



Bank of Cyprus Group

Group Financial Results

For the year ended 31 December 2020

Bank of Cyprus Holdings



DISCLAIMER

The financial information included in this presentation is not audited by the Group's external auditors.

This financial information is presented in Euro (€) and all amounts are rounded as indicated. A comma is used to separate thousands and a dot is used to separate decimals.

Forward Looking Statements

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

Important Notice Regarding Additional Information Contained in the Investor Presentation

The presentation for the Group Financial Results for the year ended 31 December 2020 (the “Presentation”), available on <https://www.bankofcyprus.com/en-GB/investor-relations-new/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) analysis of new lending, (v) Income statement by business line, (vi) NIM and interest income analysis and (vii) Loan portfolio analysis in accordance with the three-stages model for impairment of IFRS 9. Moreover, the Investor Presentation includes additional financial information not presented in the Results Announcement of current and expected medium term levels for (i) NPE coverage, (ii) growth of performing loan book, (iii) ratio of revenue over total assets, (iv) ratio of fee and commission over total assets, (v) ratio of total revenues over RWAs, (vi) market shares and total regular income or gross written premiums of insurance companies, (vii) restructuring expenses, (viii) cost to income ratio (excluding special levy and contributions to Single Resolution Fund and Deposit Guarantee Fund), and (ix) ESG performance metrics. 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 2019 and updated in the Interim Financial Report 2020. 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.

Highlights

2020 Achievements



Successful navigation through the pandemic with clear priorities

- Protection of staff and customer health, while ensuring operational resilience of the Bank
- c.€1.4 bn new lending to support the recovery of the Cypriot economy
- Payment holidays until end of 2020 to >25k customers (€5.9 bn)



Significant progress on balance sheet de-risking despite challenging environment

- €2.1 bn NPEs reduction pro forma¹; €1.5 bn NPE sales and €0.6 bn organic
- Gross NPE ratio reduced to 16%¹ (7%¹ net) and NPE coverage increased to 59%¹, both pro forma
- RWA intensity reduced to 53% pro forma¹



Asset quality management throughout the pandemic

- Provision of support to impacted customers to alleviate short term cash flow burden
- Close monitoring of loans in moratoria
- Encouraging performance since the end of moratorium (31 December 2020); €3.6 bn had an instalment due by 15 February 2021 and 95% of those resumed payments



Careful cost management

- Total operating expenses² in FY2020 down 12% yoy
- C/I ratio at 60%² for FY2020, broadly flat yoy
- Digitally engaged customers increased to 75%, up 6 p.p. yoy



Launch of New Strategic Plan and Medium Term Targets

- Single digit NPE ratio by the end of 2022
- Return of Tangible Equity (ROTE) of c.7%

1) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction
 2) Excluding Special Levy and contributions to SRF and DGF

4Q2020 - Highlights

Positive Organic Performance in 4Q2020

**€45 mn
Operating Profit**

- New lending of €374 mn in 4Q2020, up 30% qoq, reflecting early recovery post 1H2020 lockdown
- Total income of €142 mn up 3% qoq
- Cost of risk of 99 bps
- Organic profit after tax of €2 mn
- Exceptional items of €51 mn, including provisions/net loss relating to NPE sales¹ of €42 mn
- Loss after tax of €49 mn for 4Q2020 and €171 mn for FY2020, post exceptional items

Operating Efficiency

**64%
Cost/Income²**

- Total operating expenses² of €91 mn for 4Q2020, up 7% qoq
- Cost to income ratio² at 64% for 4Q2020

Good Capital Strong Liquidity

**15.2%
CET1 ratio^{3,4}**

- CET1 ratio of 15.2%^{3,4} and Total Capital ratio of 18.7%^{3,4}
- Deposits at €16.5 bn, broadly flat yoy and qoq
- Significant surplus liquidity of €4.2 bn (LCR at 254%)

Significant Progress in Balance Sheet Repair

**7%
Net NPE ratio³**

- €0.5 bn NPE sale (Helix 2 Portfolio B) signed in January 2021; €1.5 bn NPE sales since December 2019
- NPEs reduced by €2.1 bn³ to €1.8 bn³ (€0.7 bn net)³ in FY2020
- Gross NPE ratio reduced to 16%³ (7% net³) and coverage maintained at 59%³

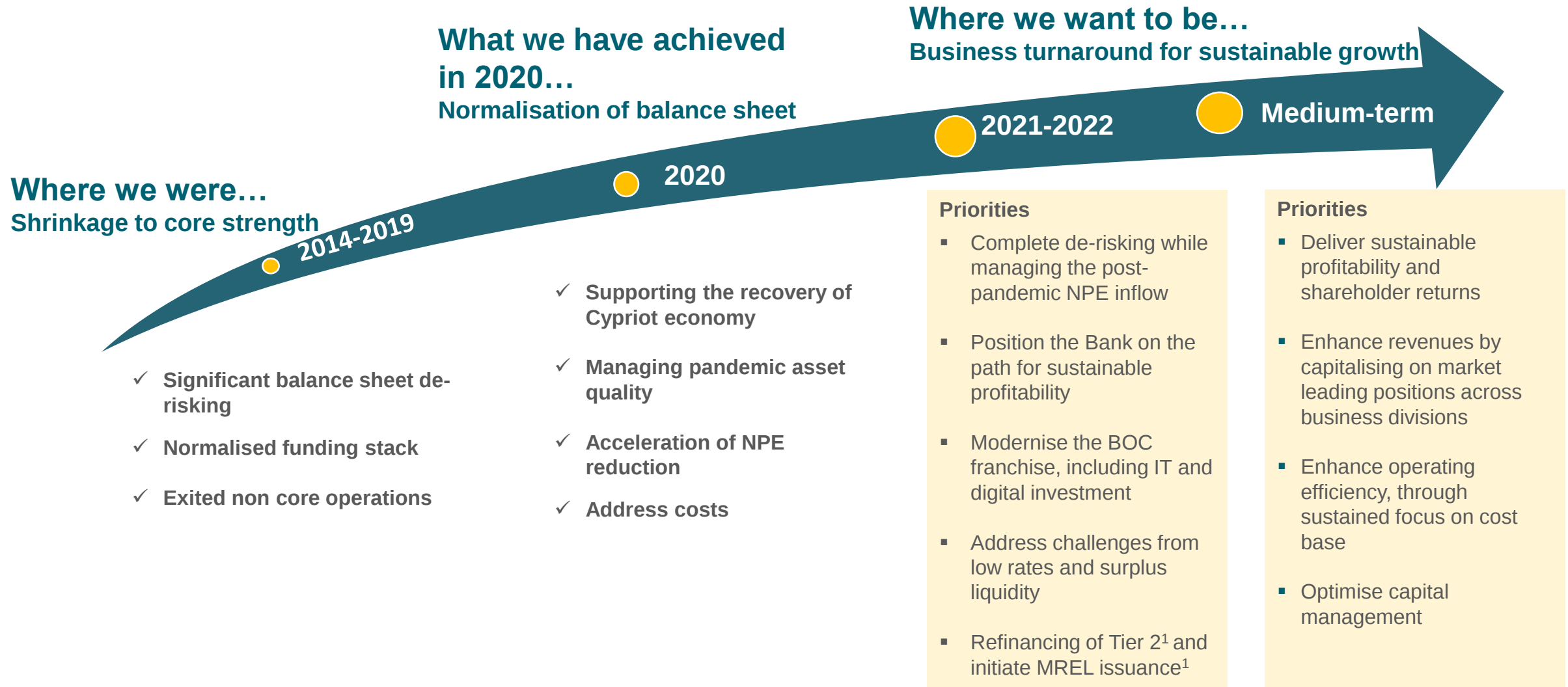
1) Including restructuring expenses

2) Excluding Special Levy and contributions to SRF and DGF

3) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction

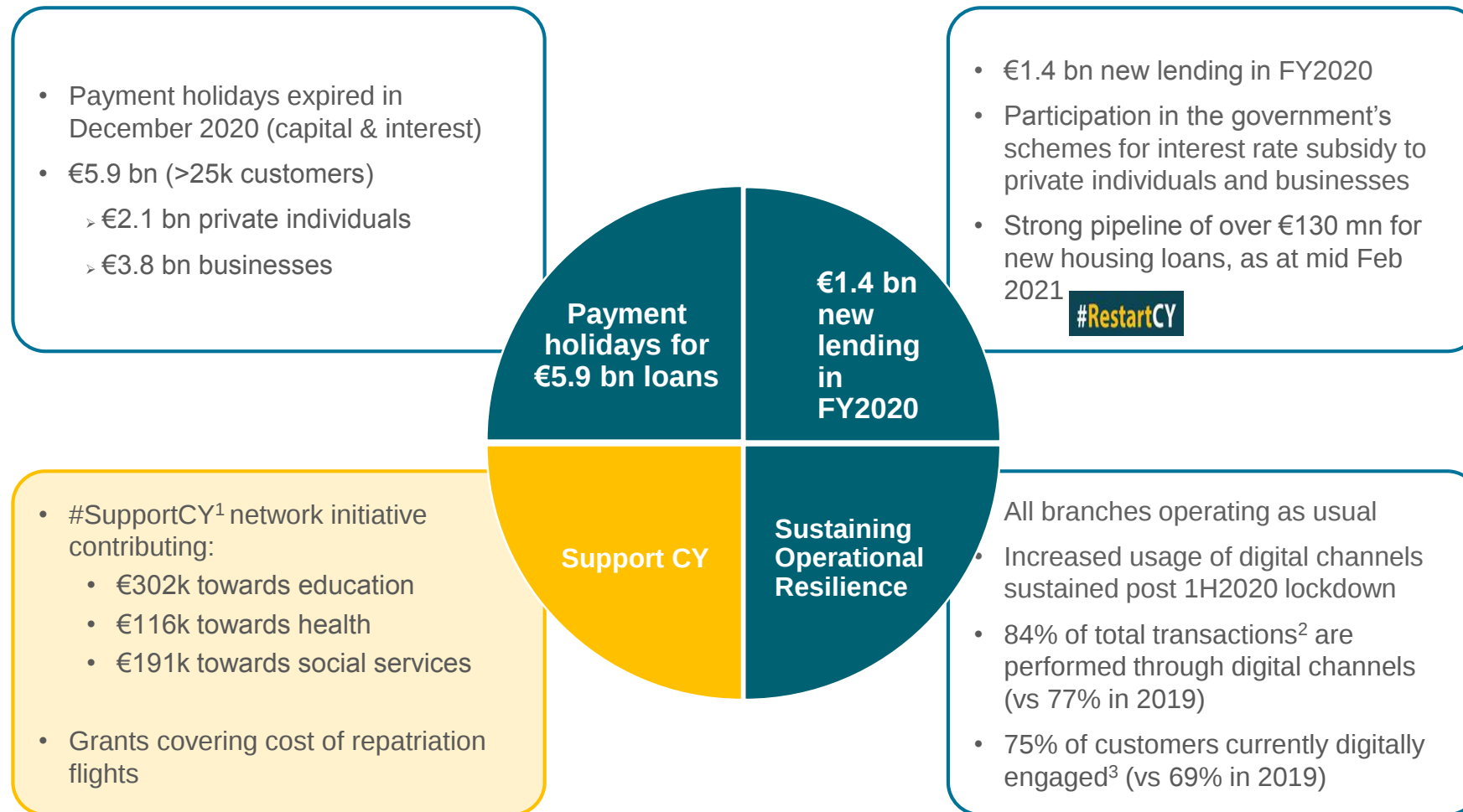
4) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements

Our journey



1) Subject to market conditions

On-going support to customers and society through COVID-19



1) #SupportCY is a network of 93 companies and NGOs, initiated by Bank of Cyprus, during March 2020, with the aim to support the public services performing frontline duties during the Pandemic and wider Society

2) 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

3) 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

Timely and strong response by the Government of Cyprus

Comprehensive and far reaching measures to support performing businesses and the wider economy

2021

- **Additional package of measures of c.€350 - €400 mn for the support of the businesses and the self employed launched in Jan 2021, including:**
 - Subsidy plan for businesses and self employed impacted by lockdowns:
 - Coverage of rents and other operational expenses
 - c.30,000 businesses expected to benefit
 - Second loan moratorium for business and private individuals impacted by the second lockdown up to 30 Jun 2021
 - Eligible borrowers entitled to total moratorium of up to 9 months, inclusive of any time spent on moratorium during 2020
 - Extension of subsidy of interest rate of new business and housing loans
 - Subsidy of interest rate for 4 years
 - Application deadline extended to 31 Dec 2021
 - Employment compensation schemes for businesses impacted by the second lockdown to protect jobs and avoid layoffs
- **€1.0 bn of government funding raised in Feb 2021**

2020

- **Fiscal measures of c.€850 mn¹ accounting for c.4.1%¹ of GDP launched in 2020, including:**
 - Moratorium of loan instalment for 9 months until Dec 2020
 - Liquidity support to businesses and households
 - Employment compensation schemes for businesses impacted by COVID-19, to protect jobs and avoid layoffs
 - Subsidy of interest rate of new Business and Housing Loans
 - Financing of SMEs through CYPEF¹ (€800 mn)
- **€3.0 bn of government funding raised in Apr 2020; vote of confidence to the Cypriot economy**

European Authorities measures-Implications for Cyprus

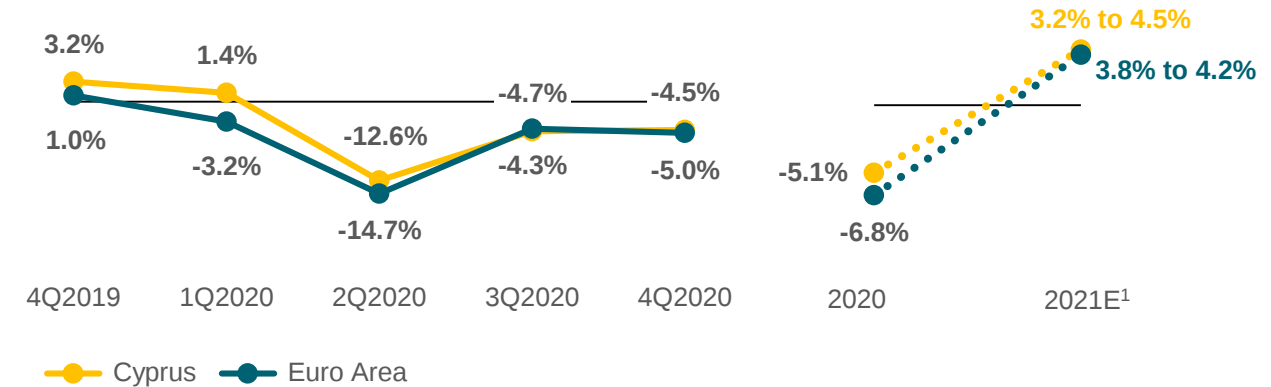
- EU Recovery Fund (€2.4 bn)
- Pan-European Guarantee Fund (PEGF) (€300-€400 mn)
- EU SURE Programme (€479 mn)
- Access to ESM's Pandemic Crisis Support through the Enhanced Conditions Credit Line, for c.€440 mn (2% of GDP)

1) Estimation of Bank of Cyprus' Economic Research Department

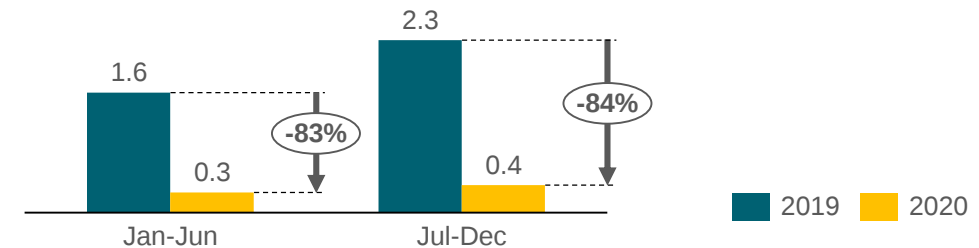
GDP contraction of 5.1% in 2020, significantly outperforming Euro area

- Open, small and flexible economy which has demonstrated historically that it can quickly recover from economic crises
- Unprecedented policy response mitigating COVID-19 impact; Re-introduction and tightening of containment measures in 4Q2020 for the second wave; expected to lead to some loss of momentum in economic recovery in early 2021
- Successful management of the pandemic to date; Cyprus ranks first among EU countries in terms of coronavirus testing and fifth globally for the management of the pandemic²
- The development of effective vaccines is encouraging; successful vaccination programmes both in Cyprus and abroad expected to be strong catalysts for economic recovery; vaccines for 70% of the population over 18 expected to be available by the end of Jun 2021
- The reduction in international tourist arrivals in 2020, was partly offset by domestic tourism, a trend expected to continue in 2021; A recovery in tourist activity is expected from 2H2021 and will be linked with international vaccine programmes
- UK, and Israel that account for >40% of tourism arrivals are well progressed with vaccination plans

Economy contracted by 4.5% in 4Q2020; significant rebound expected in 2021



Tourist arrivals in 2020 impacted by COVID-19



Source: Cyprus Statistical Service

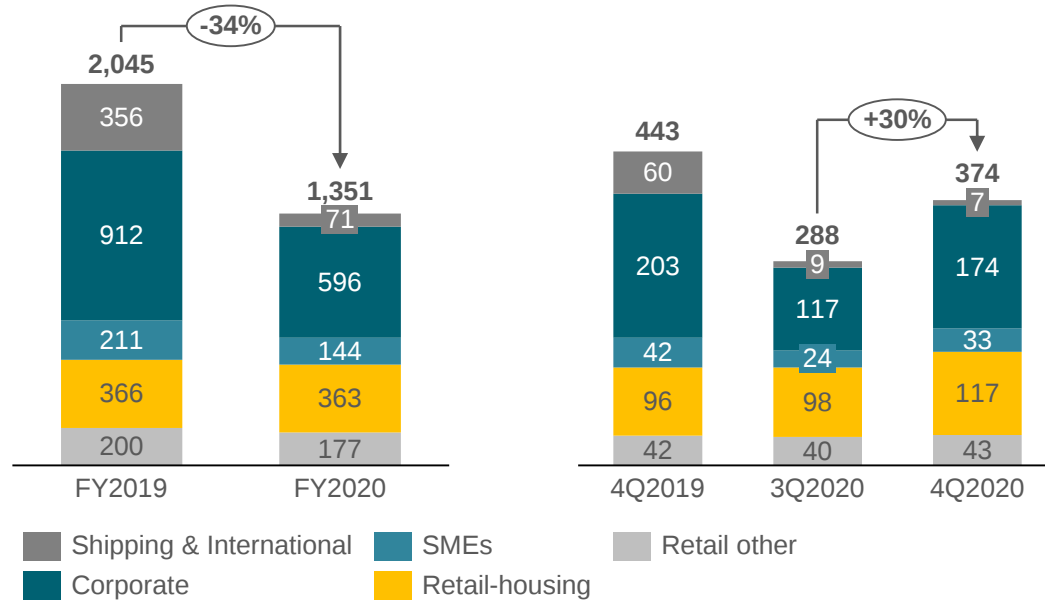
1) GDP projections under the updated base scenario of Ministry of Finance, Central Bank of Cyprus, European Commission, the Economics Research centre of the University of Cyprus

2) Lowy Institute <https://interactives.lowyinstitute.org/features/covid-performance/>

New lending¹ continued to grow in 4Q2020, driven by corporate and retail housing

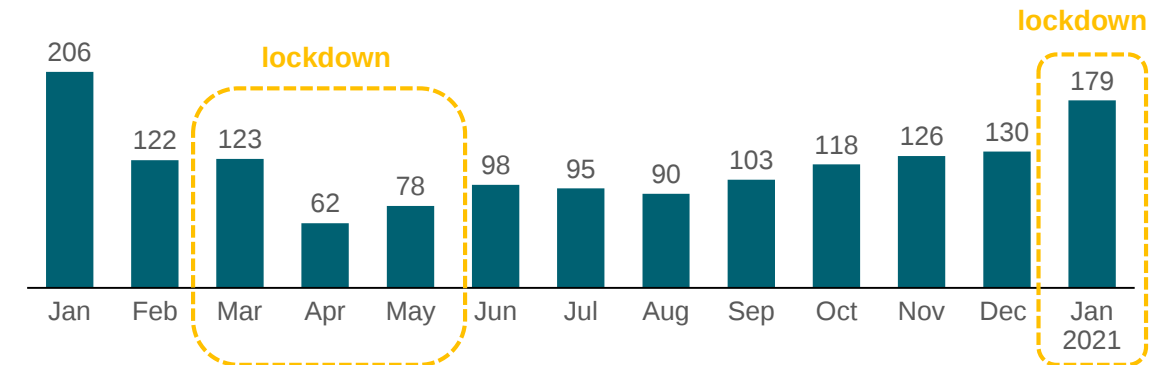
New lending¹ of €374 mn in 4Q2020, up 30% qoq

€ mn



Monthly new lending data show improving trend

€ mn



42%

Market share in
loans³ up
1 p.p. yoy

99%

of new
exposures²
since 2016 were
performing at
the start of
moratorium

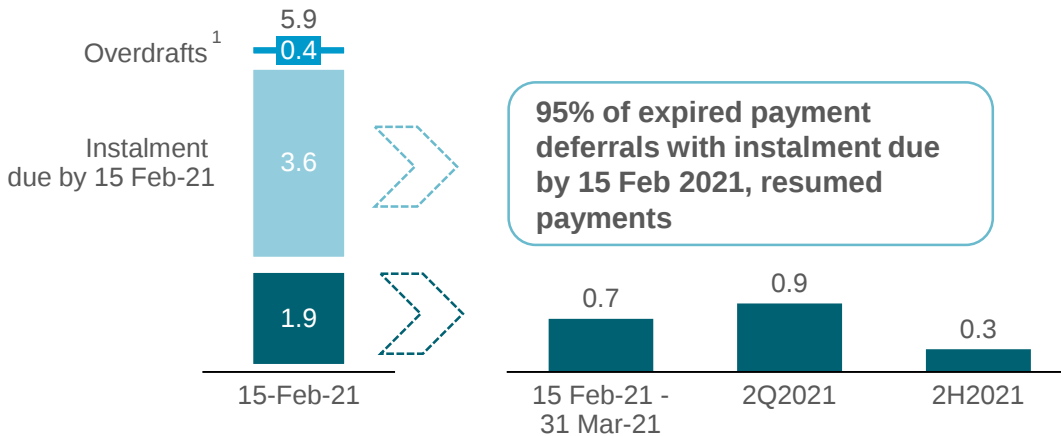
1) New disbursements in the reporting period including the average YTD change (if positive) for overdraft facilities
2) Facilities/limits approved in the reporting period
3) As 31 December 2020

- Corporate up 48% qoq, as economic activity continued to improve
- Demand for business loans expected to increase in line with economic recovery
- Retail housing up 20% qoq, above pre-COVID 19 levels, supported by government interest rate subsidy scheme; pipeline of €130 mn as at mid-February 2021
- High quality origination via prudent underwriting standards

Encouraging trends as payment deferrals end

Expired Payment Deferrals: payment behaviour

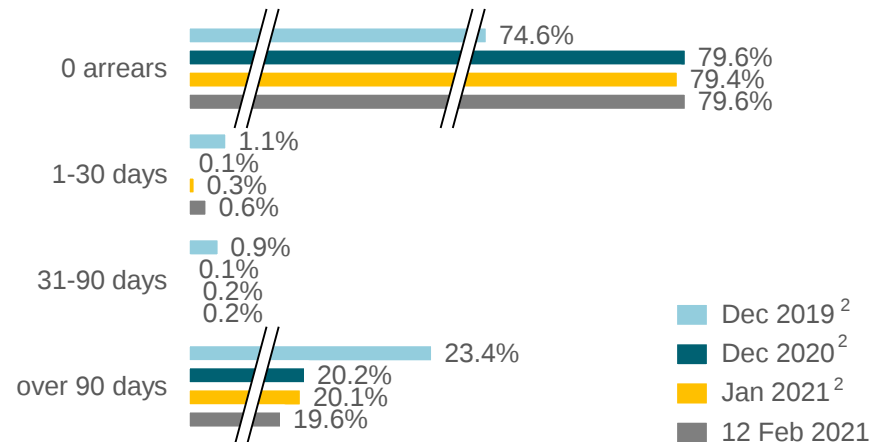
€ bn



- Cautiously optimistic based on customer behaviour by 15 Feb 2021
- €5.9 bn of loans under 2020 moratorium which expired on 31 Dec 2020:
 - €3.6 bn had an instalment due by 15 Feb 2021; 95% resumed payments
 - €0.7 bn have an instalment due between 15 Feb 2021 and end of Mar 2021
- Careful monitoring of arrears in 2021
- In close contact with customers with early arrears to offer solutions as necessary
- **Second moratorium** launched in Jan 2021 for customers impacted by second lockdown
 - Application period expired on 31 Jan 2021; applications received for **€27 mn** gross loans; **c.€17 mn** approved to date
 - Payment deferrals up to Jun 2021
 - Total months under moratorium, when including 2020 moratorium, cannot exceed 9 months

Total gross loans portfolio (€12.3 bn in Dec-20)

Delinquency buckets show resilience

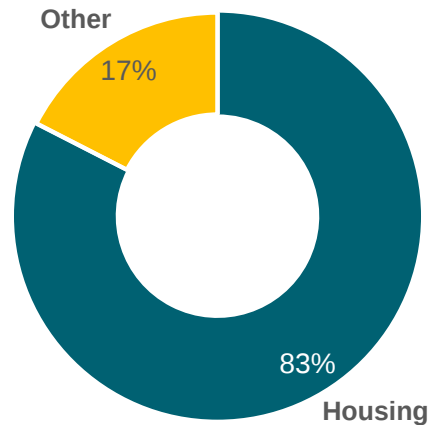


1) Overdrafts and current accounts have no instalment due
 2) Arrears as at 31 Dec 2020, 31 Jan 2021 and 12 Feb 2021 are calculated based on the new regulation on Definition of Default implemented as of 1 Jan 2021, affecting NPE exposures and the calculation of Days-Past-Due

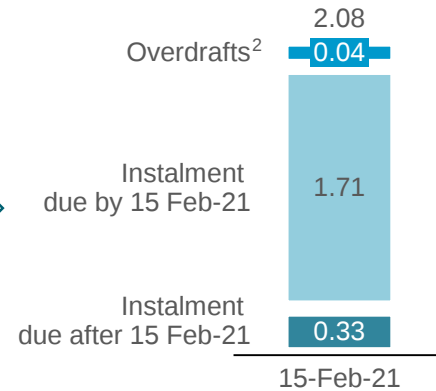
Private individuals loan portfolio, highly collateralised

Private Individuals: €4.09 bn

Expired Payment deferrals: €2.08 bn (51%)



Expired Payment Deferrals:
€2.08 bn (51%)



82% private individuals loans under payment deferrals had an instalment due by 15 Feb 2021

93% of these, resumed payments

LTV ¹	Housing €3.40 bn	Other €0.69 bn
< 60%	63%	30%
60%-80%	21%	5%
80-100%	8%	7%
>100%	8%	58%

- **Housing performing loans: €3.40 bn**
 - Low LTV¹ housing portfolio
 - 63% of portfolio with LTV¹<60%
 - Only 8% of portfolio with LTV¹>100%
- **Other: €0.69 bn**
 - 62% secured portfolio
 - of which 60% with property
 - of which 40% with other type of collateral

1) Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosure, 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

