance e-sales > 2x FY2022 sales

Insurance sales (€ ths)

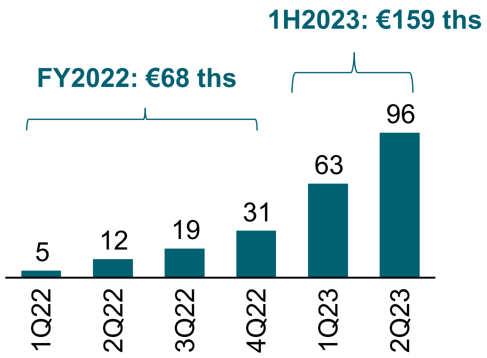


Table of Contents

1H2023– Highlights

Positive economic outlook

- Strong economic growth; Cyprus GDP expanded by 3.4%[1] in 1Q2023, the second highest in Eurozone; 2023 growth expected at c.2.8%[1]
- New lending stable at €1.1 bn, despite the rising interest rate environment
- Gross performing loan book flat qoq and yoy at €9.9 bn as ongoing repayments offset new lending

Strong profitability continuing to benefit from tailwinds

- NII of €358 mn up 146% yoy, underpinned by rising interest rates and continued low deposit pass-through
- Total operating expenses[2] down 2% yoy, reflecting efficiency actions taken in FY2022; cost to income ratio[2] reduced to 32%
- Profit after tax of €220 mn, of which €125 mn in 2Q2023 (vs €43 mn in 1H2022)
- ROTE of 24.0% vs 4.9% in 1H2022, supported by strong NII growth

Liquid and resilient balance sheet

- Asset quality in line with target; NPE ratio at 3.6% (0.8% on net basis) down 7 p.p. yoy
- Coverage increased to 78%; Cost of risk at 48 bps
- Sticky, retail funded deposit base at €19.2 bn, up 4% yoy and broadly flat qoq
- Highly liquid balance sheet with €9.1 bn placed at the ECB
- 2025 MREL requirement already achieved post successful issuance of €350 mn Senior Preferred Notes in July 2023

Robust capital and shareholder focus

- Organic capital generation of c.220 bps[3] in 1H2023, of which c.120 bps[3] in 2Q2023
- CET1 ratio of 16%[4] and Total Capital ratio of 21.1%[4]
- Successful refinancing of €220 mn AT1 Capital Securities
- Payment of dividend in June 2023; payout ratio of 14% out of FY2022 earnings[5]

1) In accordance with Ministry of Finance
2) Excluding special levy on deposits and other levies/contributions
3) Based on profit after tax
4) Includes reviewed profits for 1H2023 and and is net of dividend accrual (refer to slide 27). Any recommendation for a dividend is subject to regulatory approval
5) Of adjusted recurring profitability as reported in FY2022 financials: Profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration distributions under equity instruments such as AT1 coupon. Any recommendation for a dividend is subject to regulatory approval

Income Statement

€ mn	1H2023	1H2022 IFRS 17	2Q2023	1Q2023	qoq%	yoy%
Net Interest Income	358	145	196	162	21%	146%
Non interest income	153	137	81	72	14%	12%
Total income	511	282	277	234	19%	81%
Total operating expenses[1]	(162)	(164)	(82)	(80)	3%	-2%
Operating profit	**331**	**101**	**188**	**143**	**32%**	**228%**
Provisions and impairments	(68)	(37)	(40)	(28)	39%	86%
PAT before non-recurring items	**222**	**52**	**126**	**96**	32%	**-**
Advisory and other transformation costs - organic	(2)	(5)	(1)	(1)	11%	-57%
PAT-organic	**220**	**47**	**125**	**95**	**32%**	**-**
Restructuring costs	-	(4)	-	-	-	-100%
Profit after tax[2]	**220**	**43**	**125**	**95**	**33%**	**-**
Key Ratios						
Net Interest margin	**3.17%**	**1.32%**	**3.43%**	**2.91%**	**52 bps**	**185 bps**
Cost to income ratio[1]	**32%**	**58%**	**29%**	**34%**	**-5 p.p.**	**-26 p.p.**
Cost of Risk	**0.48%**	**0.43%**	**0.51%**	**0.44%**	**7 bps**	**5 bps**
EPS (€ cent)	**49.4**	**9.5**	**28.2**	**21.2**	**7.0**	**39.9**
ROTE	**24.0%**	**4.9%**	**26.6%**	**21.3%**	**5.3 p.p.**	**19.1 p.p.**
Adjusted recurring profitability[3]	**201**	**28**	**112**	**89**	**23%**	**-**

QoQ Performance (2Q2023 vs 1Q2023)

- NII up 21% benefitting from rising interest rates and continued low deposit pass-through
- Non-NII up 14% positively affected by improved experience variance in net insurance result and one-off insurance receivable (c.€5 mn)
- Total operating expenses[1] up 3% driven mainly by higher staff costs
- Provisions and impairments up by €12 mn mainly due to higher REMU stock impairments on specific, large, illiquid assets
- Cost of risk in line with 2023 target
- **Profit after tax at €125 mn, up 33%** supported by the strong NII growth

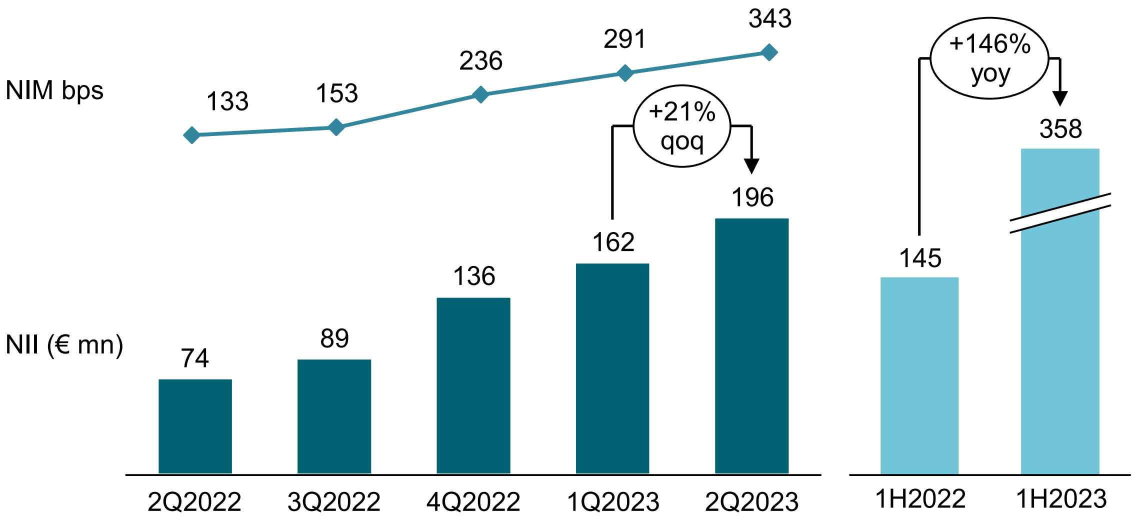
YoY Performance (1H2023 vs 1H2022)

- NII up 146% reflecting higher loan and liquid assets effective yields
- Total operating expenses[1] down 2% as benefits from FY2022 efficiency actions continue to partly offset wage and inflationary pressures
- Provisions and impairments up €31 mn driven by higher REMU stock impairments and provisions on litigation
- Cost of risk broadly flat yoy
- **Profit after tax at €220 mn equivalent to reported ROTE of 24.0%**

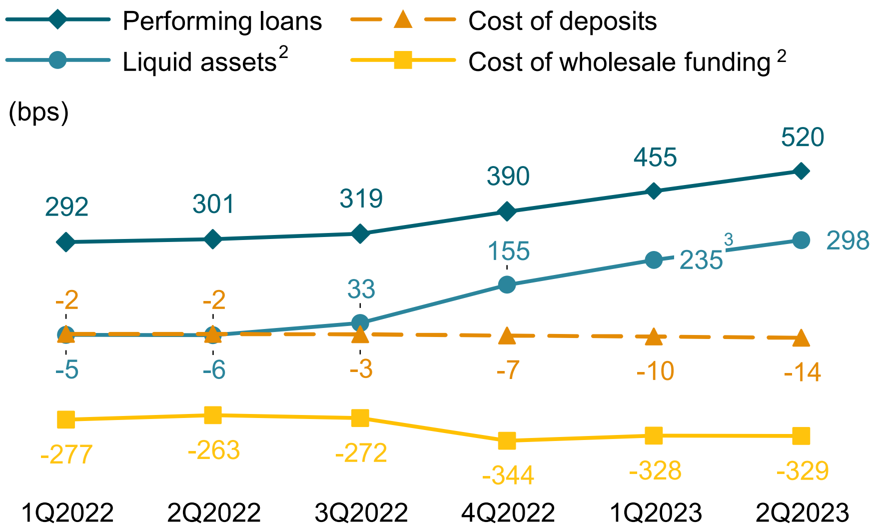
1) Excluding special levy on deposits and other levies/contributions
2) Used for organic capital generation calculation (refer to slide 27)
3) Used for the payout ratio calculation, in line with the Dividend Policy approved by the BoD in April 2023

NII Growth Accelerated Further in 2Q2023, up 21% qoq to €196 mn

NII of €196 mn, up 21% qoq



Effective yield on assets & cost of funding



- NIM up 52 bps qoq to 343 bps, reflecting repricing of liquid assets and loans and limited increase in funding costs
- Effective yields on liquid assets increased to 298 bps (up 63 bps qoq)
- Cost of deposits at 14 bps; Time and Notice deposit pass through remains low at 12%[1]
- Cost of wholesale funding flat qoq

Outlook

- NII >€650 mn for 2023, based on conservative assumptions (slide 15)

1) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period
2) Calculation for effective yields on liquids assets and cost of wholesale funding was adjusted to exclude the impact of TLTRO III on both NII and on interest bearing assets & liabilities
3) 1Q2023 effective yield of liquid assets was restated to 235 bps

Net Interest Income Assumptions and Sensitivities

NII assumptions	FY2023 assumptions[1]	2Q2023	1Q2023
Average ECB depo rate	3.0%	3.2%	2.3%
Time deposit pass through	up to c.50% by June 2024	12%	10%
Deposit mix (Time & Notice deposits)	up to c.45% in by June 2024	31%	30%

- 1 percentage point increase in time deposit pass-through reduces NII by c.€2 mn[3] p.a.
- ECB decision to set remuneration of minimum reserves to 0%; impact of foregone NII of c.€7 mn at an annual depo rate of 3.75%
- Cost of wholesale funding expected to rise following the issuance of €350 mn Senior Preferred Notes in July 2023 at a coupon rate of 7.375% (c.€26 mn p.a.)

NII sensitivity to parallel shift in interest rates (annualised)

Y1	+60bps	-60bps
EUR	€66 mn	-€73 mn
USD[2]	€1 mn	-€1 mn
Total	**€67 mn**	**-€74 mn**

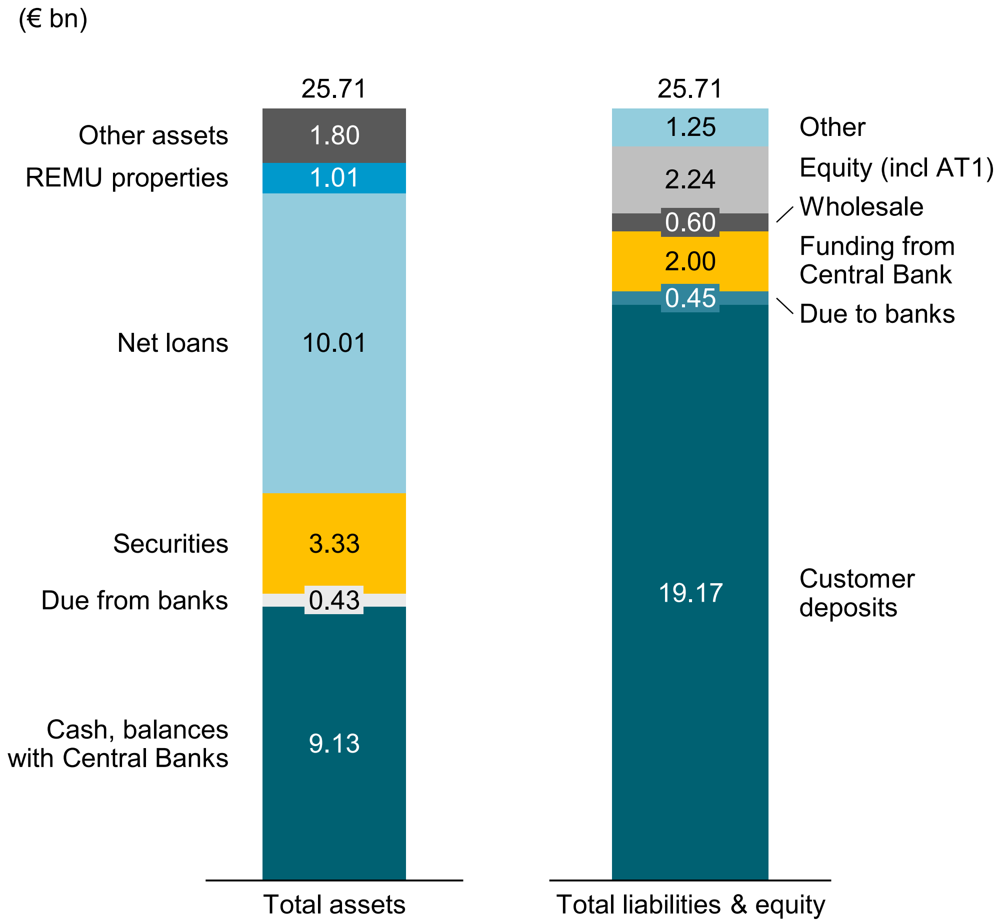
Key simplifying assumptions for sensitivity analysis

- 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

1) As communicated in June 2023
2) 75 bps parallel shift in USD interest rates
3) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period

Highly Liquid Balance Sheet

30 June 2023



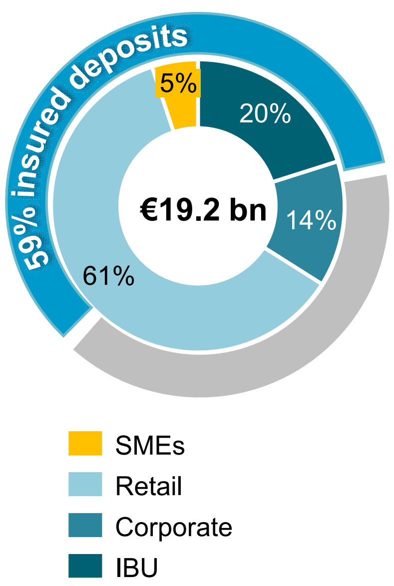
- **Cash, balances with Central Banks of €9.1 bn**, of which €2.0 bn TLTRO III
    - Immediate benefit from ECB depo rate increases[1]
- **Securities of €3.3 bn** (of which €3.2 bn fixed income portfolio)
    - Fixed income portfolio up 16% qoq and 67% yoy
    - Careful expansion to continue subject to market conditions
- **Net loans of €10.0 bn** (of which €9.7 bn performing book)
    - >95% of loan book variable based including:
        - 51% 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 €19.2 bn**
    - Cyprus banking system has ample liquidity; gradual deposit repricing expected
    - Sticky, granular deposit base of which 61% Retail-based
- **Wholesale funding of €0.6 bn**
    - Issuance of €350 mn MREL- Eligible Senior Preferred Notes in July 2023
    - The Bank continues to evaluate opportunities to optimise the build-up of its MREL

1) Excluding TLTRO III of €2 bn

Robust Liquidity Position; Surplus Liquidity of €7.7 bn

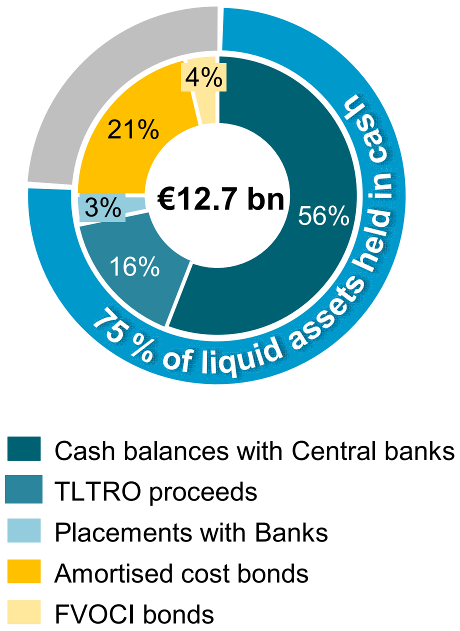
Diversified, mainly Retail funded deposit base

Group deposits

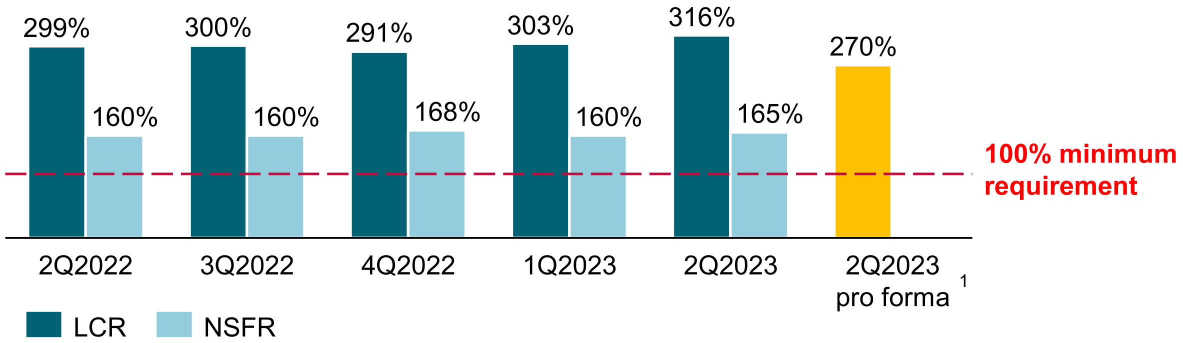


Highly liquid balance sheet

Liquid assets



Liquidity ratios historically significantly above minimum requirements

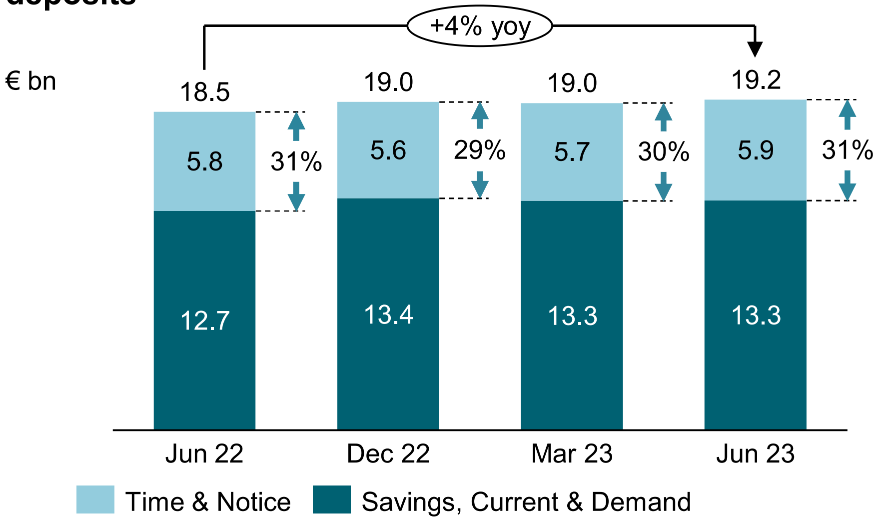


- **Sticky deposit base**
  - 59% insured deposits
  - 61% Retail
  - Average size of Retail deposits: c.€28k
- **Strong liquidity ratios**
  - LCR ratio of 316% (270% pro forma for €2 bn TLTRO repayment and issuance of €350 mn MREL-Eligible Senior Preferred Notes)
  - Surplus liquidity of €7.7 bn (€6.1 bn pro forma for €2 bn TLTRO repayment and issuance of €350 mn MREL-Eligible Senior Preferred Notes)
  - Cash, balances with central Banks of €9.1 bn
- **Highly rated fixed income portfolio**
  - Majority of positions in FVOCI book hedged for interest rate risk
  - Amortised cost portfolio with high average rating of A1 or Aa2 when Cyprus government bonds are excluded (refer to slide 20)

