



Bank of Cyprus Group

Group Corporate Presentation

For the year ended 31 December 2022

Bank of Cyprus Holdings



DISCLAIMER

The financial information included in this presentation is neither reviewed nor 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. Russia's invasion of Ukraine has led to heightened volatility across global markets and to the coordinated implementation of sanctions on Russia, Russian entities and nationals. Russia's invasion of Ukraine already has caused significant population displacement, and as the conflict continues, the disruption will likely increase. The scale of the conflict and the speed and extent of sanctions, as well as the uncertainty as to how the situation will develop, may have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. This creates significantly greater uncertainty about forward-looking statements. Should any one or more of these or other factors materialise, or should any underlying assumptions prove to be incorrect, the actual results or events could differ materially from those currently being anticipated as reflected in such forward looking statements. The forward-looking statements made in this document are only applicable as at the date of publication of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any statement is based.

Diversified Leading Financial and Technology hub in Cyprus

Leading full-service Bank

- 41%¹ market share in loans and 37%¹ in deposits
- c.650k private individual customers (c.3/4 of population)

Profitable Life and Non-Life insurance business

- Market leader in Life insurance, with 27%² market share in total regular income
- Strong player in Non-Life business in a market with over 20 competitors

Strong Technology Hub

- 412k active digital users³; 94% digital transactions⁴
- 75% shareholder in largest payment processing company
- Launch of Ecosystem (Jinius) to drive the digital economy, leveraging digital capabilities and market footprint



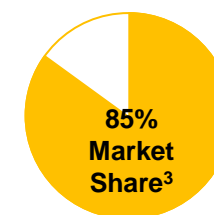
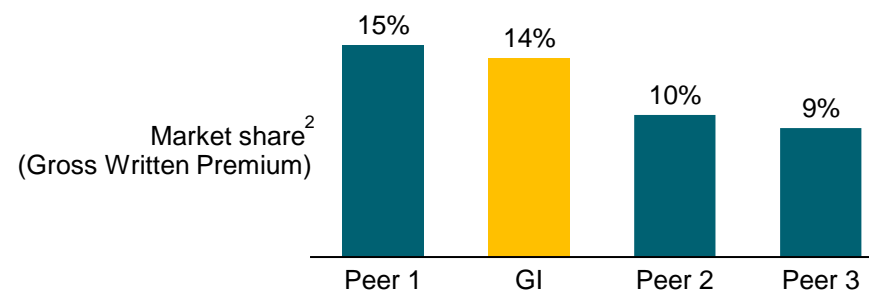
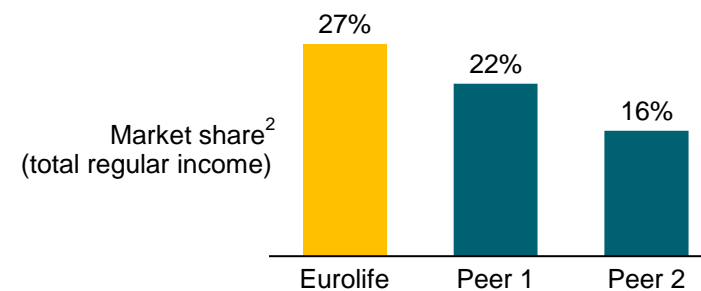
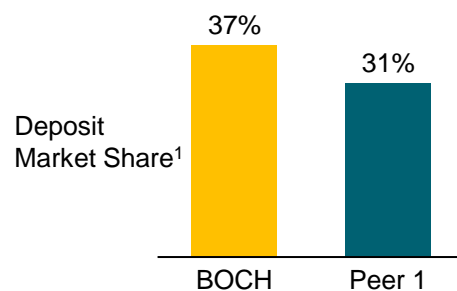
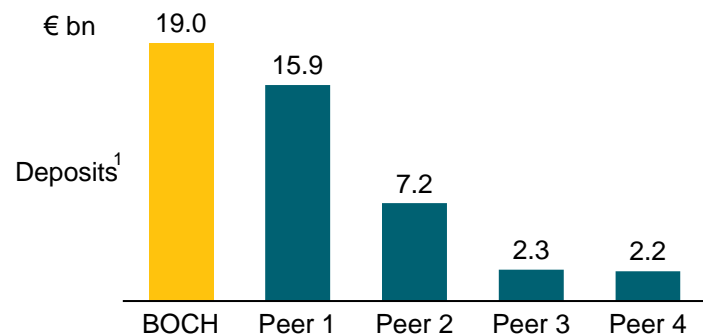
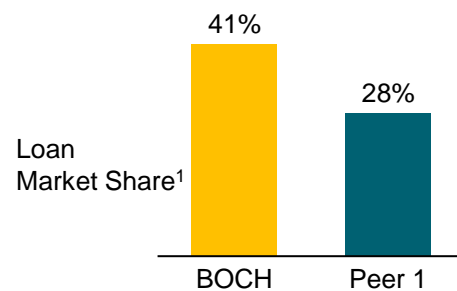
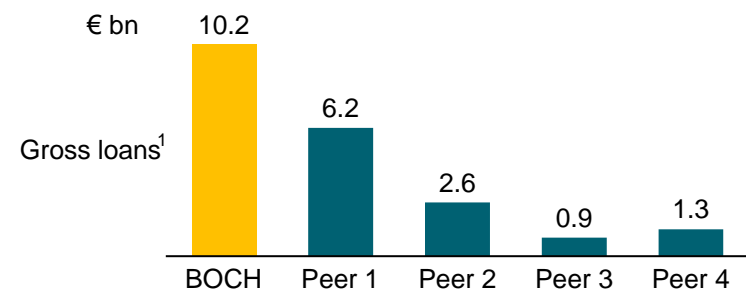
1) Based on data from the Central Bank of Cyprus as at 31 December 2022