2) Overdrafts and current accounts have no instalment due

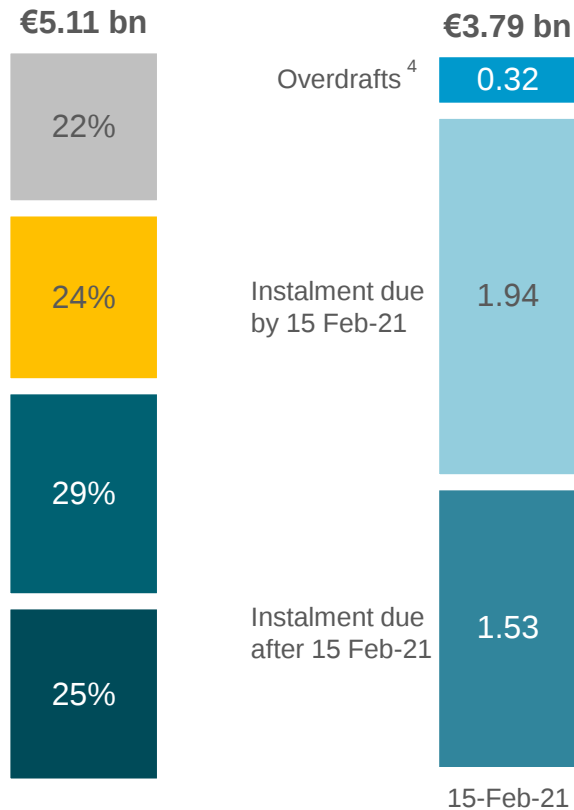
Business portfolio well diversified, with high quality collateral

Business gross loans (excluding Legacy)¹

Breakdown, by Covid-19 impact

Payment deferrals that expired on 31 December 2020

- **High Impact: (22%)**
 - Tourism (Hotels & Catering)
- **Medium Impact: (24%)**
 - Trade
 - Manufacturing
- **Moderate Impact: (29%)**
 - Construction
 - Transportation and storage
- **Low: (25%)**
 - Real Estate
 - Education
 - Health



- 97% of expired payment deferrals with an instalment due by 15 Feb 2021 resumed payments
- High quality origination via prudent underwriting standards
 - Strong assessment of repayment capability
 - Strict origination standards
 - Effective foreclosure law in place, following the amendments in recent years
- 99% of new exposures² since 2016 were performing at the start of the moratorium
- 90% of portfolio secured
 - of which 80% with property
 - of which 20% other type of collateral
- Low LTV³ business portfolio; 73% of the portfolio with LTV³<80%

LTV ³	High	Medium	Moderate	Low	Total
< 80%	92%	57%	64%	83%	73%
>80%	8%	43%	36%	17%	27%
Total	100%	100%	100%	100%	100%

1) Gross loans as at 31 December 2020 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail and H/O

2) Facilities/limits approved

3) 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

4) Overdrafts and current accounts have no instalment due

Portfolio exposure to businesses most impacted by COVID-19

Tourism: €1.12 bn

Hotels & Catering	30 Sep 2020 € bn	31 Dec 2020 € bn	% of portfolio
Food services	0.06	0.06	5%
Accommodation	1.01	1.06	95%
Total	1.07	1.12	
Unutilised Liquidity¹	0.34	0.32	
- of which deposits	0.27	0.26	23%

- The reduction in international tourist arrivals in 2020, was partly offset by domestic tourism, a trend expected to continue in 2021; A recovery in tourist activity is expected from 2H2021 and will be linked with international vaccine programmes
- Majority of Accommodation customers entered the crisis with significant liquidity, following strong performance in recent years
- c.€1.0 bn or 91% under payment deferrals that expired on 31 Dec 2020; 32% had an instalment due by 15 Feb 2021; 98% these resumed payments
- c.50% (cumulative) will have an instalment due by end of Mar 2021

1) Unutilised overdraft amounts and deposits

Trade: €0.89 bn

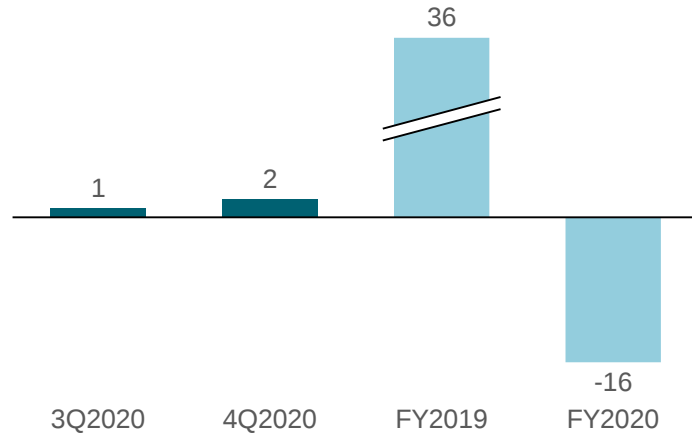
Trade	30 Sep 2020 € bn	31 Dec 2020 € bn	% of portfolio
Supermarkets, pharmacies and other essential retail businesses	0.28	0.26	30%
All other	0.67	0.63	70%
Total	0.95	0.89	
Unutilised Liquidity¹	0.93	0.95	
- of which deposits	0.62	0.60	68%

- 30% tied up to lower risk essential retail services, not materially impacted by COVID-19
- €0.47 bn or 53% under for payment deferrals that expired on 31 Dec 2020; 68% had an instalment due by 15 Feb 2021; 97% of these resumed payments

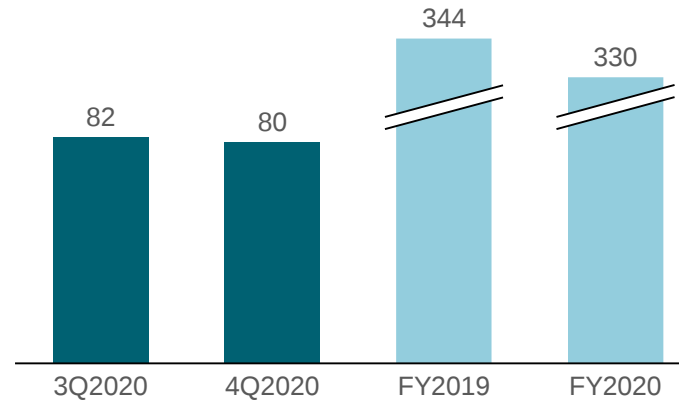
Profitability

Positive Performance before exceptional items in 4Q2020

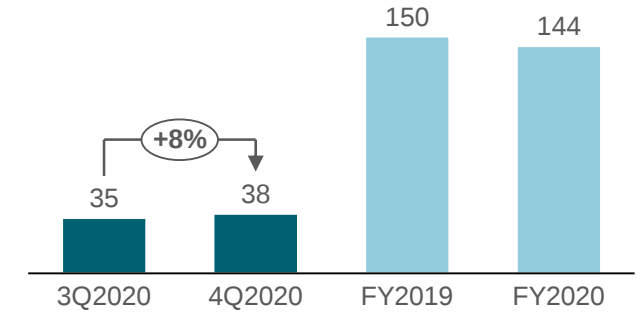
Positive Organic Performance in 4Q2020



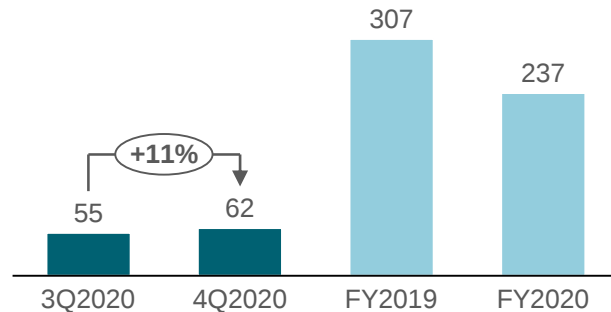
Net Interest Income down 2% qoq



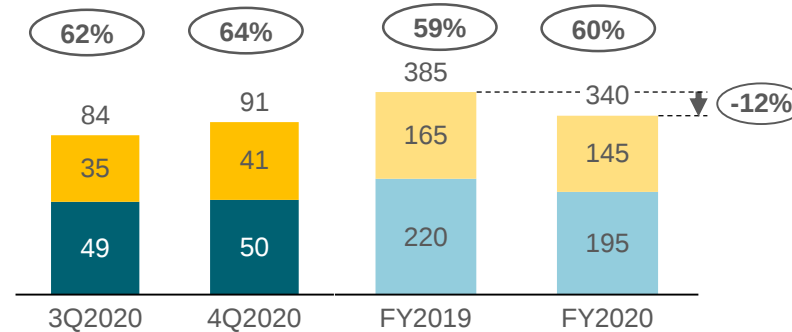
Net Fee and Commission up 8% qoq



Non Interest Income up 11% qoq



Total Operating Expenses¹ up 7% qoq

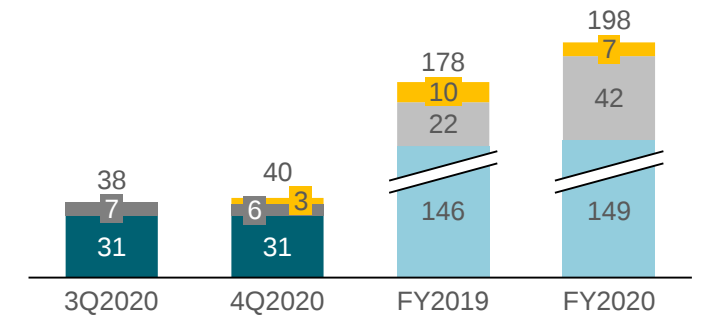


Operating expenses

Staff costs

Cost to Income ratio¹

Provisions and Impairments up 6% qoq



Provisions for litigations and other

Impairments²

Loan credit losses

1) Excluding Special Levy and contributions to SRF and DGF

2) Impairments of financial and non-financial assets

Income Statement

€ mn	FY2020	FY2019	4Q2020	3Q2020	qoq%	yoy%
Net Interest Income	330	344	80	82	-2%	-4%
Non interest income	237	307	62	55	11%	-23%
Total income	567	651	142	137	3%	-13%
Total operating expenses ³	(340)	(385)	(91)	(84)	7%	-12%
Operating profit	197	241	45	44	2%	-18%
Total loan credit losses, impairments and provisions	(198)	(178)	(40)	(38)	6%	11%
(Loss)/profit after tax-Organic (attributable to the owners)	(16)	36	2	1	72%	-
Exceptional items ¹	(155)	(106)	(51)	3	-	47%
(Loss)/profit after tax-attributable to owners	(171)	(70)	(49)	4	-	-

Key Ratios

Net Interest margin (annualised)	1.84%	1.90%	1.75%	1.79%	-4 bps	-6 bps
Cost to income ratio	65%	63%	69%	68%	1 p.p.	2 p.p.
Cost to income ratio excluding special levy and contributions to SRF and DGF	60%	59%	64%	62%	2 p.p.	1 p.p.
Cost of Risk (annualised)	1.18%	1.12%	0.99%	0.97%	2 bps	6 bps
EPS – Organic (€ cent)	-3.66	7.97	0.42	0.24	0.18	-11.63

1) Exceptional items for FY2020 relate to €146 mn provisions/net loss of NPE sales including restructuring expenses, Voluntary Exit Plan cost of €6 mn, and levy in the form of guarantee fee relating to tax credits of €3 mn. For FY2019 exceptional items consist of loss from the sale of CNP Insurance of €21 mn, reversal of impairment of DTA and impairment of other tax receivables of €88 mn and provisions/net loss relating to NPE sales of €92 mn and Voluntary Exit Scheme of €81 mn including restructuring expenses

2) Including restructuring expenses

3) Excluding Special Levy and contributions to SRF and DGF

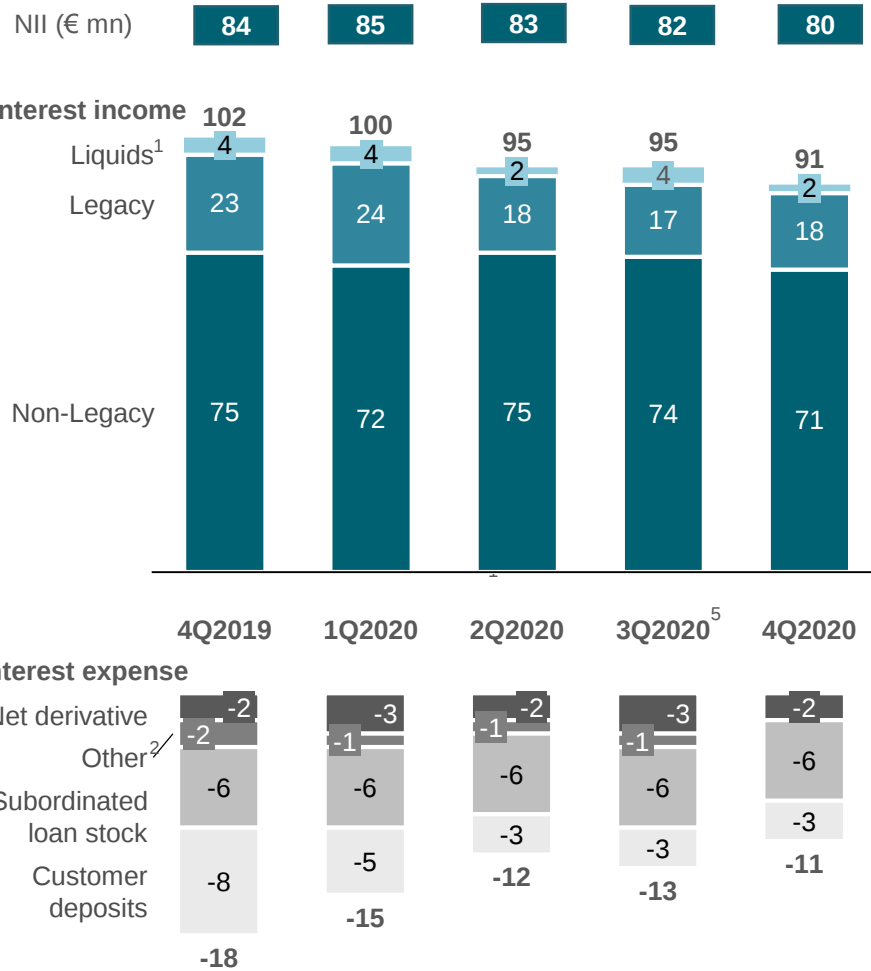
- NII for 4Q2020 at €80 mn as pressure on lending yields continues
- Non interest income for 4Q2020 increased to €62 mn, positively impacted by higher fee and commission income, as transactional volumes gradually recover post 1H2020 lockdown and higher REMU revaluation gains; non interest income for FY2020 reduced to €237 mn driven mainly by lower REMU gains, revaluation gains on financial instruments and other income, negatively impacted by COVID-19
- Total operating expenses³ of €91 mn for 4Q2020, up 7% qoq driven mainly by higher operating expenses mainly due to seasonality; total operating expenses³ of €340 mn for FY2020, down 12% yoy, following the successful completion of a Voluntary Staff Exit Plan in 4Q2019 and lower operating expenses
- Provisions and impairments for 4Q2020 at €40 mn, including loan credit losses of €31 mn, driven mainly by the increase in provisions for litigations and other financial instruments
- Exceptional items for 4Q2020 of €51 mn relate to provisions/net loss of NPE sales² of €42 mn, cost for targeted Voluntary Exit Plan of €6 mn and DTC levy of €3 mn

• **Loss after tax of €49 mn for 4Q2020**

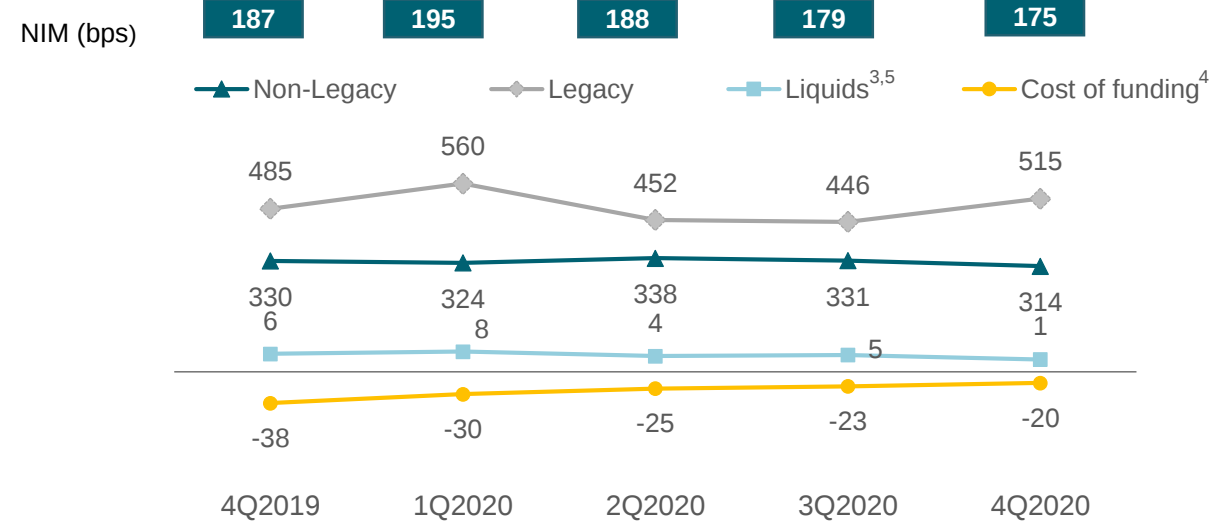
• **Loss after tax of €171 mn for FY2020**

Drivers of NIM

NII for 4Q2020 at €80 mn



Effective yield on assets & cost of funding



- Challenging interest rate outlook continues to put pressure on the effective yield of liquids
- Non-Legacy book yields remain under pressure mainly due to the sustained low interest rate environment and competition pressure
- Higher-yielding, higher-risk legacy loans are reducing as we successfully exit NPES
- Reduction of cost of deposits continued (down by 1 bps qoq) to 5 bps in Dec 2020

1) Cash, placements with banks, balances with central banks and bonds

2) Other includes funding from central banks and deposits by banks and repurchase agreements. For further details, please see slide 66

3) 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)

4) 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)

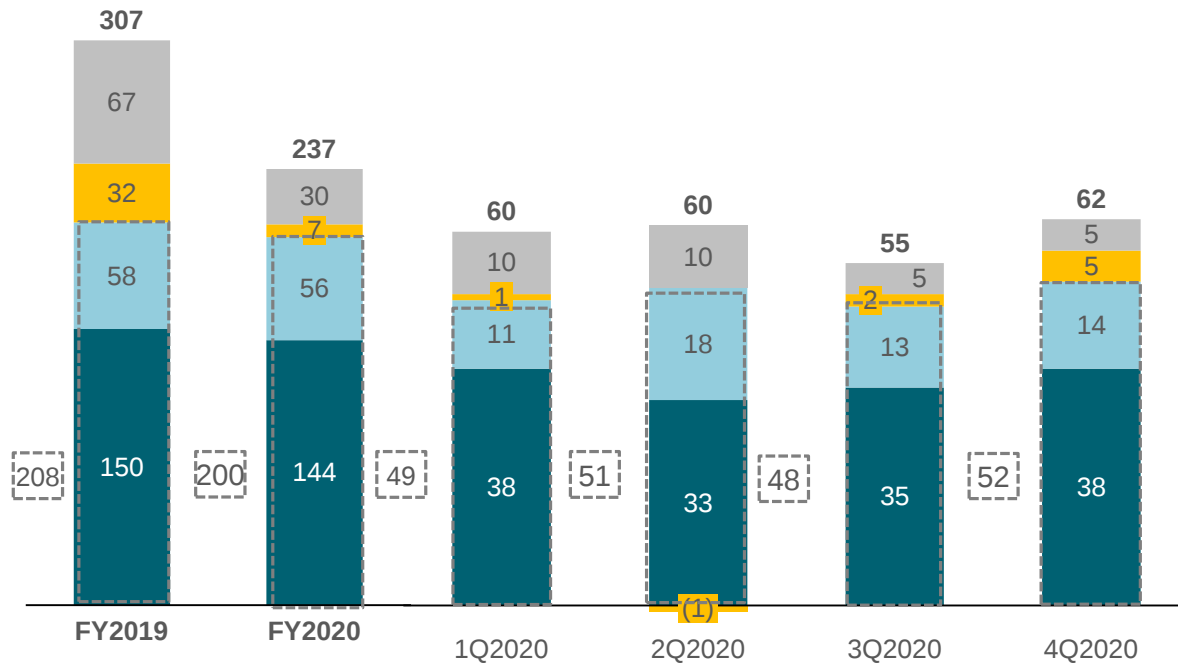
5) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income

Non interest income increased to €62 mn, up 11% qoq

Net fee & Commission % of Total Income

23%	26%	26%	23%	26%	27%
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(€ mn)



Net FX and other income¹
 Insurance income net of insurance claims
 REMU²
 Net fee & commission

 Recurring income

1) Net FX gains/(losses) & Net gains/(losses) on financial instruments, and other income

2) Gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties

- Non interest income for FY2020 reduced to €237 mn driven mainly by lower REMU gains, revaluation gains on financial instruments and other income, negatively impacted by COVID-19
- Net fee and commission income increased to €38 mn due to seasonality, higher non-transactional fees and increased economic activity post 1H2020 lockdown
- Net insurance income at €14 mn broadly flat qoq
- REMU gains² increased to €5 mn in 4Q2020 driven mainly by higher net revaluation gains relating to specific properties in Greece; REMU sales remain volatile
- Net FX and other income¹ at €5 mn flat qoq

Revenue outlook: short-term stabilisation, while building a less capital intensive revenue growth model

- Revenue remains under pressure in the near term following acceleration of balance sheet de-risking; Helix 2 reduces NII by €7 mn per quarter (slide 57); Interest on Net NPEs not received in cash, fully provided
- Multiple initiatives put in place to deliver NII and less capital intensive non interest income with focus on fees, insurance and non-banking business

NII initiatives

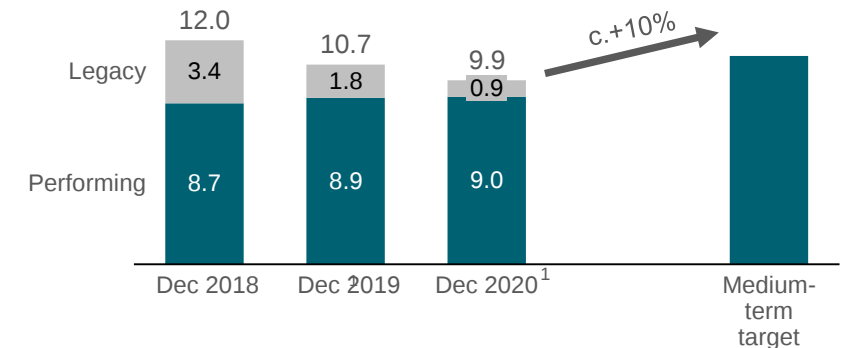
- Grow performing book by c.10% over the medium term
- Grow international and shipping lending
- Efforts to improve credit spreads
- Price away or price correctly deposits through liquidity fees

Fee and commission income initiatives

- Extension of liquidity fees to wider customer group as of February 2021
- Boost fee & commission income through new price list as of February 2021
- Estimated positive impact of c.€13 mn p.a. of the above initiatives
- Increase average product holding through cross selling to under-penetrated customer base
- Introduce Digital Economy Platform to generate new revenue sources, leveraging the Bank's market position, knowledge and digital infrastructure

Performing book to grow by c.10%

Net loans (€ bn)



	FY2020		Medium term
Fee and commission income / Total Assets	c.70 bps	>	c.100 bps
Total Revenues / RWAs	c.5%	>	c.6%
Revenues/Total Assets	c.260 bps	>	c.280bps

1) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction

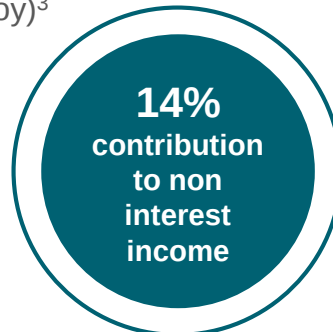
Profitable Life Insurance business with further opportunities to grow



Sustainable healthy profitability in FY2020

€ mn	FY2020	FY2019	yoy%
Total regular income ¹	129	120	7%
(of which GWP ²)	126	119	6%
Costs and claims	(70)	(73)	-4%
Net insurance income	33	35	-6%

- GWP² up 6% yoy, despite challenging environment
- Increased agency force by 17% yoy
- Increased market shares across major products
 - Life & Health Regular Premium Income 24.9% (+1.3% yoy)³
 - Life Regular (individual) New Business 29.5% (+1.6% yoy)⁴
 - AUM 39.0% (+0.6% yoy)³



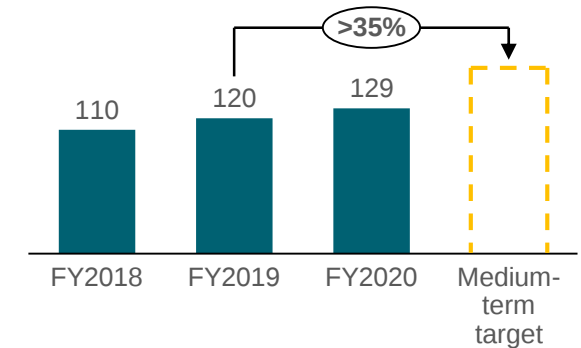
Initiatives underway...

- **Widen target market** by offering more basic and appealing products/services to extend customer base
- **New distribution philosophy** through enhanced agency force to accelerate new business
- **Leverage on Bank's strong franchise and customer base**
- **Improve cost efficiency** through digitalisation capabilities

- 1) Total regular income includes Yearly Renewable Gross Written premiums and occupational pension contributions
- 2) Gross written premium
- 3) As at 31 December 2020 (based on preliminary market statistics)
- 4) As at 30 September 2020

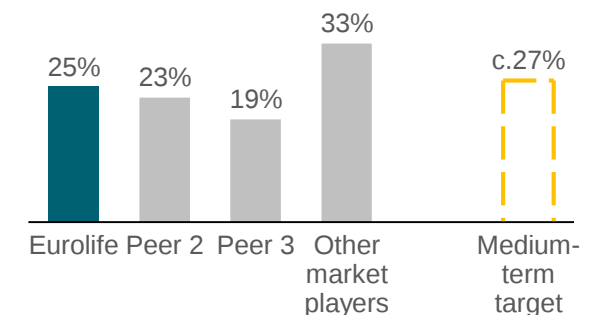
... aiming to improve total regular income¹

€ mn



Market leader³ in Life insurance

Market share (Life & Health regular)



Profitable Non-Life Insurance business with further opportunities to grow



Sustainable healthy profitability in FY2020

€ mn	FY2020	FY2019	yoy%
Insurance income	56	57	-1%
(of which GWP ²)	49	50	-1%
Costs and claims	(33)	(35)	-3%
Net insurance income	23	22	2%

- Net insurance income of €23 mn for FY2020, up 2% yoy driven mainly by the reduction of net claims positively impacted by better claims management and 1H2020 lockdown

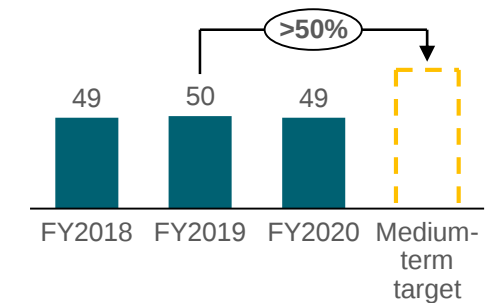


Initiatives underway...