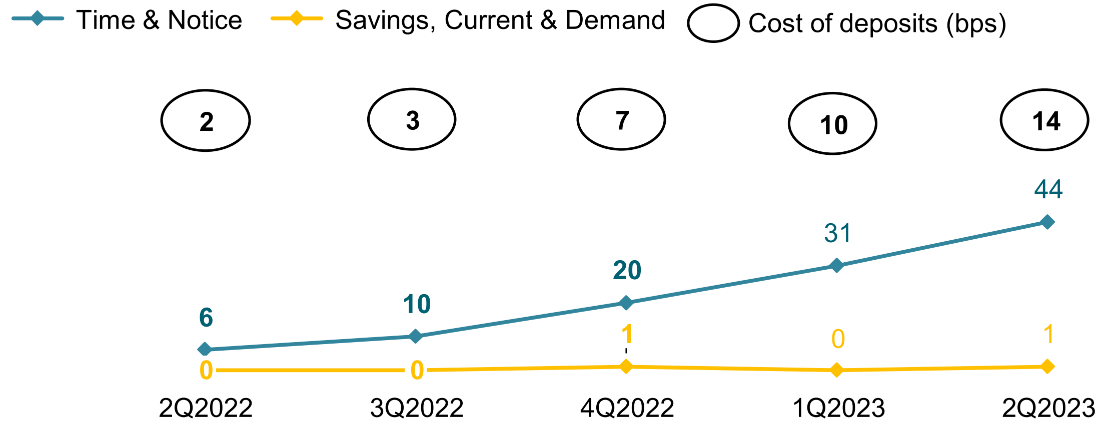
1) Excluding TLTRO III of €2 bn and including the €350 mn Senior Preferred Notes issued in July 2023

Retail Funded Deposit Base up 4% yoy; Loan to Deposit Ratio at 52%

Deposits at €19.2 bn; very gradual mix shift to Time & Notice deposits



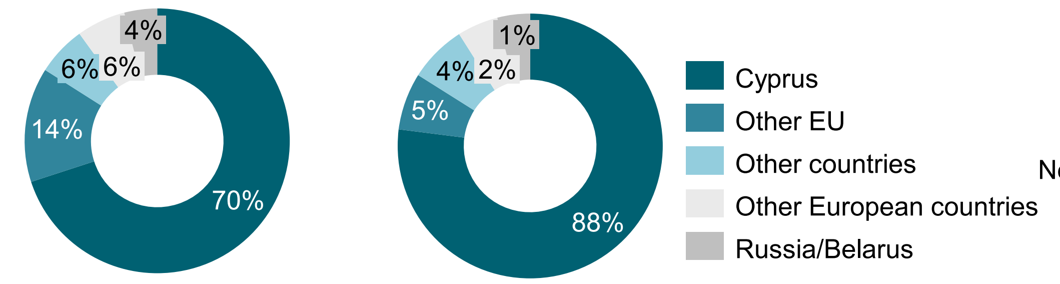
Resilient deposit pass through[2] at 12%; assumed to gradually increase to 50% by June 2024



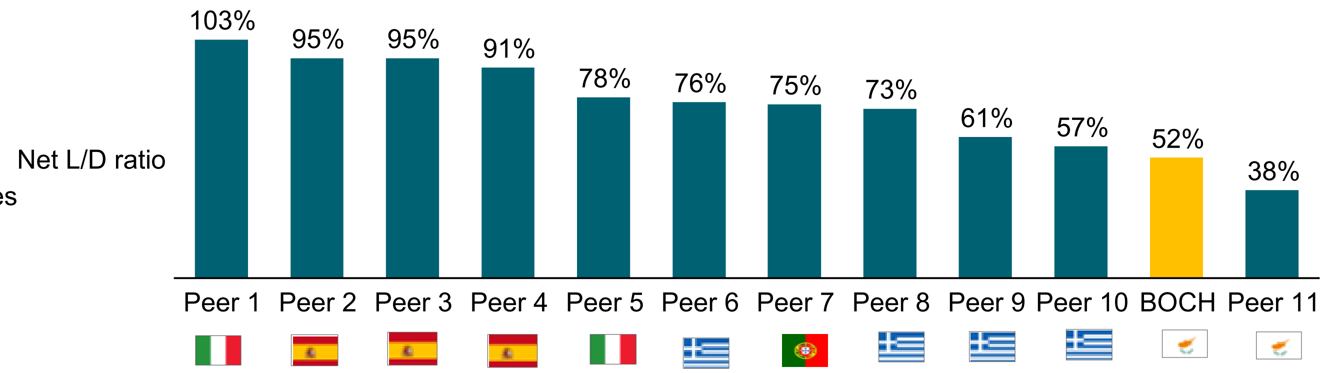
Time & Notice deposit pass-through[2]	c.7%	c.10%	c.12%

Group deposits

by passport origin[1] **by country of residence**



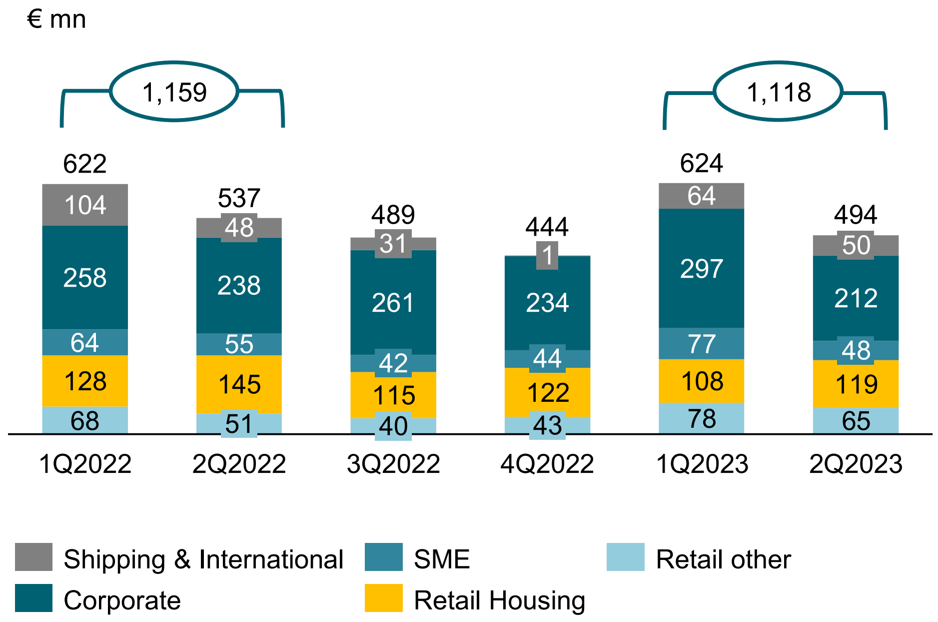
Cypriot banks have lower L/D ratio compared to Euro area



1) Origin is defined as the country of passport of the Ultimate Beneficial Owner
2) Calculated as a percentage of the cost of Time and Notice deposits over average 6m Euribor rate of the period

Continued Solid Loan Growth Offset by Repayments

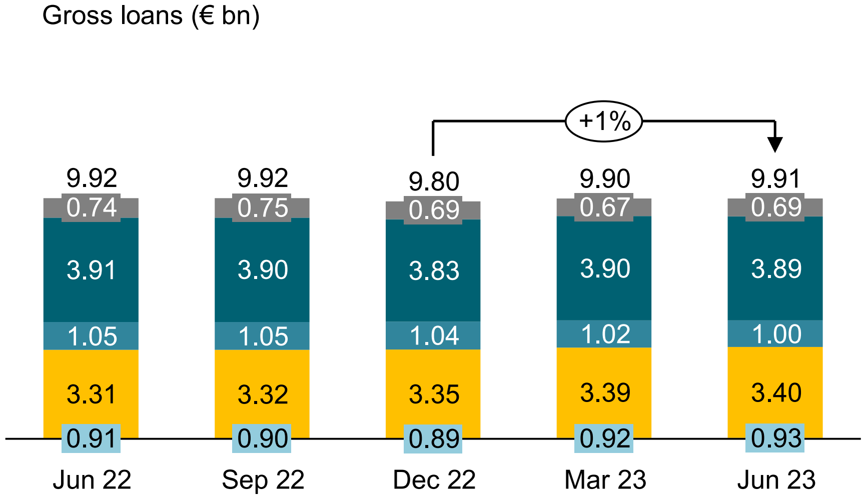
New lending of €494 mn in 2Q2023



42%[1]

Leading market share in loans

Gross performing book[2] flat at €9.9 bn



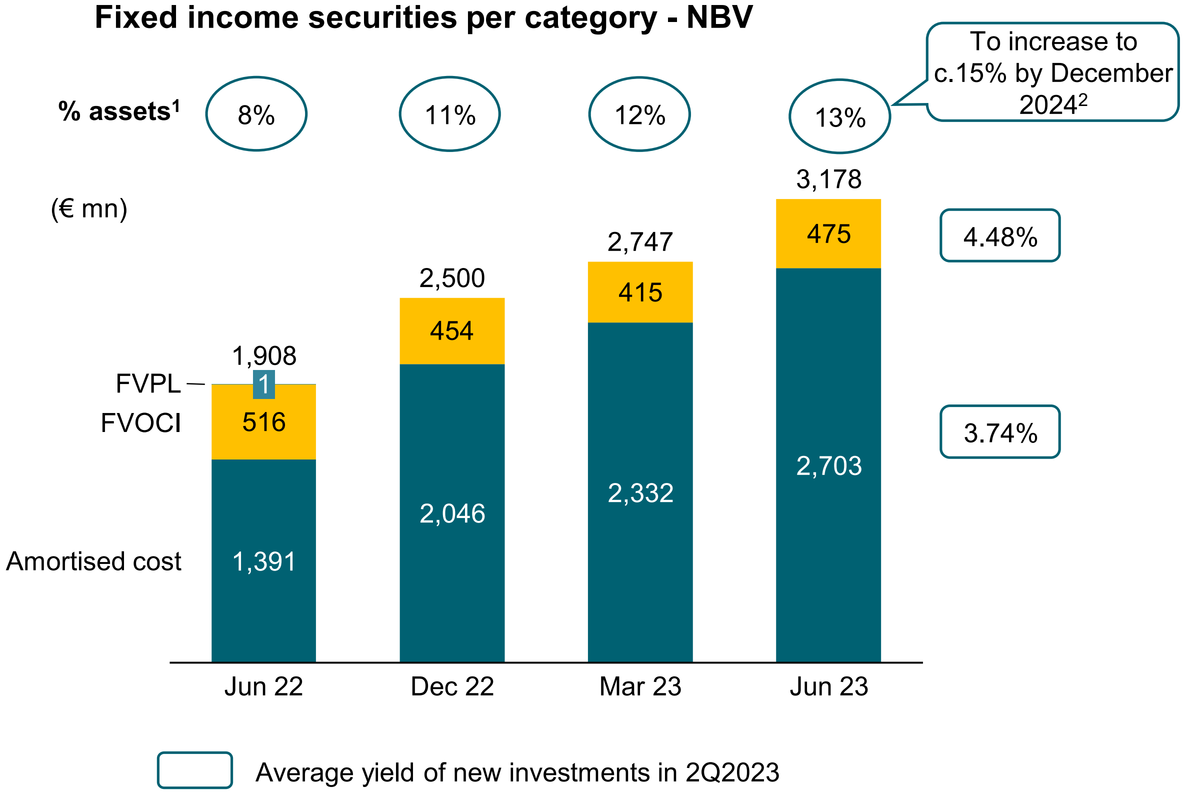
- Strong new lending in 1H2023 of €1.1 bn, mainly driven by strong demand for business loans
- Gross performing loan book[2] flat qoq and yoy as ongoing repayments offset new lending
- Meticulous track record of repayment capability; 99% of new exposures[3] in Cyprus since 2016 are performing

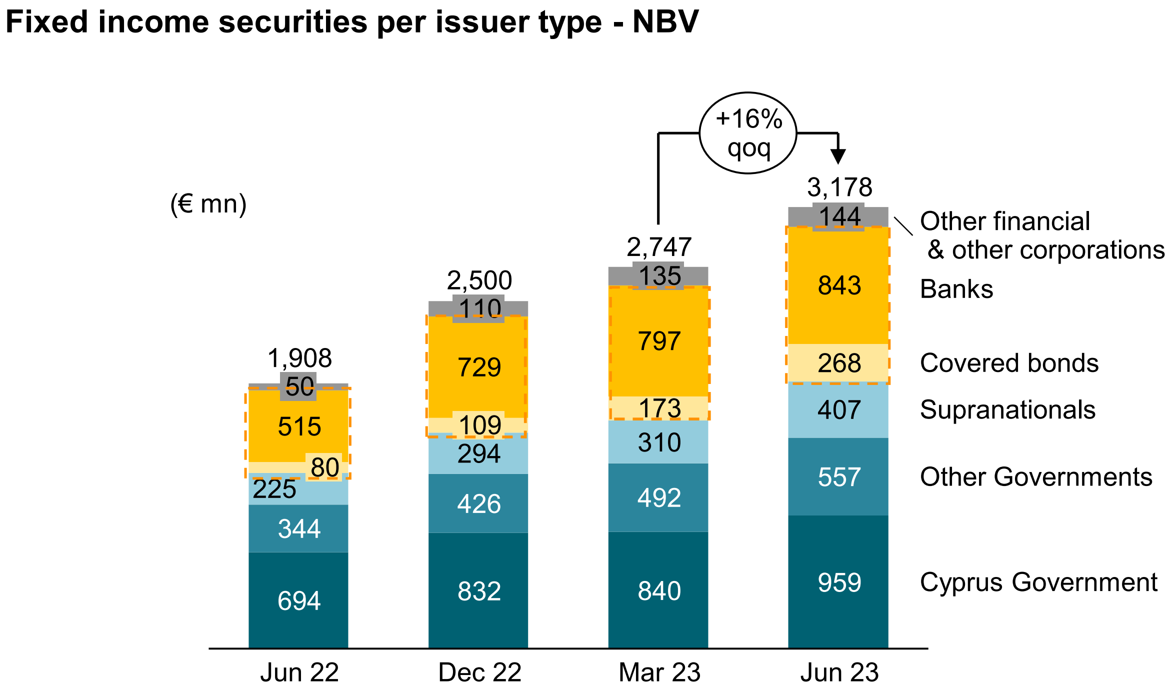
Outlook

- Performing loan book expected to remain broadly flat in 2023

1) As at 30 June 2023
2) Performing loan book which includes Corporate and Large corporate, International corporate, International business services, Wealth and Markets, SME and Retail (previously known as non-legacy)
3) Facilities/limits approved in the reporting period

Fixed Income Portfolio up 16% qoq





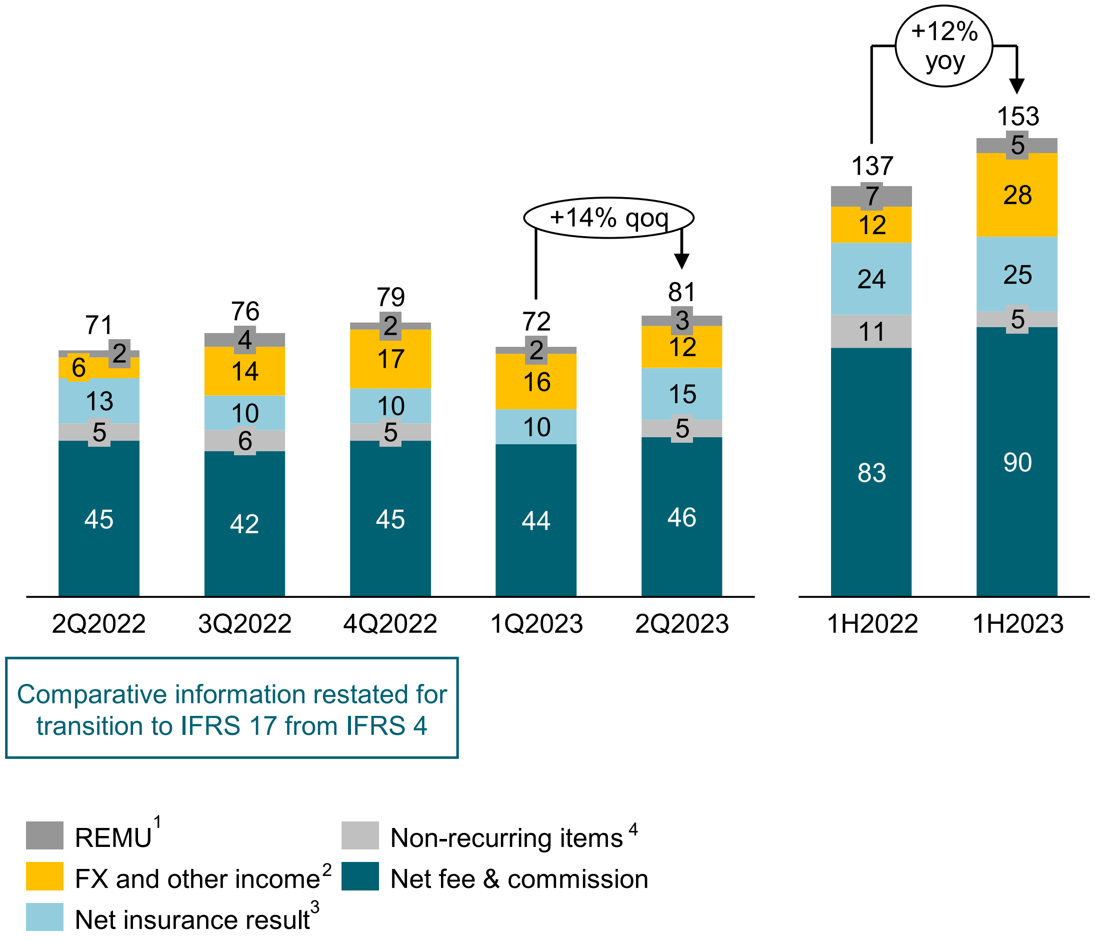
	Amortised cost	FVOCI
Average contractual duration (years)	2.73	3.96
Average duration taking into consideration interest rate hedging (years)	2.62	0.37
Average rating	A1 (Aa2 when excluding Cyprus government bonds)	Baa2

- Incremental investments in 2Q2023 ahead of expected maturities in 2H2023
- Mark to market impact of amortised cost portfolio at €84 mn in 1H2023; (c.80 bps of CET1 ratio)
- Majority of positions in the FVOCI book are hedged for interest rate risk, therefore minimal effect on reserves expected from interest rate changes
- Ample excess liquidity conducive for further expansion of fixed income portfolio[2]

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

Non Interest Income at €81 mn for 2Q2023, up 14% qoq

Total Non – NII (€ mn)



Comparative information restated for transition to IFRS 17 from IFRS 4

QoQ Performance (2Q2023 vs 1Q2023)

- Net fee and commission income up 3% mainly due to higher net credit card commissions driven by higher volume of transactions
- Net insurance result[3] up 57% qoq, attributed to improved experience variance (life insurance) and lower claims
- Net FX and other income[2] down 21% due to higher revaluation gains of financial instruments in the previous quarter
- Non-recurring item of €5 mn relates to an insurance receivable included in other income
- Non NII, net of the non-recurring item of €5 mn, covers c.90% of total operating expenses

YoY Performance (1H2023 vs 1H2022)

- Net fee and commission income net of non-recurring items[4] up 8% reflecting the introduction of a revised price list in February 2022 and higher net credit card commissions
- Net FX and other income[2] 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

Outlook

- Net fee and commission income[5] expected to grow by CAGR c.3% in 2022-2024
- Non-NII expected to continue covering c.80% of total operating expenses

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
4) Non recurring items for 2022 relate to liquidity fees and NPE sale-related servicing fee that were terminated in Dec 2022 and mid-February 2023 respectively; For 2Q2023 it relates to insurance receivable
5) Net of liquidity fees and NPE sale-related servicing fees

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

eurolife

€ mn	1H2023	1H2022 IFRS 17[3]	yoy%
Net Insurance result	**13.6**	**13.6**	**0%**
Other operating costs (non-attributable)	(0.6)	(0.6)	0%
Net revaluations profit/(losses) on own investments	1.4	(8.1)	-117%
PAT-contribution to the Group[1]	**13.7**	**4.8**	**186%**
Total Regular income	**84.9**	**78.4**	**8%**

9% Contribution to non-NII

6% Contribution to the Group's PAT

27% Market share[2]

- PAT[1] up 186% yoy mainly driven by increased net revaluation gains on own investments compared to volatile market conditions in 1H2022
- Total regular income up 8% yoy, in line with target due to increased new business
- AUM at €562 mn, up 7% yoy attributed to favourable market conditions and positive inflows
- Solvency ratio at 214% at 30 June 2023

Outlook

- Total Regular income to grow by CAGR c.6% in 2022-2025

To be achieved by:

- Pursue new market segments
- Cross-sell opportunities with the Bank
- Continue strengthening the agency force
- Further leverage on bancassurance
- Increase productivity with data analytics to enhance cross selling/upselling
- Enhance customer service via a holistic servicing model approach
- Further develop digital channel for servicing and efficient cost management

1) Contribution to the Group: Adjusted to exclude intercompany transactions between insurance companies and the Bank
2) As at 31 December 2022
3) For further information on the transition to IFRS 17 refer to the Note 3.3.1 of the Interim Condensed Financial Statements in the Interim Financial Report 2023