2) As at 31 December 2022 based on draft preliminary market statistics

3) Active users of mobile and internet banking

4) 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. Digital transactions have been adjusted to include Payroll & Group Transfers performed through 1Bank at transaction level

Leading provider of banking and broader financial products & services in Cyprus



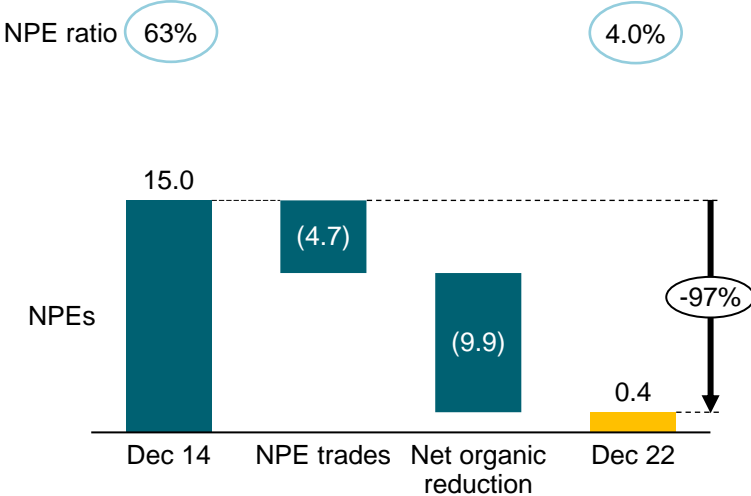
1) As at 31 Dec 2022; information about peer 4 as at 31 December 2021

2) As at 31 December 2022 based on draft preliminary market statistics

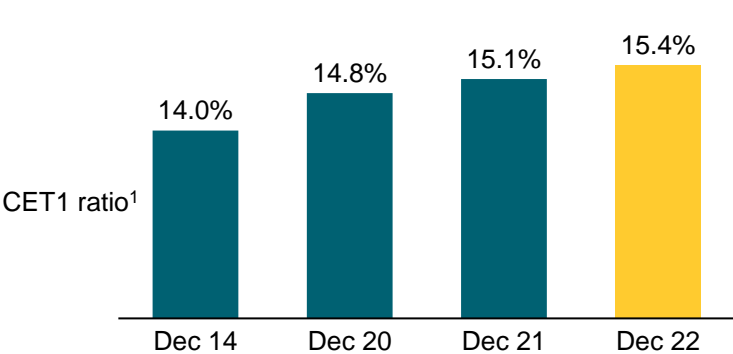
3) As at 31 December 2022 based on market statistics

What we have achieved: from restructuring...