- Focus on high-margin products** (fire and liability) and profitable part of motor segment
- Revamp bancassurance channel**
 - Launch of BOC white-labelled products and use of Bank's digital channels to promote them (mainly motor and fire)
 - Strengthen customer relationship management with commercial customers
- Optimise synergies with life insurance and its sales network**
 - Incentivise Eurolife's agency force for promotion of GIC products
- Enhance digital sales**
 - Launch of new, revamped, user-friendly portals and e-products to enhance sales

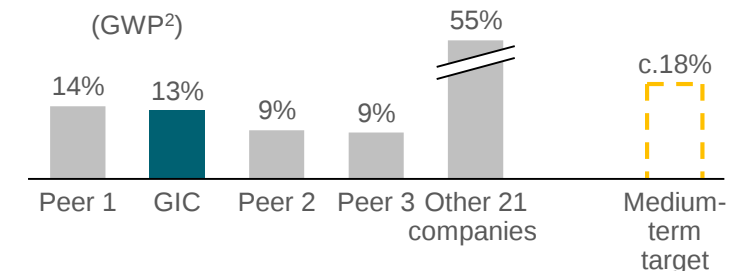


...aiming to further grow GWP² by capturing fair share based on bank customer base



Opportunities for further market penetration

Market share¹ : (GWP²)



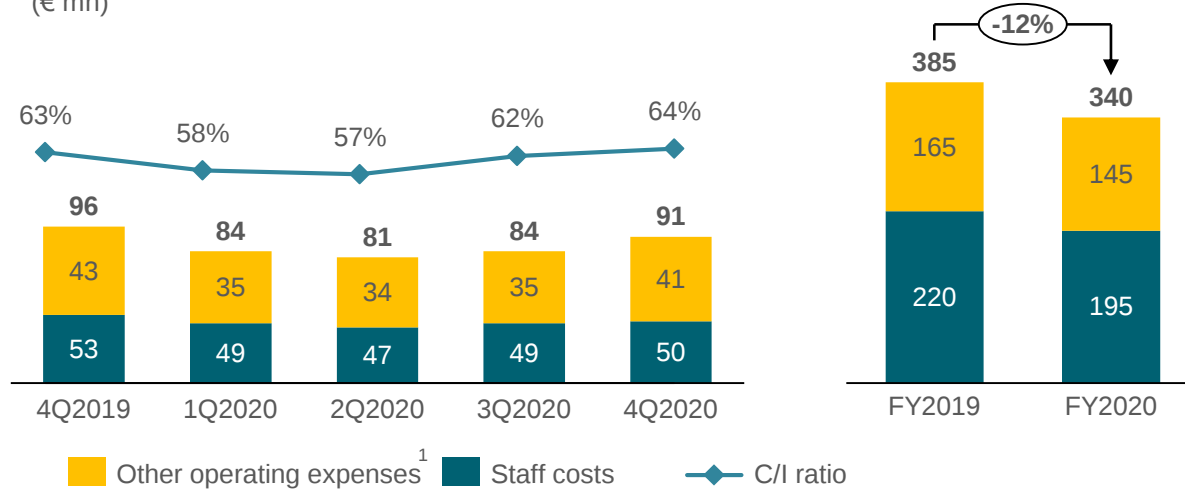
1) As at 31 December 2020 (based on preliminary market statistics)

2) Gross written premium

Total Operating Expenses down 12% yoy

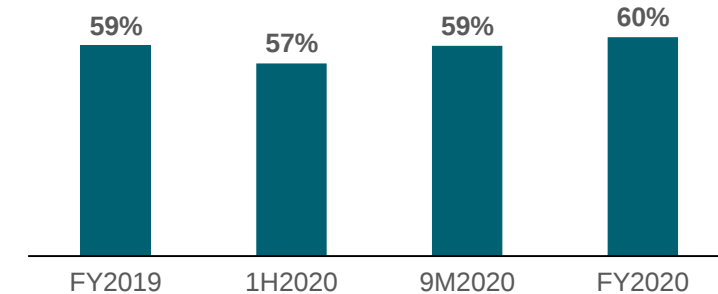
Total operating expenses down 12% yoy

(€ mn)

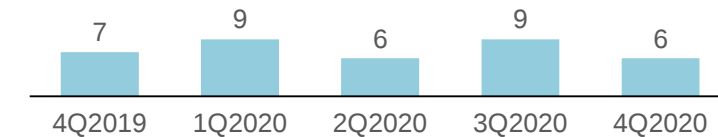


- Staff costs of €195 mn for FY2020, down 11% yoy, reflecting the Voluntary Staff Exit Plan in 4Q2019
- Staff costs of €50 mn for 4Q2020, broadly flat qoq
- Operating expenses of €145 mn for FY2020, down 12% yoy, resulting from focus of management to contain costs and savings from 1H2020 lockdown
- Operating expenses of €41 mn for 4Q2020, up 16% qoq, due to seasonally higher marketing, property and professional fees
- Targeted Voluntary Staff Exit Plan in 4Q2020; total cost of €6 mn with a gross saving of c.€2 mn p.a. (1%)
- C/I ratio of 60%¹ for FY2020 broadly flat yoy despite cost reduction, as revenues remain under pressure

Cost to income ratio¹ at 60% for FY2020, broadly flat yoy



Special Levy and contributions to SRF and DGF (€ mn)



- Special levy and contributions to SRF and DGF for 4Q2020 reduced to €6 mn due to the seasonality of Deposit Guarantee Fund (contribution)

1) Excluding Special Levy and contributions to SRF and DGF

Cost outlook and drivers

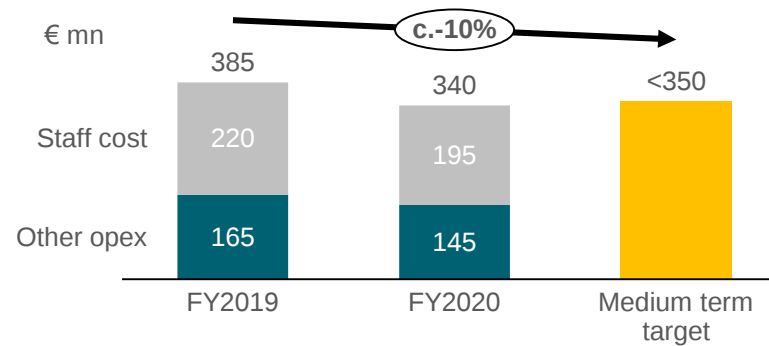
Initiatives

- Exit solutions to release FTEs
- Further branch footprint rationalisation
- Contain restructuring costs following completion of balance sheet de-risking
- Enhance procurement control
- Reduction of total operating expenses¹ by c.10% over the medium term despite inflation

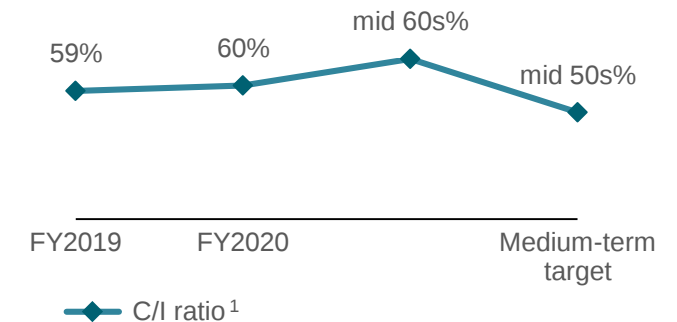
2021 Outlook

- C/I ratio¹ expected to rise in the near term as revenues remain under pressure and operating expenses increase due to higher IT/digitisation investment costs
- C/I ratio¹ to reduce to mid 50s% in the medium term

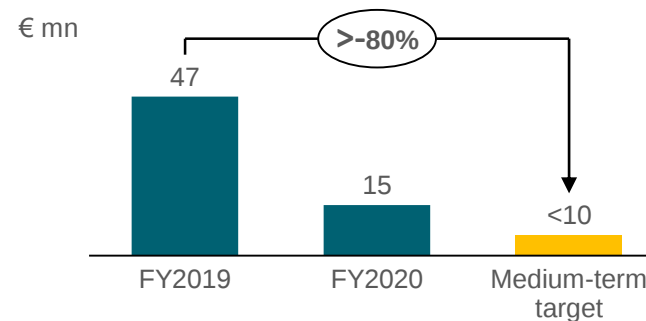
Reduction of total operating expenses¹ by c.10%



C/I ratio¹ expected to rise to mid 60s% before improving in the medium-term



Reduction of restructuring expenses to single digit as we successfully complete de-risking

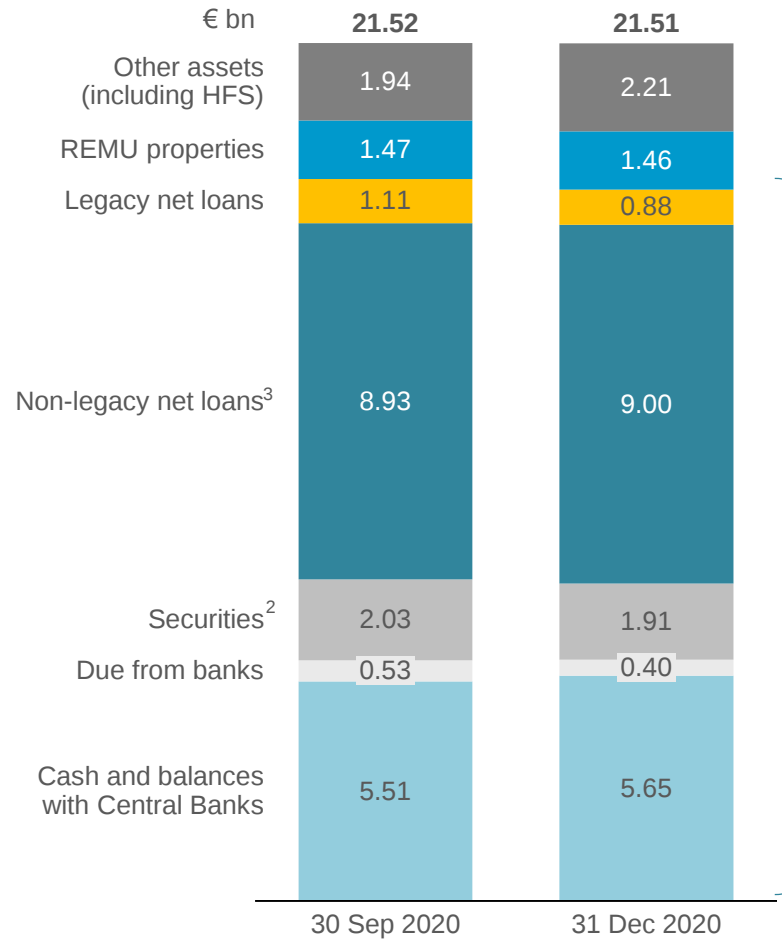


1) Excluding Special Levy and contributions to SRF and DGF

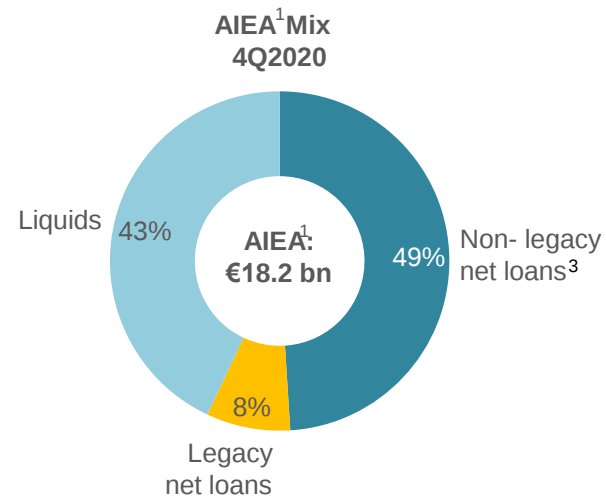
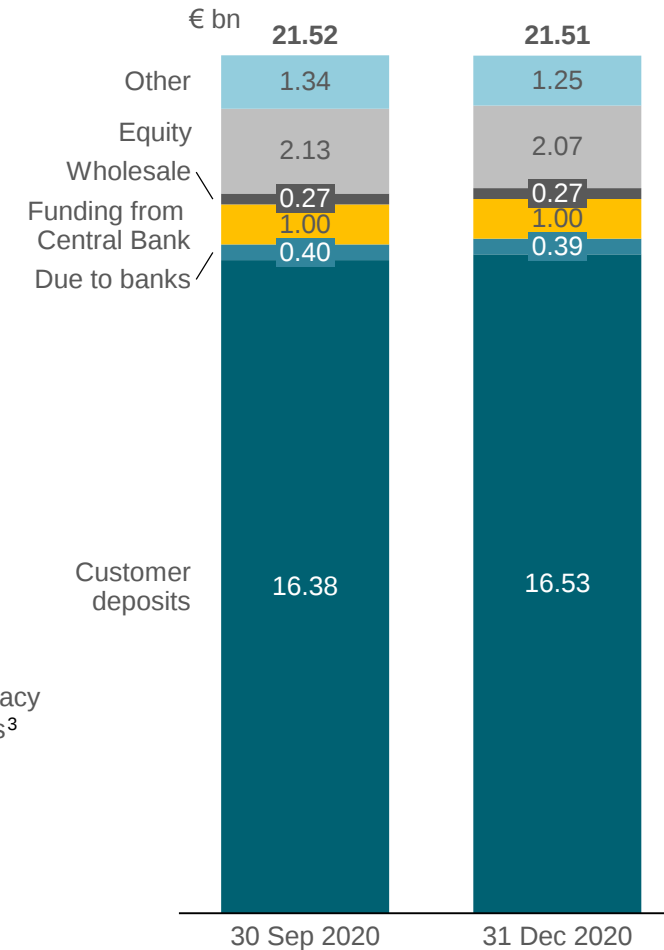
Balance Sheet

Balance sheet composition

Total assets



Total equity & liabilities

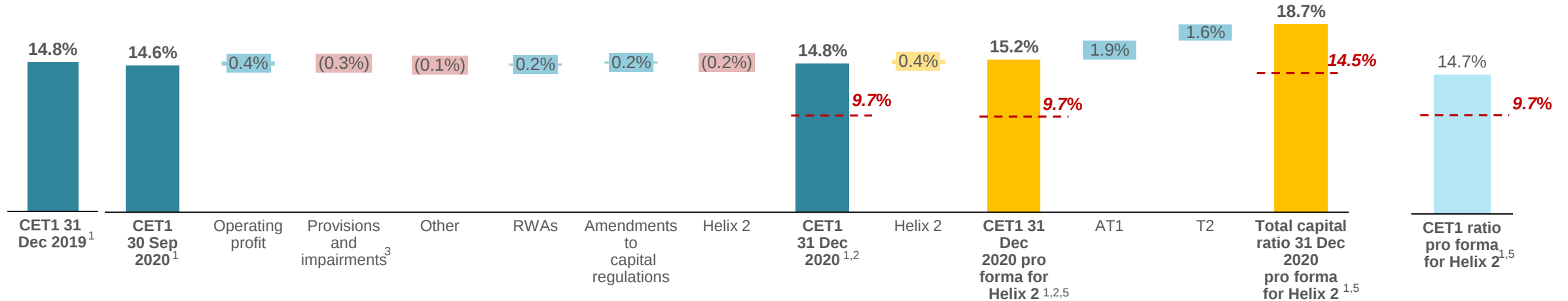


1) AIEA: Average Interest Earning Assets. Please refer to slide 74 for the definition
 2) Debt securities, treasury bills and equity investments
 3) Net loans of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O

CET1 at 15.2% pro forma for Helix 2⁵

----- min OCR (SREP) requirement for 2020 post ECB Announcement ⁴

Capital position
1 January 2021



- CET1 ratio¹ **positively** impacted by:

- c.40 bps organic capital generation from operating profitability
- c.20 bps capital benefit from amendments to capital regulations in relation to prudential treatment of software assets and IFRS 9 dynamic component
- c.20 bps from release of RWAs

- CET1 ratio¹ **negatively** impacted by:

- c.30 bps from provisions and impairments

- Onsite inspection and review by the SSM on the stock of REMU properties completed. Findings relating to a prudential charge of up to 46 bps, the majority of which is expected to be taken at 30 Jun 2021, depending on the Bank's progress in disposing the properties impacted by the prudential charge
- The Group is currently evaluating opportunities for a potential **Tier 2 capital transaction** given the terms and maturity profile of the Bank's existing €250 mn 10NC5 Tier 2 notes, subject to market conditions and applicable regulatory authorisations. Separately the Group continues to evaluate opportunities to initiate its **MREL issuance** as part of its overall capital and funding strategy

1) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements

2) The CET1 ratio for 31 December 2020, including the full impact of IFRS 9 and the temporary treatment for certain FVOCI instruments amounted to 12.9% and 13.3% pro forma for Helix 2

3) Loan credit losses and other impairments include the net change of the prudential charges relating to specific credits and other items

4) OCR(SREP)- Overall Capital Requirement comprises the Total SREP Capital Requirement (Pillar 1 and Pillar 2 Requirement) plus combined buffer requirements (capital conservation buffer, countercyclical buffer and systemic buffers)

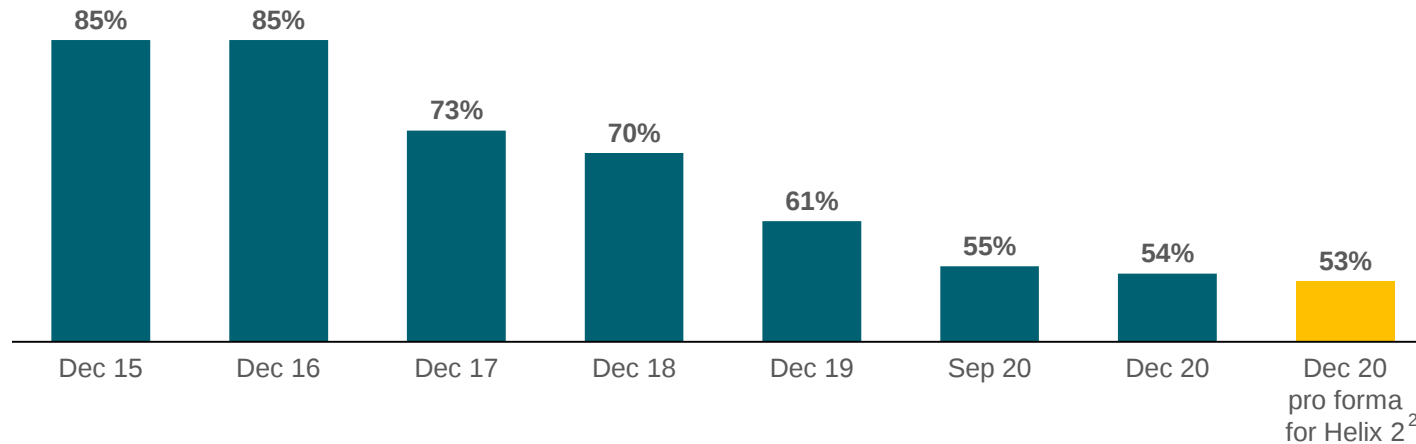
5) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction

RWA intensity¹ reduced to 53%²

RWAs reduced by €1.5 bn yoy

RWAs	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19	Sep 20	Dec 20	Helix 2	Helix 2 DPP ³	Pro forma ²
€ bn	19,666	18,865	17,260	15,373	12,890	11,888	11,635	(636)	381	11,380

RWA intensity¹ decreased to 53%²



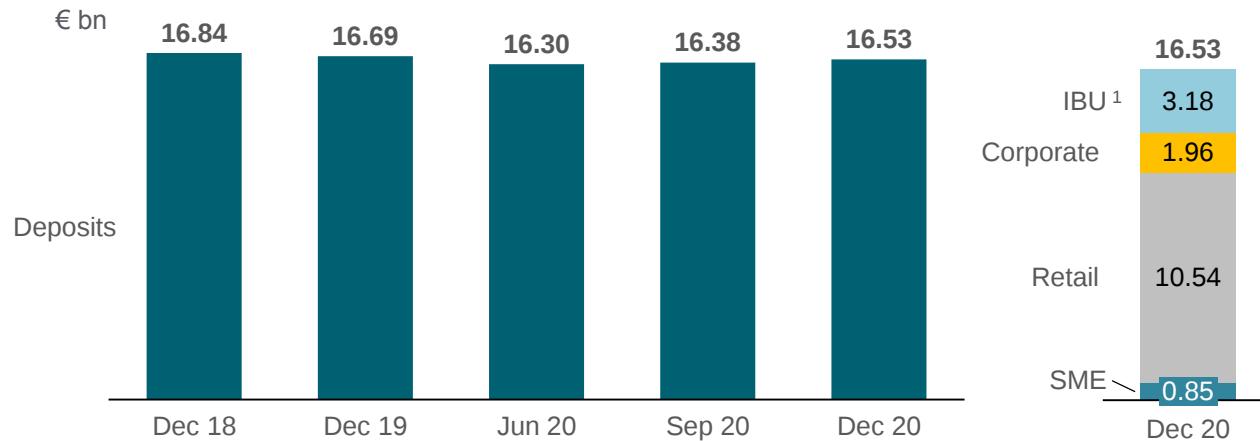
- RWA is reduced by €250 mn reflecting mainly lower operational risk
- RWA intensity¹ decreased to 53% pro forma for Helix 2², down 8 p.p. yoy
- Release of RWA from Helix 2 is largely offset by the Deferred Purchase Price (DPP)

(1) Risk Weighted Assets over Total Assets

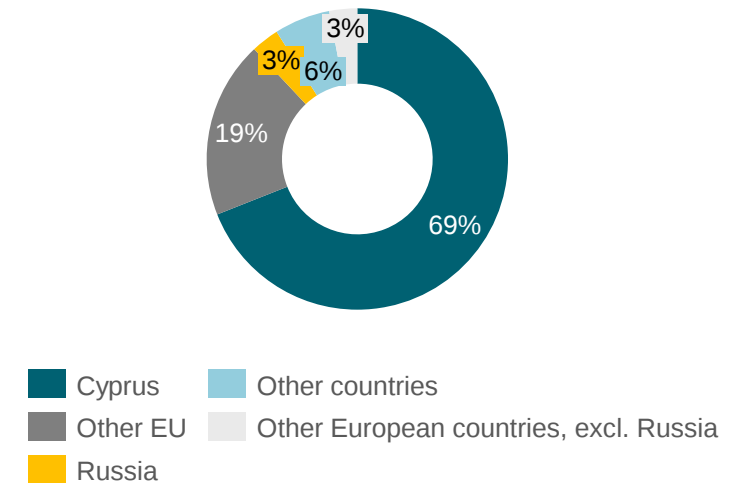
(2) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction

(3) Deferred Purchase Payment

Deposits at €16.5 bn broadly flat qoq



Cyprus deposits by passport origin³



Significant surplus liquidity of €4.2 bn

Liquidity ratio	Minimum required	30 Dec 2020	Surplus
LCR (Group)	100%	254%	€4,213 mn
NSFR ²	100%	139%	€4,751 mn

- Strong deposit market share of 35% as at 31 Dec 2020
- Flexibility to operate below 100% LCR limit at least until end 2021

1) Servicing exclusively international activity companies registered in Cyprus and abroad and not residents

2) The NSFR has not yet been introduced. The NSFR is calculated as the amount of "available stable funding" (ASF) relative to the amount of "required stable funding" (RSF), on the basis of Basel III standards. Its calculation is a SREP requirement. The EBA NSFR will be enforced as a regulatory ratio under CRR II in June 2021

3) Origin is defined as the country of passport by the Ultimate Beneficiary Owner

Asset Quality

€1.4 bn NPE sales agreed since Dec 2019, reducing NPE ratio to 16%¹

Helix 2 Portfolio B

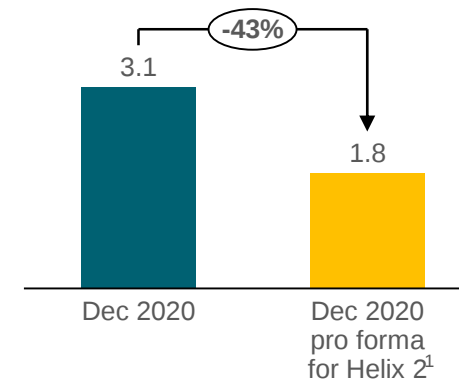
- Agreement for the sale of €529 mn NPEs (with reference date 30 Sep 2020) in Jan 2021
- Gross consideration of 44% of gross book value (based on 30 Sep 2020) and 31% of contractual balance³, payable in cash, of which 50% is deferred unconditionally up to Dec 2025
- Loss of €27 mn recorded in 4Q2020

Helix 2 Portfolio A

- Agreement for the sale of €886 mn NPEs (with reference date 30 Jun 2020) in Aug 2020
- Gross consideration of 46% of gross book value (based on 30 Jun 2020) and 29% of contractual balance³, payable in cash, of which 65% is deferred unconditionally to 3 broadly equal instalments over 48 months
- Loss of €68 mn recorded in 2Q2020

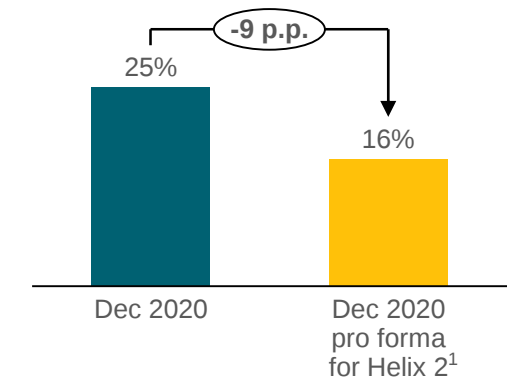
43% NPE reduction

NPEs (€ bn)

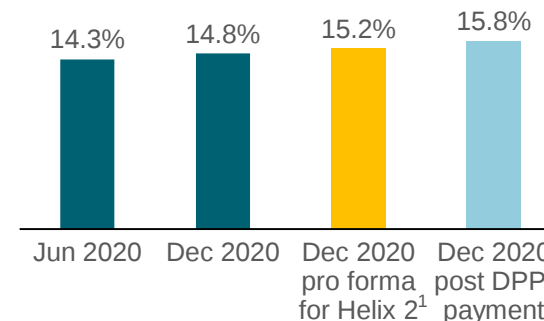


9 p.p. reduction in NPE ratio

NPE ratio



CET1 ratio at 15.2%² pro forma for Helix 2¹



Total CET1 impact +24 bps:
 -76 bps already included in FY2020
 +34 bps on completion
 +66 bps upon full payment of deferred consideration

(1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

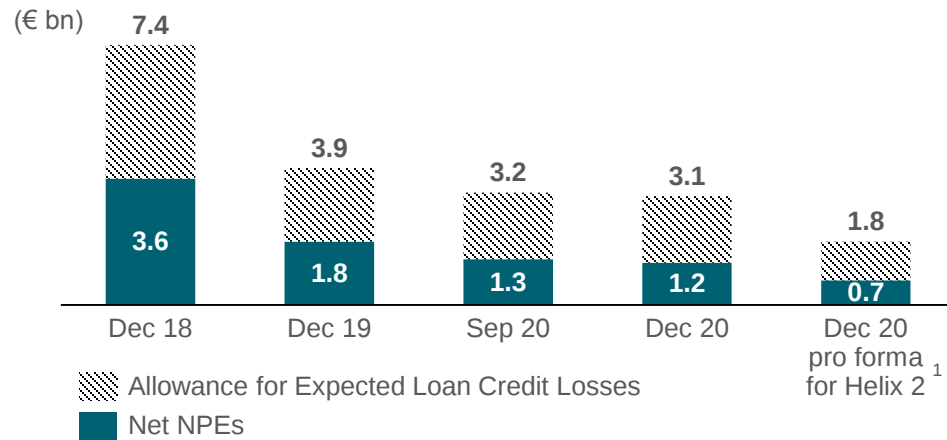
(2) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements