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

Genikes Insurance

€ mn	1H2023	1H2022 IFRS 17[3]	yoy%
Net Insurance result	**11.0**	**10.1**	**9%**
Other operating costs (non-attributable)	(1.3)	(1.3)	-3%
Revaluation/disposal gains/(losses) on investments	0.4	(1.9)	-
One-off insurance receivable	5.1	-	-
PAT-contribution to the Group[1]	**13.7**	**6.1**	**124%**
Gross written premium (GWP)	**35.5**	**32.1**	**10%**

- PAT[1] before non-recurring items up 41% yoy mainly due to increased revaluation gains on investments compared to volatile market conditions in 1H2022
- GWP up 10% yoy due to increased new and renewal business, reflecting continuous focus on business growth
- Solvency ratio at 187% as at 30 June 2023

7% Contribution to non-NII

6% Contribution to the Group's PAT

14% Market share[2]

Outlook

- Total premium income to grow by CAGR >8% in 2022-2025

To be achieved by:

- Grow the bancassurance potential
- Continue promoting and enhancing the digital sales
- Enhance underwriting quality, claims management and automation
- Optimise synergies with life insurance
- Pursue profitable segments and products
- Simplify procedures to enhance efficiency and service quality
- Transform into a customer centric business

1) Contribution to the Group: Adjusted to exclude intercompany transactions between insurance companies and the Bank
2) As at 31 December 2022
3) For further information on the transition to IFRS 17 refer to the Note 3.3.1 of the Interim Condensed Financial Statements in the Interim Financial Report 2023

Leading Card Processing and Payment Solutions Business in Cyprus

€ mn	1H2023	1H2022	yoy%
Net fee and commission income	13.5	12.2	11%
Net other income	1.8	2.4	-28%
FX and net gains/(losses) on revaluation of investment	0.7	(0.2)	-
Total contribution to Group's Non-NII	**16.0**	**14.4**	**11%**
Total operating costs	(8.7)	(8.1)	8%
PAT-contribution to the Group before non-recurring items	**6.1**	**5.4**	**13%**
Restructuring costs - VEP	-	(3.1)	-100%
PAT-contribution to the Group	**6.1**	**2.3**	**167%**

- Net fee and commission income up 11% yoy, driven by higher volume of transactions
- Total operating costs up 8% yoy mainly driven by higher marketing and IT costs
- One-stop shop, providing various innovative solutions
- Backed by BOC with 75% stake

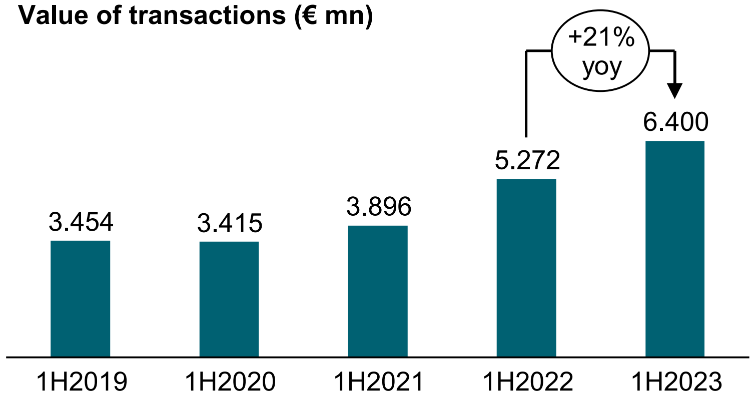
10% Contribution to non-NII

3% Contribution to the Group's PAT

84% Market share[1]

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

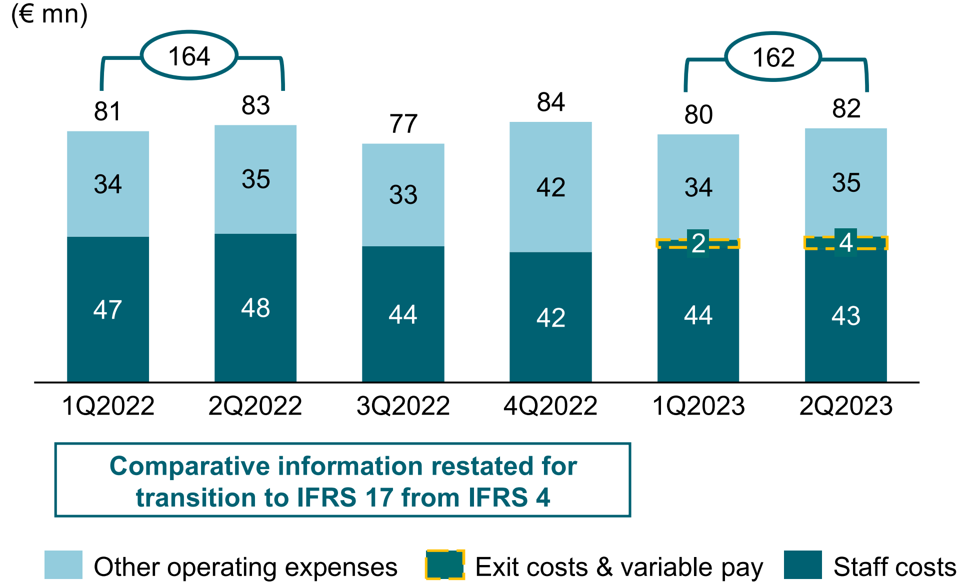
Strong transaction growth in value; up 21% yoy



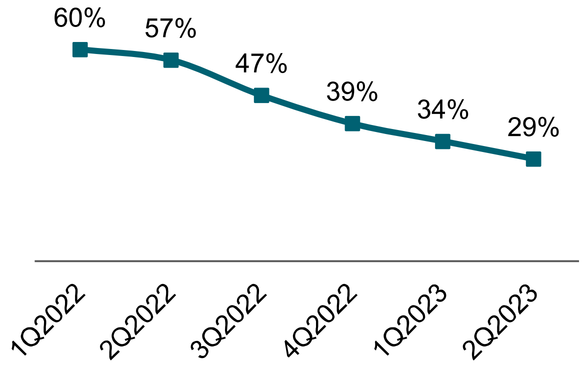
1) As at 30 June 2023

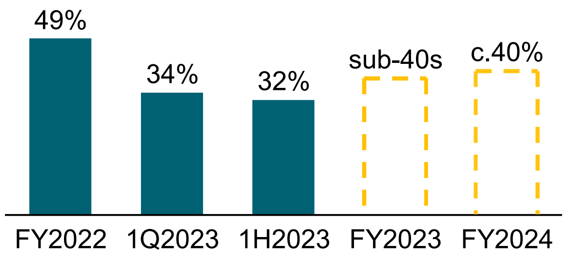
Cost to Income Ratio[1] at 29% in 2Q2023

Cost base continues to reflect benefits from efficiency actions



Cost to income ratio[1] at 29% supported by higher revenues





- Total operating expenses[1] down 2% as benefits from FY2022 efficiency actions continue to partly offset wage and inflationary pressures
- Staff costs up 4% qoq driven mainly by an accrual of termination benefit costs and staff reward costs (variable pay driven by both delivery of the Group's strategy as well as individual performance)
- Staff costs down 2% yoy as Voluntary Staff Exit Plan savings offset inflationary pressures
- Other operating expenses broadly flat qoq and yoy
- Staff costs expected to be impacted by an increase in cost of living adjustment in 2H2023
- Reward Programme launched to reward through Antamivi Reward Scheme[2] performing borrowers[3]; expected impact of c.€4 mn in 2H2023
- Cost to income ratio[1] at 29% for 2Q2023, down 5 p.p. qoq supported by higher revenues

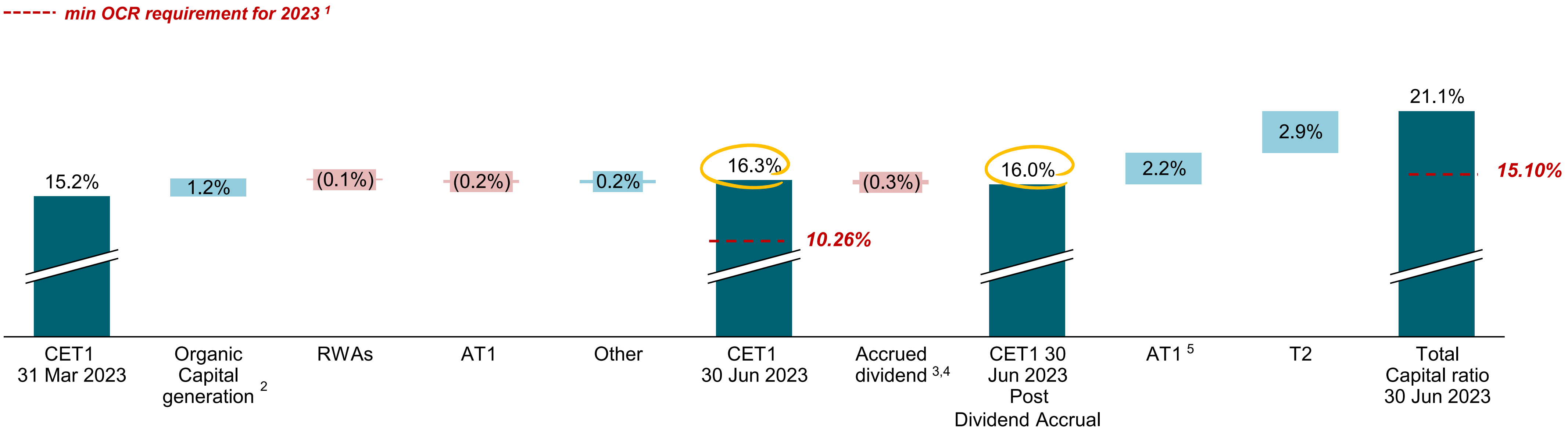
Outlook

- 2023 cost to income ratio[1] expected at <40% benefiting from higher revenues

1) Excluding special levy on deposits and other levies/contributions
2) A scheme that offers reward points for every transaction made with the Bank of Cyprus cards, at more than 250 merchants and more than 900 outlets all over Cyprus
3) Specific criteria apply: https://www.bankofcyprus.com/en-gb/Personal/loans/Rewarding-performing-borrowers/

Table of Contents

Robust Capital Position with CET1 at 16.0% and Total Capital Ratio at 21.1%



- Organic capital generation[2] of c.120 bps in 2Q2023; c.220 bps in 1H2023
- Successful refinancing of €220 mn AT1 Capital Securities in June 2023
- Dividend of a payout 14% out of FY2022 Group's adjusted recurring profitability (as reported in FY2022 Annual Report) was paid in June 2023

- An accrual for dividend at a payout ratio of 30% of the Group's adjusted recurring profitability for the period, the lower end of the Group's approved dividend policy[3], was recognised
- 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, taking into consideration market conditions as well as the outcome of capital and liquidity planning[3]
- For Capital Requirements Regulation (CRR) purposes a payout of 50%, the high end of the payout range is prescribed, corresponding to a CET1 and Total Capital ratio of 15.6% and 20.7% respectively

1) OCR - Overall Capital Requirement (refer to slide 52)
2) Includes reviewed profits for 1H2023
3) Any recommendation for a dividend is subject to regulatory approval
4) Dividend accrual for 30% pay out ratio of the Group's adjusted recurring profitability for the period, the low-end of the Group's approved dividend policy
5) Existing Capital Securities of a nominal amount of c.€8 mn are included, the impact of which is c.8 bps

Successful Refinancing of AT1 Capital Securities

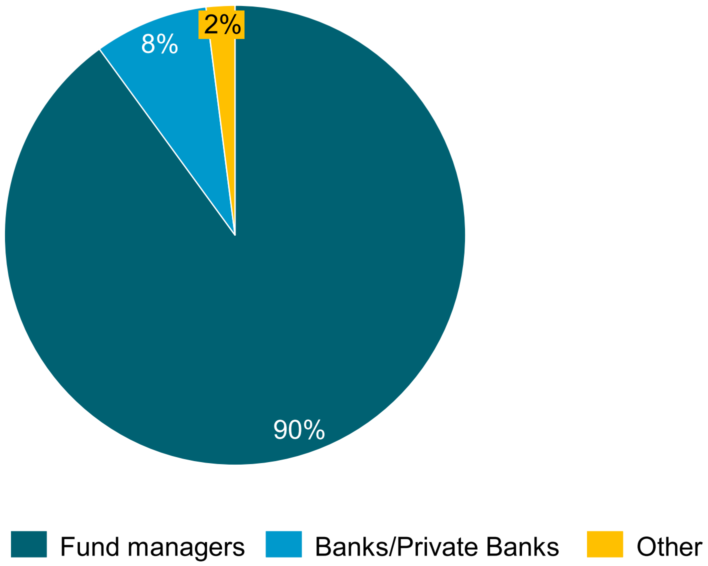
- Successful refinancing of €220 mn AT1 Capital Securities; orderbook >12x over-subscribed from c.240 institutional investors
- First AT1 transaction announced following March 2023 events
- Coupon of 11.875% p.a.; 62.5 bps tighter than initial pricing indication
- Significant improvement in the credit spread of c.350 bps compared to the AT1 Capital Securities issued in 2018
- Contribute to the Group's Total Capital Ratio by c.220 bps
- Tender offer to repurchase the €220 mn existing AT1 Capital Securities;
    - at a purchase price of 103% of the principal amount
    - tenders for c.93% of the existing AT1 Capital Securities were received
    - Impact on Group's equity and capital is immaterial

The successful transaction represents a major milestone for the Group

✓ Demonstrates the Group's proactive and efficient management of its capital base

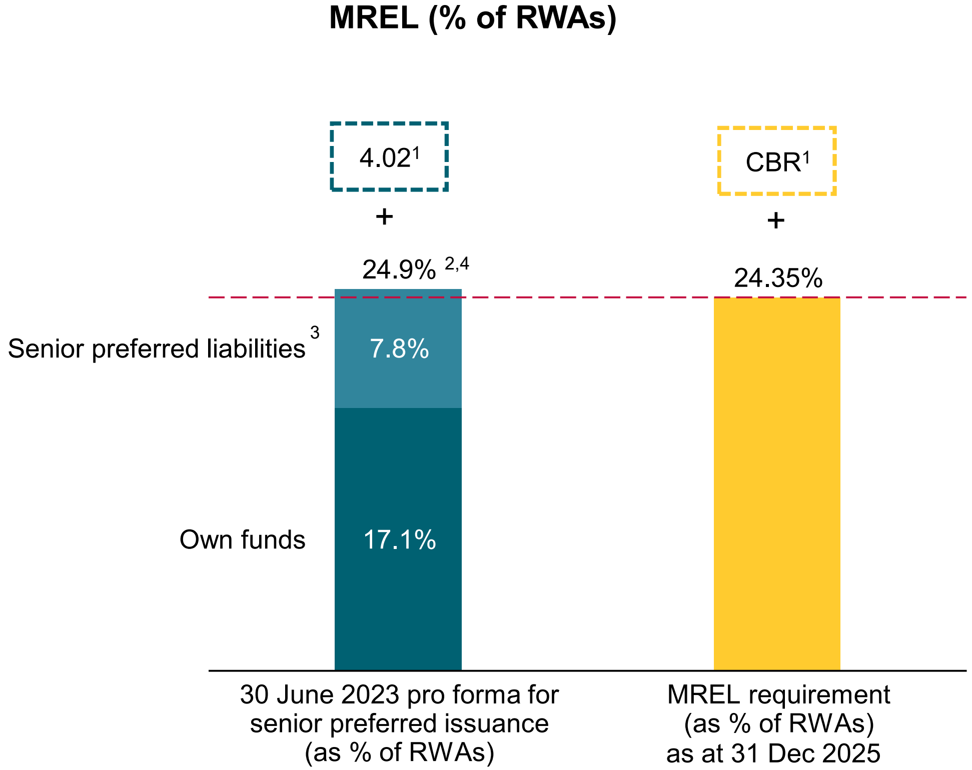
✓ Reflects the Group's successful transformation into sustainably profitable financial services organisation

Allocation statistics



Already in Compliance with 2025 MREL requirement

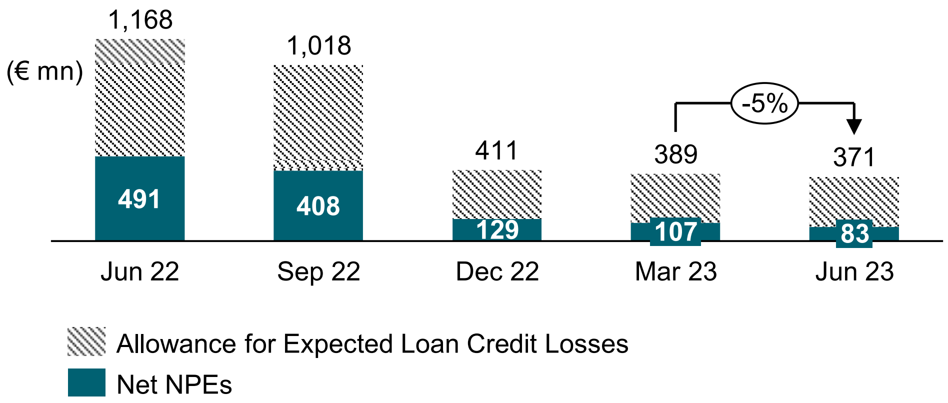
- **Successful issuance of €350 mn MREL-Eligible Senior Preferred Notes in July 2023**
  - Coupon of 7.375% p.a.; 37.5 basis points tighter than the initial pricing indication
  - Order book peaked at €950 mn
- MREL ratio (% of RWAs[1]) at 24.9%[2,4] pro forma for the issuance of Senior Preferred Notes
- MREL ratio (as % of Leverage Ratio Exposure (LRE)) of 11.4%[2,4] pro forma for the issuance of Senior Preferred Notes
- Based on latest SRB MREL decision:
  - Final target is set at 24.35%[1] of RWAs and 5.91% of LRE
  - 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
- Distance to M-MDA restriction[5,6] as at 30 June 2023: 654 bps (€671 mn)
- **The MREL requirement (amount and date) is subject to annual review by the regulator; The Bank continues to evaluate opportunities to optimise the build-up of its MREL**



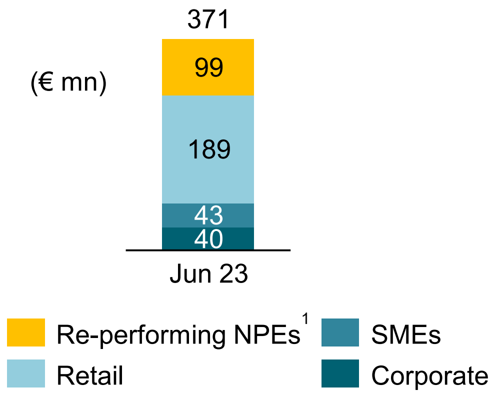
1) The Combined Buffer Requirement (CBR) of 4.02% as at 30 June 2023 applies on top of MREL as %RWAs and is expected to increase further following the CBC decisions to increase the CcyB applicable to the risk exposure amounts in Cyprus
2) Includes profits for 1H2023 and is net of dividend accrual (refer to slide 27). For Capital Requirements Regulation (CRR) purposes a payout of 50%, the high end of the payout range is prescribed, corresponding to MREL ratio of 24.5% and MREL ratio as a % of LRE of 11.3%.
3) MREL-Eligible Senior Preferred Notes and other MREL eligible liabilities
4) Existing Capital Securities of a nominal amount of c. €8mn are included in the MREL amount, contributing c.8 bps to the MREL ratio expressed as a percentage of RWA and c.3 bps to the MREL ratio expressed as a percentage of LRE
5) Calculated against the binding interim MREL requirement of 1 January 2022 set at 14.94% of RWAs
6) Includes outstanding Existing Capital Securities of a nominal amount of c.€8 mn, contributing c.8 bps to the M-MDA buffer. For Capital Requirements Regulation (CRR) purposes a payout of 50%, the high end of the payout range is prescribed corresponding to distance to M-MDA restriction of 615 bps (€631 mn)