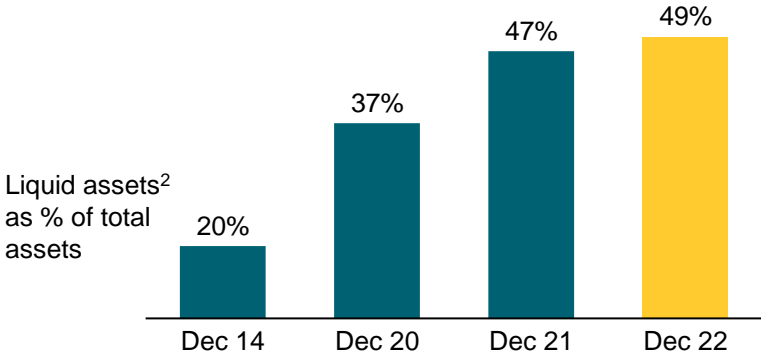
Delivered NPE ratio of 4.0%; 97% NPE reduction since peak



Strengthened capital whilst absorbing restructuring costs



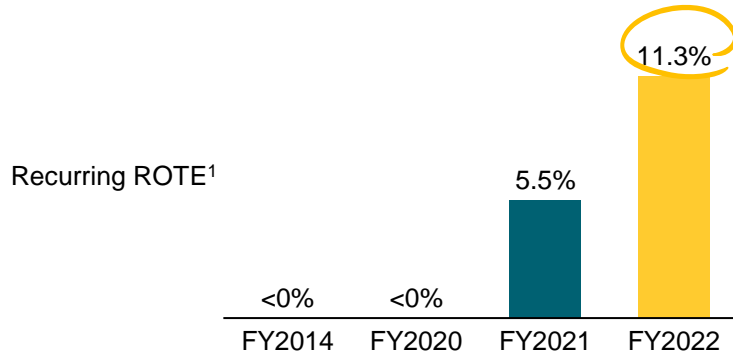
Strong liquidity position restored



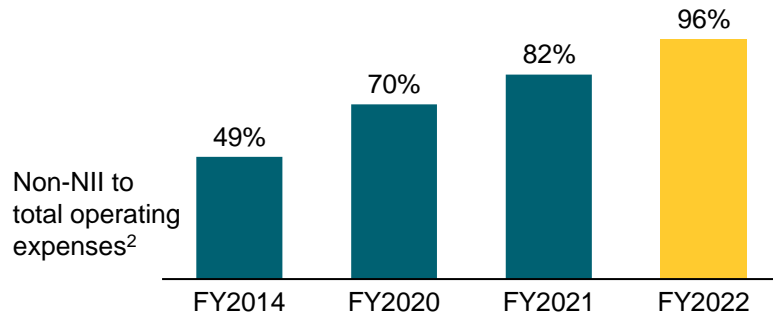
1) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements
 2) Cash and balances with Central banks, placements with Banks and debt securities, treasury bills and equity investments

... to sustainable shareholder value

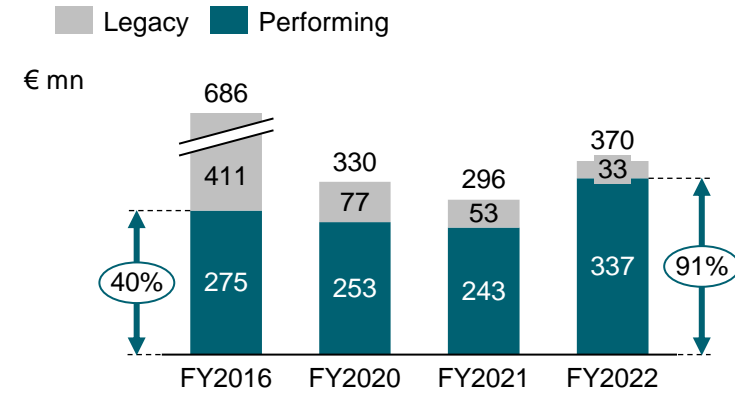
Delivered recurring ROTÉ¹ of >10% in 2022