(3) As at 30 September 2019

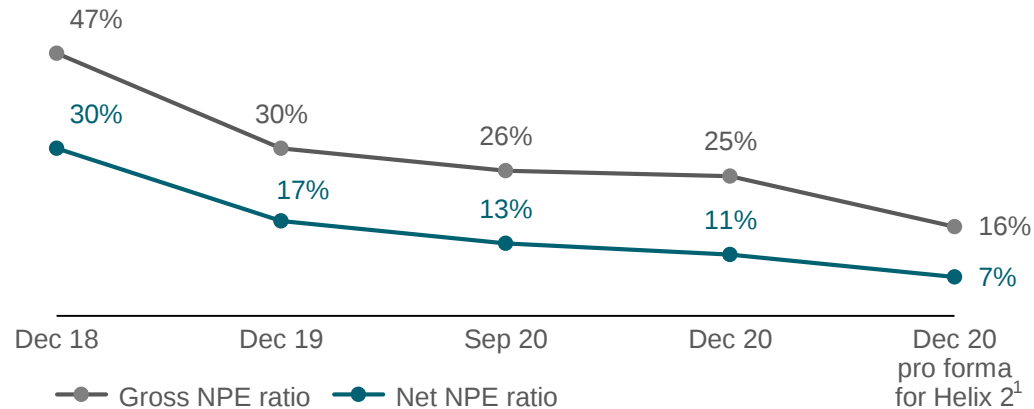
(4) Deferred Purchase Price

NPE ratio reduced to 16% pro forma for Helix 2; Coverage maintained at 59%

€2.1 bn NPE reduction in FY2020 pro forma for Helix 2¹

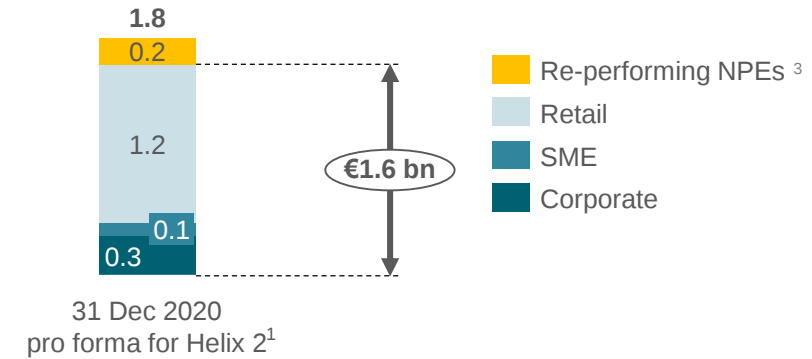


Gross NPE ratio reduced to 16%; 7% on a net basis

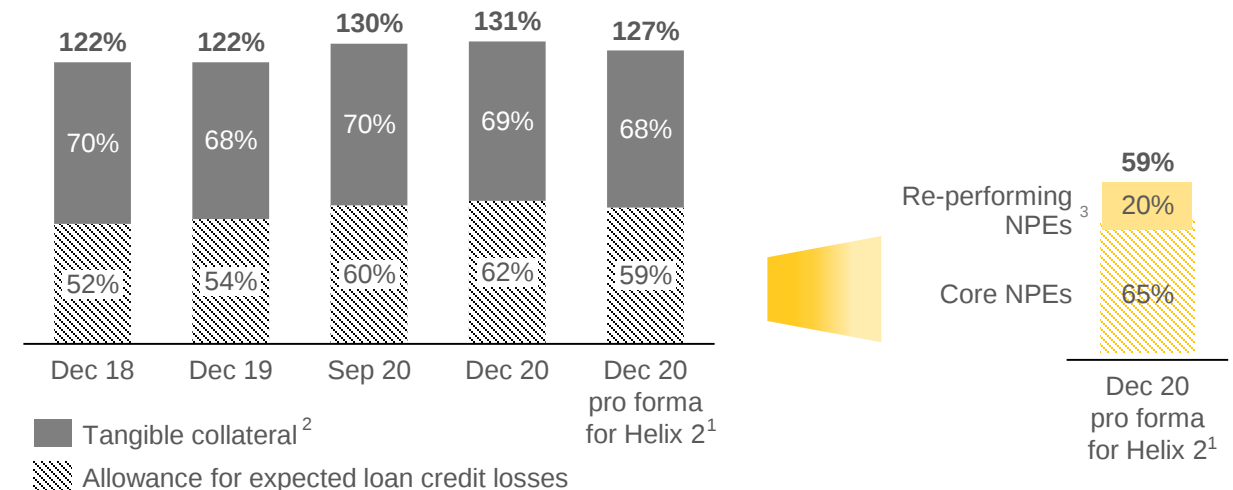


- 1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
 2) Restricted to Gross IFRS balance
 3) In pipeline to exit NPEs subject to meet all exit criteria; the analysis is performed on a customer basis (formerly called Non-core NPEs)

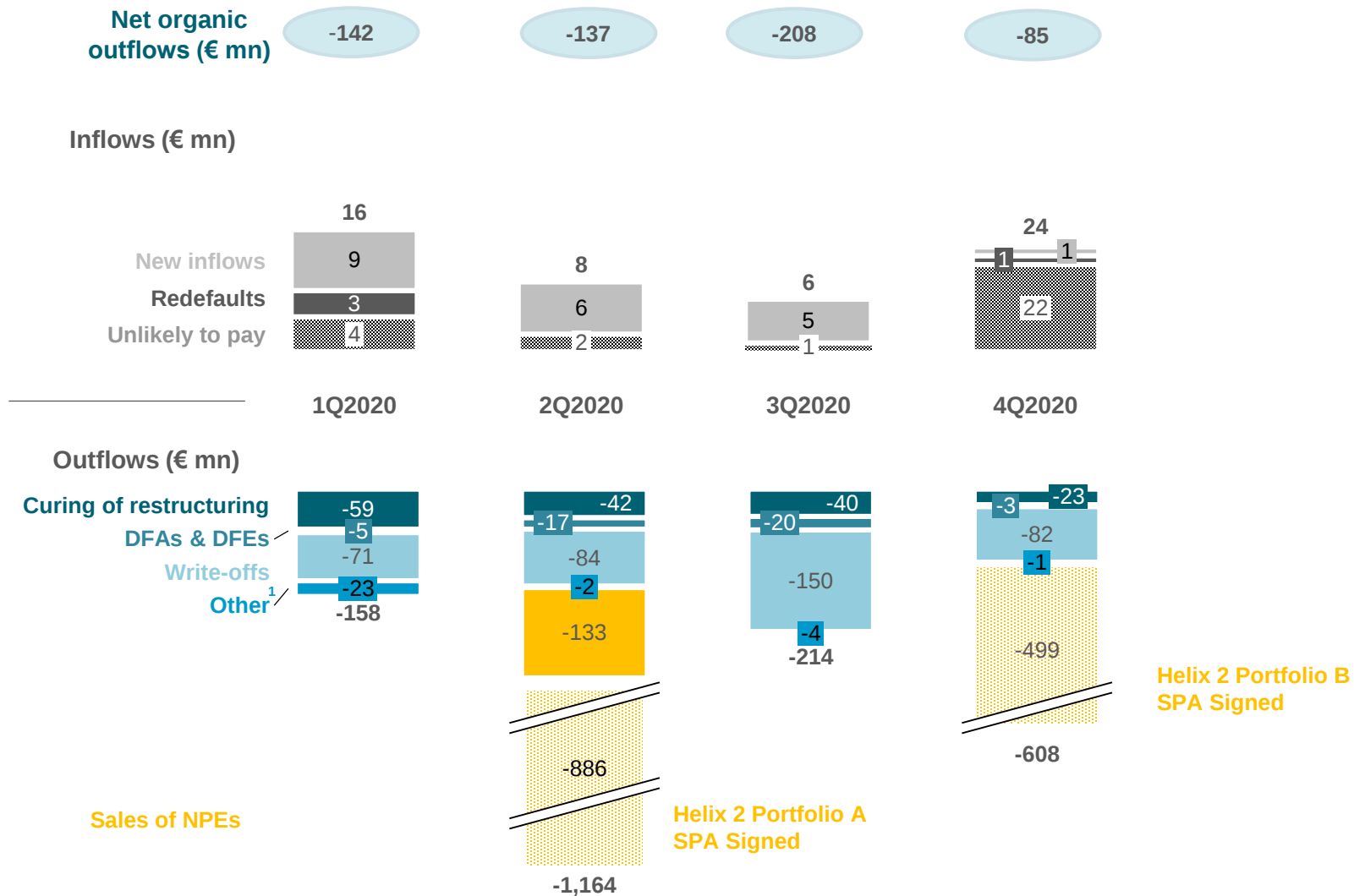
Residual NPEs comprises mainly Retail



NPE coverage maintained at 59% post Helix 2



€109 mn organic NPE outflows in 4Q2020, leading to €85 mn organic NPE reduction

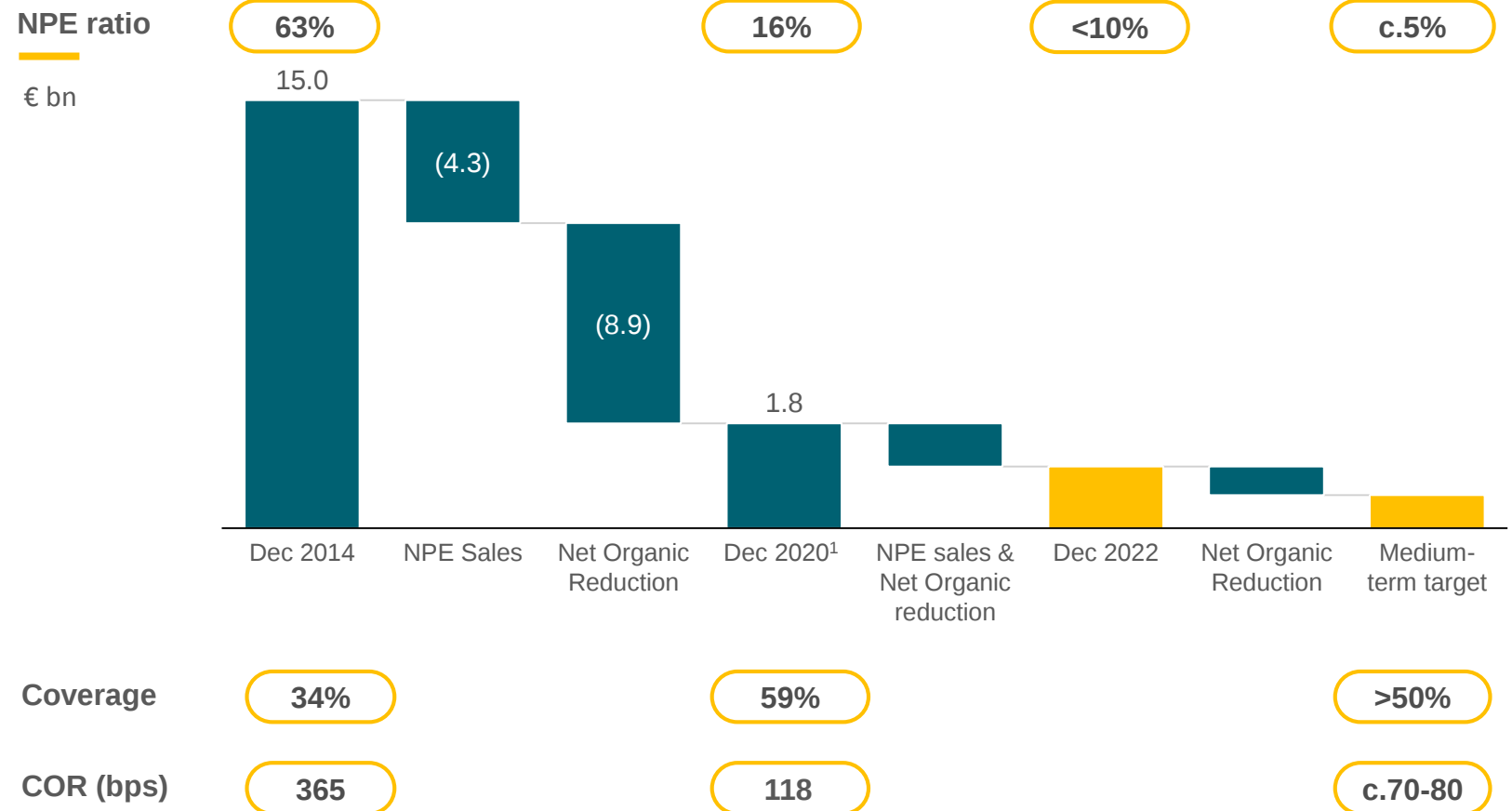


- €22 mn marked as UTP in 4Q2020, arising from the completion of campaign review of the loans under payment deferrals until Dec 2020
- Organic NPE reduction of €0.6 bn for FY2020
- Additionally there were €67 mn NPE reduction relating to NPE sales lockbox (3Q2020: €22 mn)
- NPE sales reduce NPEs further by €1.5 bn

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

De-risking: Clear path to reduce NPE ratio to single digit by 2022

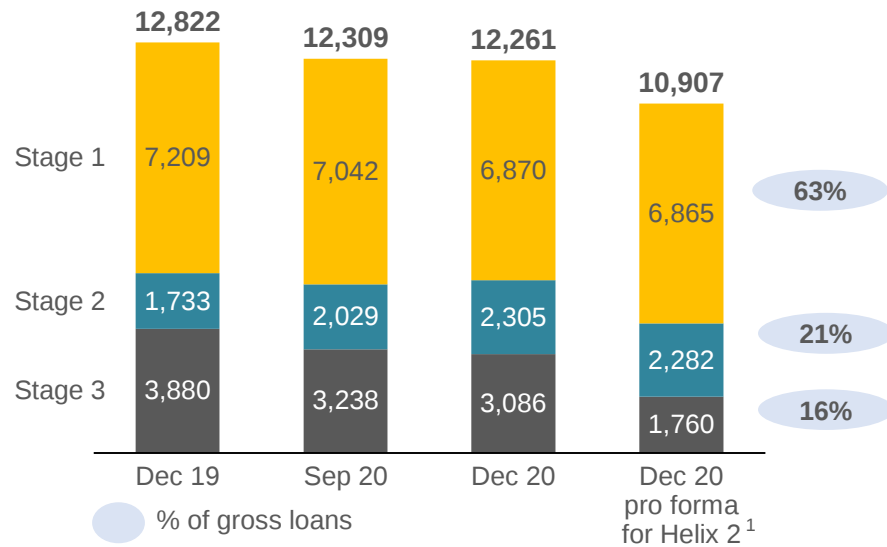
- Gross NPE reduction in 2021, through both organic and inorganic actions, expected to more than offset NPE inflows
- Continue to assess potential to accelerate NPE reduction through additional NPE sales



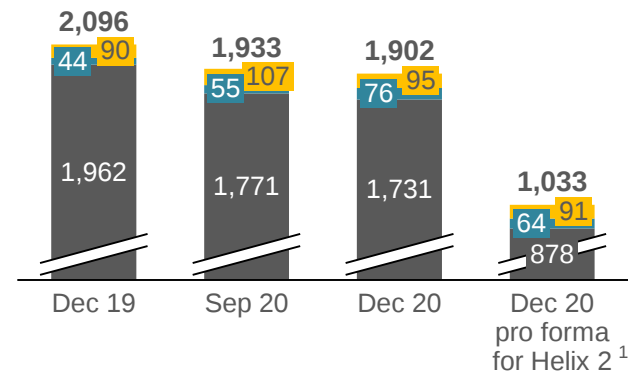
1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Gross loans and coverage by IFRS 9 staging

Gross loans by IFRS 9 stage (€ mn)



Allowance for expected loan credit losses (€ mn)



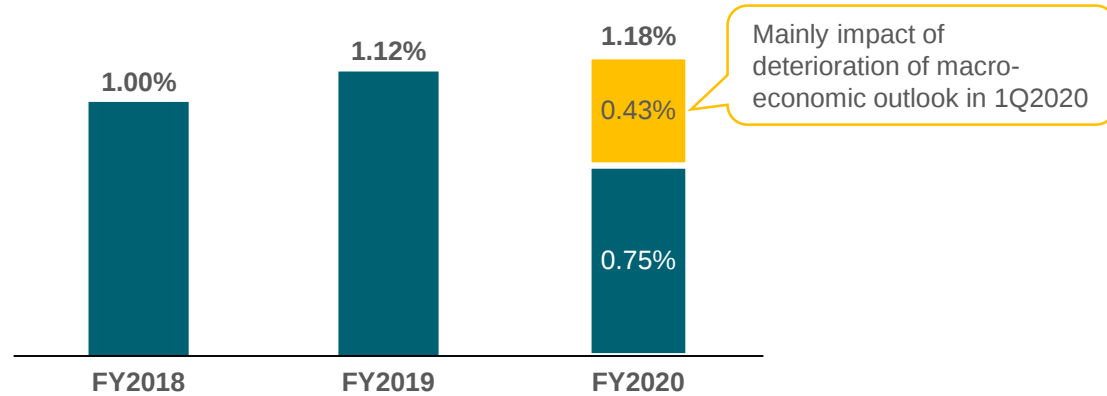
Coverage ratio

	Dec 19	Sep 20	Dec 20	Dec 20 pro forma for Helix 2 ¹
Stage 1	1.2%	1.5%	1.4%	1.3%
Stage 2	2.5%	2.7%	3.3%	2.8%
Stage 3	50.6%	54.7%	56.1%	49.9%

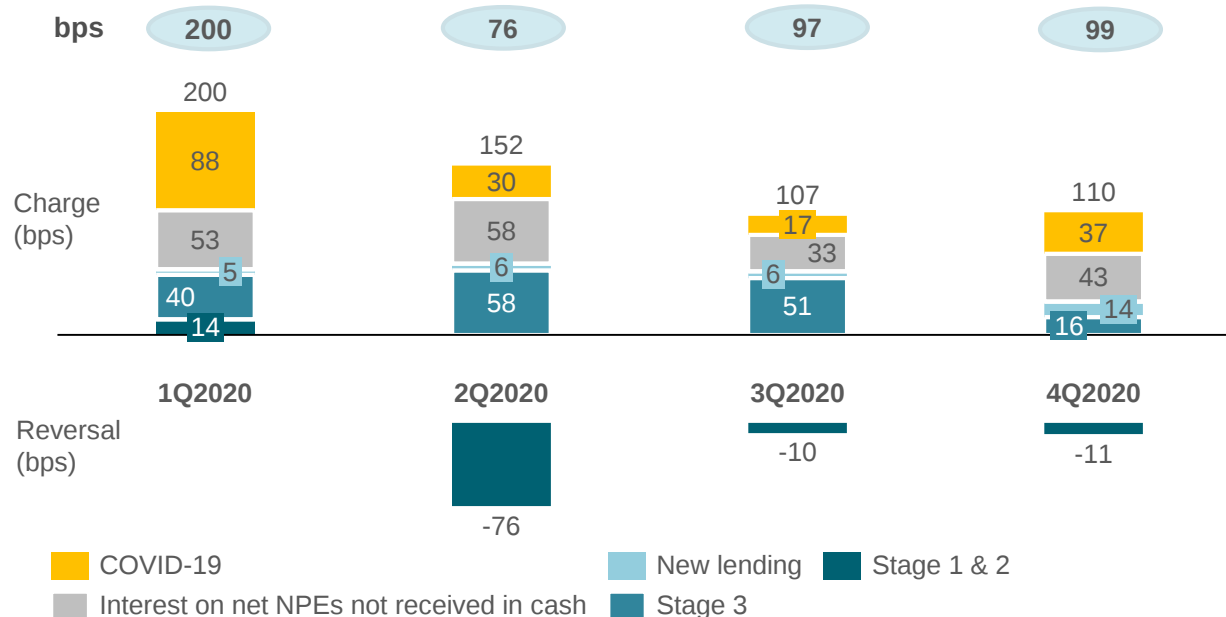
- Coverage for stage 3 loans remains at c.50% post Helix 2
- Net transfer of c.€300 mn loans from stage 1 to stage 2 as a result of the significant increase in credit risk and management overlays
- €22 mn marked as UTP in 4Q2020, arising from the completion of campaign review of the loans under payment deferrals until December 2020

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Cost of risk¹ of 118 bps for FY2020, as expected



Base line	GDP rate	Unemployment rate
2020	-5.8%	7.1%
2021	4.0%	7.4%
2022	3.9%	6.3%



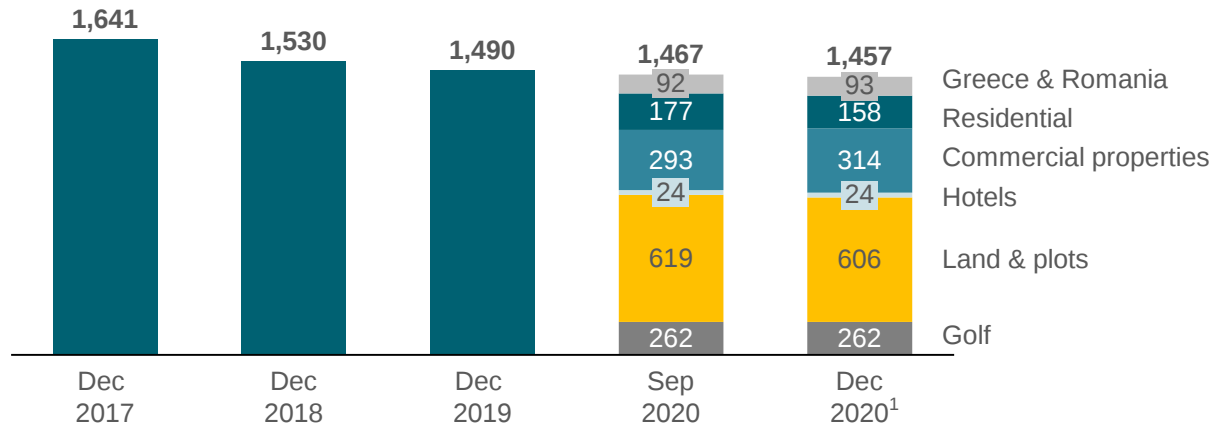
- Cost of risk of 118 bps for FY2020 (€149 mn), of which 43 bps (€54 mn) reflect the impact of IFRS 9 Forward Looking Information (FLI) driven by deterioration of macroeconomic outlook recognised in FY2020
- Cost of risk of 99 bps for 4Q2020 (€31 mn), of which 37 bps (€11 mn) COVID-19 related
- Interest on net NPEs not received in cash, fully provided (€13 mn in 4Q2020)

1) Loan credit losses on customer loans including off-balance sheet exposures, net of gains/(losses) on derecognition of loans and advances to customers and change in expected cash flows over average gross loans

REMU: Asset disposal strategy tackles both value and volume of assets

REMU stock broadly flat at c.€1.5 bn

Group BV (€ mn)



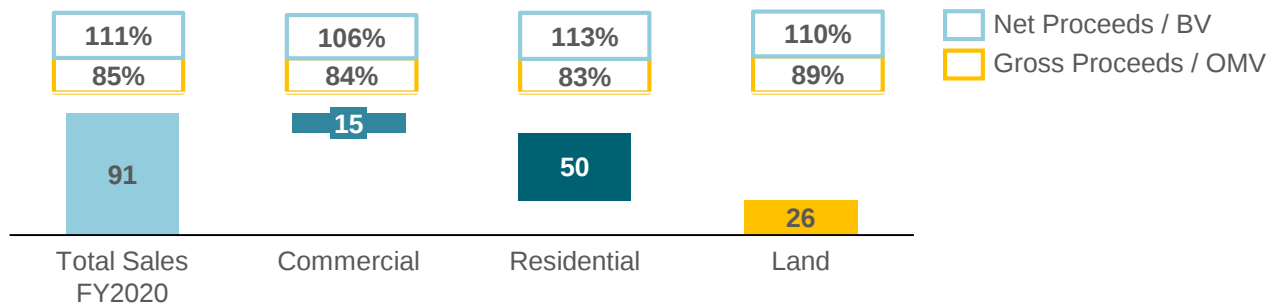
c.€1.1 bn REMU sales (Book Value) since 2017

Group BV (€ mn)



€91 mn sales in FY2020, comfortably above Book Value

Sales contract prices² – Organic (€ mn)



- FY2020 sales impacted by 1H2020 lockdown
- Asset disposals across all property classes
- Visible pipeline for €53 mn (SPAs signed) as at 31 Dec 2020
- Offers accepted for €28 mn as at 31 Dec 2020

1) In addition to assets held by REMU, properties classified as "Investment properties" with carrying value of €21 mn as at 31 December 2020 relate to legacy properties

2) Amounts as per Sales purchase Agreements (SPAs)

3) Additions include €21 mn transfer from own properties

4) Stock of property with a carrying value of €59 mn as at 31 December 2020 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)

Organizational resilience & ESG agenda: ESG Performance

Environmental



1.35 mn kWh
of energy savings



€0.6 mn
investment in energy-saving



1,929 tones
paper recycled

Social



2,332
cancer patients treated at the Bank of Cyprus Oncology Centre



€285k
raised for the Cyprus Anti-Cancer Society



c.€70 mn
cumulative investment for the Bank of Cyprus Oncology Centre

Governance



33%
of the board of directors are female



48
internal audits finalised



3,813
customer relationships suspended for compliance reasons

People



>3,500
employees



>57 ths
hours of training conducted



95%
of employees received feedback during interim performance assessments

Responsible services



€5.9 bn
loans (>25k customers) under payment holiday expired



c. €1.4 bn
new lending for FY2020



84%
of total transactions are through digital channels



75%
of customers are digitally engaged

#SupportCy¹ Network Initiative



€302k
contributions to education



€116k
contributions to health services



€191k
contributions to welfare

Data for the period 1 January 2020 to 31 December 2020

1) #SupportCY is a network of 93 companies and NGOs, initiated by Bank of Cyprus, during March 2020, with the aim to support the public services performing frontline duties during the Pandemic and the Society, in general

Leverage leading Digital Capabilities to serve customers and the economy

Vision

Leverage technology to sustain a competitive advantage through digital banking

Serve customer needs anywhere and at any time, through an agile technology ecosystem

Be the driver of digital economy, in support of national efforts for structural economic reform

Creating shareholder value

- Improving operational efficiency through:
 - further automation
 - further branch rationalisation
- Opportunities to cross-sell through:
 - modelling customers' needs and behaviours
 - offering tailored products and services