NPE Ratio Decreased to 3.6%; Limited NPE Inflows

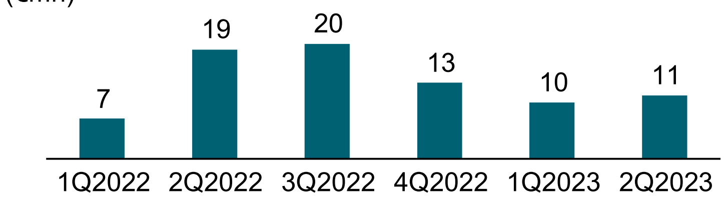
NPE organically reduced by 5% qoq



Residual NPEs comprises mainly Retail

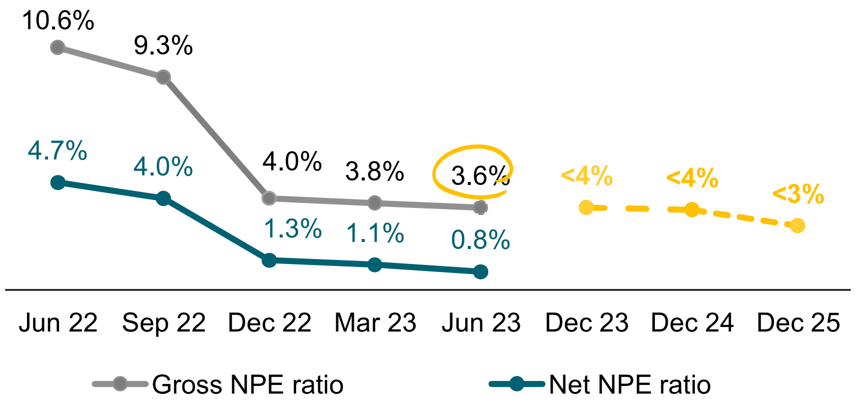


NPE inflows remain under control

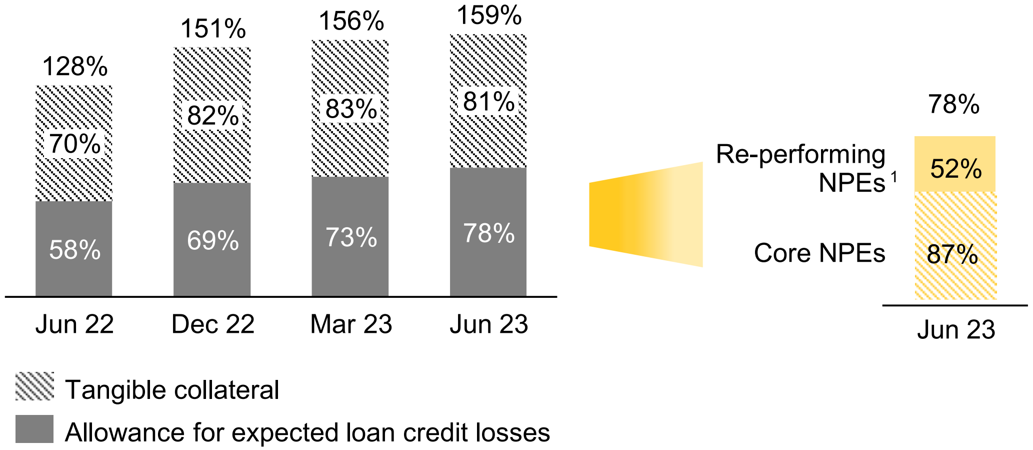


No signs of deterioration due to interest rate rises

NPE ratio reduced to 3.6%; 0.8% on a net basis



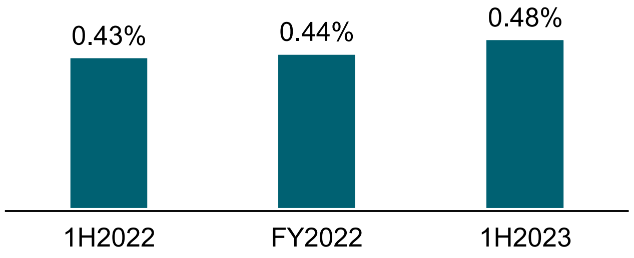
NPE coverage increased to 78%



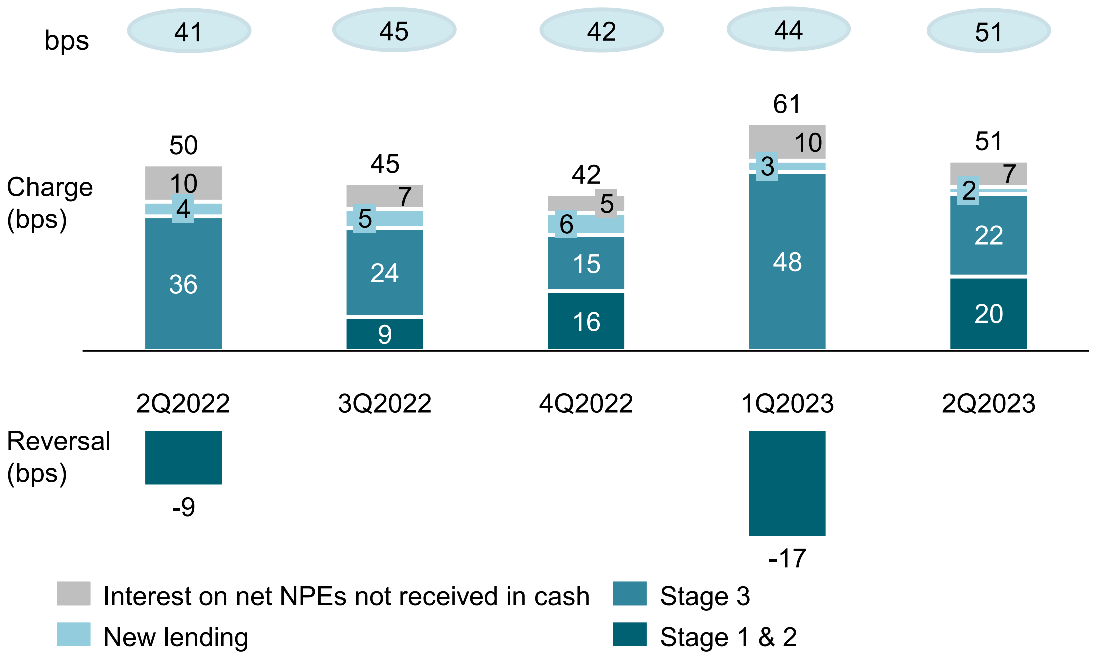
1) In pipeline to exit NPEs subject to meeting all exit criteria; the analysis is performed on a customer basis

COR of 51 bps for 2Q2023; Resilient Credit Portfolio Quality

Cost of risk broadly flat yoy at 48 bps



Breakdown of quarterly cost of risk



Bank's IFRS 9 macroeconomic assumptions

Base line	GDP rate	Unemployment rate
2023	2.8%	7.0%
2024	2.6%	6.9%

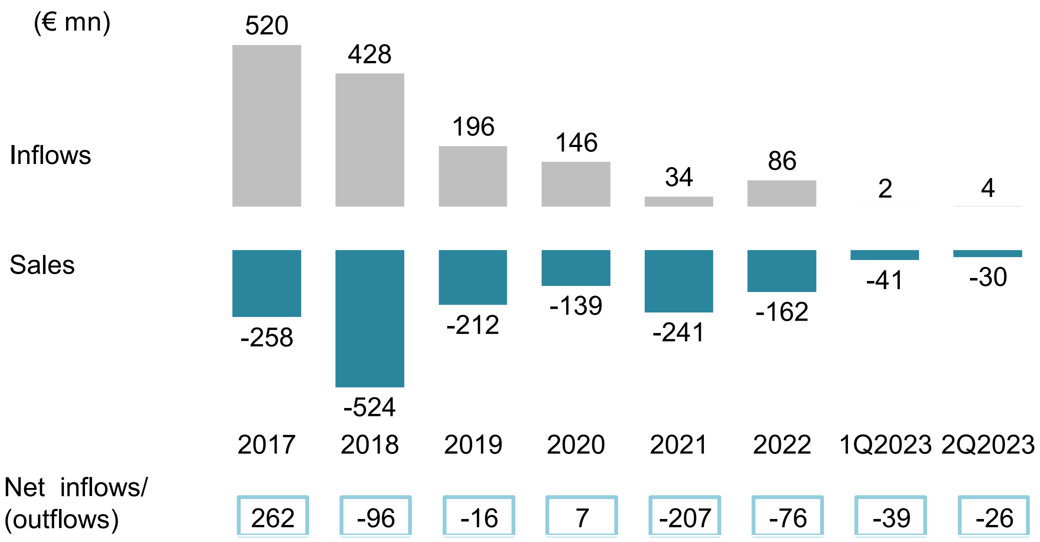
- Cost of risk of 51 bps (€13 mn), up 7 bps qoq and includes:
  - 26 bps (c.€6.7 mn) management overlays on Stage 1 and Stage 2 to capture conservative assumptions
  - 17 bps (c.€4.4 mn) one-off charge to a specific customer group in Stage 3
- Ongoing monitoring of asset quality and customer behaviour; no signs of asset quality deterioration to date

Outlook

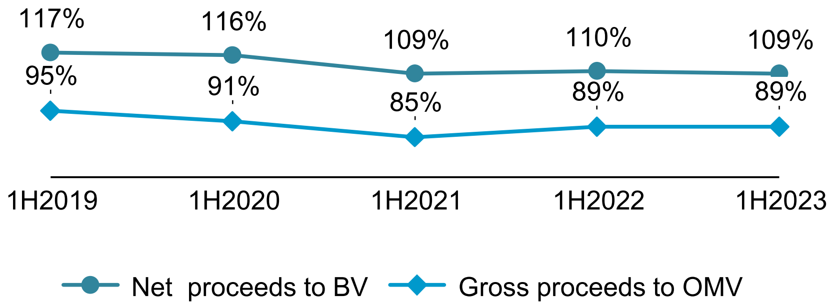
- Prudent Cost of Risk assumptions; maintaining wide range of 50-80 bps due to continued macroeconomic uncertainty

REMU: Asset Disposals Continue Steadily; REMU Stock at €1 bn

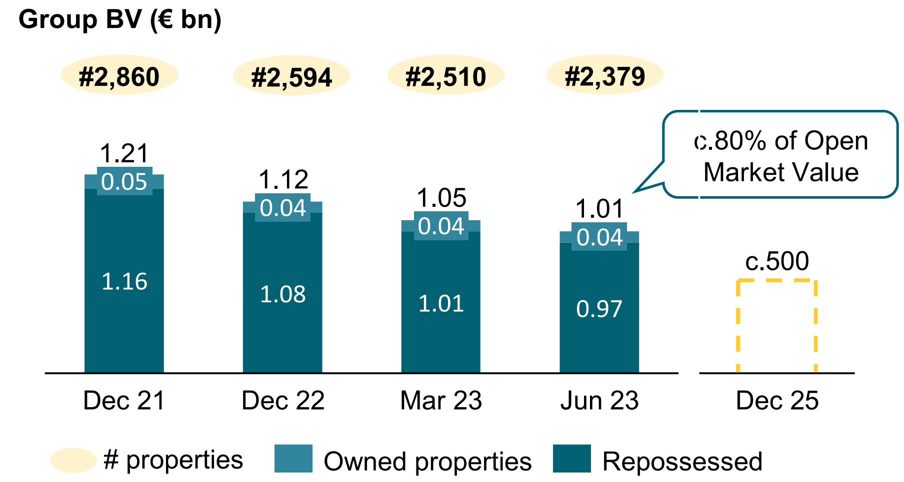
Inflows substantially reduced with completion of de-risking



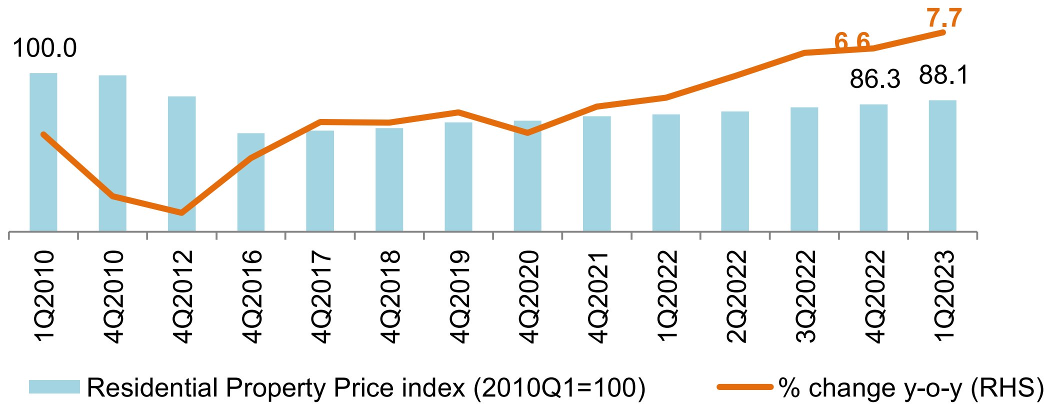
Organic sales[1] consistently close to Open Market Value; comfortably above Book Value



REMU repossessed stock < €1.0 bn as at 30 June 2023



Property prices up by 7.7%[2] yoy in 1Q2023, driven by increased demand mainly from non-Cypriots



- 1Q2023 Property Prices at c.88% of 1Q2010 Levels

1) Amounts as per Sales Purchase Agreements (SPAs)

2) Source: Central Bank of Cyprus: Residential Property Price index report published on 1 Aug 2023 https://www.centralbank.cy/en/publications/residential-property-price-indices

Bank of Cyprus of Tomorrow

Strength

c.19%

CET1 ratio

Significant surplus capital

Profitability

>13% ROTE

(>16% based on 15% CET1 ratio)

2025

Shareholder distributions

30-50%

Dividend payout ratio[1]

Asset quality

<3%

NPE ratio

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

Key Information and Contact Details

Contacts

Investor Relations & ESG

Tel: +35722122239, Email: investors@bankofcyprus.com

Annita Pavlou Manager Investor Relations & ESG
Tel: +357 22 122740, Email: annita.pavlou@bankofcyprus.com

Elena Hadjikyriacou (elena.hadjikyriacou@bankofcyprus.com)

Andri Rousou (andri.rousou@bankofcyprus.com)

Stephanie Olympiou (stephanie.olympiou@bankofcyprus.com)

Dafni Georgiou (dafni.georgiou@bankofcyprus.com)

Executive Director Finance

Eliza Livadiotou, Tel: +35722 122128, Email: eliza.livadiotou@bankofcyprus.com

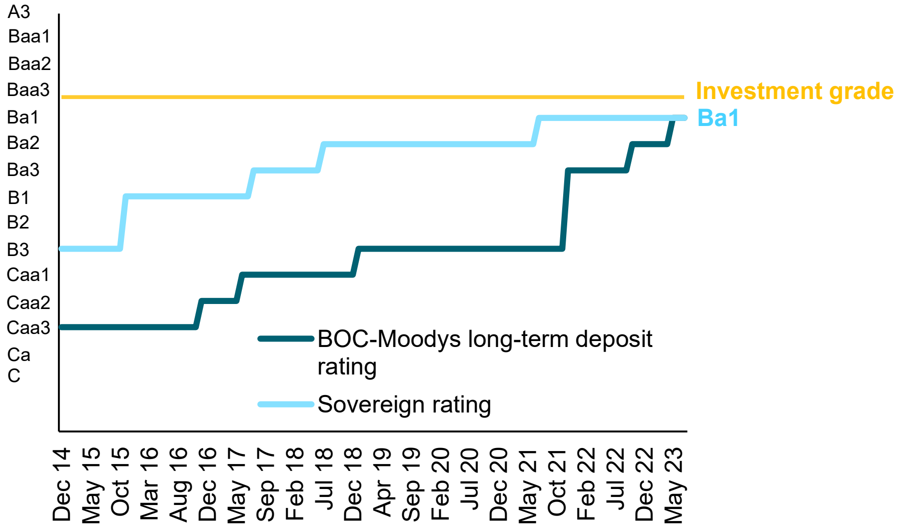
Listing:

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

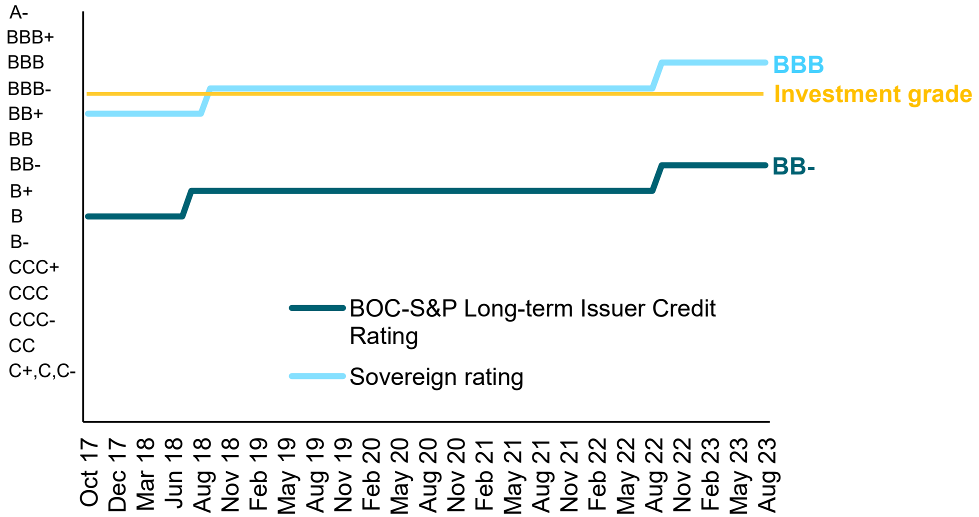
Visit our website at: www.bankofcyprus.com

Steadily Improving Credit Ratings for BOC

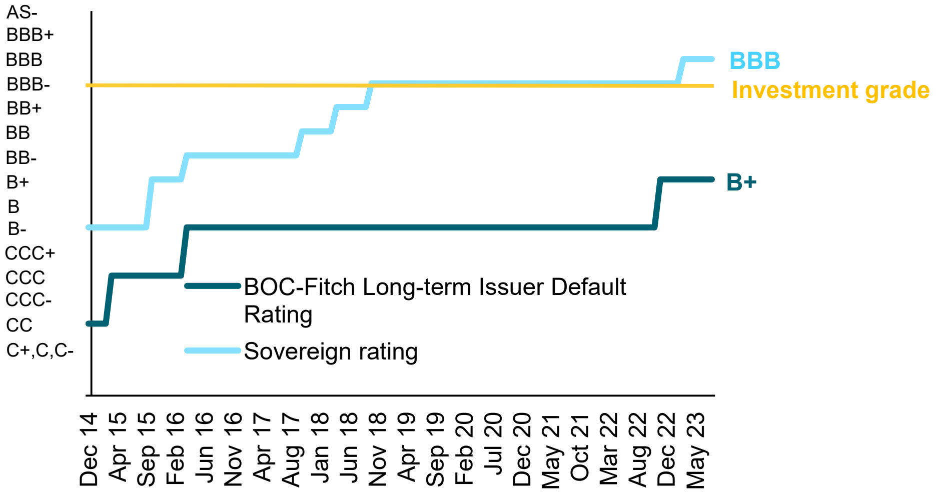
Moody's upgraded rating to Ba1; outlook positive



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)
Moody's	Ba1	Ba1	Baa3	Positive	Ba3	B1
S&P Global Ratings	BBB	N/A	BB+	Positive	BB-	CCC
Fitch Ratings	BBB	BB-	N/A	Positive	N/A	N/A

MSCI ESG RATINGS AA

CCC | B | BB | BBB | A | AA | AAA

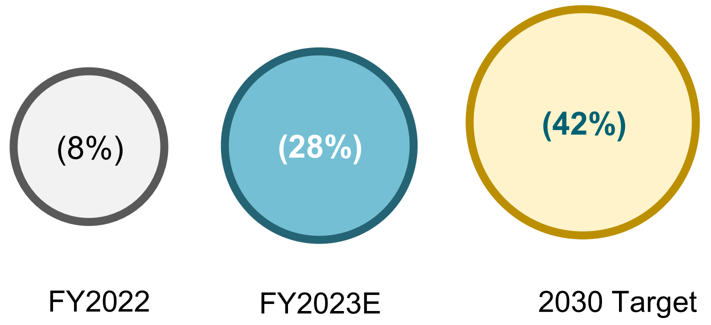
Table of Contents

Delivering on our ESG Agenda

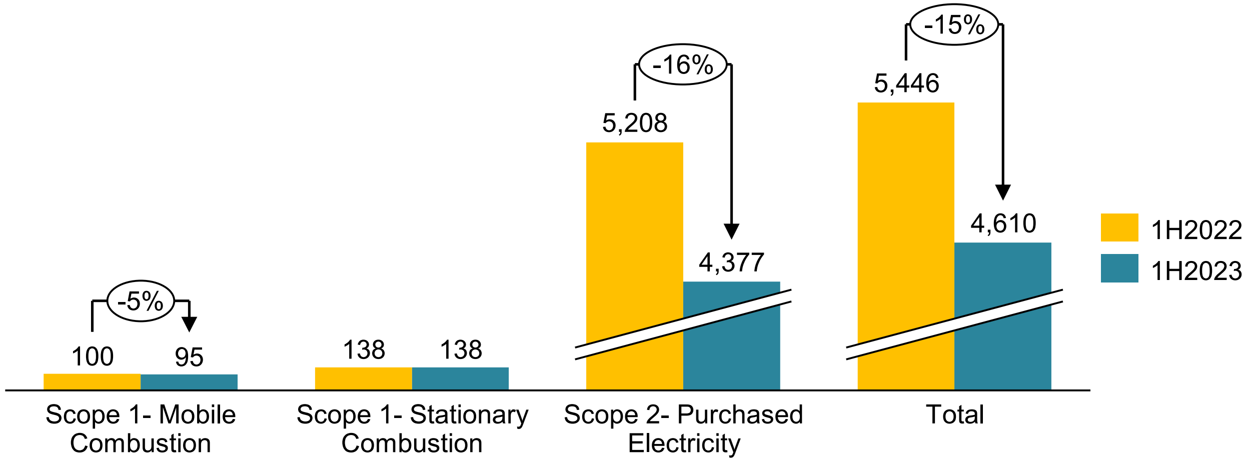
Climate Stability - Target 1: Reduce Scope 1 & Scope 2 GHG emissions by **42%** to become Carbon Neutral by 2030