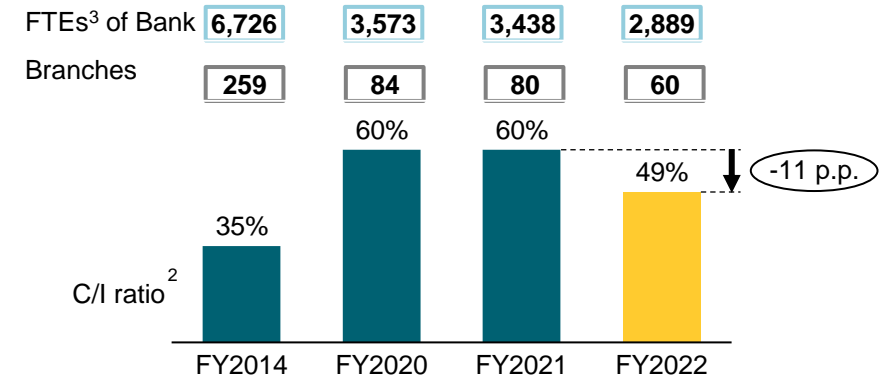
Strong non-NII covering >95% of total operating expenses²



NII significantly improved with low contribution from legacy



Achieved a lean operating model



1) Calculated as Profit after Tax and before non-recurring items divided by Shareholders' equity minus Intangible assets

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

3) Full time employess

2022 Targets exceeded

	2022 guidance (November 2022)	FY2022	
Net interest income	>€350 mn	€370 mn	✓
Cost to income ratio¹	Low-50s	49%	✓
Recurring ROTE²	c.10%	11.3%	✓
NPE ratio	<5%	4.0%	✓
Cost of risk	Mid-40 bps	44 bps	✓
CET1 ratio³	Supported by a CET1 ratio of 13.5%-14.5%	15.4%	✓

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

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

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

Strong performance to continue in 2023, upgraded ROTE to >13% from >10%

	2022	2023 Previous targets (November 2022)	2023 Updated targets
NII	€370 mn	€450-€470 mn	+40-50% yoy (€520 - €550 mn)
Cost to income ratio¹	49%	c.50%	Mid-40s
ROTE²	4.3% 11.3% (recurring)	>10%	> 13%
NPE ratio	4.0%	<5.0%	<5.0%
Cost of risk	44 bps	50-80 bps	50-80 bps

**>13%
ROTE²
in 2024⁴**

Intention to commence dividend distributions from 2023³ onwards

1) Excluding special levy on deposits and other levies/contributions
 2) ROTE: calculated as Profit after Tax divided by (average Shareholders' equity minus Intangible assets)

3) Subject to regulatory approval and market conditions
 4) Based on current forward curves and constant capital

Key strategic pillars to deliver shareholder value

1 Revenue growth in a more capital efficient way

- Grow high quality new lending
- Drive growth in niche areas for further market penetration
- Diversify through non-banking products and services (insurance and digital)



2 Lean operating model

- Ongoing focus on efficiency whilst funding digital transformation and investing in the business

4 Organisational resilience & ESG

- Continue to embed ESG sustainability in the Bank's culture
- Continue to focus on the delivery of ESG targets with a shift of focus to the Environment
- Invest in our people and promote talent

3 Asset Quality

- Maintain high quality new lending
- Prevent asset quality deterioration following the ongoing macroeconomic uncertainty
- Normalise Cost of Risk and reduce other Impairments

Market leading Bank, driving incremental ROTE



Strong Macro

- Small, open economy outgrowing Eurozone
- Healthy recovery in tourism post COVID-19
- Resilient to energy stress given no gas imports from Russia



Market Leader

- 41% loan market share
- Leader in insurance, card processing and payment solutions business
- Liquid and consolidated banking sector; total market share of c.70% for two main players



Sustainable Business Model

- One of the most liquid banks in Eurozone with strong NII benefit from rising interest rates and limited funding pressure
- Diversified model with meaningful capital light non-interest income contribution
- Lean operating model with sub 50% C/I ratio¹
- Legacy asset quality issues firmly behind (NPEs at 4%)
- On track to achieve ROTE⁴>13% in 2023



Shareholder Returns

- Strong CET1 of 15.4%³ as at Dec 2022
- Strong capital generation (>13% ROTE for 2023, following 11.3% ROTE (recurring) in 2022)
- Intention to commence dividend distributions from 2023 onwards²