Digital Transactions ratio¹

Dec 2019	Dec 2020
77.4%	84.4%



Digitally Engaged² Customers

Dec 2019	Dec 2020
68.6%	74.7%



Average mobile logins per month

Dec 2019	Dec 2020
16.8x	20.2x



Active users of Internet and/or Mobile Banking

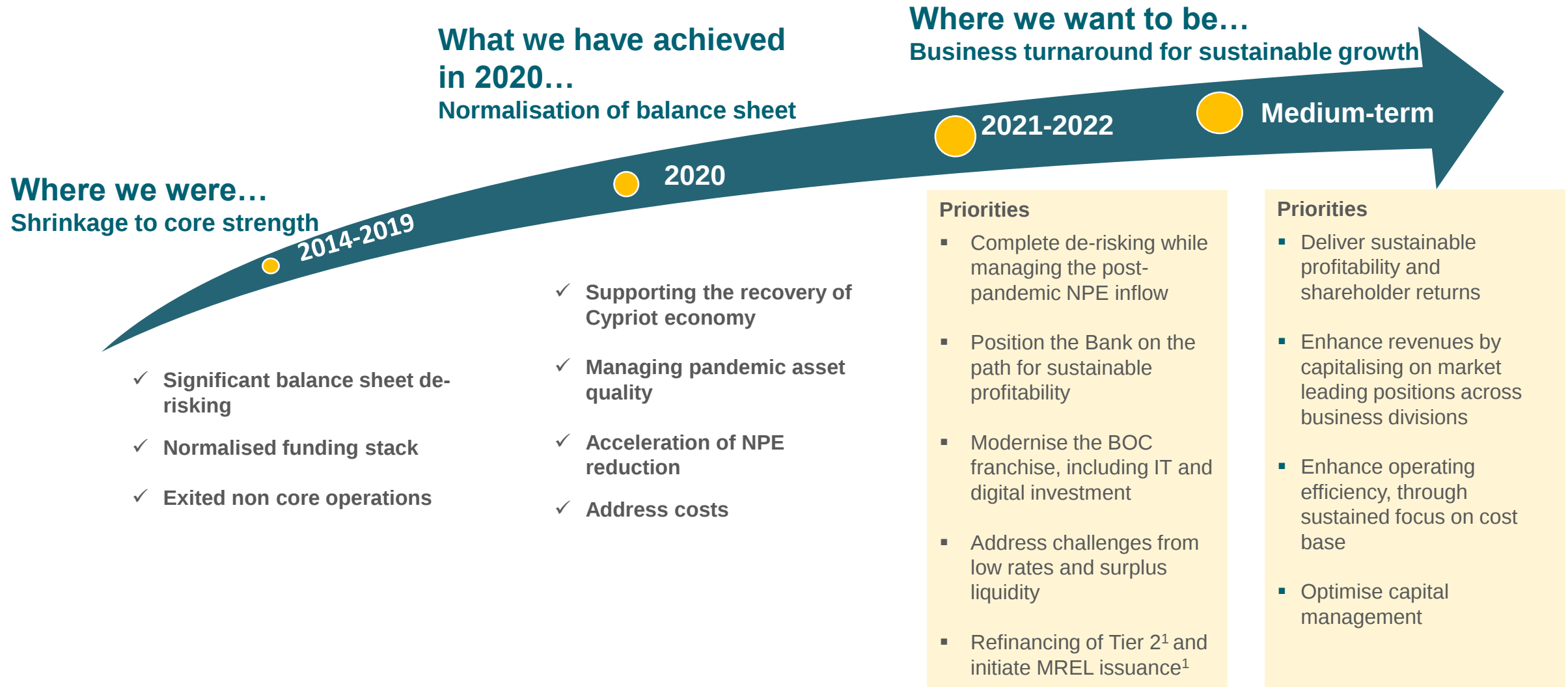
Dec 2019	Dec 2020
249k	292k

¹) This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs

²) 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

Medium Term Outlook

Our journey



1) Subject to market conditions

Medium-term strategic targets

		<u>2022</u>	<u>Medium Term</u>
<u>Profitability</u>		Return on Tangible Equity (ROTE) ¹	c.7%
		Total Operating Expenses ²	<€350 mn
<u>Asset Quality</u>		NPE Ratio	<10%
		Cost of risk	c.70-80 bps
<u>Capital</u>		Supported by CET1 ratio of _____ at least 13% _____	

1) ROTE is calculated as Profit after Tax divided by (Shareholders' equity minus Intangible assets)

2) Total operating expenses comprise staff costs and other operating expenses. Total operating expenses do not include the special levy or contributions to the Single Resolution Fund (SRF) or Deposit Guarantee Fund (DGF) or any advisory or other restructuring costs

Key Information and Contact Details

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Credit Ratings

Standard & Poor's Global Ratings:

Long-term issuer credit rating: Affirmed at "B+" on 16 July 2020 (stable outlook)

Short-term issuer credit rating: Affirmed at "B" 16 July 2020

Fitch Ratings:

Long-term Issuer Default Rating: Affirmed at "B-" on 29 January 2021 (negative outlook)

Short-term Issuer Default Rating: Affirmed at "B" on 29 January 2021

Viability Rating: Affirmed at "b-" on 29 January 2021

Moody's Investors Service:

Baseline Credit Assessment: Affirmed at "caa1" on 10 November 2020

Short-term deposit rating: Affirmed at "Not Prime" on 10 November 2020

Long-term deposit rating: Affirmed to "B3" on 10 November 2020 (positive outlook)

Counterparty Risk Assessment: Affirmed at B1(cr) / Not-Prime (cr) on 10 November 2020

Listing:

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

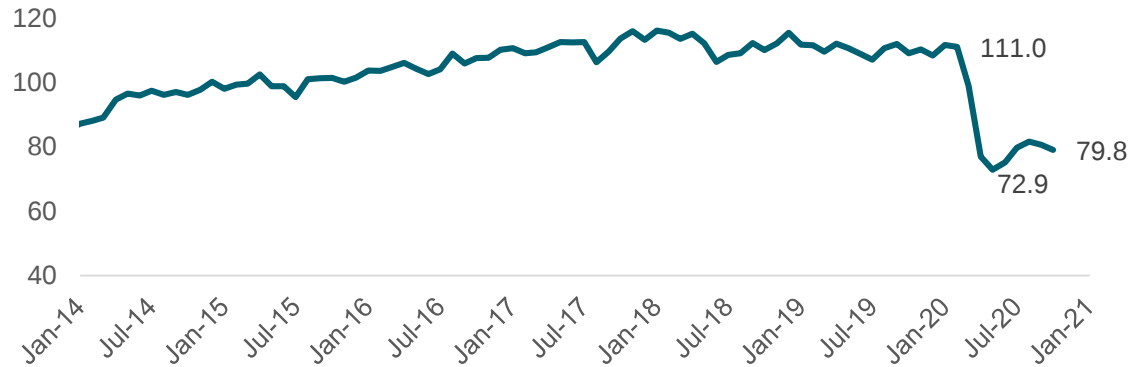
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APPENDIX

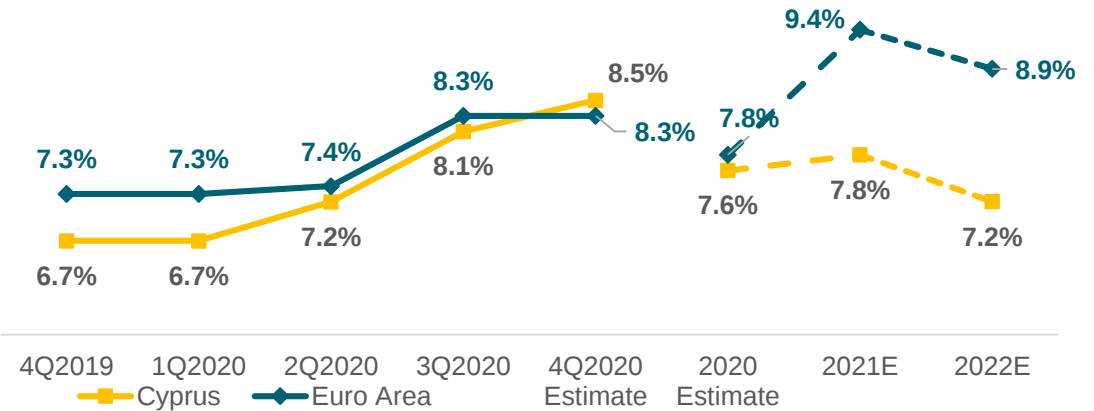
Macroeconomic overview

Cypriot economy more resilient than anticipated earlier in the year

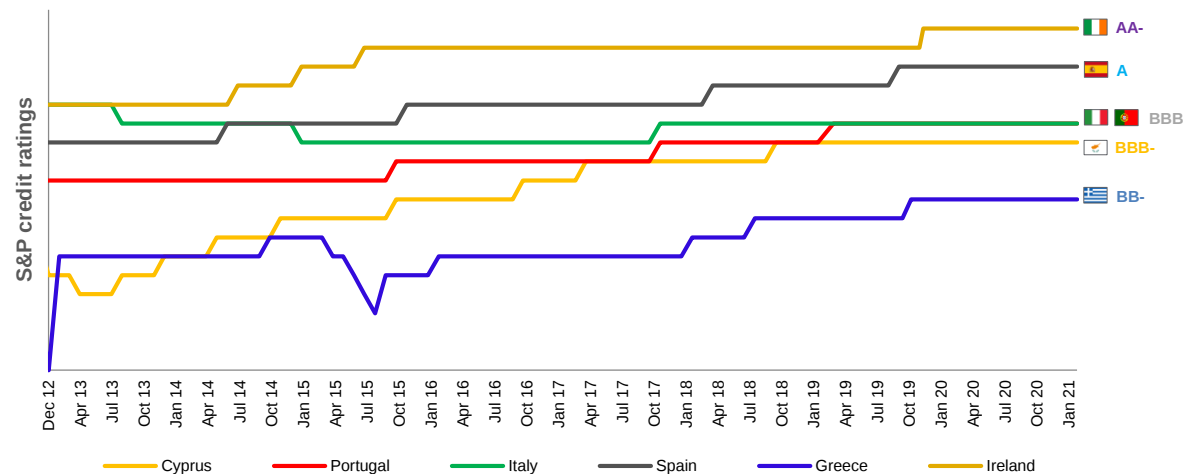
Economic sentiment remains volatile and reflects COVID-19 uncertainty



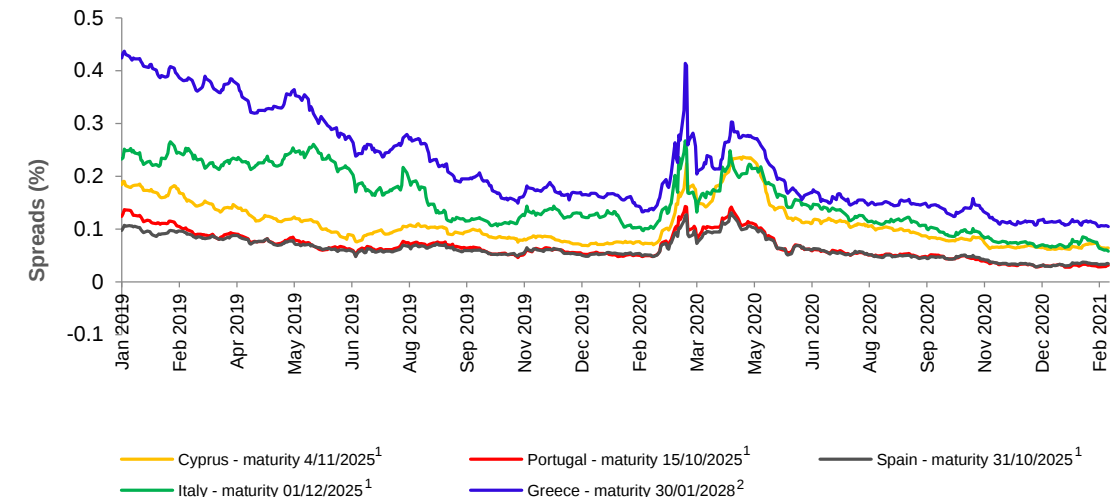
Unemployment rate increased to 8.5% in 4Q2020



Cyprus maintains investment grade



Tightening of spreads as market confidence improves



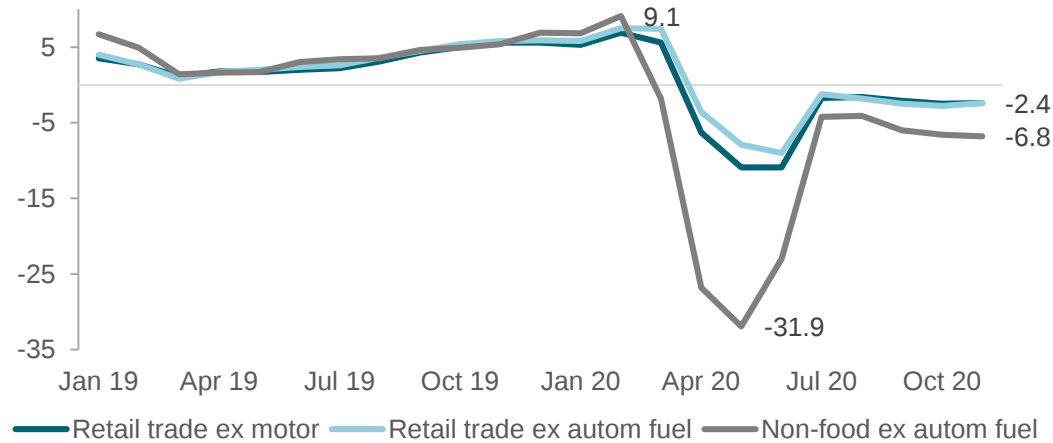
SOURCE: Statistical Service of Republic of Cyprus; Bloomberg, Economics Research Centre of University of Cyprus and Eurostat
1) Normalised against Germany Government bond with maturity 15/8/2025 except Greece

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

Economic activity improving since easing of restrictions

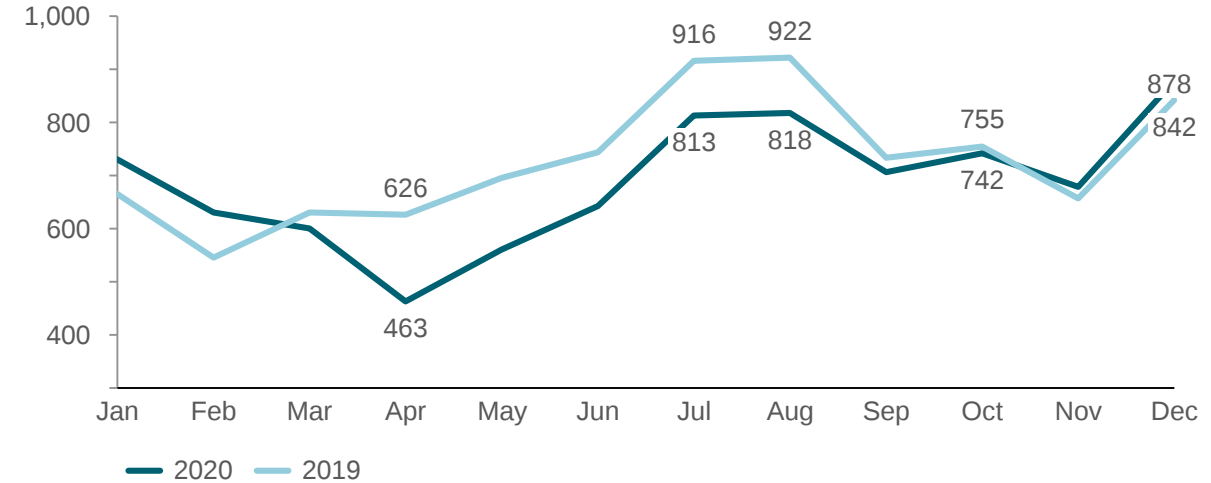
Retail sales stabilising

Retail trade volume % change -3m average



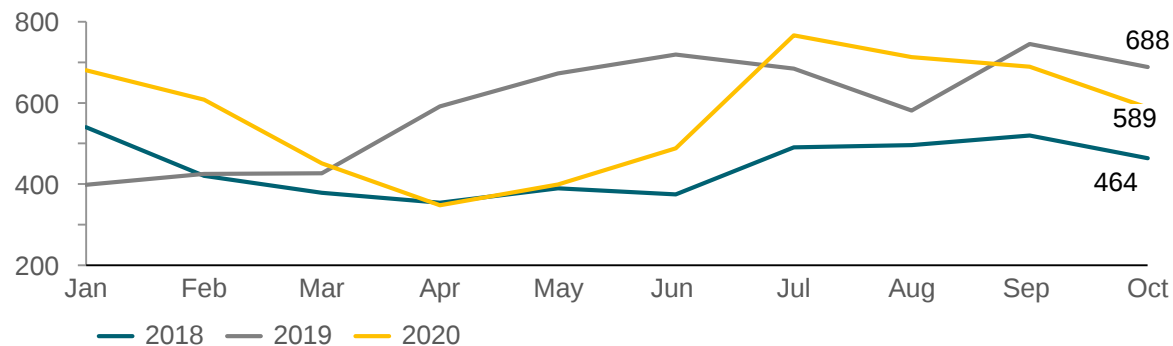
Card spending rebounded, having hit low in April 2020

ths



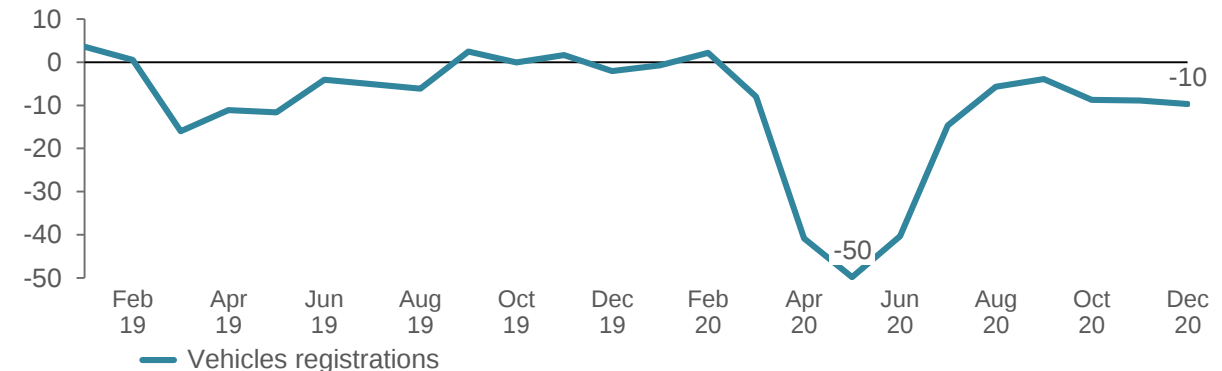
Volume of building permits shows signs of recovery- yet remain volatile

ths



Motor vehicles registrations improved post 1H2020 lockdown

Motor vehicles registrations % change -3m average

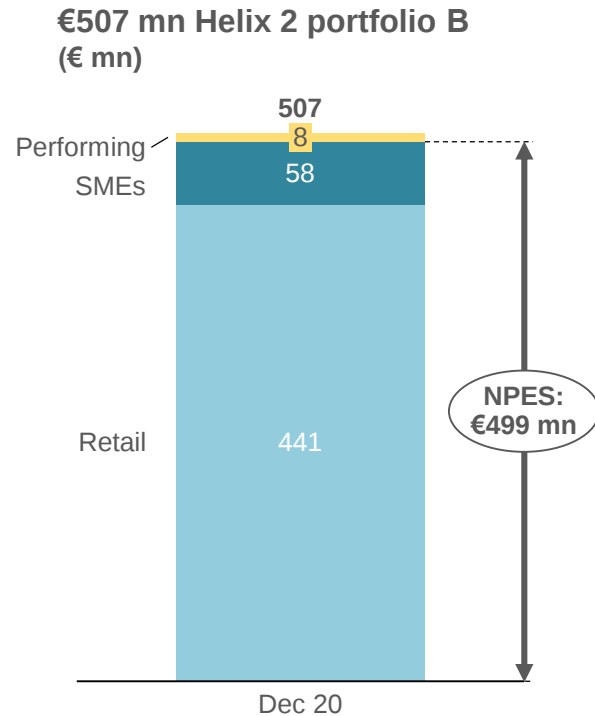


Source: Cyprus Statistical Service

APPENDIX

Additional asset quality slides

€0.5 bn NPE Trade Delivers Accelerated Risk Reduction



31 December 2020

Assets sold	€ mn	Receipts	€ mn
Contractual Loans ¹	783	Consideration	243
Gross Loans	507	of which:	
of which NPEs	499	- Cash	122
Provisions Held	(308)	- Deferred Purchase Price	121
Other ³	49	Transaction Costs and other adjustments	(22)
Carrying Value of assets being sold	248	Consideration net of transaction costs and other adjustments	221
P/L Impact: (27)			

- Contractual balance¹ of €783 mn as at 30 Sep 2019
- Portfolio comprises c.16,000 loans, mainly to Retail and SME clients, secured over c.4,000 real estate collaterals
- Completion remains subject to a number of customary regulatory and other approvals, currently estimated to occur in early 2H2021

1) The difference between the contractual balance and the GBV relates to IFRS adjustments/unrecognised income and non-contractual write-offs

2) DFAs and cash already received by 31 December 2020

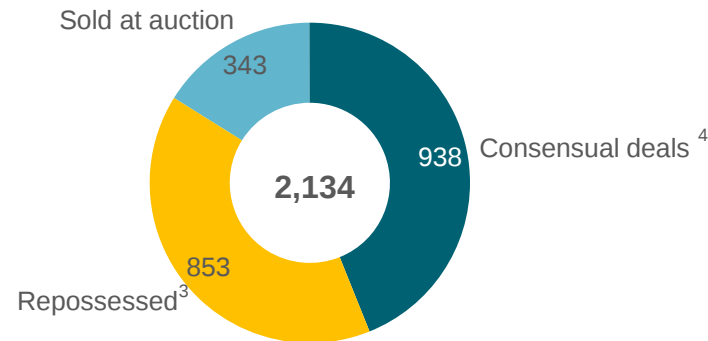
Foreclosures for Primary residence <€350k suspended until March 2021

	Cumulative 2016 – 2018 ¹	FY2019	FY2020
Foreclosures commenced ²	1,437	1,829	1,553 ²
Auctions held	470	807	632 ²



4Q2019	1Q2020	2Q2020	3Q2020	4Q2020
536	593 ²	-	227	733
373	164 ²	-	-	468

2,134 properties were resolved since 2016

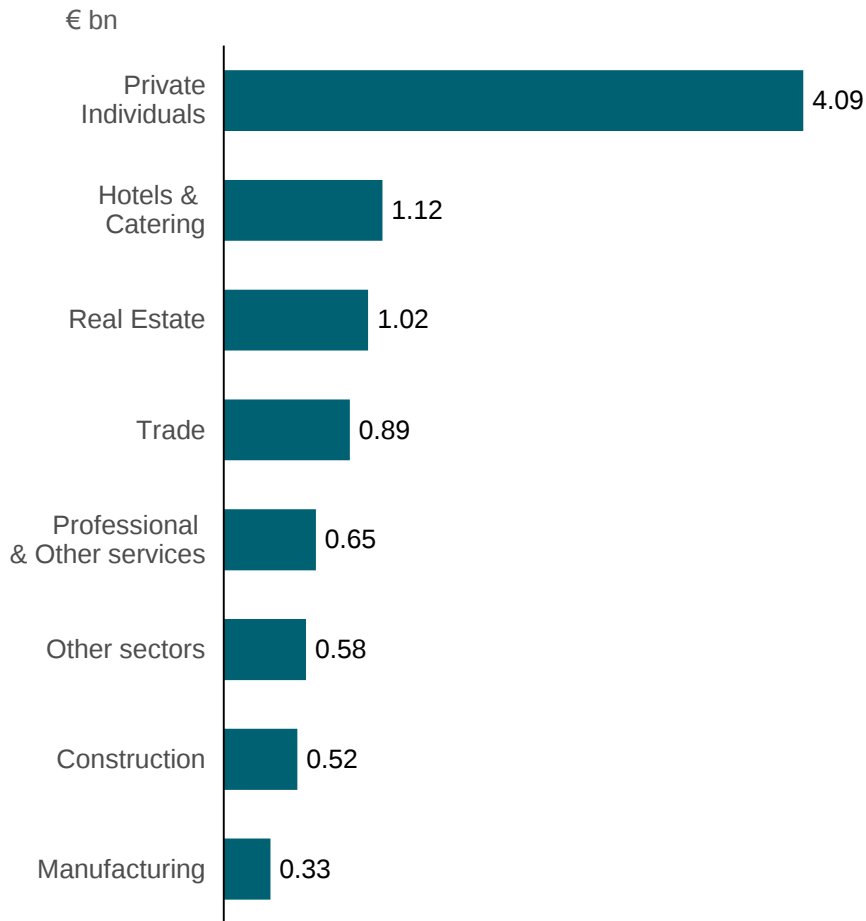


- Foreclosures for Primary Residences <€350k and “very small business premises”⁵ of the borrowers have been suspended until the end of Mar 2021, via a legislation enacted on 29 December 2020 by the Cyprus Parliament

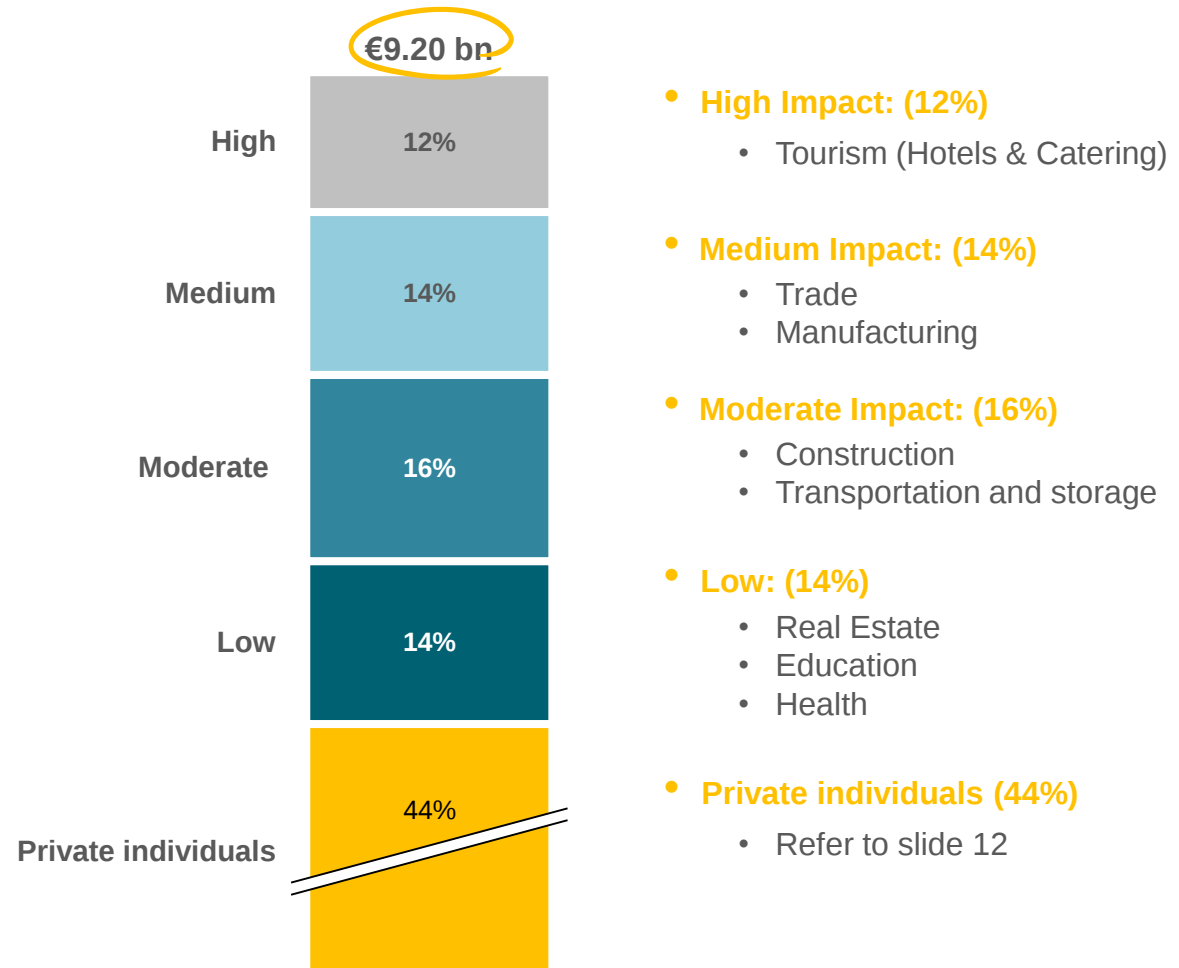
1) Excluding Helix 1
 2) Foreclosures suspended between 18 March and 31 August as per the Cyprus Bank Association
 3) Properties that have been auctioned unsuccessfully at least once
 4) Includes DFAs, restructurings and settlements
 5) As defined by the legislation