- **c.8%** reduction in Scope 1 & Scope 2 GHG emissions in FY2022 compared to FY2021
- **c.5%** reduction in Scope 1 GHG emissions and **c.16%** reduction in Scope 2 GHG emissions in 1H2023 compared to 1H2022

Performance against baseline of 2021



GHG Emissions- Scope 1 & Scope 2 (tCO^2e)



Key Drivers:

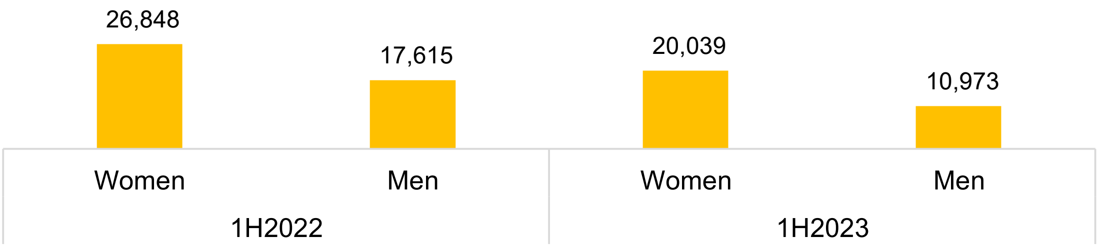
- Installation of solar panels in 4 buildings at the end of 2022 and early 2023
- c.5% reduction achieved in 1H2023 compared to 1H2022 due to buildings ceased operations in 2022 and 2023

- Publication of 2022 Sustainability report focusing on agreed material topics and enables stakeholders to make informed decisions regarding the Bank's ability to create long term, sustainable value
- For the first time, the Bank has identified positive and negative impacts arising from its financing activities (by applying the Principles for Responsible Banking (PRB) Impact Analysis tool on its loan portfolio) and incorporated these in the material topics for the Sustainability Report

Delivering on our ESG Agenda

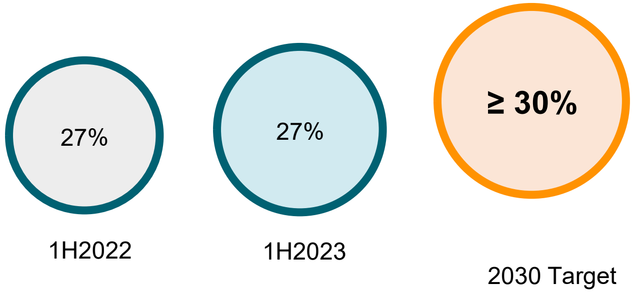
Education - Target 10: Provide upskilling/reskilling employee opportunities in line with the digital transformation initiatives to broaden career opportunities.

Training Attendance (hours)



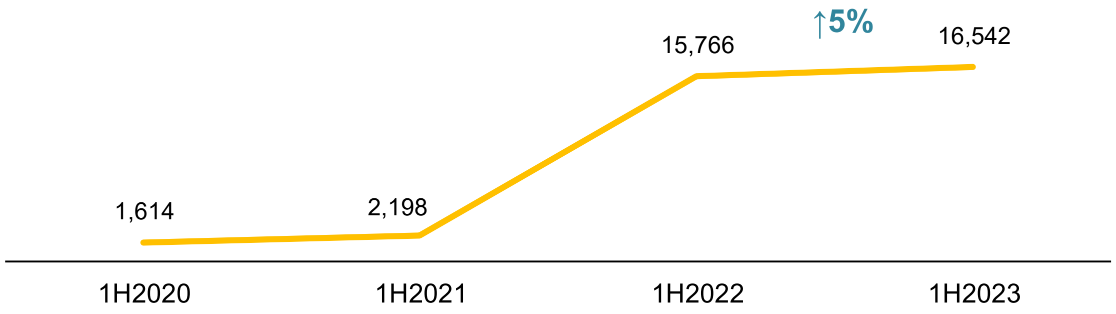
- The reduction in training hours in 1H2023 is due to Voluntary Exit Plan performed in 2022.
- **Launched the BoC Academy** to offer up-skilling short courses for employees.
- **5 certificates** designed in collaboration with CIM Cyprus Business School.
- **3 full Scholarships** announced for an MBA in collaboration with University of Cyprus
- **65 employees** submitted their interest to participate.

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



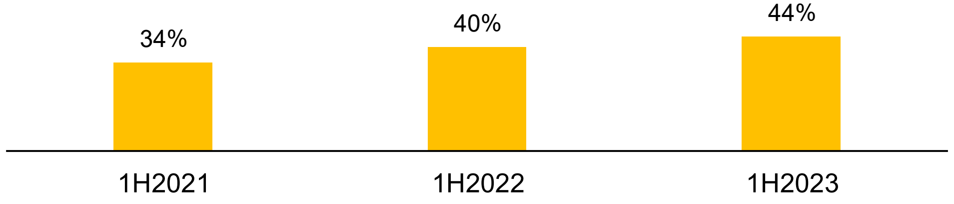
Culture and Heritage - Target 11: Increase Bank of Cyprus Cultural Foundation (BOCCF) activities and attendees.

Bank of Cyprus Cultural Foundation activities – # of Physical attendees



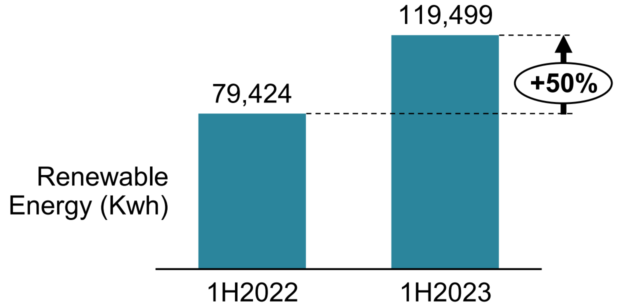
ReInHerit program: BOCCF as the main coordinator of the biggest research and innovation research program of the European Union, continues the third year of facilitating innovation and research cooperation between European museums and heritage.

Female representation on the Board of Directors



Delivering on our ESG Agenda

Climate Stability - Target 2: Increase utilisation of renewable energy in own operations.



- **c.10%** increase in renewable energy utilization in FY2022 compared to FY2021.
- **c.50%** increase in renewable energy utilization in 1H2023 compared to 1H2022.

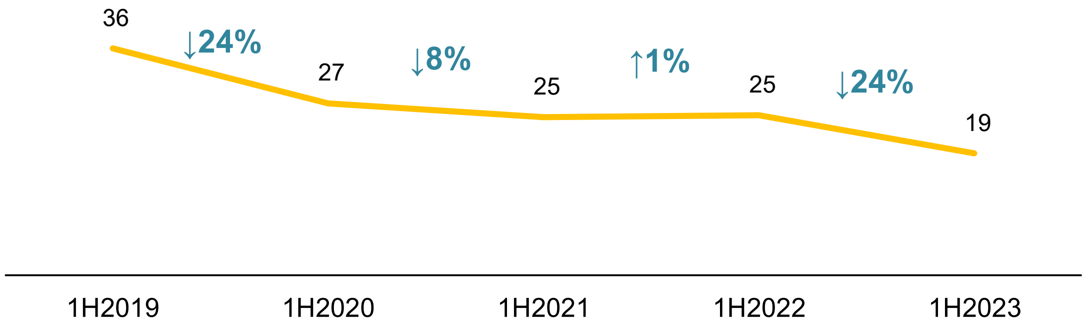
Climate Stability – Target 3: Increase portfolio of environmentally friendly loans.

Environmentally friendly products				
Environmentally friendly products	**FY2022**		**1H2023**	
	#	**Gross Loans (€mn)**	**#**	**Gross Loans (€mn)**
Car Loan	63	1.3	148	2.9
Energy Loan	263	1.8	312	2.1
Renewable energy projects	13	17.8	13	16.2
Total	**339**	**20.9**	**473**	**21.2**

The Bank at the end of 2022 launched a low emission vehicle loan product (either hybrid or electric) which lead to substantial increase in environmentally friendly car loan product

Circularity - Target 4: Reduce paper consumption.

Paper Consumption (# paper printed in mn)



- **c.12%** reduction in paper consumption in FY2022 compared to FY2021.
- **c.24%** reduction in paper consumption in 1H2023 compared to 1H2022.

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

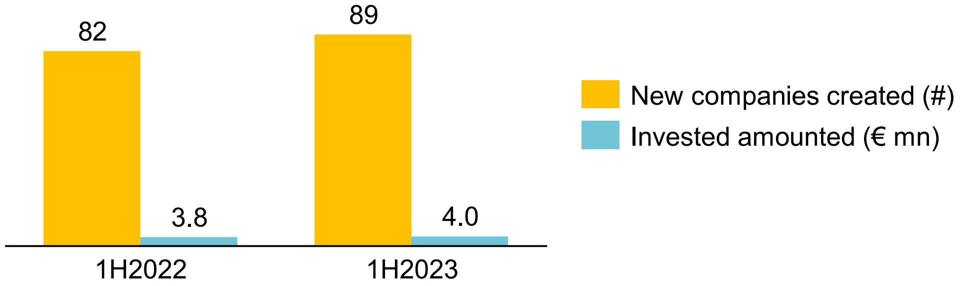
- **Digital transactions ratio at 95% in 1H2023, up 2 p.p. yoy** (slide 41)

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

Delivering on our ESG Agenda

Financial Inclusion and Resilience - Target 6: Continue supporting start-ups under IDEA[1] Innovation Centre

IDEA Innovation Centre (since incorporation)

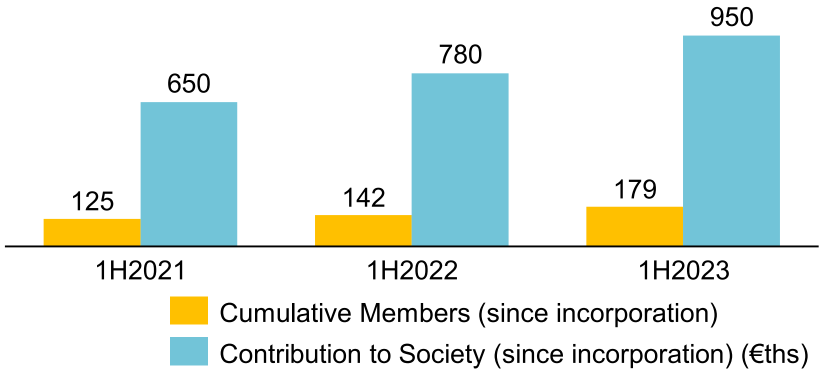


Health and Safety - Target 7: Contribute and support cancer patients and their families through the Bank of Cyprus Oncology Centre

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

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

SupportCY



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

15 events organized:

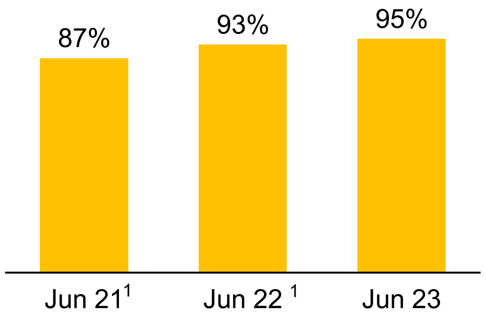
- Team Building: 6
- Mental Health: 6
- Physical Health: 2
- Financial Health: 1

840+ employees participated

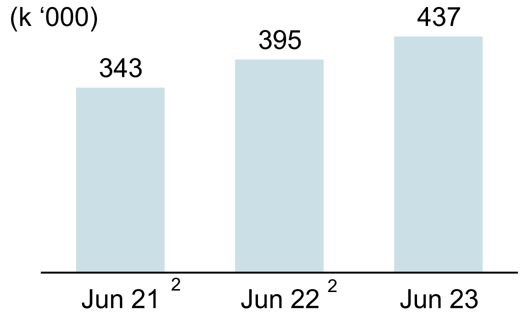
1) IDEA Innovation Centre is the largest non-profit incubator-accelerator for start-ups and an entrepreneurship hub for Cypriot young entrepreneurs, founded by Bank of Cyprus and other Partners.

Leverage Leading Digital Capabilities to Serve Customers and the Economy

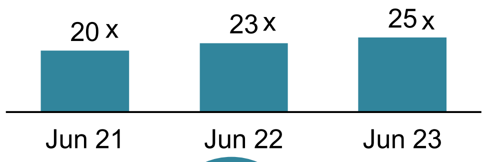
Digital transactions ratio at 95%



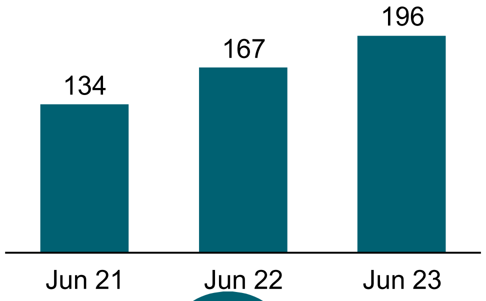
Active users of Internet and/or Mobile Banking



Average mobile logins per month



Maximum Unique users login in a single day[3]



Leader in shaping the digital transformation of local economy

JINIUS

Overview

- Jinius aims to optimise processes within the economy, strengthening client relationships, enabling cross-selling opportunities and creating new revenue sources over the medium-term
- The first Business-to-Business services are already used by clients are electronic invoicing, remittance management, tenders management and ecosystem management
- The next key milestone will be the launch of the first Business to Consumer service – a products marketplace – driving opportunities in lifestyle banking and beyond
- >1,600 companies registered on the platform

1) Comparative figures have been revised in order to include data for the transactions of "Payroll & Group Transfers" through 1Bank
2) Comparative figures have been revised in order to include active users for business subscribers
3) Number of unique 1bank users logged in Digital Channels is a single day

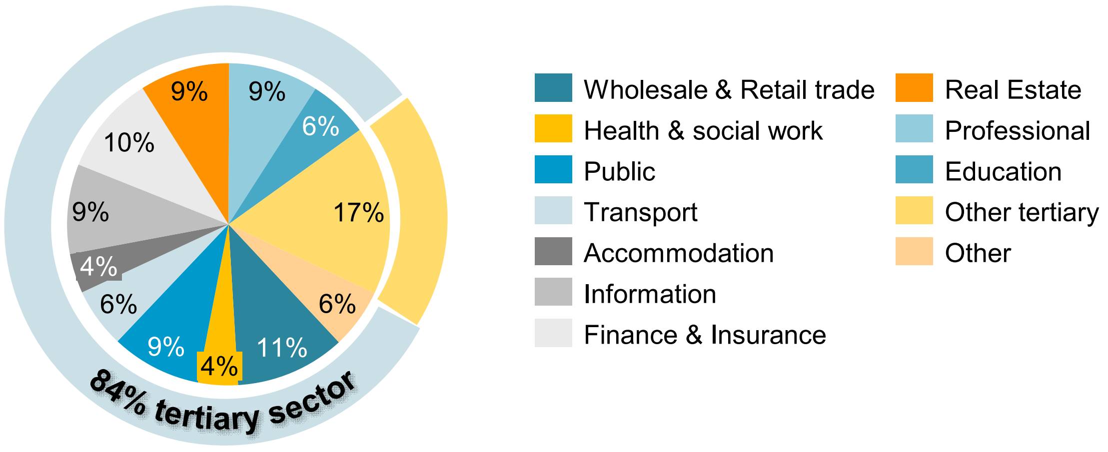
Appendix

Macroeconomic overview

Strong, Diversified Economy Demonstrated by Key Enablers

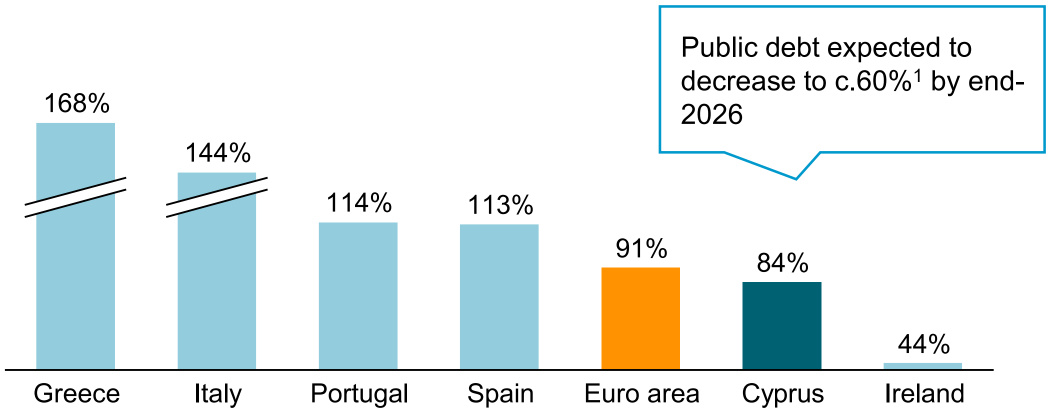
A diversified, service-based economy

Structure of Economy in 2022 (% of GVA)



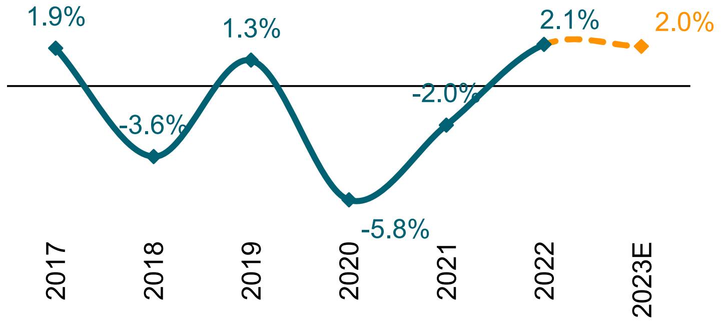
Cyprus Public Debt to GDP below Euro area average

As at 31 March 2023

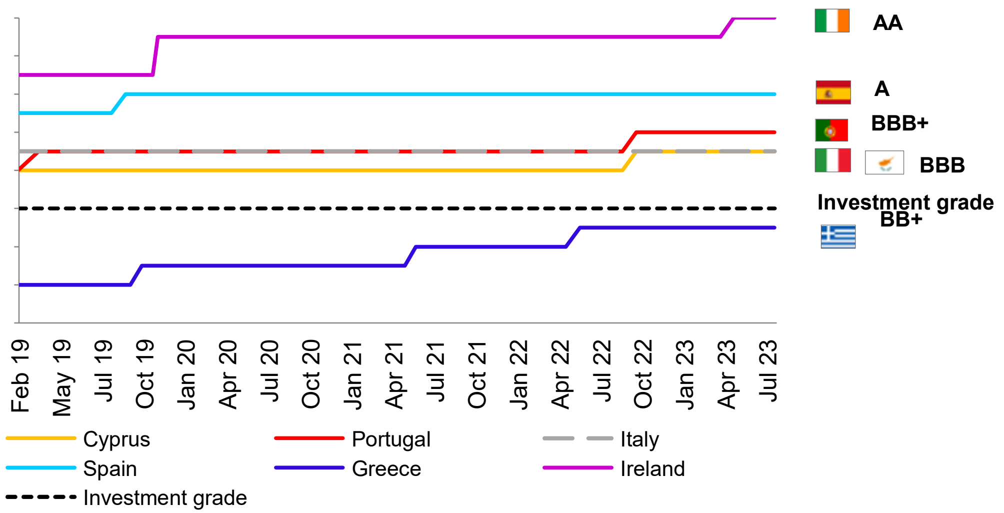


Rebound in public finances from 2021 onwards

Budget surplus as % of GDP



Cyprus has been one notch above investment grade since 3Q2022



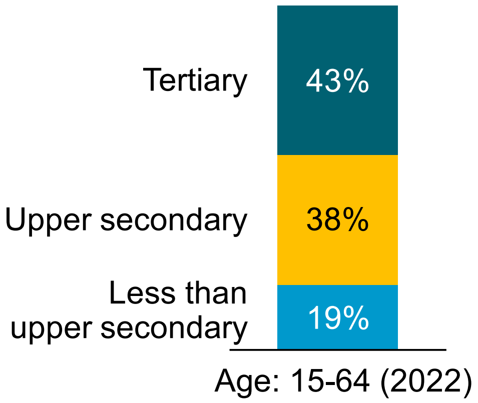
Source: Cystat, Eurostat

1) Projections in accordance with Ministry of Finance

Cyprus is a Growing Business and Tech Hub in the Region

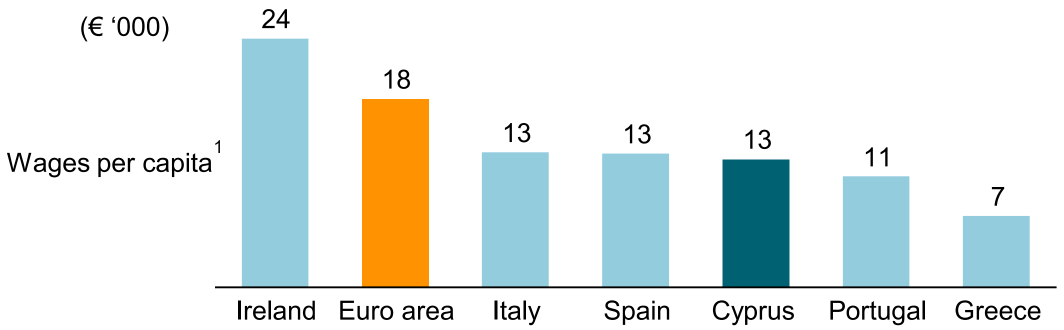
Well educated, highly skilled labour force