Why Bank of Cyprus

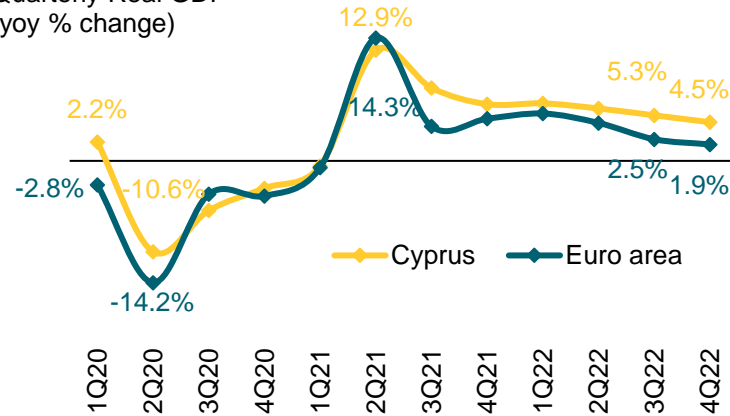
1) Excluding special levies on deposits and other levies/contributions
2) Subject to regulatory approval and market conditions

3) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments' transitional arrangements
4) ROTE: calculated as Profit after Tax divided by average Shareholders' equity minus Intangible assets

Resilient Cypriot economy delivering strong growth notwithstanding headwinds

GDP grew by 4.5% in 4Q2022 (yearly average at 5.7%)

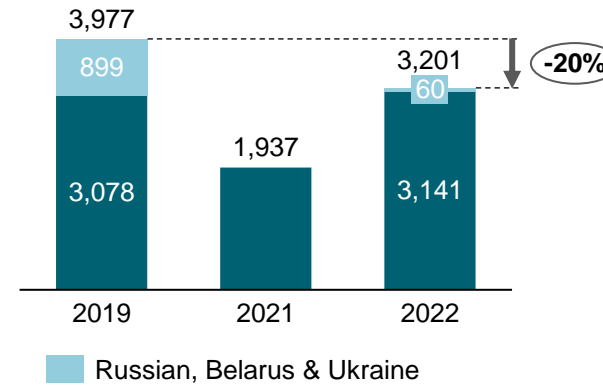
Quarterly Real GDP (yoy % change)



GDP expected to grow by c.3.0%¹ in 2023, well above eurozone average

Strong tourism performance in 2022 despite challenges

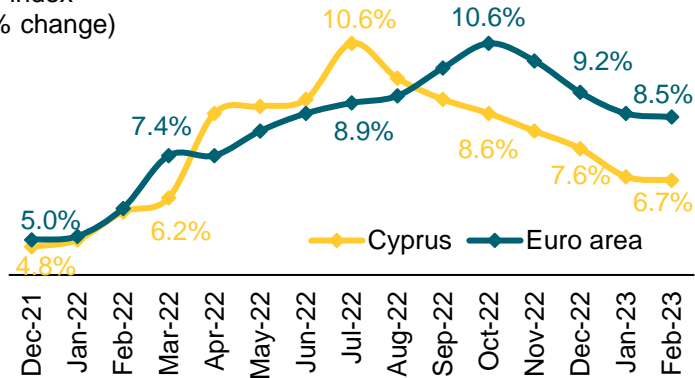
Tourism arrivals



Tourism revenues FY2022: 91% of 2019 levels

Inflation peaked in 3Q2022; starting to reduce

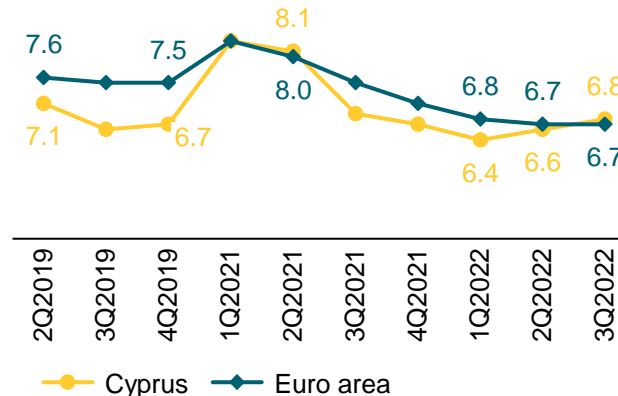
HICP index (yoy% change)



2022 average inflation rate at 8.1% (vs 2.5% in 2021)
2023 average inflation rate expected to drop to c.4%²

Unemployment rate at 6.8% in 3Q2022

Quarterly (%) (seasonally adjusted)



2022 unemployment rate expected at 6.7%¹ (vs 7.5% in 2021)