Well diversified loan portfolio; close monitoring and set up of strategies to prevent further asset quality deterioration

Gross loans (excluding legacy)¹ by business sector of €9.20 bn



Breakdown by COVID-19 impact assessment on business sectors



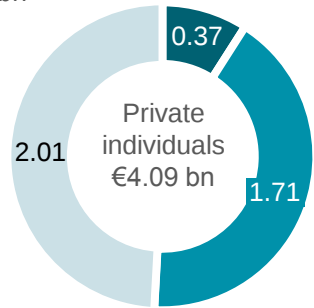
¹⁾ Gross loans as at 30 December 2020 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O

Decomposition of payment deferrals

Non- legacy gross loans of €9.2 bn

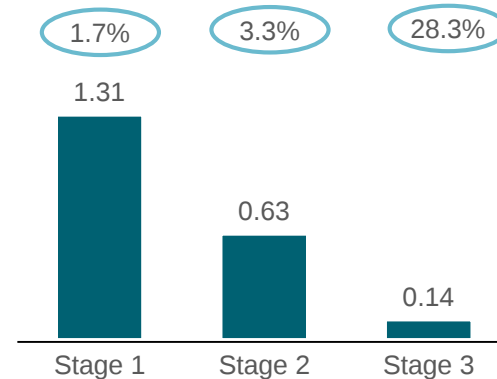
Private Individuals

€ bn



Expired Payment Deferrals:
€2.08 bn (51%)

IFRS 9 staging for expired loan payment deferrals

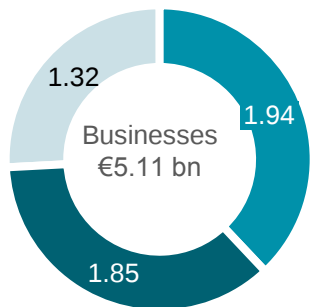


Private Individuals

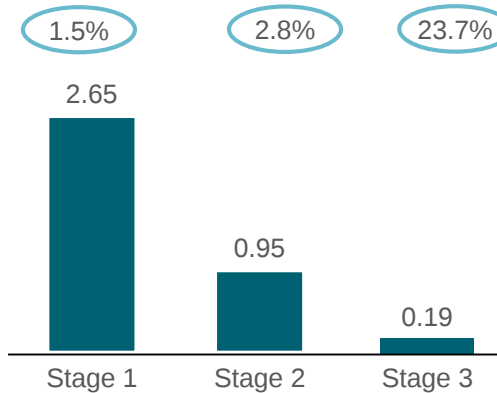
- 93% of expired payment deferrals of private individuals with an installment due by 15 Feb 2021 resumed payments
- Reclassifications of c.€240 mn gross loans from Stage 1 to Stage 2 in FY2020, mainly due to the deterioration of the macro assumptions, significant increase in credit risk and management overlays
- Migration of c.€85 mn gross loans from Stage 2 to Stage 1 mainly due to enriched data availability

Businesses

€ bn



Expired Payment Deferrals:
€3.79 bn (74%)



Businesses

- 97% of expired payment deferrals of businesses with an installment due by 15 Feb 2021 resumed payments
- Reclassifications of c.€450 mn from Stage 1 to Stage 2 in FY2020, mainly due to the deterioration of the macro assumptions, significant increase in credit risk and management overlays
- Migration of c.€290 mn gross loans from Stage 2 to Stage 1 mainly due to enriched data availability

- Loans under payment deferrals with instalment due after 15 Feb-21
- Loans under payment deferrals with instalment due by 15 Feb-21
- Loans not on moratorium

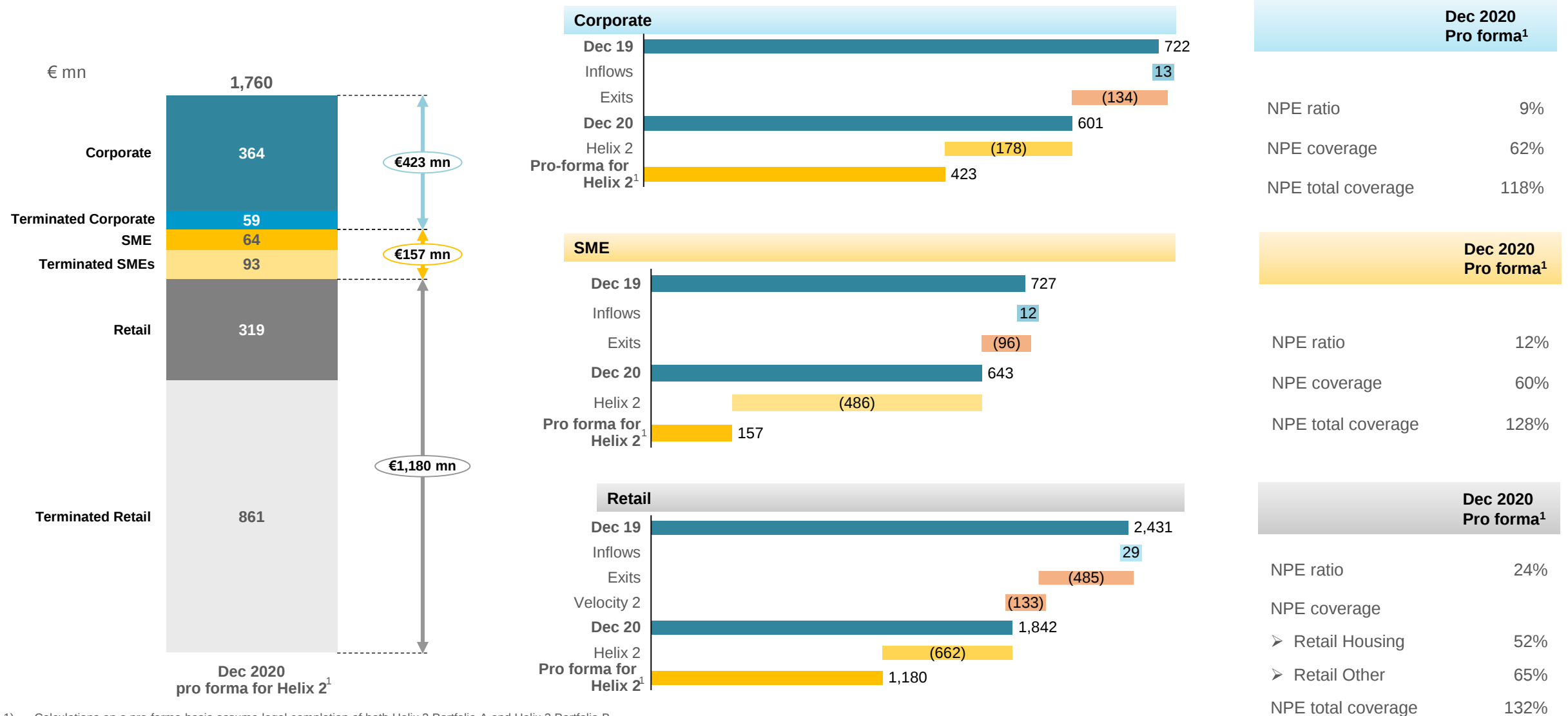
Dec 2020 Coverage

Adequate coverage of Stage 3 expired payment deferrals; higher than the coverage of re-performing NPEs¹ (slide 32)

1) Re-performing: pipeline to exit NPEs subject to meet all exit criteria; the analysis is performed on a customer basis (formerly called Non-core NPEs)

Continuous progress across all segments

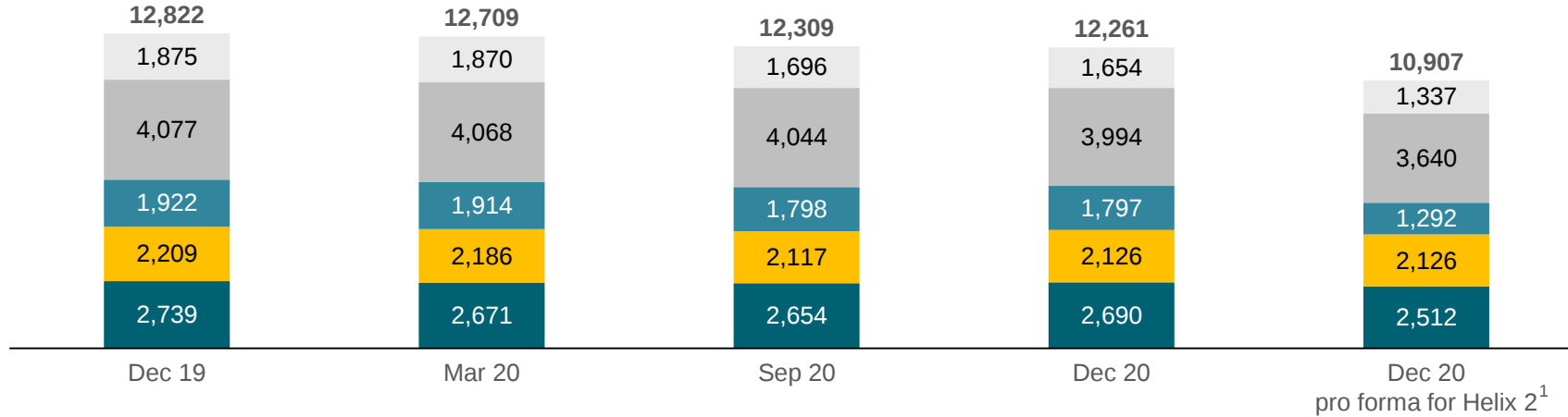
Focus shifts to Retail and SME after intense Corporate attention



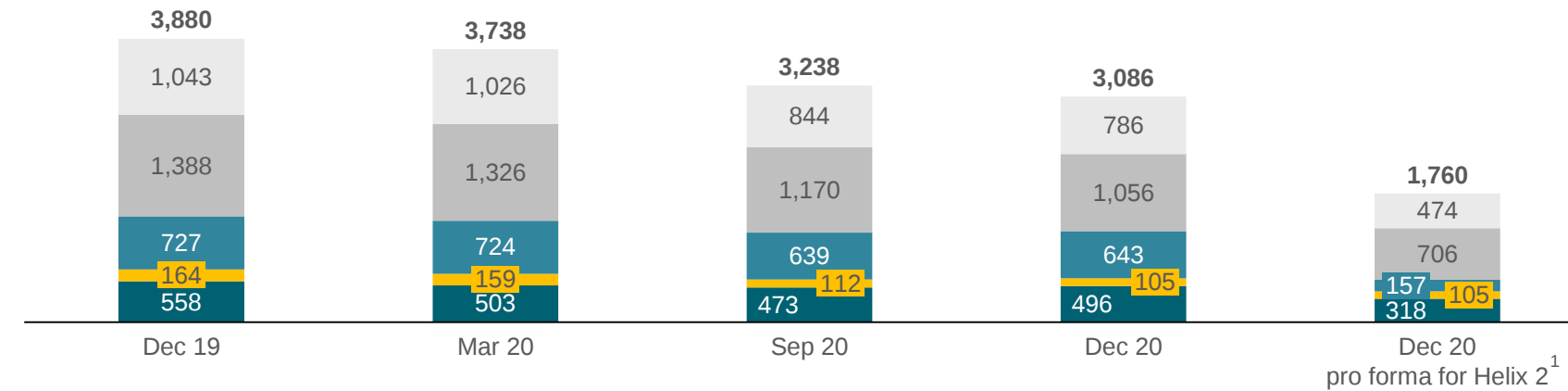
1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Gross loans and NPEs by Customer Type

Gross loans by customer type (€ mn)



NPEs by customer type (€ mn)



Retail other
 Retail Housing
 SMEs
 Global Corporate
 Corporate

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

NPE Coverage and Total coverage by segment

Coverage and collateral maintained post Helix 2²

■ Tangible Collateral¹
■ Allowance for expected loan credit losses

Corporate €318 mn

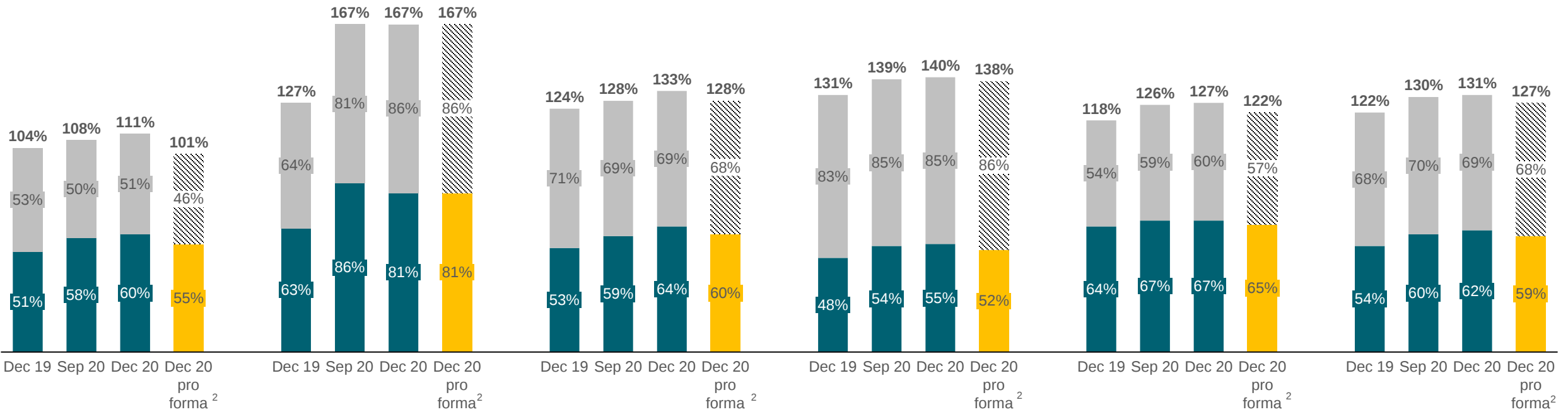
Global Corporate: €105 mn

SME €157 mn

Retail-Housing €706 mn

Retail-Other €474 mn

Total €1,760 mn



1) Restricted to Gross IFRS balance

2) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

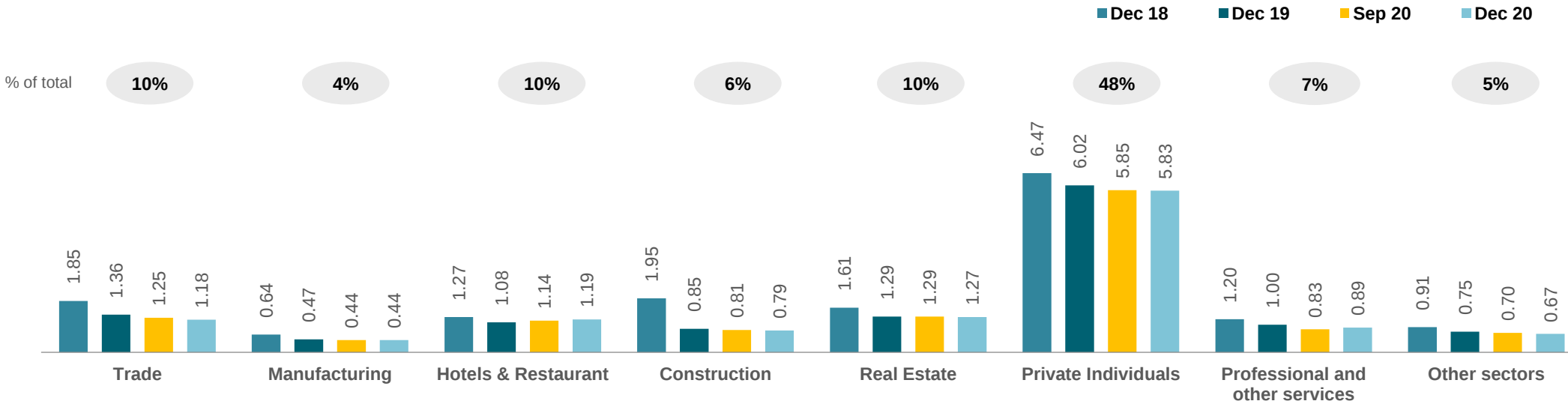
Asset quality- NPE analysis

(€ mn)	Dec-20	Sep-20	Jun-20	Mar-20	Dec-19	Dec-18
A. Gross Loans after Residual Fair value adjustment on initial recognition	12,031	12,066	12,243	12,457	12,551	15,438
Residual Fair value adjustment on initial recognition	230	243	248	252	271	462
B. Gross Loans	12,261	12,309	12,491	12,709	12,822	15,900
B1. Loans with no arrears	9,149	9,028	8,954	8,706	8,820	8,260
B2. Loans with arrears but not NPEs	26	43	69	265	122	221
1-30 DPD	21	34	54	209	88	166
31-90 DPD	5	9	15	56	34	55
B3. NPEs	3,086	3,238	3,468	3,738	3,880	7,419
With no arrears	548	533	603	601	722	1,482
Up to 30 DPD	16	19	28	52	54	136
31-90 DPD	26	29	39	72	76	231
91-180 DPD	18	35	48	79	121	178
181-365 DPD	81	101	178	255	263	393
Over 1 year DPD	2,397	2,521	2,572	2,679	2,644	4,999
NPE ratio (NPEs / Gross Loans)	25%	26%	28%	29%	30%	47%
Allowance for expected loan credit losses (including residual fair value adjustment on initial recognition¹⁾	1,902	1,933	2,043	2,109	2,096	3,852
Gross loans coverage	16%	16%	16%	17%	16%	24%
NPEs coverage	62%	60%	59%	56%	54%	52%

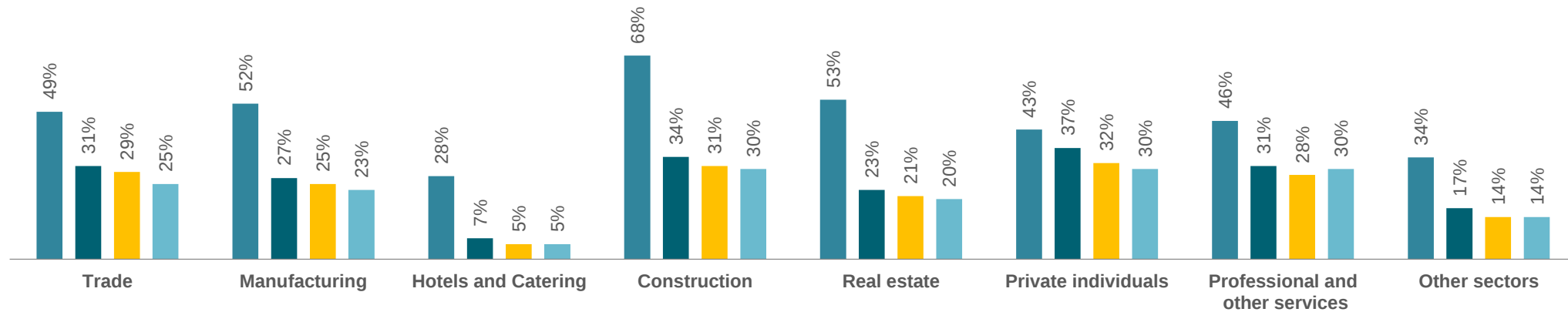
1) Comprise (i) loan credit losses for impairment of customer loans and advances, (ii) the residual fair value adjustment on initial recognition of loans acquired from Laiki Bank and on loans classified at FVPL, and (iii) loan credit losses on off-balance sheet exposures disclosed on the balance sheet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

Analysis of gross loans and NPE ratio by Economic activity

Gross loans by economic activity (€ bn)

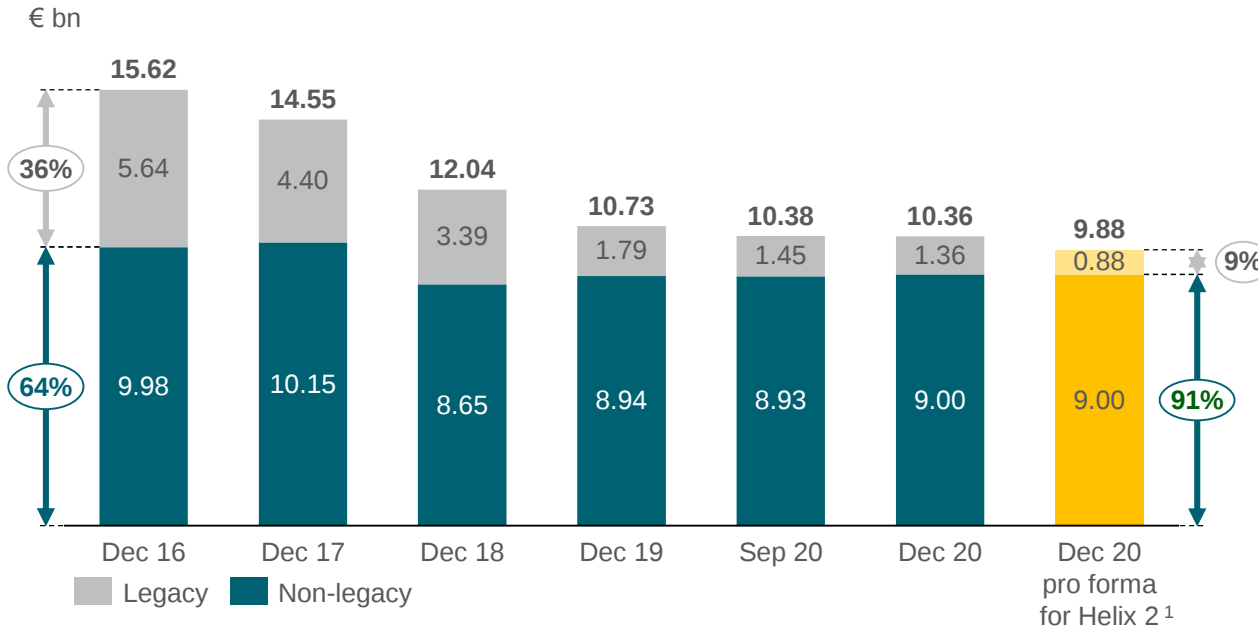


NPE ratio by economic activity

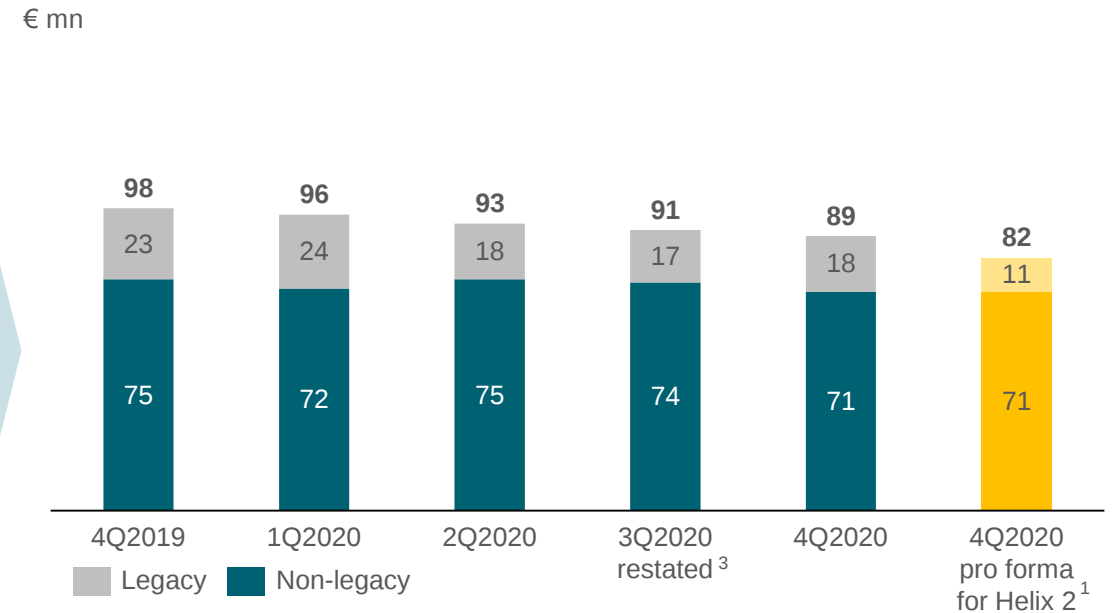


Balance sheet de-risking results in a smaller but safer loan book

Net Loans: Non-legacy² vs Legacy



Interest Income on Loans: Non-legacy² vs Legacy



- Lower but higher quality income resulting from balance sheet de-risking
- Interest income of non-legacy book decreased by €3 mn qoq as challenging interest rate outlook continues
- Interest income of legacy book increased by €1 mn qoq due to increased cash collections not previously recognized
- **Interest on Net NPEs not received in cash, fully provided**
- Lending rates remain under pressure due to the sustained low interest rate environment

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

2) Gross loans as at 31 December 2020 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O

3) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income

Risk adjusted yield will rise as Legacy book reduces

		Non-Legacy	Legacy	Group
		FY20020	FY2020	FY2020
Profitability	Interest Income on loans (€ mn) (pre FTP)	292	77	369
	Loan credit losses (€ mn) ³	(27)	(122)	(149)
	Interest Income net of loan credit losses (€ mn)	265	(45)	220
	Cost of Risk	0.30%	3.61%	1.18%
	Effective Yield	3.26%	4.93%	3.51%
		Risk adjusted Yield ¹	(2.87%)	2.10%
Capital & balance Sheet	Average Net Loans (€ mn)	8,945	1,557	10,502
	RWA Intensity ²	48%	106%	54%
		Global corporate, Corporate IB, W&M	RRD	
		SME and Retail Banking	REMU	
			Overseas non core	

- Non-Legacy Book is expected to grow and to increasingly drive Group results
- Legacy book revenues predominantly driven by loan credit losses unwinding (but offset via loan credit losses)
- Interest on Net NPEs not received in cash, fully provided (€13 mn in 4Q2020)
- As Legacy book reduces:
 - Group risk adjusted yield expected to rise
 - Group Risk intensity expected to fall supporting CET1 ratio build