Level of education



#3 country in Europe on number of university graduates per capita in 2022

Labour costs significantly below the average Euro area



Cyprus as an attractive business…

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

- c.1,600 companies registered in Cyprus in 2022 with a large number operating in the technology industry
  - c.13,000 work permits granted (c.3% of labour force)
  - Access to tech-savvy EU talent pool
  - Labour cost for tech talents below Euro average

Source: Eurostat
1) Data for population is as at 31 December 2021. Data for wages refer to FY2022

EU Recovery and Resilience Facility (RRF)

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

€1.2 bn
from EU mechanism

+

€1.0 bn
additional funds mobilised in Cyprus

58 reforms

75 investments

41% Green Transition	23% Digital Transition	36% Other

- Prefinancing €157 mn received in Sep 2021 and;
- First payment of €85 mn received in Dec 2022

c.7% increase in GDP for 2022-2026

c.3% increase in employment for 2021-2026

+11,000 new high value-added jobs

preparing for a green and digital era

75 new investments to be initiated including:

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

58 reforms to be introduced including:

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

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 30 June 2023
- Limited direct exposure to loans (c.€81 mn of which c.€74 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

c.4%[1] of deposits

<1% of net loans

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 (e.g. 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 (e.g. Greece, Italy, the Netherlands), though a steady increase in contribution from renewables is noted
- **Services** accounting for c.10% of GDP[2] 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

Appendix
Additional financial information

Analysis of Deposits

Deposits by Currency (€ bn)

Currency	Jun 22	Dec 22	Mar 23	Jun 23
EUR	16.53	17.07	17.04	17.30
USD	1.52	1.53	1.52	1.47
GBP	0.32	0.33	0.34	0.33
Other Currencies	0.08	0.07	0.07	0.07
Total	**18.45**	**19.00**	**18.97**	**19.17**

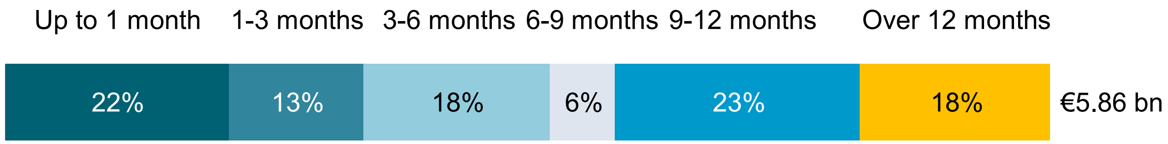
Deposits by Customer Sector (€ bn)

Sector	Jun 22	Dec 22	Mar 23	Jun 23
Retail	11.45	11.35	11.45	11.68
SME	0.91	1.01	0.93	0.97
International Corporate	0.11	0.14	0.14	0.13
International Business Unit	3.67	3.96	3.97	3.85
Corporate & Large Corporate[1]	2.31	2.54	2.48	2.54
Total	**18.45**	**19.00**	**18.97**	**19.17**

Deposits by Type (€ bn)

Currency	Jun 22	Dec 22	Mar 23	Jun 23
Current, Demand & Savings	12.69	13.40	13.29	13.31
Time & Notice	5.76	5.60	5.68	5.86
Total	**18.45**	**19.00**	**18.97**	**19.17**

Time & Notice deposits by maturity



1) It includes Wealth & Markets

Income Statement

€ mn	1H2023	1H2022 IFRS 17	2Q2023	1Q2023	qoq%	yoy%
Net Interest Income	358	145	196	162	21%	146%
Net fee and commission income	90	94	46	44	3%	-4%
Net foreign exchange gains and net gains/(losses) on financial instruments	21	3	8	13	-35%	-
Net insurance result	25	24	15	10	57%	4%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	5	7	3	2	99%	-32%
Other income	12	9	9	3	218%	37%
Total income	**511**	**282**	**277**	**234**	**19%**	**81%**
Staff costs	(93)	(95)	(47)	(46)	4%	-2%
Other operating expenses	(69)	(69)	(35)	(34)	1%	-1%
Special levy on deposits and other levies/contributions	(18)	(17)	(7)	(11)	-36%	10%
Total expenses	**(180)**	**(181)**	**(89)**	**(91)**	**-2%**	**-1%**
Operating profit	**331**	**101**	**188**	**143**	**32%**	**228%**
Loan credit losses	(24)	(23)	(13)	(11)	18%	6%
Impairments of other financial and non-financial assets	(30)	(13)	(19)	(11)	68%	128%
Provisions for pending litigations, regulatory and other matters (net of reversals)	(14)	(1)	(8)	(6)	24%	-
Total loan credit losses, impairments and provisions	**(68)**	**(37)**	**(40)**	**(28)**	**39%**	**86%**
Profit before tax and non-recurring items	**263**	**64**	**148**	**115**	**30%**	**-**
Tax	(40)	(11)	(22)	(18)	24%	256%
Profit attributable to non-controlling interests	(1)	(1)	0	(1)	-36%	37%
Profit after tax and before non-recurring items (attributable to the owners of the Company)	**222**	**52**	**126**	**96**	**32%**	**-**
Advisory and other transformation costs – organic	(2)	(5)	(1)	(1)	11%	-57%
Profit after tax – organic (attributable to the owners of the Company)	**220**	**47**	**125**	**95**	**32%**	**-**
Provisions/net profit/(loss) relating to NPE sales	-	-	-	-	-	-
Restructuring and other costs relating to NPE sales	-	(1)	-	-	-	-100%
Restructuring costs – Voluntary Staff Exit Plan (VEP)	-	(3)	-	-	-	-100%
Profit after tax (attributable to the owners of the Company)	**220**	**43**	**125**	**95**	**33%**	**-**

Consolidated Balance Sheet

Assets (€ mn)	30.06.2023	31.12.2022 IFRS 17	% change
Cash and balances with central banks	9,127	9,567	-5%
Loans and advances to banks	432	205	111%
Debt securities, treasury bills and equity investments	3,330	2,704	23%
Net loans and advances to customers	10,008	9,953	1%
Stock of property	946	1,041	-9%
Investment properties	74	85	-13%
Other assets	1,790	1,734	3%
Total assets	**25,707**	**25,289**	**2%**

On-going tangible book value build-up

	30.06.2023	31.12.2022 IFRS 17	%
Tangible Book Value (€ bn)	1.94	1.75	9%
Tangible Book Value per share (€)	4.34	3.93	10%

Liability and Equity (€ mn)	30.06.2023	31.12.2022 IFRS 17	% change
Deposits by banks	449	508	-12%
Funding from central banks	2,004	1,977	1%
Customer deposits	19,166	18,998	1%
Debt securities in issue	292	298	-2%
Subordinated liabilities	309	302	2%
Other liabilities	1,244	1,157	7%
Total liabilities	**23,464**	**23,240**	**1%**
Shareholders' equity	**1,984**	**1,807**	**10%**
Other equity instruments	236	220	7%
Total equity excluding non-controlling interests	**2,220**	**2,027**	**10%**
Non-controlling interests	23	22	4%
Total equity	**2,243**	**2,049**	**10%**
Total liabilities and equity	**25,707**	**25,289**	**2%**

- As at 30 June 2023 there were 446,199,933 issued ordinary shares

Risk Weighted Assets– Regulatory Capital

Risk Weighted Assets by Geography

€ mn	31.12.21	31.12.22	31.03.23	30.06.23
Cyprus	10,595	10,059	10,108	10,200
Overseas	99	55	56	57
RWAs	**10,694**	**10,114**	**10,164**	**10,257**
RWA intensity	**43%**	**40%**	**40%**	**40%**

Risk Weighted Assets by type of risk

€ mn	31.12.21	31.12.22	31.03.23	30.06.23
Credit risk	9,678	9,103	9,153	9,246
Market risk	-	-	-	-
Operational risk	1,016	1,011	1,011	1,011
Total	**10,694**	**10,114**	**10,164**	**10,257**

Reconciliation of Group Equity to CET1

€ mn	30.06.23
Shareholder's equity	1,984
Less: Intangibles	(27)
Less: Deconsolidation of insurance entities and other entities	(132)
Less: Regulatory adjustments[1]	(186)
CET1	**1,639**
Risk Weighted Assets	**10,257**
CET1 ratio[2,6]	**16.0%**
CET1 ratio fully loaded	**15.9%**

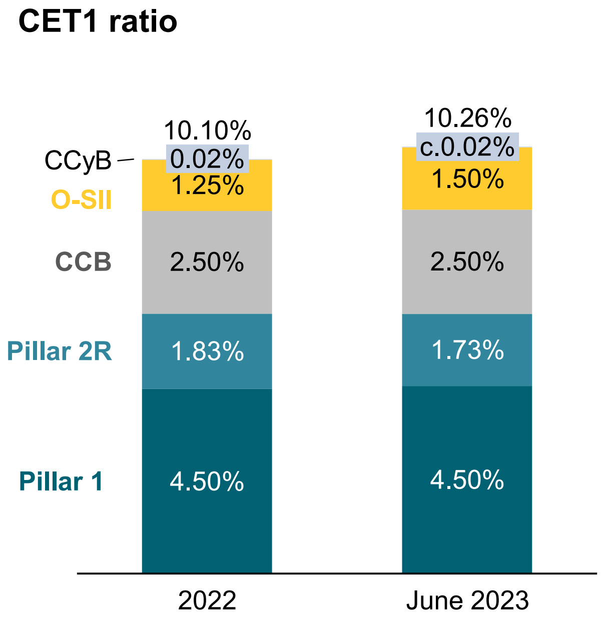
Equity and Regulatory Capital (€ mn)

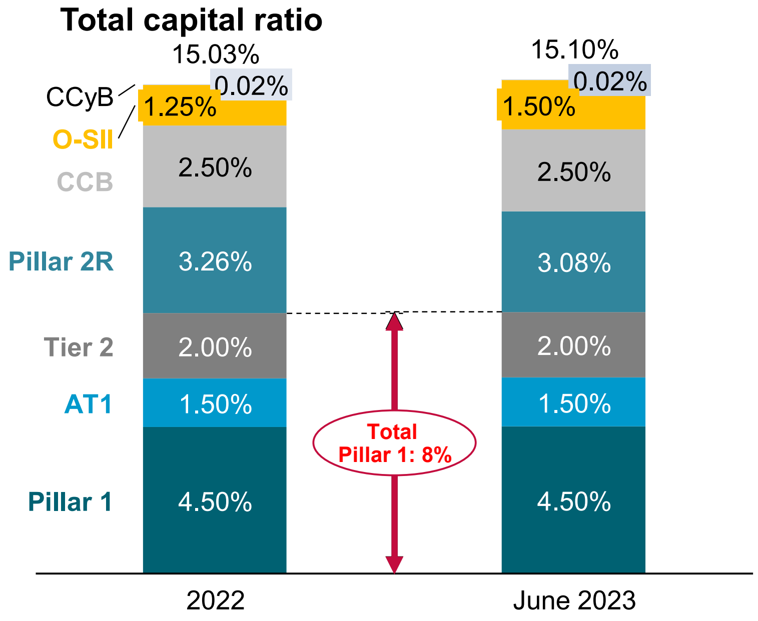
	31.12.21	31.12.22[3]	31.03.23[1,4]	30.06.23[1,2]
Total equity excl. non-controlling interests	**2,059**	**2,027**	**2,119**	**2,220**
CET1 capital	**1,620**	**1,540**	**1,548**	**1,639**
Tier I capital	1,840	1,760	1,768	1,867[5]
Tier II capital	300	300	300	300
Total regulatory capital (Tier I + Tier II)	**2,140**	**2,060**	**2,068**	**2,167[5]**

1) Includes a dividend accrual at a payout ratio of 30% of the Group's adjusted recurring profitability which represents the low-end of the Group's approved dividend policy. Any recommendation for a dividend is subject to regulatory approval
2) Includes reviewed profits for 1H2023
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 was paid in June 2023
4) Includes unaudited/unreviewed profits for 1Q2023
5) Existing Capital Securities of a nominal amount of c.€8 mn are included
6) For Capital Requirements Regulation (CRR) purposes a payout of 50%, the high end of the payout range is prescribed, corresponding to a CET1 and Total Capital ratio of 15.6% and 20.7% respectively

Overall Capital Requirements

Overall capital requirements for 2022 and 2023

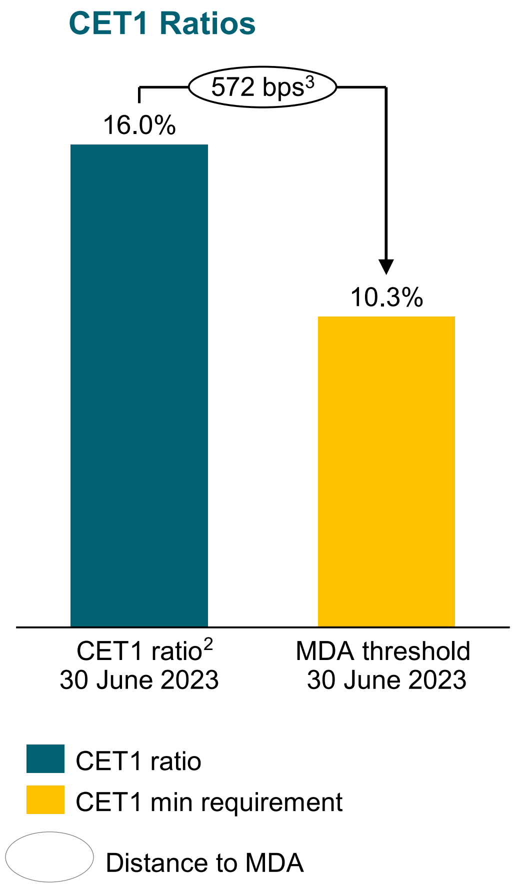




- CET1 and Total capital ratio minimum capital requirements as at 30 June 2023 set at 10.26% and 15.10%
- The revised P2R includes a revised P2R add-on of 0.33% relating to ECB's prudential provisioning expectations and stands at 3.08%. When ignoring the abovementioned P2R add-on, P2R decreased by 25 bps in 2023
- 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, and the CBC's announcement on 2 June 2023 the CcyB for the Group is expected to increase[1]

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. Moreover, on 2 June 2023, the CBC, announced its decision to raise the CcyB rate to 1.00% of the total risk exposure amount in Cyprus of each authorised credit institution incorporated in Cyprus. The said increase of the CcyB is effective as from 2 June 2024. Based on the above, the CcyB for the Group is expected to increase further.

Buffer to MDA Restrictions Level & Distributable Items[1]



- Significant CET1 MDA buffer as at 30 June 2023: 572 bps[3] (€587 mn[3])
- Distributable items of €939 mn for BOCH as at 30 June 2023
- BOCH fully utilises its AT1 and Tier 2 buckets as at 30 June 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 reviewed profits for 1H2023 and is net of dividend accrual (refer to slide 27). Any recommendation for a dividend is subject to regulatory approval
3) For Capital Requirements Regulation (CRR) purposes a payout of 50%, the high end of the payout range is prescribed, corresponding to an MDA buffer of 533 bps (€546 mn)

Income Statement Bridge[1] for 1H2023

€ mn	Underlying basis	Other	Statutory Basis
Net interest income	358	-	358
Net fee and commission income	90	-	90
Net foreign exchange gains and net gains on financial instruments	21	-	21
Net gains on derecognition of financial assets measured at amortised cost	-	6	6
Net insurance result	25	-	25
Net gains from revaluation and disposal of investment properties and on disposal of stock of properties	5	-	5
Other income	12	-	12
Total income	**511**	**6**	**517**
Total expenses	(180)	(16)	(196)
Operating profit	**331**	**(10)**	**321**
Loan credit losses	(24)	24	-
Impairments of other financial and non-financial assets	(30)	30	-
Credit losses on financial assets and impairment net of reversals of non-financial assets	-	(60)	(60)
Provisions for pending litigations, regulatory and other matters (net of reversals)	(14)	14	-
Profit before tax and non-recurring items	**263**	**(2)**	**261**
Tax	(40)	-	(40)
Profit attributable to non-controlling interests	(1)	-	(1)
Profit after tax and before non-recurring items (attributable to the owners of the Company)	**222**	**(2)**	**220**
Advisory and other transformation costs – organic	(2)	2	-
Profit after tax - attributable to the owners of the Company	**220**	**-**	**220**

1) Please refer to section B.1 ‘Reconciliation of consolidated income statement for the six months ended 30 June 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	2Q2023
Loans and advances to customers	77	81	87	102	113	131
Loans and advances to banks and central banks	7	7	9	36	57	76
Investments and other financial assets at amortised costs	4	4	5	11	13	16
Investments FVOCI	3	2	2	2	2	2
	91	**94**	**103**	**151**	**185**	**225**
Trading Investment						
Derivative financial instruments	2	2	2	5	6	9
Other investments at fair value through profit or loss						
Total Interest Income	**93**	**96**	**105**	**156**	**191**	**234**

Analysis of Interest Expense (€ mn)						
Customer deposits	(1)	(1)	(1)	(3)	(4)	(6)
Funding from central banks and deposits by banks	0	0	(1)	(6)	(14)	(18)
Loan stock	(7)	(7)	(7)	(7)	(7)	(7)
Repurchase agreements	0	0	0	0	0	0
Negative interest on loans and advances to banks and central banks	(10)	(10)	(3)	0	0	0
	(18)	**(18)**	**(12)**	**(16)**	**(25)**	**(31)**
Derivative financial instruments	(4)	(4)	(4)	(4)	(4)	(7)
Total Interest Expense	**(22)**	**(22)**	**(16)**	**(20)**	**(29)**	**(38)**

Income Statement by Business line for 1H2023

€ mn	Consumer Banking	SME Banking	Corporate and large Banking	International corporate Banking	International Business Unit	Wealth & Markets	RRD	REMU	Insurance	Treasury	Other	Total
Net interest income/(expense)	168	26	78	14	57	8	9	(20)	-	19	(1)	**358**
Net fee & commission income/(expense)	31	5	10	1	26	3	2	-	(4)	1	15	**90**
Other income	1	-	-	-	3	-	-	10	32	14	3	**63**
Total income	**200**	**31**	**88**	**15**	**86**	**11**	**11**	**(10)**	**28**	**34**	**17**	**511**
Total expenses	**(77)**	**(10)**	**(24)**	**(4)**	**(15)**	**(4)**	**(10)**	**(9)**	**(3)**	**(5)**	**(19)**	**(180)**
Operating profit/ (loss)	**123**	**21**	**64**	**11**	**71**	**7**	**1**	**(19)**	**25**	**29**	**(2)**	**331**
Loan credit losses of customer loans net of gains/(losses) on derecognition of loans and changes in expected cash flows	(9)	-	-	-	-	-	(15)	-	-	-	-	**(24)**
Impairment of other financial and non financial instruments	-	-	-	-	-	-	-	(30)	-	-	-	**(30)**
Provision for pending litigations, regulatory and other matters (net of reversals)	-	-	-	-	-	-	-	-	-	-	(14)	**(14)**
Profit/ (loss) before tax	**114**	**21**	**64**	**11**	**71**	**7**	**(14)**	**(49)**	**25**	**29**	**(16)**	**263**
Tax	(14)	(3)	(8)	(2)	(9)	(1)	2	6	(2)	(4)	(5)	**(40)**
Profit attributable to non controlling interest	-	-	-	-	-	-	-	-	-	-	(1)	**(1)**
Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)	**100**	**18**	**56**	**9**	**62**	**6**	**(12)**	**(43)**	**23**	**25**	**(22)**	**222**