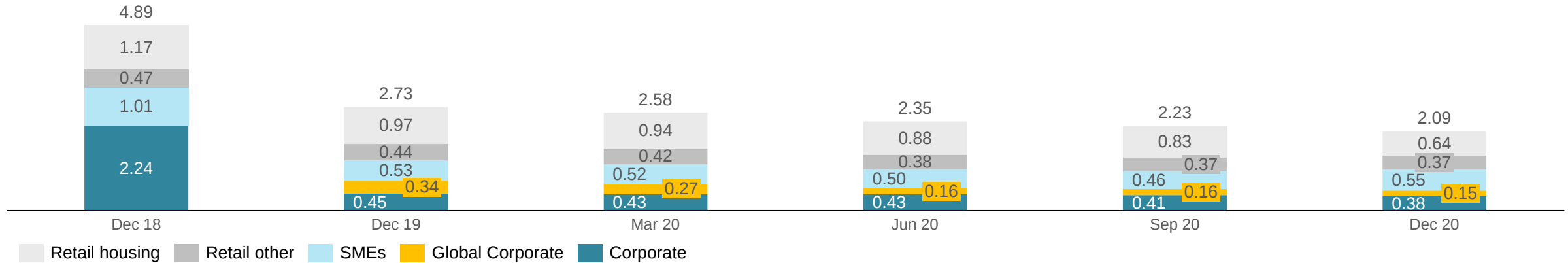
1) Interest Income on loans net of allowance for expected loan credit losses/ Average Net Loans

2) Risk Weighted Assets over Total Assets

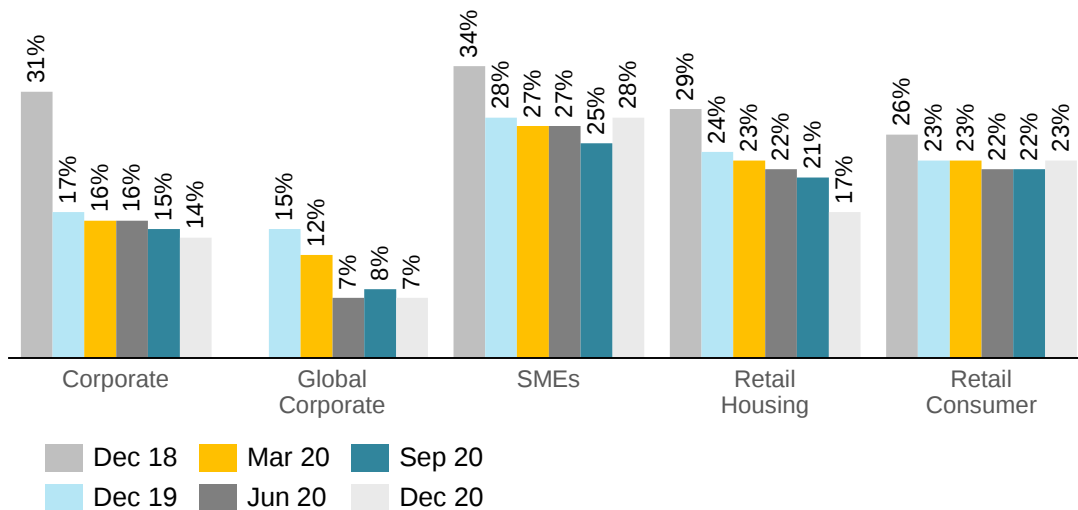
3) A reclassification of €12 mn between legacy and non legacy loan credit losses for the 9M2020 was performed to align with the presentation on slide 78 of the 9M2020 FR presentation hence bringing the total credit losses for the FY2020 of the non-legacy book to €18 mn and the legacy book to €100 mn

Rescheduled Loans

Rescheduled loans by customer type (€ bn)



Rescheduled loans % gross loans by customer type



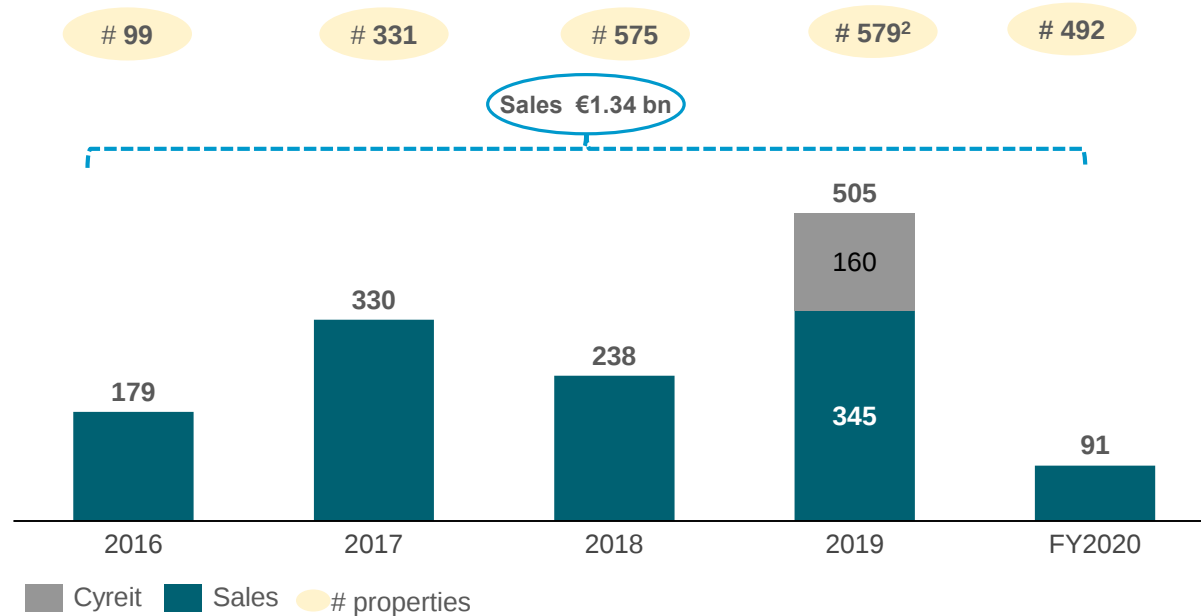
Rescheduled loans-Asset Quality

31 December 2020	€ '000
Stage 1	203,388
Stage 2	260,728
Stage 3	1,337,698
POCI	180,011
FVPL	110,805
Total	2,092,630

REMU- the engine for dealing with foreclosed assets

€1.34 bn sales of 2,076 properties across all property classes since set-up

Sales contract prices¹ (€ mn)

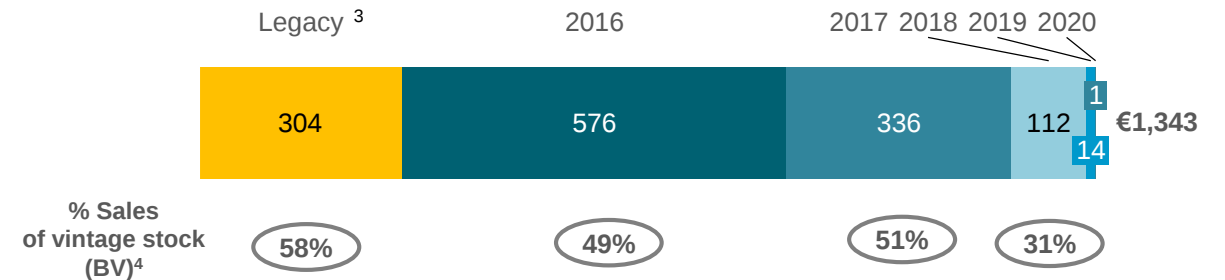


- Asset disposal strategy tackles both value and volume of assets
- Asset disposals across all property classes
- 58% of Legacy³ and 49% of 2016 book assets now sold
- 36% of sales (by value) relate to land

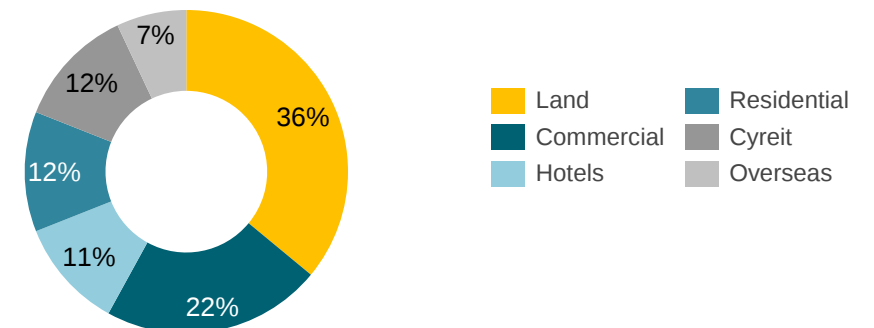
1) Amounts as per Sales purchase Agreements (SPAs)
 2) Number of properties sold include 21 properties from the disposal of Cyreit and 23 properties from NPE sale (Helix)
 3) Legacy properties relate to properties that were on-boarded before REMU set-up in January 2016

Breakdown of cumulative sales¹

by on-boarding year (€ mn)



by property type

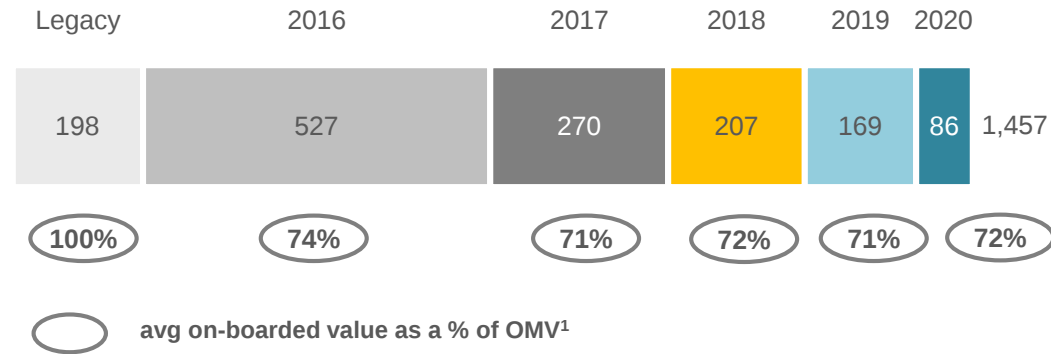


4) The BV of the properties disposed at the date of disposal as a proportion of the: BV of the properties disposed at the time of the disposal plus the BV of the residual properties managed by REMU as at 31 December 2020

REMU – the engine for dealing with foreclosed assets

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

BV € mn



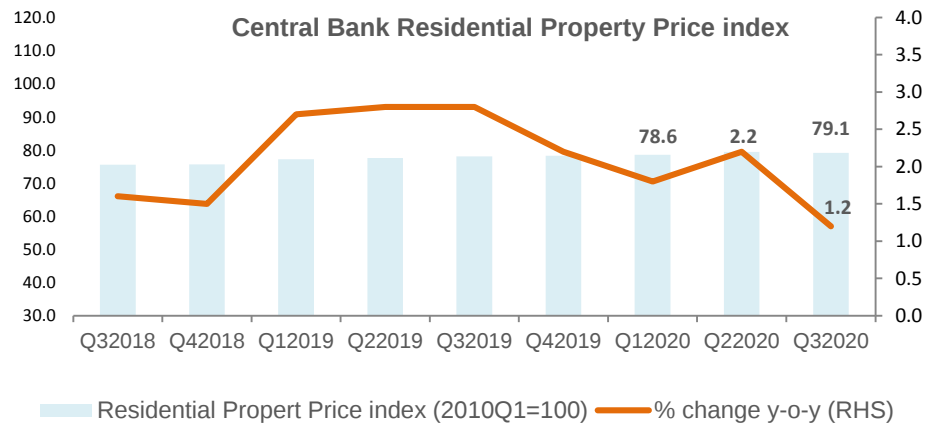
Evolution of properties managed by REMU

BV € mn

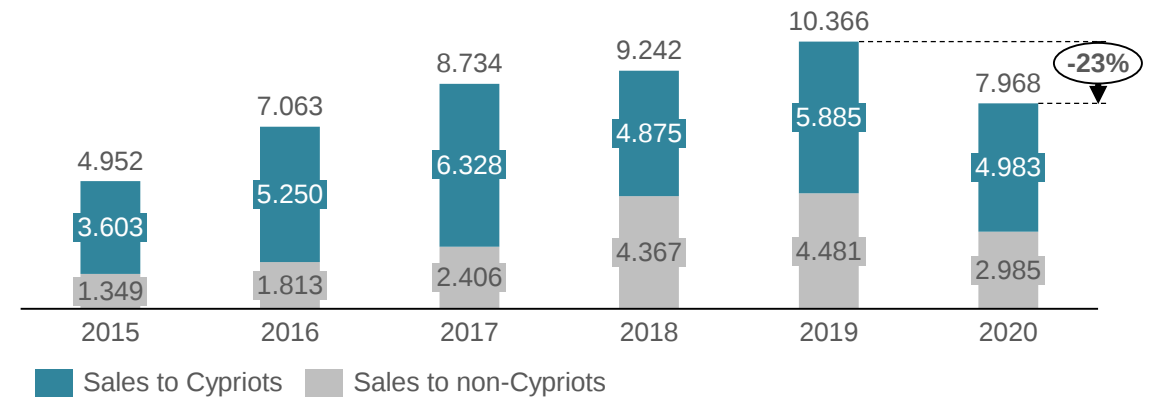
Investment Properties



Real Estate Market property prices up 1.2% in 3Q2020⁵



Sales contracts (excl. DFAs) for 2020 down 23% yoy⁶ reflecting 1H2020 lockdown



- 1) Open market value at on-boarding date
- 2) Additions include €21 mn transfer from own properties
- 3) Stock of property with a carrying value of €59 mn as at 31 December 2020 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)

- 4) In addition to assets held by REMU, properties classified as "Investment properties" with carrying value of €21 mn as at 31 December 2020 relate to legacy properties
- 5) Based on Residential price index published by Central Bank, dated 22 January 2020
- 6) Based on data from Land of Registry- Sales contracts

APPENDIX

Additional financial information

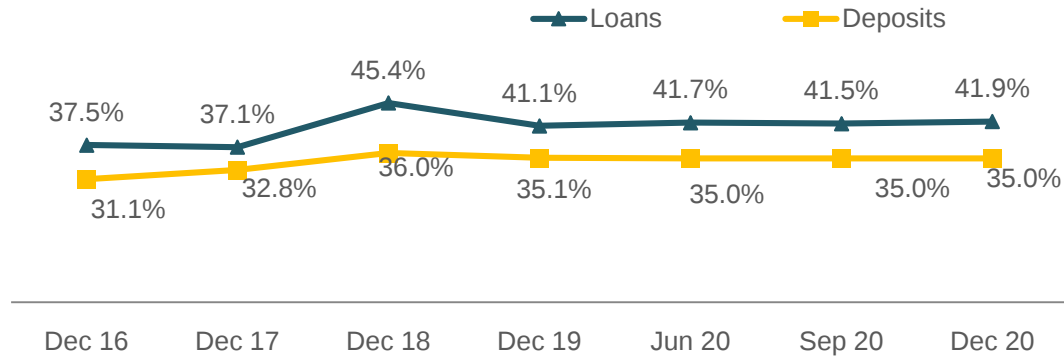
Consolidated Balance Sheet

Assets (€ mn)	31.12.2020	31.12.2019	% change
Cash and balances with Central Banks	5,653	5,060	12%
Loans and advances to banks	403	321	26%
Debt securities, treasury bills and equity investments	1,913	1,906	0%
Net loans and advances to customers	9,886	10,722	-8%
Stock of property	1,350	1,378	-2%
Investment properties	128	136	-6%
Other assets	1,550	1,574	-2%
Non current assets and disposal groups held for sale	631	26	-
Total assets	21,514	21,123	2%

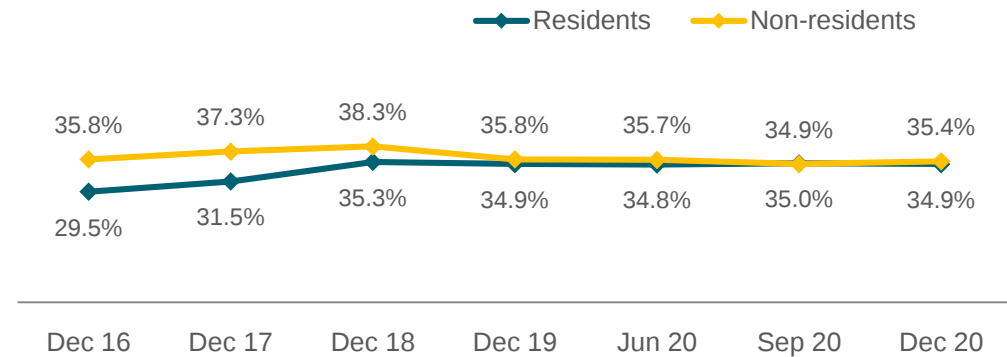
Liability and Equity (€ mn)	31.12.2020	31.12.2019	% change
Deposits by banks	392	533	-27%
Funding from Central Bank	995	-	-
Repurchase agreements	-	168	-100%
Customer deposits	16,533	16,692	-1%
Subordinated loan stock	272	272	0%
Other liabilities	1,247	1,169	7%
Total liabilities	19,439	18,834	3%
Shareholders' equity	1,831	2,040	-10%
Other equity instruments	220	220	-
Total equity excluding non-controlling interests	2,051	2,260	-9%
Non controlling interests	24	29	-15%
Total equity	2,075	2,289	-9%
Total liabilities and equity	21,514	21,123	2%

Cypriot business

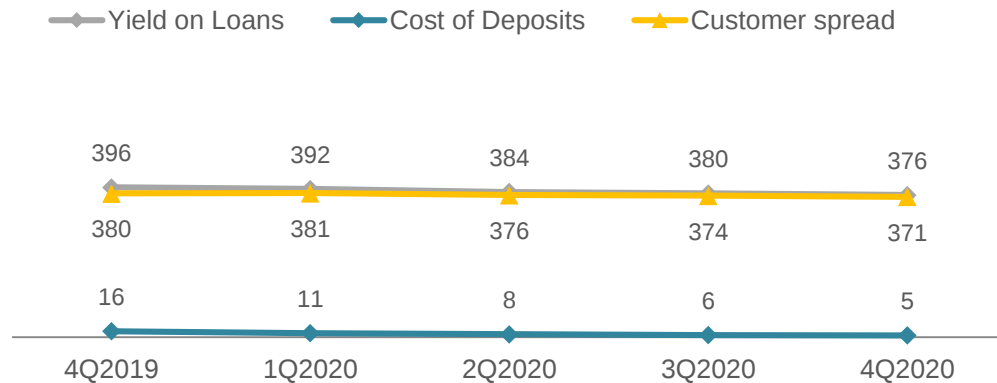
Market shares¹



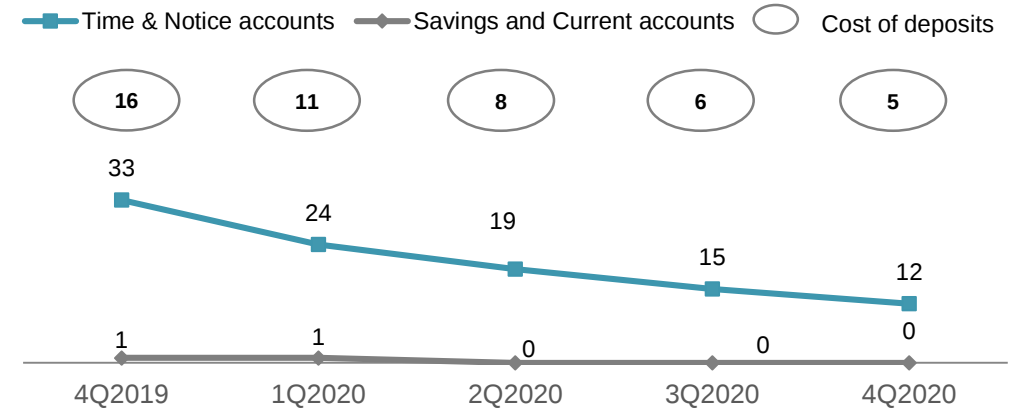
Strong market shares in resident and non-resident deposits



Average contractual interest rates (bps) (Cy)



Customer deposit rates decline further (bps) (Cy)



1) The market share on loans was affected as from 30 September 2018 following a decrease in total loans in the banking sector, mainly attributed to €6 bn non-performing loans of Cyprus Cooperative Bank (CyCB) which remained to SEDIPES (a legal entity without license to operate as a credit institution) as a result of the agreement between CyCB and Hellenic Bank

Income Statement bridge¹ for FY2020

€ mn	Underlying basis	NPE sales	Tax related items	Other	Statutory Basis
Net interest income	330	-	-	-	330
Net fee and commission income	144	-	-	-	144
Net foreign exchange gains and net gains on financial instrument transactions and disposal/dissolution of subsidiaries	15	-	-	3	18
Insurance income net of claims and commissions	56	-	-	-	56
Net gains from revaluation and disposal of investment properties and on disposal of stock of properties	7	-	-	-	7
Other income	15	-	-	-	15
Total income	567	-	-	3	570
Total expenses	(370)	(26)	(3)	(23)	(422)
Operating profit	197	(26)	(3)	(20)	148
Loan credit losses	(149)	(120)	-	(3)	(272)
Impairments of other financial and non-financial instruments	(42)	-	-	-	(42)
Provisions for litigation, claims, regulatory and other matters	(7)	-	-	7	-
Loss before tax and non-recurring items	(1)	(146)	(3)	(16)	(166)
Tax	(8)	-	-	-	(8)
Profit attributable to non-controlling interests	3	-	-	-	3
Loss after tax and before non-recurring items (attributable to the owners of the Company)	(6)	(146)	(3)	(16)	(171)
Advisory and other restructuring costs - organic	(10)	-	-	10	-
Loss after tax – Organic (attributable to the owners of the Company)	(16)	(146)	(3)	(6)	(171)
Provisions/net loss relating to NPE sales, including restructuring expenses	(146)	146	-	-	-
Restructuring costs – Voluntary Staff Exit Plan (VEP)	(6)	-	-	6	-
DTC levy	(3)	-	3	-	-
Loss after tax - attributable to the owners of the Company	(171)	-	-	-	(171)

1) Please refer to section B1 “Unaudited Reconciliation of income statement for the year ended 31 December 2020” between statutory and underlying basis of the Group Financial Results

Analysis of Interest Income and Interest Expense

Analysis of Interest Income (€ mn)	4Q2019	1Q2020	2Q2020	3Q2020 restated ¹	4Q2020
Loans and advances to customers	98	96	93	91	89
Loans and advances to banks and central banks	1	0	0	3	2
Investment at amortised costs	3	3	2	2	2
Investments FVOCI	5	5	4	4	4
Investments classified as loans and receivables	-	-	-	-	-
	107	104	99	100	97
Trading Investment	-	-	-	-	-
Derivative financial instruments	10	9	9	8	8
Other investments at fair value through profit or loss	-	-	-	-	-
Total Interest Income	117	113	108	108	105

Analysis of Interest Expense (€ mn)					
Customer deposits	(8)	(5)	(3)	(3)	(3)
Funding from central banks and deposits by banks	(0)	(0)	(0)	0	0
Subordinated loan stock	(6)	(6)	(6)	(6)	(6)
Repurchase agreements	(2)	(1)	(1)	(1)	0
Negative interest on loans and advances to banks and central banks	(5)	(4)	(4)	(5)	(6)
	(21)	(16)	(14)	(15)	(15)
Derivative financial instruments	(12)	(12)	(11)	(11)	(10)
Total Interest Expense	(33)	(28)	(25)	(26)	(25)

1) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income

Income Statement by business line for FY2020

€ mn	Consumer Banking	SME Banking	Corporate Banking	Global corporate	International Banking	Wealth & Markets	RRD	REMU	Insurance	Treasury	Other	Overseas	Total
Net interest income/(expense)	126	37	65	67	17	2	26	(14)	-	-	3	1	330
Net fee & commission income/(expense)	37	9	11	7	50	3	8	-	(7)	2	25	(1)	144
Other income	2	1	1	-	6	3	1	9	56	6	8	-	93
Total income	165	47	77	74	73	8	35	(5)	49	8	36	-	567
Total expenses	(157)	(22)	(19)	(12)	(31)	(6)	(44)	(8)	(19)	(14)	(33)	(5)	(370)
Operating profit/(loss)	8	25	58	62	42	2	(9)	(13)	30	(6)	3	(5)	197
Loan credit losses of customer loans net of gains/(losses) on derecognition of loans and changes in expected cash flows	(5)	(1)	(9)	(11)	(1)	1	(120)	-	-	-	(1)	(2)	(149)
Impairment of other financial and non financial instruments	-	-	-	-	-	-	-	(34)	-	(4)	(1)	(3)	(42)
Provision for litigation, claims, regulatory and other matters	-	-	-	-	-	-	-	-	-	-	(6)	(1)	(7)
Profit/(loss) before tax	3	24	49	51	41	3	(129)	(47)	30	(10)	(5)	(11)	(1)
Tax	(0)	(3)	(6)	(6)	(5)	(0)	16	6	(5)	1	(5)	(1)	(8)
Profit attributable to non controlling interest	-	-	-	-	-	-	-	-	-	-	3	-	3
Profit/(loss) after tax – organic (attributable to the owners of the Company)¹	3	21	43	45	36	3	(113)	(41)	25	(9)	(7)	(12)	(6)

1) Profit/(loss) after tax-organic (attributable to the owners of the Company) does not include provisions/net loss relating to NPE sales, including restructuring expenses (attributable to owners of the Company)

Risk Weighted Assets– Regulatory Capital

Risk Weighted Assets by Geography (€ mn)

	31.12.18	31.12.19	30.09.20	31.12.20	Helix 2	31.12.20 pro forma ³
Cyprus	15,070	12,678	11,704	11,476	(255)	11,221
Russia	24	8	-	-	-	-
United Kingdom	84	48	48	23	-	23
Romania	38	29	22	26	-	26
Greece	144	121	108	105	-	105
Other	13	6	6	5	-	5
RWAs	15,373	12,890	11,888	11,635	(255)	11,380
RWA intensity	70%	61%	55%	54%		53%

Risk Weighted Assets by type of risk (€ mn)

	31.12.18	31.12.19	30.09..20	31.12.20	Helix 2	31.12.20 pro forma ³
Credit risk	13,833	11,547	10,545	10,503	(255)	10,248
Market risk	2	-	-	-	-	-
Operational risk	1,538	1,343	1,343	1,132	-	1,132
Total	15,373	12,890	11,888	11,635	(255)	11,380

Reconciliation of Group Equity to CET1

€ mn	31.12.20
Group Equity per financial statements	2,075
Less: Intangibles ²	(27)
Less: Deconsolidation of insurance and other entities	(190)
Add: Regulatory adjustments (IFRS 9 and other items)	116
Less: Revaluation reserves and other unrealised items	(251)
CET1¹	1,723
Risk Weighted Assets	11,635
CET1 ratio¹	14.8%
CET1 ratio pro forma for Helix 2³	15.2%

Equity and Regulatory Capital (€ mn)

	31.12.19	30.09.20	31.12.20
Total equity excl. non-controlling interests	2,260	2,106	2,051
CET1 capital	1,909	1,735	1,723
Tier I capital	2,129	1,955	1,943
Tier II capital	190	195	193
Total regulatory capital (Tier I + Tier II)	2,319	2,150	2,136