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

Appendix

IFRS 17 Implementation

Statutory Income Statement for Insurance Businesses for 1H2023

eurolife

€ mn	1H2023	1H2022 (IFSR 17)	yoy%
Insurance revenue	38.4	39.1	-2%
Insurance service expense	(25.5)	(25.6)	-1%
Net insurance service result	**12.9**	**13.5**	**-4%**
Reinsurance service expense	(6.6)	(7.9)	-16%
Reinsurance revenue	4.4	4.2	5%
Net reinsurance service result	**(2.2)**	**(3.7)**	**-40%**
Net insurance finance income/(expense)	(22.5)	38.2	-159%
Loss from investment and occupational pension contracts	(0.2)	(0.4)	-44%
Insurance service result	**(12.0)**	**47.6**	**-125%**
Other income	0.1	0.3	-48%
Staff costs (non attributable)	(0.3)	(0.3)	0%
Other operating costs (non-attributable)	(0.3)	(0.3)	0%
Net revaluations and/or sale on financial assets at fair value through profit or loss[1]	24.7	(44.0)	-156%
Total net expenses	**24.3**	**(44.3)**	**-155%**
Profit before tax	**12.3**	**3.3**	**275%**
Tax expense	(0.5)	(0.2)	250%
Profit after tax	**11.8**	**3.1**	**276%**

Genikes Insurance

€ mn	1H2023	1H2022 (IFRS 17)	yoy%
Insurance revenue	31.1	28.4	10%
Insurance service expense	(14.9)	(14.7)	2%
Net insurance service result	**16.2**	**13.7**	**18%**
Reinsurance service expense	(12.0)	(9.5)	26%
Reinsurance revenue	4.5	3.0	48%
Net reinsurance service result	**(7.5)**	**(6.5)**	**16%**
Insurance finance income and expense	(0.9)	0.5	-
Reinsurance finance income or expense	0.3	(0.1)	-
Net insurance financial result	**(0.6)**	**0.4**	**-**
Insurance service result	**8.1**	**7.6**	**7%**
Staff costs (non attributable)	(0.8)	(0.7)	7%
Other operating costs (non-attributable)	(0.9)	(0.9)	-5%
Gains/(loss) from revaluation and/or sale of investments	0.4	(1.9)	-
Other income	5.1	-	100%
Total net income/ (expenses)	**3.8**	**(3.5)**	**-**
Profit before tax	**11.9**	**4.1**	**-**
Tax expense	(1.4)	(0.7)	96%
Profit after tax	**10.5**	**3.4**	**-**

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

1) Includes net revaluations and/or sale on policyholder assets included within "Net Insurance result" line in the Group's Income Statement (refer to slide 22)

Transition to IFRS 17 from IFRS 4

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

For more details on the transition to IFSR 17, please refer to 1Q2023 Group Financial Results presentation (slides 51-54)

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[1] 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[2] as part of the changes adjusts the CSM

1) Present value of in-force life insurance contracts
2) Variable Fee Approach (VFA)

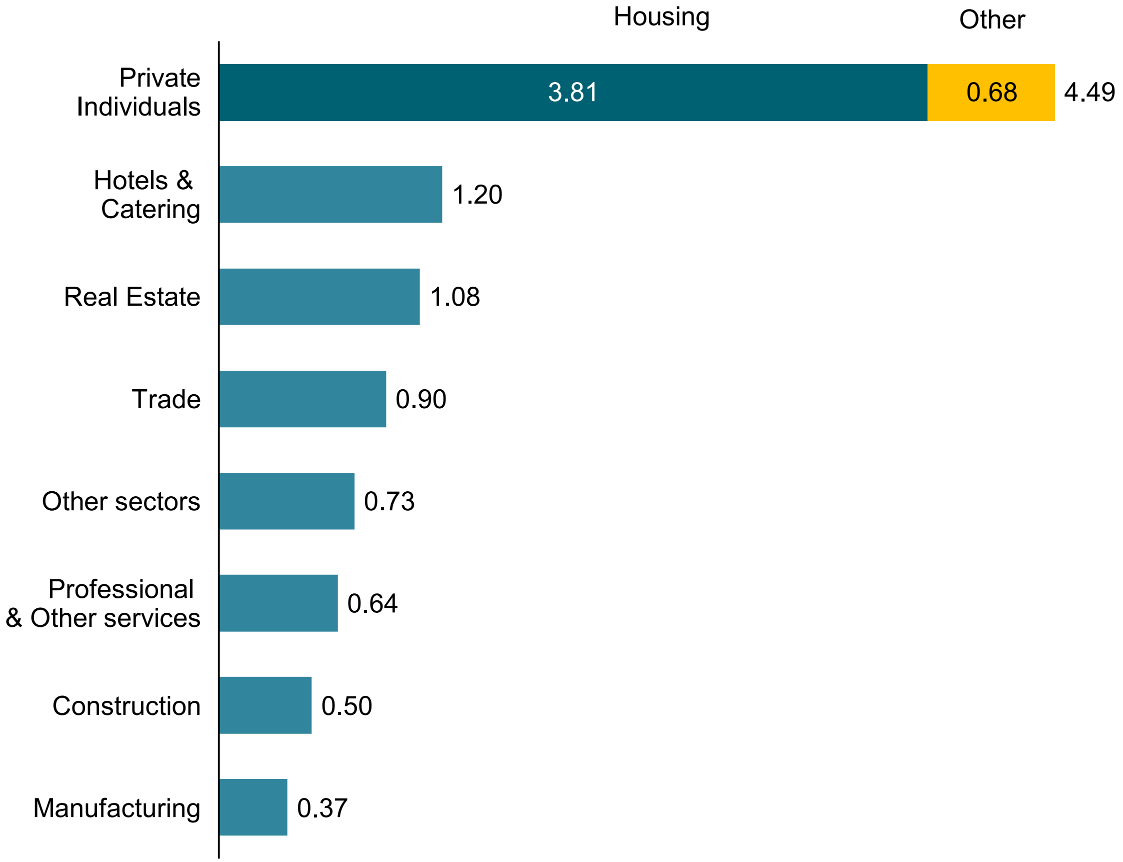
Appendix

Additional Asset Quality Slides

Well Diversified Loan Portfolio With High Quality Collateral

Gross loans (excluding legacy)[1] by business sector of €9.91 bn

€ bn



LTV[2]	Private individuals Housing €3.81 bn	Private individuals Other €0.68 bn	Business €5.42 bn
<80%	90%	33%	73%
>80%	10%	67%	27%

1) Gross loans as at 30 June 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	Dec 22	Mar 23	Jun 23
Retail other	947	974	984
Retail Housing	3,542	3,559	3,563
SMEs	1,119	1,096	1,067
International corporate	685	668	695
Corporate & Large Corporate	3,924	3,981	3,968
Total	**10,217**	**10,278**	**10,277**

Corporate			
	Dec 2022	Mar 2023	Jun 2023
NPE ratio	2.4%	2.3%	2.2%
NPE coverage	130%	121%	130%
NPE total coverage	198%	190%	197%

SMEs			
	Dec 2022	Mar 2023	Jun 2023
NPE ratio	5.3%	5.0%	4.7%
NPE coverage	68%	67%	75%
NPE total coverage	148%	151%	157%

Retail			
	Dec 2022	Mar 2023	Jun 2023
NPE ratio	5.4%	5.0%	4.8%
NPE coverage			
➢ Retail Housing	39%	48%	51%
➢ Retail Other	49%	59%	60%
NPE total coverage	130%	141%	141%

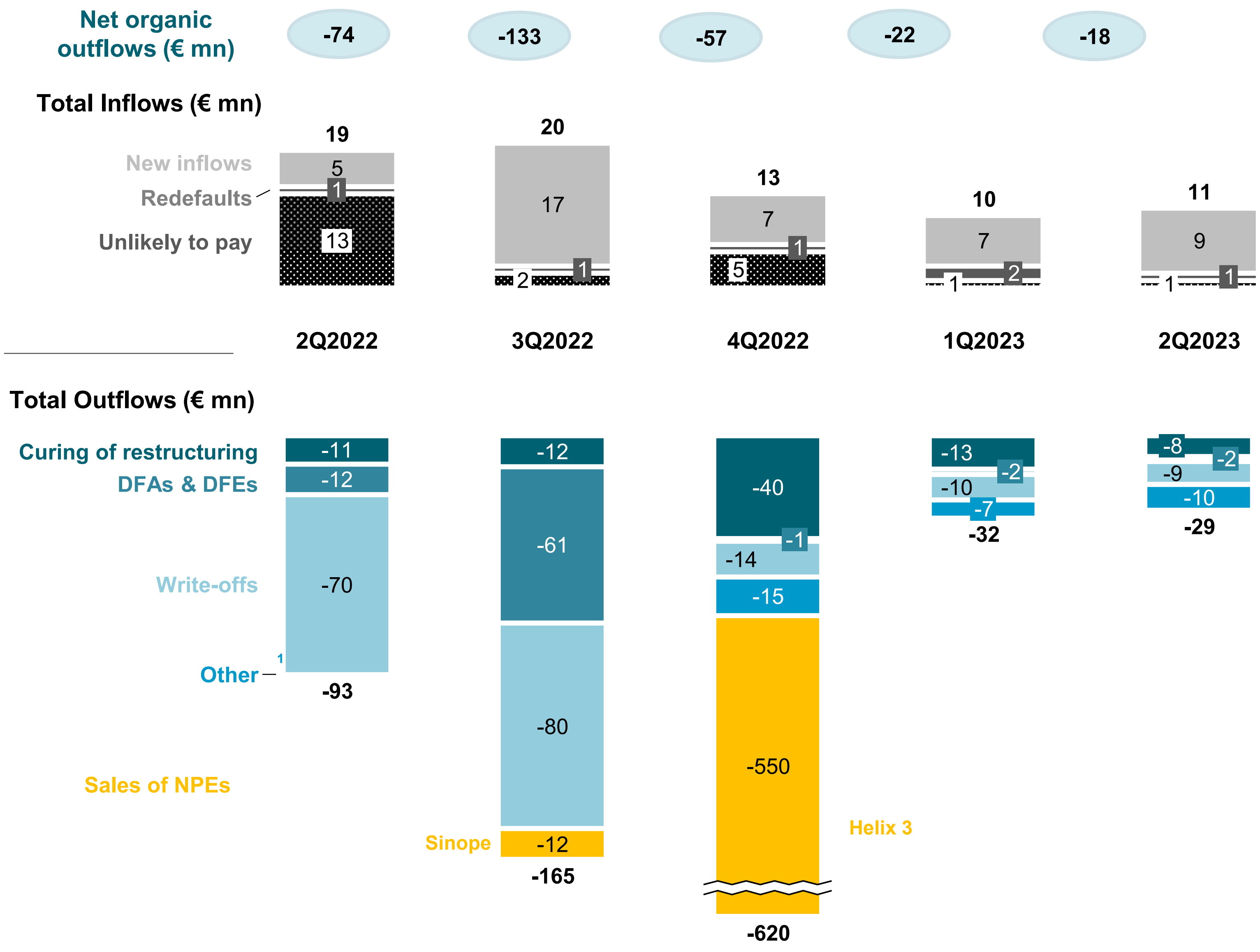
Loans by Economic Activity and Arrears Analysis

Gross loans (€ mn)	Dec 22	Mar 23	Jun 23
Trade	926	924	917
Manufacturing	397	393	383
Hotels & Catering	1,185	1,222	1,221
Construction	559	538	537
Real Estate	1,143	1,127	1,100
Private Individuals	4,696	4,705	4,719
Professional and other services	624	675	663
Other sectors	687	693	737
Total	**10,217**	**10,278**	**10,277**

NPE ratio	Dec 22	Mar 23	Jun 23
Trade	2.4%	2.4%	2.2%
Manufacturing	2.5%	2.4%	2.0%
Hotels & Catering	2.1%	2.0%	2.0%
Construction	2.0%	2.0%	1.8%
Real Estate	1.8%	1.6%	1.5%
Private Individuals	5.3%	5.0%	4.8%
Professional and other services	10.5%	9.4%	9.5%
Other sectors	1.0%	0.9%	0.7%
Total	**4.0%**	**3.8%**	**3.6%**

Loans arrears analysis (€ mn)	Dec 22	Mar 23	Jun 23
Loans with no arrears	9,788	9,860	9,880
Loans with arrears but not NPEs	18	29	26
NPEs with no arrears	170	153	151
NPEs Up to 30 DPD	2	3	2
NPEs 31-90 DPD	5	5	5
NPEs 91-180 DPD	12	13	12
NPEs 181-365 DPD	30	32	28
NPEs Over 1 year DPD	192	183	173
Total loans	**10,217**	**10,278**	**10,277**

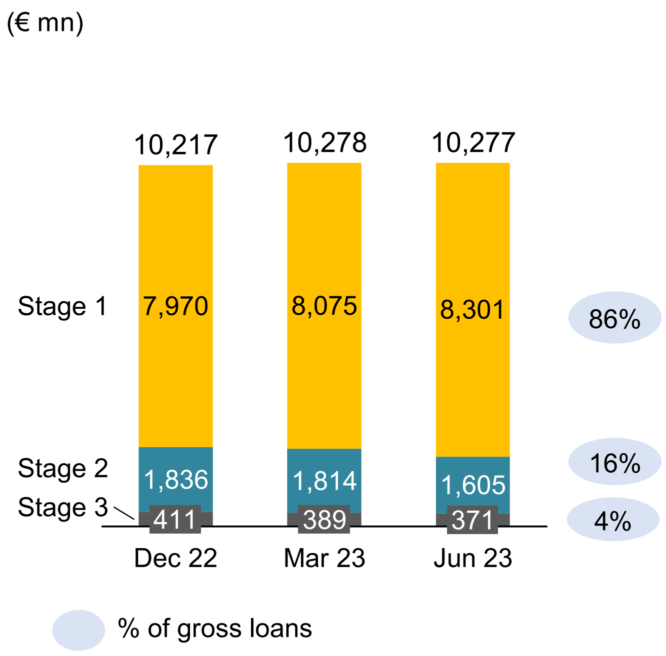
€18 mn Net Organic NPE Reduction in 2Q2023



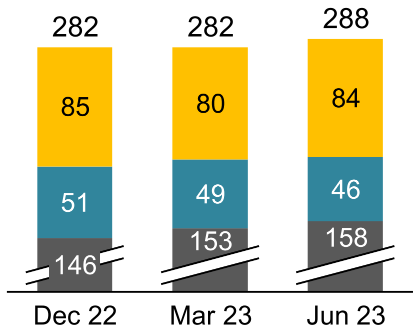
1) Other includes interest, cash collections and changes in balances

Gross Loans and Coverage by IFRS 9 Staging

Gross loans by IFRS 9 stage



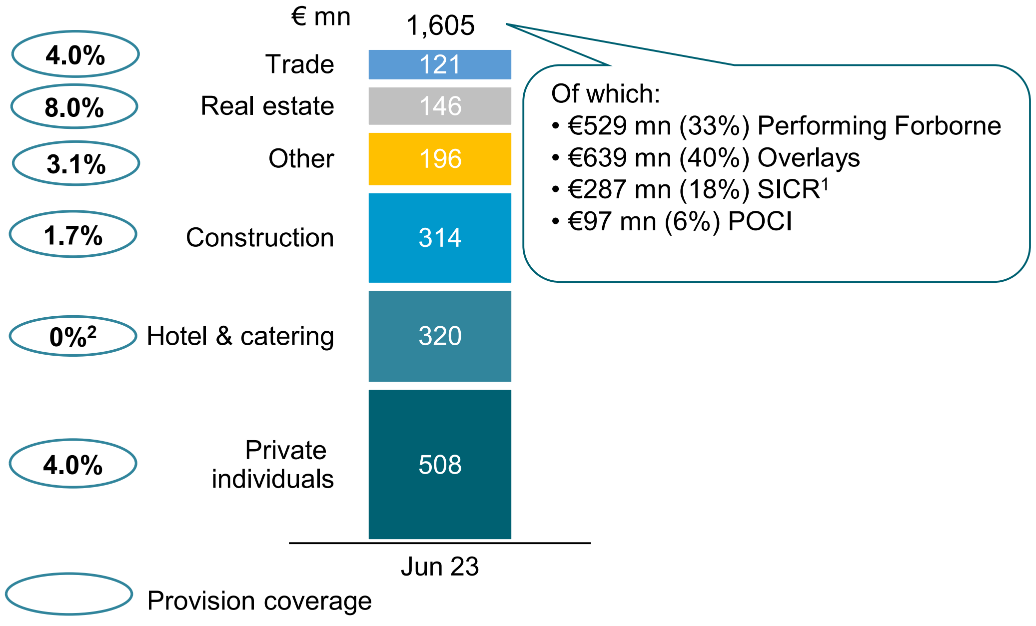
Allowance for expected loan credit losses



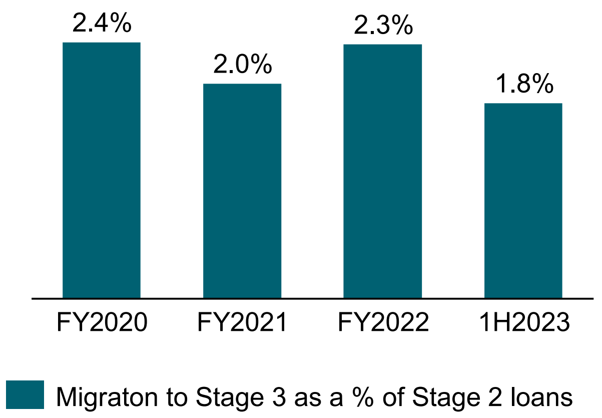
Coverage ratio

	Dec 22	Mar 23	Jun 23
Stage 1	1.1%	1.0%	1.0%
Stage 2	2.8%	2.7%	2.9%
Stage 3	35.4%	39.5%	42.5%

Stage 2 Exposures Well Collateralised with Low Migration History



Limited historic migration of Stage 2 to Stage 3



Days past due	0 dpd	1-30 dpd	>30 dpd
Private Individuals	98%	1%	1%
Business	99%	0%	1%

LTV	0-75%	75%-100%	>100%
Private Individuals	74%	9%	17%
Business	78%	7%	15%
Total	77%	8%	15%

- Strong performance of Stage 2 exposures; 99% present no arrears
- €293 mn of Stage 2 loans were migrated to Stage 1 in 2Q2023
- Only c.2% p.a. of Stage 2 loans migrated to Stage 3 in the last three years
- c.95% of Stage 2 loans are collateralised
- 16% of gross loans classified as Stage 2 of which:
  - 33% were classified as Stage 2 mainly due to Covid-19 forbearances (of which 24% relate to hotel & catering exposures)
    - 42% expected to be eligible for transfer to Stage 1 in 2023
  - 40% 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

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

Rescheduled Loans[1]

Rescheduled loans[1] by customer type

€ bn	Dec 21	Dec 22	Mar 23	Jun 23
Retail housing	0.43	0.18	0.17	0.16
Retail other	0.17	0.06	0.05	0.04
SMEs	0.17	0.11	0.08	0.06
International corporate	0.01	-	-	-
Corporate & Large Corporate	0.90	0.90	0.71	0.47
Total	**1.68**	**1.25**	**1.01**	**0.73**

Fair value of collateral and credit enhancements

Loans and advances to customers	30 June 2023 (€ mn)
Cash	505
Securities	579
Letters of credit / guarantee	131
Property	16,209
Other	286
Surplus collateral	(8,740)
Net collateral	**8,970**

Rescheduled loans[1]

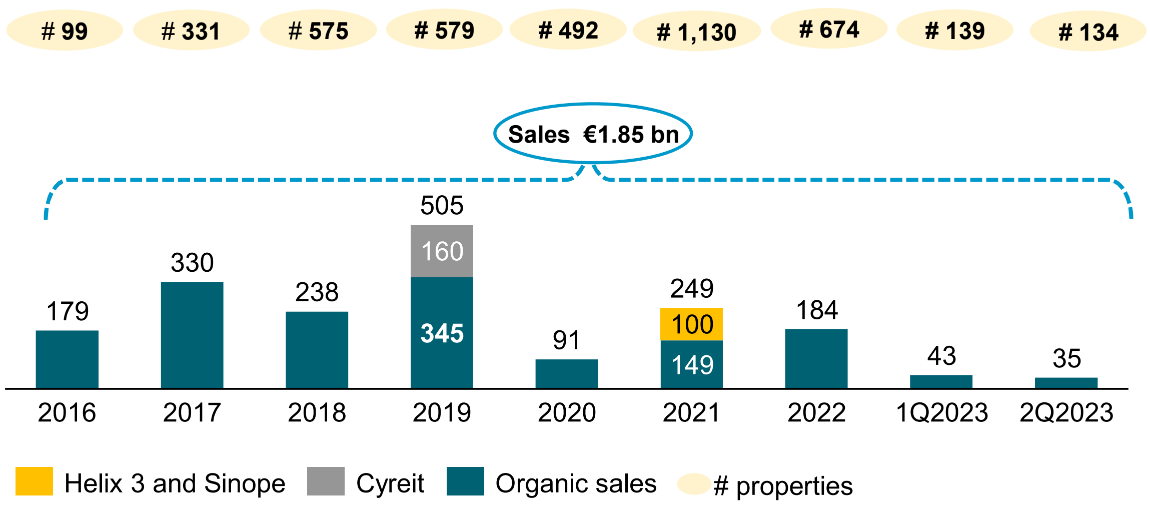
30 June 2023	€ mn
Stage 1	-
Stage 2	517
Stage 3	187
POCI	27
FVPL	-
Total	**731**