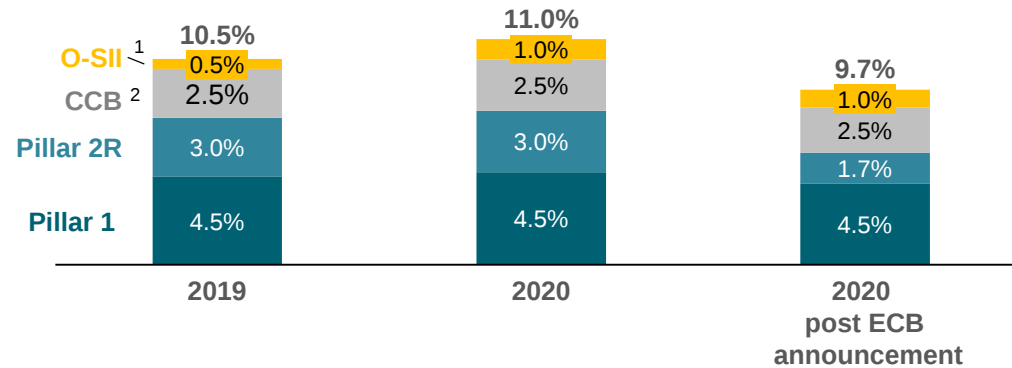
1) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments

2) As per amendments introduced with Regulation 2020/873

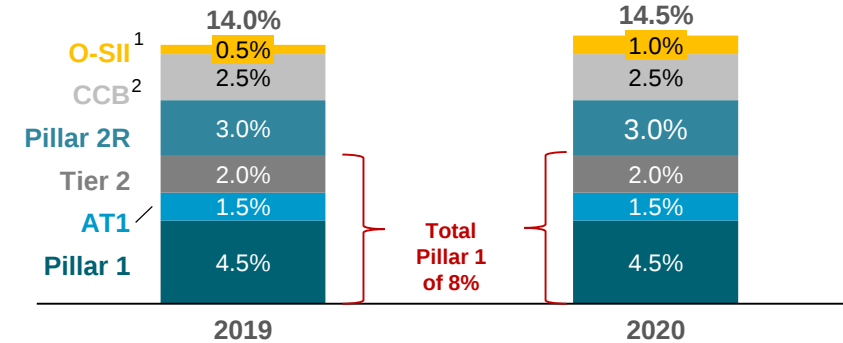
3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

SREP and MREL requirements

SREP requirements for 2020: CET1 ratio at 9.7%



SREP requirements for 2020 : Total Capital ratio at 14.5%



MREL requirements

- In Feb 2021, the Bank received notification from the Single Resolution Board (SRB) of the draft decision for the binding minimum requirement for own funds and eligible liabilities (MREL) for the Bank, determined as the preferred resolution point of entry. As per the draft decision, the minimum MREL requirement is set at 23.32% of RWAs and 5.91% of leverage ratio exposure (LRE) and must be met by 31 Dec 2025. Furthermore, the Bank must comply by 1 Jan 2022 with an interim requirement of 14.94% of RWAs and 5.91% of LRE. The own funds used by the Bank to meet the combined buffer requirement (CBR) will not be eligible to meet its MREL requirements expressed in terms of RWAs. Once the above-mentioned decision becomes final (expected within Mar 2021), these requirements will replace those that were previously applicable
- The MREL ratio of the Bank as at 31 Dec 2020, calculated according to SRB's eligibility criteria currently in effect and based on the Bank's internal estimate, stood at 15.36% of RWAs (and at 14.92% of RWAs as at 1 Jan 2021) and at c.10% of LRE (and at c.10% of LRE as at 1 Jan 2021). Pro forma for NPE sales, the MREL ratio of the Bank as at 31 Dec 2020, calculated on the same basis, stood at 15.81%³ of RWAs (and at 15.36%³ of RWAs as at 1 Jan 2021). The MREL ratio expressed as % of RWAs does not include the capital used to meet the CBR amount, currently at 3.5% and expected to increase to 4% on 1 Jan 2022
- The MREL requirement is in line with the Bank's expectations and funding plans
- The Group is currently evaluating opportunities for a potential **Tier 2** capital transaction given the terms and maturity profile of the Bank's existing €250 mn 10NC5 Tier 2 notes, subject to market conditions and applicable regulatory authorisations. Separately the Group continues to evaluate opportunities to initiate its **MREL issuance** as part of its overall capital and funding strategy

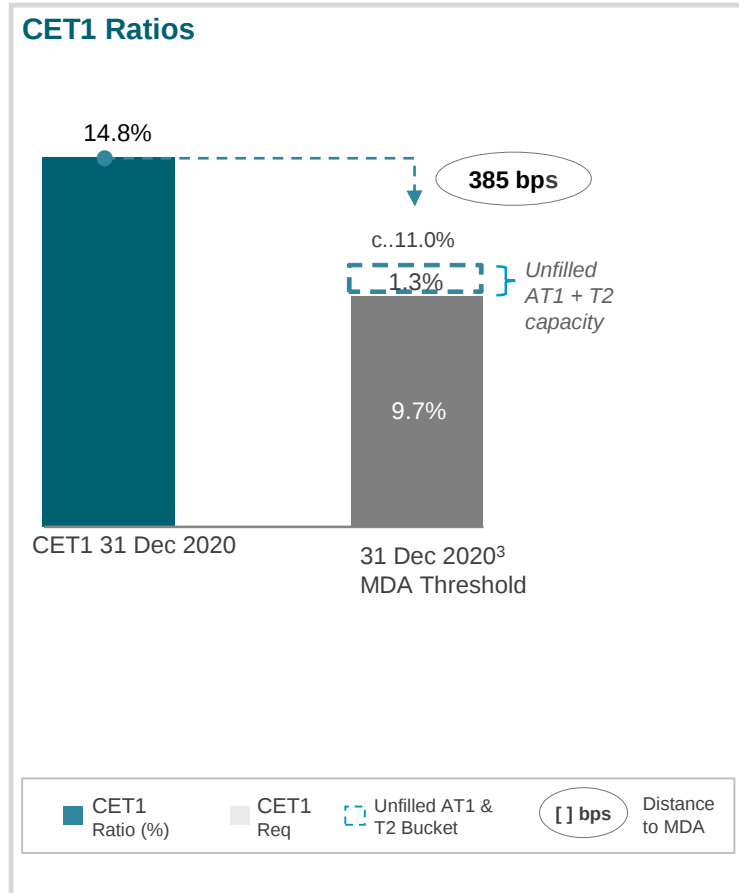
1) The Central Bank of Cyprus (CBC) set the O-SII buffer for the Group at 2%. This buffer will be phased-in gradually, having started from 1 January 2019 at 0.5% and increasing by 0.5% every year thereafter, until being fully implemented (2.0%) on 1 January 2022. In April 2020 the CBC, as part of the COVID measures, decided to delay the phasing-in by 12 months (1 January 2023). As a result, the phasing-in of 0.5% on 1 January 2021 has been delayed for 12 months

2) In accordance with the legislation in Cyprus which has been set for all credit institutions the applicable rate of the CCB was fully phased in at 2.5% in 2019

3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B

Buffer to MDA Restrictions Level & Distributable Items¹

Maximum Distributable Amount for BOCH



- The Bank and BOCH having obtained approval by their shareholders, the ECB and the Court of Cyprus and Irish High Court respectively, implemented a capital reduction process in Oct 2020, which resulted in the reclassification of c.€619 mn and €700 mn of share premium to distributable reserves respectively
- No prohibition applies to the payment of coupons on any AT1 capital instruments issued by the Company and the Bank²
- Significant CET1 MDA buffer³ (31 Dec 2020) : c.385 bps (c.€448 mn)

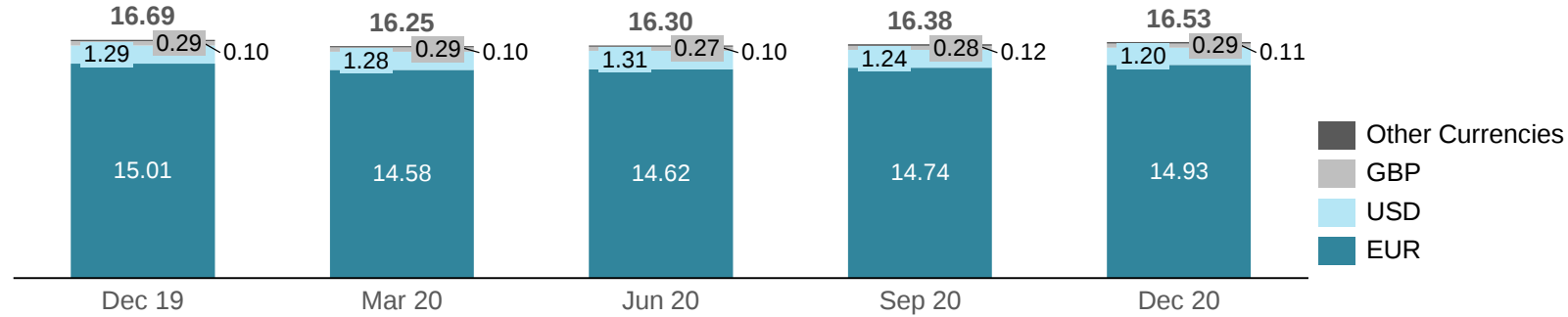
¹⁾ Distributable Items definition per CRR

²⁾ Based on the SREP decisions of prior years, the Company and the Bank were under a regulatory prohibition for equity dividend distribution and therefore no dividends were declared or paid during years 2019 and 2018. Following the 2019 SREP decision, which will continue to be in effect in 2021, the Company and the Bank are still under equity dividend distribution prohibition. This prohibition does not apply if the distributions are made via the issuance of new ordinary shares to the shareholders which are eligible as CET1 capital

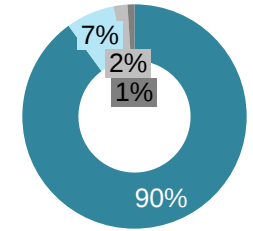
³⁾ Including phasing in of O-SII buffer (+50 bps). The Central Bank of Cyprus (CBC) set the O-SII buffer for the Group at 2%. This buffer will be phased-in gradually, having started from 1 January 2019 at 0.5% and increased by 0.5% every year thereafter, until being fully implemented on 1 January 2022. In April 2020 the CBC, as part of the COVID measures, decided to delay the phasing-in by 12 months (1 January 2023). As a result, the phasing-in of 0.5% on 1 January 2021 has been delayed for 12 months

Analysis of Deposits

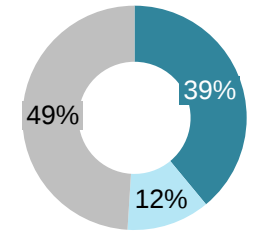
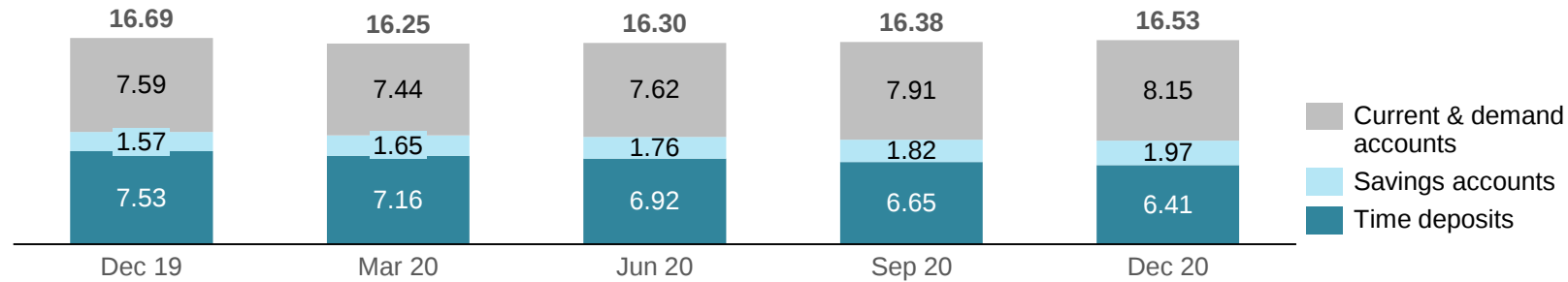
Deposits by Currency (€ bn)



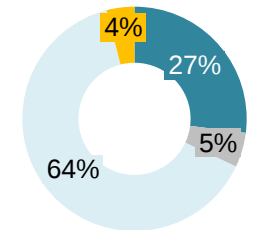
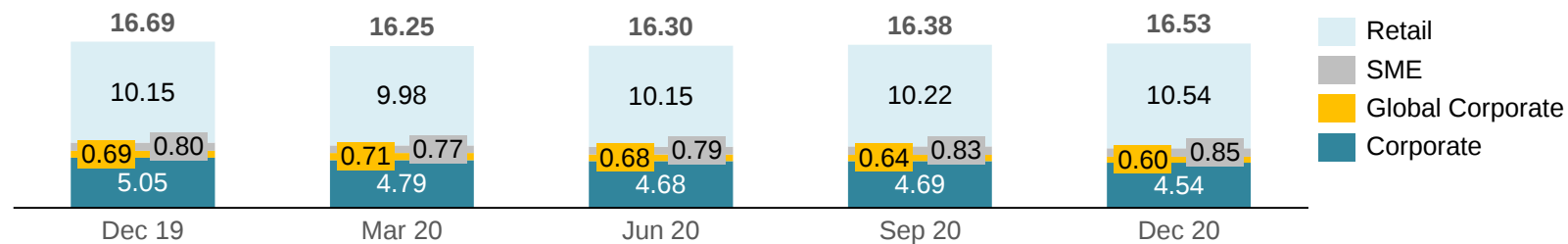
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Deposits by Type (€ bn)

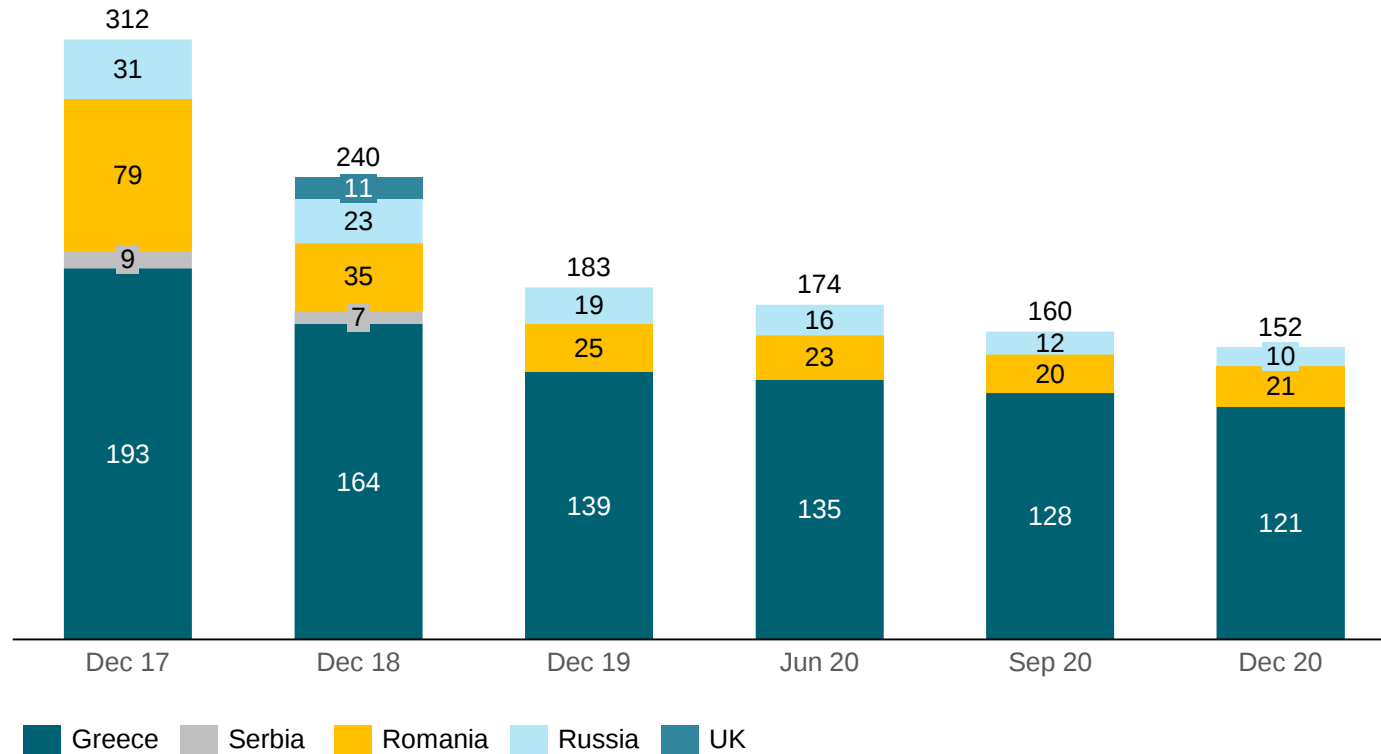


Deposits by customer Sector (€ bn)



Reduction in Overseas Non-Core Exposures

Overseas non-core exposures (€ mn)



- The Group continues its efforts for further deleveraging and disposal of non-essential assets and operations in Greece, Romania and Russia
- In addition as at 31 Dec 2020, there were €270 mn of overseas exposures in Greece (€270 mn at 30 September 2020) not identified as non-core exposures

APPENDIX

Glossary & Definitions

Glossary & Definitions

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), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers, (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.
Advisory and other restructuring costs	Comprise mainly: fees of external advisors in relation to: (i) disposal of operations and non-core assets, and (ii) customer loan restructuring activities.
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, 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 investments (excluding equities and mutual funds).
AT1	AT1 (Additional Tier 1) is defined in accordance with Articles 51 and 52 of the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Average contractual interest rates	Interest rates on cost of deposits were previously calculated as the Interest Expense over Average Balance. The current calculation which the Bank considers more appropriate is based on the weighted average of the contractual rate times the balance at the end of the month. The rates are calculated based on the month end contractual interest rates. The quarterly rates are the average of the three quarter month end contractual rates.
Book Value	BV= book value = Carrying value prior to the sale of property.
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.
Contribution to DGF	Relates to the contribution made to the Deposit Guarantee Fund.
Contribution to SRF	Relates to the contribution made to the Single Resolution Fund.
Cost to Income ratio	Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).
Cost of Risk	Loan credit losses charge (cost of risk) (year to date) is calculated as the annualised 'loan credit losses' (as defined) divided by average gross loans (the average balance is calculated as the average of the opening balance and the closing balance).
CRR DD	Default Definition.
DFAs	Debt for Asset Swaps.
DFEs	Debt for Equity Swaps.
DTA	Deferred Tax Assets.

Glossary & Definitions

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.
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). Historical information has been adjusted to take into account hedging
ESMA	European Securities and Markets Authority
Foreclosures	Value of on-boarded assets is set at a conservative 25%-30% discount from open market valuations, by two independent sources; Includes consensual and non consensual DFAs and DFEs
FTP	Fund transfer pricing methodologies applied between the business lines to present their results on an arm's length basis
GBV	Gross Book Value
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) 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 to loans acquired from Laiki Bank (calculated as the difference between the outstanding contractual amount and the fair value of loans acquired) amounting to €230 mn at 31 December 2020 (compared to €243 mn at 30 September 2020 and €271 mn at 31 December 2019). Additionally, gross loans include loans and advances to customers classified and measured at fair value through profit and loss adjusted for the aggregate fair value adjustment of €326 mn at 31 December 2020 (compared to €334 mn at 30 September 2020 and €427 mn at 31 December 2019).
Gross Sales Proceeds	Proceeds before selling charge and other leakages
GVA	Gross Value Added
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.
H/O	Head Office

Glossary & Definitions

IB, W&M	International Banking, Wealth and Markets
IBU	Servicing exclusively international activity companies registered in Cyprus and abroad and not residents
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.
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 and (iii) net gains on loans and advances to customers at FVPL.
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 41.9% at 31 December 2020, compared to 41.5% at 30 September 2020, 41.7% at 30 June 2020, 41.0% at 31 March 2020, 41.1% at 31 December 2019, 40.8% at 30 September 2019, 41.3% at 30 June 2019, 46.7% at 31 March 2019, 45.4% at 31 December 2018 and as at 30 September 2018, 38.6% at 30 June 2018 and 37.4% at 31 March 2018. The market share on loans was affected as at 30 June 2019 following the derecognition of the Helix portfolio upon the completion of Project Helix announced on 28 June 2019. The market share on loans was affected during the quarter ended 31 March 2019 following a decrease in total loans in the banking sector of €1 bn, mainly attributed to reclassification, revaluation, exchange rate and other adjustments (CBC). The market share on loans was affected as at 30 September 2018 following a decrease in total loans in the banking sector, mainly attributed to €6 bn non-performing loans of Cyprus Cooperative Bank (CyCB) which remained to SEDIPES as a result of the agreement between CyCB and Hellenic Bank. The market share on loans was affected as at 30 June 2018 following a decrease in total loans in the banking sector of €2.1 bn, due to loan reclassifications, revaluations, exchange rate or other adjustments (CBC).
Net Proceeds	Proceeds after selling charges and other leakages
Net fee and commission income over total income	Fee and commission income less fee and commission expense divided by total income (as defined).
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	Comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined, but excluding credit losses on off-balance sheet exposures).
Net loan to deposit ratio	Net loan to deposit ratio is calculated as gross loans (as defined) net of allowance for expected loan credit losses (as defined) divided by customer deposits.
New lending	New lending includes the average YTD change (if positive) for overdraft facilities.

Glossary & Definitions

Non-interest income	Non-interest income comprises Net fee and commission income, Net foreign exchange gains and net gains on financial instrument transactions and disposal/dissolution of subsidiaries and associates (excluding net gains on loans and advances to customers at FVPL), Insurance income net of claims and commissions, 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 'Consolidated Condensed Interim Income Statement – Underlying basis' relate to the following items, as applicable: (i) advisory and other restructuring costs - organic, (ii) restructuring costs – Voluntary Staff Exit Plan (VEP), (iii) Provisions/net loss relating to NPE sales, including restructuring expenses, (iv) Loss on remeasurement of investment in associate upon classification as held for sale (CNP) net of share of profit from associates, and (v) Reversal of impairment of DTA and impairment of other tax receivables.
NPEs	According to the EBA standards and ECB's Guidance to Banks on Non-Performing loans, 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 CRR, which would also trigger a default under specific credit adjustment, distress restructuring and obligor bankruptcy. (iii) Material exposures as set by the CBC, which are more than 90 days past due. (iv) Performing forbore exposures under probation for which additional forbearance measures are extended. (v) Performing forbore exposures under probation that present more than 30 days past due within the probation period. Exposures include all on and off balance sheet exposures, except those held for trading, and are categorised as such for their entire amount without taking into account the existence of collateral. The following materiality criteria are applied: •When the problematic exposures of a customer that fulfil the NPE criteria set out above are 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 problematic part of the exposure is classified as non-performing. •Material arrears/excesses are defined as follows: -Retail exposures: Total arrears/excesses amount greater than €100 -Exposures other than retail: Total arrears/excesses are greater than €500 and the amount in arrears/excess in relation to the customer's total exposure is at least 1%. NPEs may cease to be considered as non-performing only when all of the following conditions are met: (i) The extension of forbearance measures does not lead to the recognition of impairment or default. (ii) One year has passed since the forbearance measures were extended. (iii) Following the forbearance measures and according to the post-forbearance conditions, there is no past due amount or concerns regarding the full repayment of the exposure. (iv) No unlikely-to-pay criteria exist for the debtor. (v) The debtor has made post-forbearance payments of a non-insignificant amount of capital (different capital thresholds exist according to the facility type). New default definition effective from 1 January 2021 From 1 January 2021 two regulatory guidelines come into force that affect NPE classification and Days-Past-Due calculation. Specifically, the RTS on the Materiality Threshold of Credit Obligations Past Due (EBA/RTS/2016/0), and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07).

Glossary & Definitions

NPEs (continued)	As a result of the above, the following changes will come into effect: 1.New Days-past-Due (DPD) counter: The new counter will begin counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than the first day of presenting any amount of arrears in excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality thresholds. Payments to the exposure that do not impact the materiality of the remaining arrears / excesses will not impact the counter.
	New default definition effective from 1 January 2021 1.The NPE exit criteria will change and will now include: (i) a 3 month probation period for non-forborne exposures (ii) the exit of non-performing forbore accounts will become aligned with the distressed restructuring exit criteria i.e. a period of one year has passed since the latest of the following events: a. The restructuring date b. The date the exposure is classified as non-performing c. The payment of interest and capital for at least 12 months 2. As per the new definition of default, the 20% materiality threshold and the NPE due to >90 DPD will no longer apply for non-retail exposures i.e. any non-performing exposure of the customer, for any reason, will result in a non-performing classification at customer level.
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 sales	NPE sales refer to sales of NPE portfolios completed in each period and contemplated sale transactions, as well as potential further NPE sales, at each reporting date, irrespective of whether or not they met the held for sale classification criteria at the reporting dates. They include both Project Helix and Project Helix 2, as well as other portfolios.
Non-legacy	Relates to all business lines excluding Restructuring and Recoveries Division ("RRD"), REMU and non-core overseas exposures
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).
NSFR	The NSFR is calculated as the amount of "available stable funding" (ASF) relative to the amount of "required stable funding" (RSF), on the basis of Basel III standards. Its calculation is a SREP requirement. The EBA NSFR will be enforced as a regulatory ratio under CRR II in June 2021.
OMV	Open Market Value
Operating profit	Comprises profit before Total loan credit losses, impairments and provisions (as defined), tax, (profit)/loss attributable to non-controlling interests and non-recurring items (as defined).
p.p.	percentage points

Glossary & Definitions

Profit/(loss) after tax and before non-recurring items (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).
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 restructuring costs – organic').
Project Helix 2	Project Helix 2 refers to the portfolio of loans with a gross book value of €898 mn as at 30 June 2020 for which an agreement for sale was reached in August 2020 (Portfolio A) and to the portfolio of loans with a gross book value of €545 mn as at 30 September 2020 for which an agreement for sale was reached in January 2021 (Portfolio B). For further information please refer to section B.2.5 Loan portfolio quality of the press release .
Qoq	Quarter on quarter change
Restructured loans	Restructuring activity within quarter as recorded at each quarter end and includes restructurings of NPEs, performing loans and re-restructurings.
Risk adjusted yield	Interest Income on Loans net of allowance for expected loan credit losses/Net Loans.
RRD	Restructuring and Recoveries Division.
RWAs	Risk Weighted Assets.
RWA Intensity	Risk Weighted Assets over Total Assets.
Special levy	Relates to the special levy on deposits of credit institutions in Cyprus.
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 and contributions to the Single Resolution Fund (SRF) and Deposit Guarantee Fund (DGF). It does not include 'advisory and other restructuring costs-organic', or any restructuring costs relating to the Voluntary Staff Exit Plan, or any restructuring costs relating to NPE sales. 'Advisory and other restructuring costs-organic' amounted to €1 mn for 4Q2020 (compared to €3 mn for 3Q2020, €3 mn for 2Q2020, €3 mn for 1Q2020 and €8 mn for 4Q2019). Restructuring costs relating to NPE sales amounted to c.€1.5 mn for 4Q2020 (compared to Nil for 3Q2020, €1 mn for 2Q2020, €3 mn for 1Q2020 and €10 mn for 4Q2019). Restructuring costs relating to the Voluntary Staff Exit Plan amounted to €6 mn for 4Q2020 and FY2020 (compared to €81 mn for 4Q2019 and FY2019).

Glossary & Definitions

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 comprises loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for litigation, claims, regulatory and other matters.
T2	Tier 2 Capital
Underlying basis	This refers to the statutory basis after being adjusted for 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 future recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
Yoy	Year on year change