1) Rescheduled loans are presented net of fair value

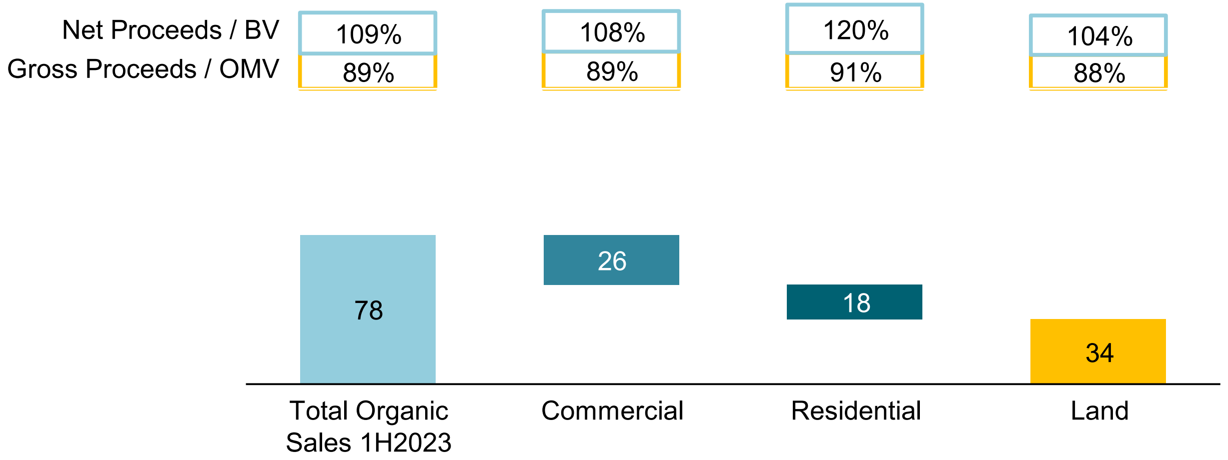
REMU - the Engine for Dealing with Foreclosed Assets

€1.85 bn sales of 4,153 properties across all property classes since set-up

Sales € mn (contract prices[1])



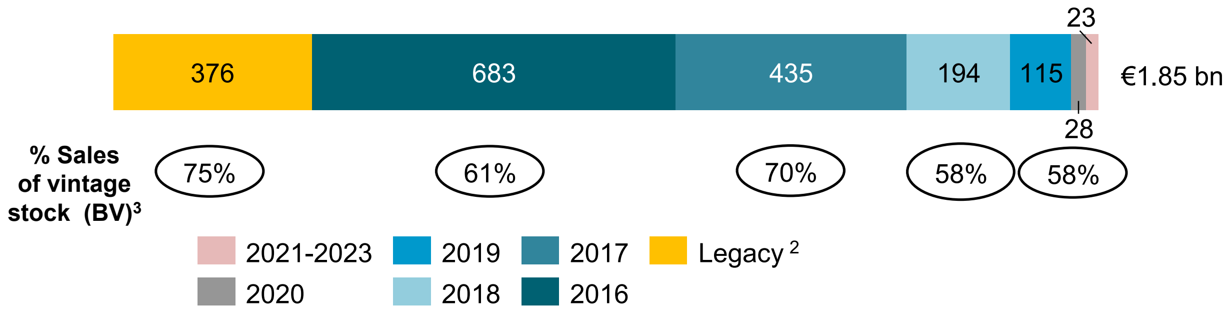
€78 mn organic sales[1] in 1H2023; comfortably above Book Value



- Strong pipeline of €66 mn by contract value as at 30 June 2023, of which €38 mn related to SPAs signed

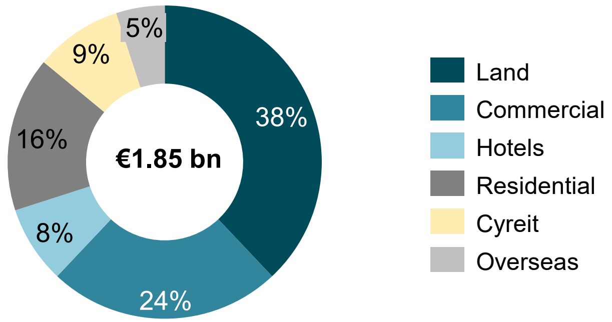
Breakdown of cumulative sales[1]

by on-boarding year (€ mn)



Cumulative sales by property type; 38% of sales relate to land

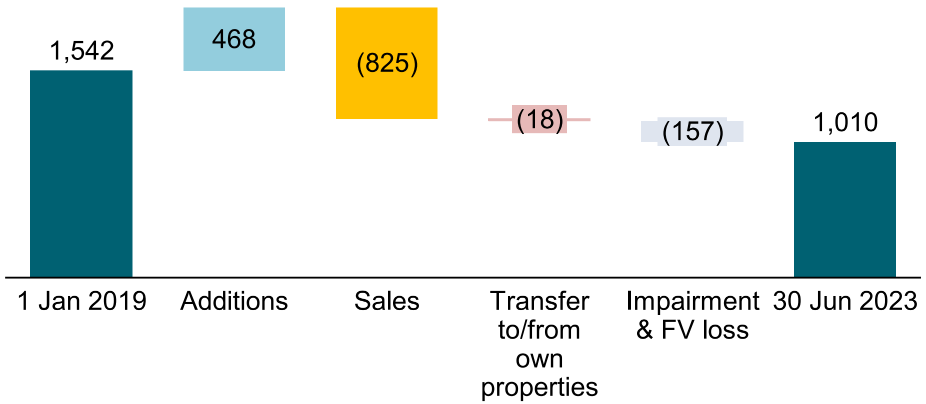
Sales contract price



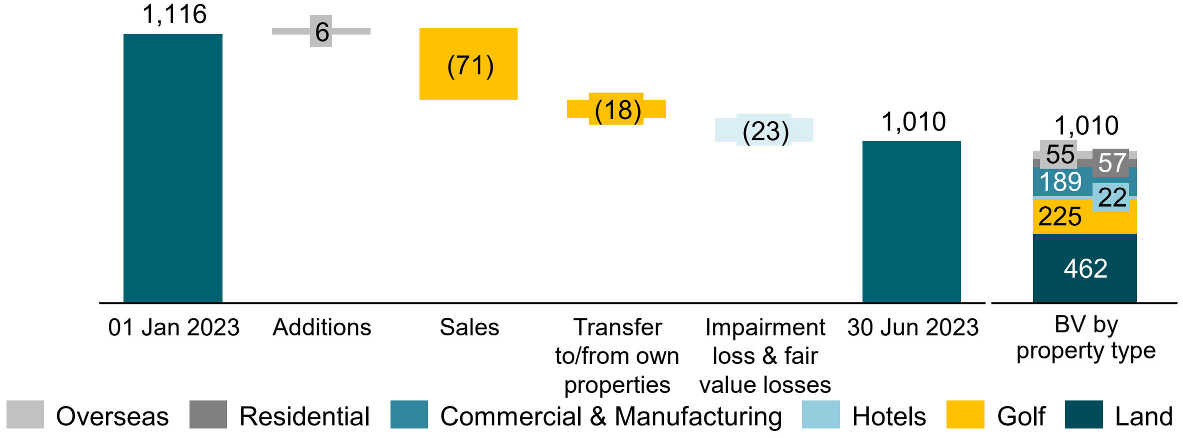
1) Amounts as per Sales Purchase Agreements (SPAs)
2) Legacy properties relate to properties that were on-boarded before REMU set-up in January 2016
3) The BV of the properties disposed at the date of disposal as a proportion of the: BV of the properties disposed at the time of the disposal plus the BV of the residual properties managed by REMU as at 30 June 2023

REMU - the Engine for Dealing with Foreclosed Assets

Properties sold exceed properties acquired since 2019



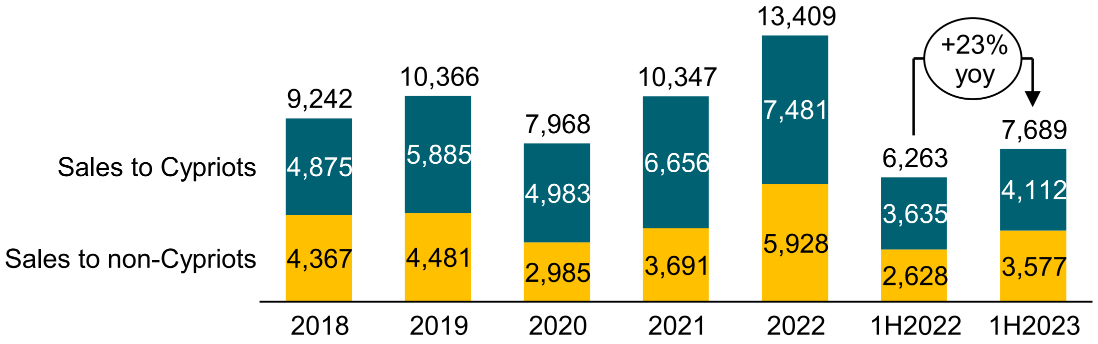
Evolution of properties managed by REMU



REMU net sales proceeds consistently exceed initial acquisition price

Quarter	Net sales proceeds/Initial acquisition costs	Quarter	Net sales proceeds/Initial acquisition costs
1Q2018	126%	1Q2021	112%
2Q2018	110%	2Q2021	110%
3Q2018	129%	3Q2021	117%
4Q2018	120%	4Q2021	111%
1Q2019	122%	1Q2022	116%
2Q2019	118%	2Q2022	113%
3Q2019	122%	3Q2022	111%
4Q2019	104%	4Q2022	113%
1Q2020	115%	1Q2023	107%
2Q2020	124%	2Q2023	113%
3Q2020	117%		
4Q2020	107%		

Sales contracts (excl. DFAs)[1] for 1H2023 up 23% yoy



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

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 transformation costs	Comprise mainly of fees of external advisors in relation to: (i) the transformation program and other strategic projects of the Group and (ii) customer loan restructuring activities, where applicable.
Allowance for expected loan credit losses (previously 'Accumulated provisions')	Comprises (i) allowance for expected credit losses (ECL) on loans and advances to customers (including allowance for expected credit losses on loans and advances to customers held for sale where applicable), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers (including residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale where applicable), (iii) allowance for expected credit losses for off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities, and (iv) the aggregate fair value adjustment on loans and advances to customers classified and measured at FVPL.
AIEA	This relates to the average of 'interest earning assets' as at the beginning and end of the relevant quarter. 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.
Book Value	BV= book value = Carrying value prior to the sale of property.
Basic earnings/(losses) after tax per share (attributable to the owners of the Company)	Basic earnings after tax per share (attributable to the owners of the Company) is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of shares in issue during the period, excluding treasury shares.
Carbon neutral	The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
CET1 capital ratio (transitional basis)	CET1 capital ratio (transitional basis) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
CET1 Fully loaded (FL)	The CET1 fully loaded (FL) ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Cost of Funding	Effective yield of cost of funding: Interest expense of all interest bearing liabilities after hedging, over average interest bearing liabilities (customer deposits, funding from the central bank, interbank funding, subordinated liabilities). Historical information has been adjusted to take into account hedging.
Cost to Income ratio	Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).
Cost of Risk	Loan credit losses charge (cost of risk) (year -to -date) is calculated as the annualised 'loan credit losses' (as defined) divided by average gross loans (as defined). The average gross loans are calculated as the average of the opening balance and the closing balance, for the reporting period/year.
CRR DD	Default Definition.
DFAs	Debt for Asset Swaps.

Glossary & Definitions

DFEs	Debt for Equity Swaps.
Digitally engaged customers ratio	This is the ratio of digitally engaged individual customers to the total number of individual customers. Digitally engaged customers are the individuals who use the digital channels of the Bank (mobile banking app, browser and ATMs) to perform banking transactions, as well as digital enablers such as a bank-issued card to perform online card purchases, based on an internally developed scorecard.
Digital transactions ratio	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.
DTA	Deferred tax asset.
DTC	Deferred Tax Credit.
EBA	European Banking Authority.
ECB	European Central Bank.
Effective yield	Interest Income on Loans/Average Net Loans.
Effective yield of liquid assets	Interest income on liquids after hedging, over average liquids (Cash and balances with central banks, placements with banks and bonds).
FTP	Fund transfer pricing methodologies applied between the business lines to present their results on an arm's length basis.
FVOCI	Fair value through other comprehensive income bonds.
GBV	Gross Book Value.
Green Asset ratio	The proportion of the share of a credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets.
Gross Loans	Gross loans comprise: (i) gross loans and advances to customers measured at amortised cost before the residual fair value adjustment on initial recognition (including loans and advances to customers classified as non-current assets held for sale where applicable) and (ii) loans and advances to customers classified and measured at FVPL adjusted for the aggregate fair value adjustment. 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 €72 mn as at 30 June 2023 (compared to €78 mn as at 31 March 2023 and to €86 mn as at 31 December 2022). 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 €207 mn as at 30 June 2023 (compared to €208 mn as at 31 March 2023 and to €211 mn as at 31 December 2022).
Gross Sales Proceeds	Proceeds before selling charge and other leakages.
Group	The Group consists of Bank of Cyprus Holdings Public Limited Company, "BOC Holdings" or the "Company", its subsidiary Bank of Cyprus Public Company Limited, the "Bank" and the Bank's subsidiaries.

Glossary & Definitions

IB, W&M	International Banking, Wealth and Markets.
IBU	Servicing exclusively international activity companies registered in Cyprus and abroad and not residents.
Impact of parallel shifts in interest curves	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.
Legacy exposures	Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.
Leverage Ratio Exposure (LRE)	Leverage Ratio Exposure (LRE) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended.
Liquid assets	Cash, placements with banks, balances with central banks and bonds.
Loan credit losses (PL) (previously 'Provision charge')	Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers, (ii) net gains on derecognition of financial assets measured at amortised cost relating to loans and advances to customers and (iii) net gains on loans and advances to customers at FVPL, for the reporting period/year.
Loan to Value ratio (LTV)	Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosures LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date.
Market shares	Both deposit and loan market shares are based on data from the CBC. The Bank is the single largest credit provider in Cyprus with a market share of 42.4% as at 30 June 2023 compared to 42.4% as at 31 March 2023 and to 40.9% as at 31 December 2022. The Bank's deposit market share in Cyprus reached 37.4% in 30 June 2023 compared to 37.3% as at 31 March 2023 and to 37.2% as at 31 December 2022.
MSCI ESG Rating	The use by the Company and the Bank of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI Logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of the Company or the Bank by MSCI. MSCI Services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI Names and logos are trademarks or service marks of MSCI.
Net Proceeds	Proceeds after selling charges and other leakages.
Net interest margin (NIM)	Net interest margin is calculated as the net interest income (annualised) divided by the 'quarterly average interest earning assets' (as defined).
Net loans and advances to customers	Net loans and advances to customers comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined, but excluding allowance for expected credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities).
Net NPE ratio	Calculated as NPEs (as defined) net of allowance for expected loan credit losses (as defined) over net loans and advances to customers (as defined)
Net performing loan book	Net performing loan book is the total net loans and advances to customers (as defined) excluding net loans included in the legacy exposures (as defined).
Net zero emissions	The reduction of greenhouse gas emissions to net zero through a combination of reduction activities and offsetting investments.

Glossary & Definitions

New lending	New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forborne or re-negotiated accounts) as well as the average year-to-date change (if positive) of the current accounts and overdraft facilities between the balance at the beginning of the period and the end of the period. Recoveries are excluded from this calculation since their overdraft movement relates mostly to accrued interest and not to new lending.
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 Interim Condensed Consolidated Income Statement – Underlying basis' relate to 'Advisory and other transformation costs - organic'. 2022 Non-recurring items relate to: (i) Advisory and Other transformation costs - ongoing (ii) Provisions/net loss relating to NPE sales, (iii) Restructuring and other costs relating to NPE sales, and (iv) Restructuring costs – Voluntary Staff Exit Plan (VEP).
NPE coverage ratio (previously 'NPE Provisioning coverage ratio')	The NPE coverage ratio is calculated as the allowance for expected loan credit losses (as defined) over NPEs (as defined).
NPE ratio	NPEs ratio is calculated as the NPEs as per EBA (as defined) divided by gross loans (as defined).
NPEs	As per the European Banking Authorities (EBA) standards and European Central Bank's (ECB) Guidance to Banks on Non-Performing Loans (which was published in March 2017), non-performing exposures (NPEs) are defined as those exposures that satisfy one of the following conditions: (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. (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. (iii) Material exposures as set by the CBC, which are more than 90 days past due. (iv) Performing forborne exposures under probation for which additional forbearance measures are extended. (v) Performing forborne exposures previously classified as NPEs that present more than 30 days past due within the probation period. 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). 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. 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. 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%. The NPEs are reported before the deduction of allowance for expected loan credit losses (as defined).

Glossary & Definitions

Non-legacy (performing)	Relates to all business lines excluding Restructuring and Recoveries Division (“RRD”), REMU and non-core overseas exposures.
NSFR	The NSFR is calculated as the amount of “available stable funding” (ASF) relative to the amount of “required stable funding” (RSF). The regulatory limit, enforced in June 2021, has been set at 100% as per the CRR II.
OMV	Open Market Value.
Operating profit	Operating profit comprises profit before loan credit losses (as defined), impairments of other financial and non-financial assets, provisions for pending litigations, regulatory and other matters (net of reversals), tax, profit attributable to non-controlling interests and non-recurring items (as defined).
Phased-in Capital Conservation Buffer (CCB)	In accordance with the legislation in Cyprus which has been set for all credit institutions, the applicable rate of the CCB is 1.25% for 2017, 1.875% for 2018 and 2.5% for 2019 (fully phased-in).
p.p.	percentage points.
Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)	This refers to the profit after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined).
Profit/(loss) after tax – organic (attributable to the owners of the Company)	This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined, except for the ‘advisory and other transformation costs – organic’).
Project Helix 3	Project Helix 3 refers to the agreement the Group reached in November 2021 for the sale of a portfolio of NPEs with gross book value of €551 mn, as well as real estate properties with book value of c.€88 mn as at 30 September 2022. Project Helix 3 was completed in November 2022.
Project Sinope	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.
Qoq	Quarter on quarter change.
REMU	Real Estate Management Unit
Restructured loans	Restructuring activity within quarter as recorded at each quarter end and includes restructurings of NPEs, performing loans and re-restructurings.

Glossary & Definitions

Return on Tangible equity (ROTE)	Return on Tangible Equity (ROTE) is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders' equity minus intangible assets at each quarter end.
RRD	Restructuring and Recoveries Division.
RWAs	Risk Weighted Assets.
RWA Intensity	Risk Weighted Assets over Total Assets.
Special levy on deposits and other levies/contributions	Relates to the special levy on deposits of credit institutions in Cyprus, contributions to the Single Resolution Fund (SRF), contributions to the Deposit Guarantee Fund (DGF), as well as the DTC levy, where applicable.
Stage 2 & Stage 3 Loans	Include purchased or originated credit-impaired.
Tangible Collateral	Restricted to Gross IFRS balance.
Total Capital ratio	Total capital ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Total expenses	Total expenses comprise staff costs, other operating expenses and the special levy on deposits and other levies/contributions. It does not include (i) 'advisory and other transformation costs-organic', (ii) restructuring and other costs relating to NPE sales, or (iii) restructuring costs relating to the Voluntary Staff Exit Plan, where applicable. (i) 'Advisory and other transformation costs-organic' amounted to €1 mn for 2Q2023 (compared to €1 mn for 1Q2023 and to €1 mn for 4Q2022), (ii) Restructuring costs relating to NPE sales for 2Q2023 amounted to a gain of €0.2 mn (compared to a loss of €0.2 mn for 1Q2023 and to a loss of €0.3 mn for 4Q2022), and (iii) Restructuring costs relating to the Voluntary Staff Exit Plan (VEP) for 2Q2023 was nil (compared to nil for 1Q2023 and 4Q2022).
Total income	Total income comprises net interest income and non-interest income (as defined).
Total loan credit losses, impairments and provisions	Total loan credit losses, impairments and provisions comprise loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for pending litigations, regulatory and other matters (net of reversals).
T2	Tier 2 Capital.
Underlying basis	This refers to the statutory basis after being adjusted for reclassification of certain items as explained in the Basis of Presentation.
Write offs	Loans together with the associated loan credit losses are written off when there is no realistic prospect of recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
Yoy	Year on year change.