Source: Cystat, Eurostat

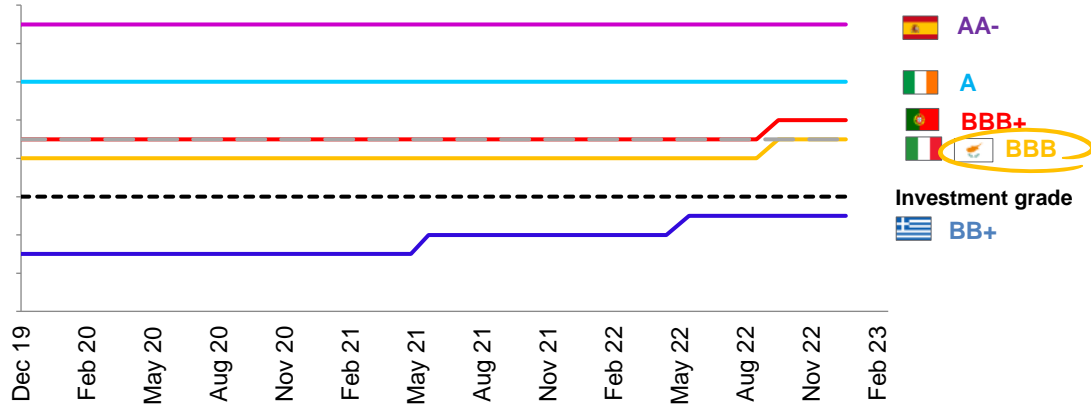
1) Projections in accordance with Ministry of Finance

2) According to Winter 2023 Forecasts of European Commission

Cypriot economy is investment grade; recent sovereign upgrades

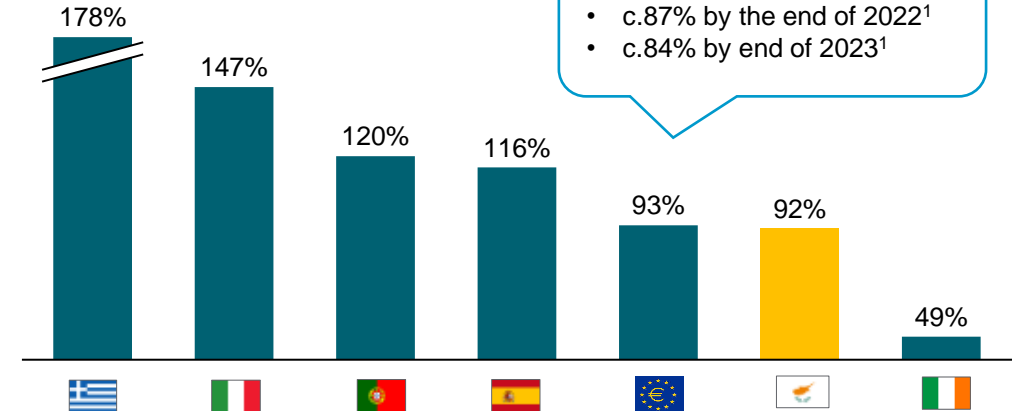
Sovereign upgrades recently demonstrates economic resilience

S&P Global

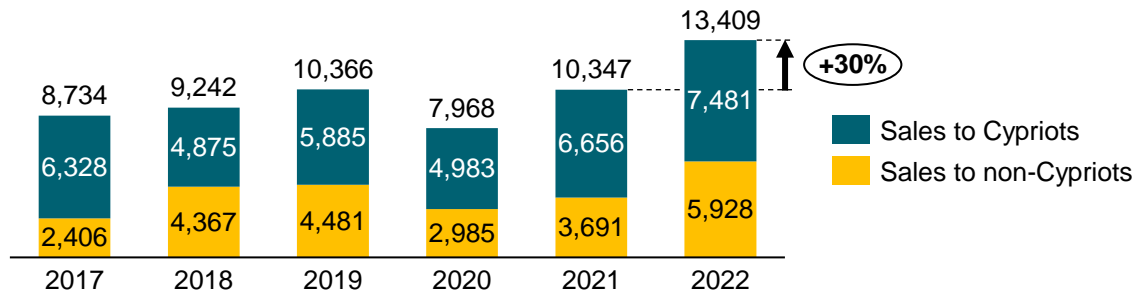


Cyprus Public Debt to GDP in line with European average

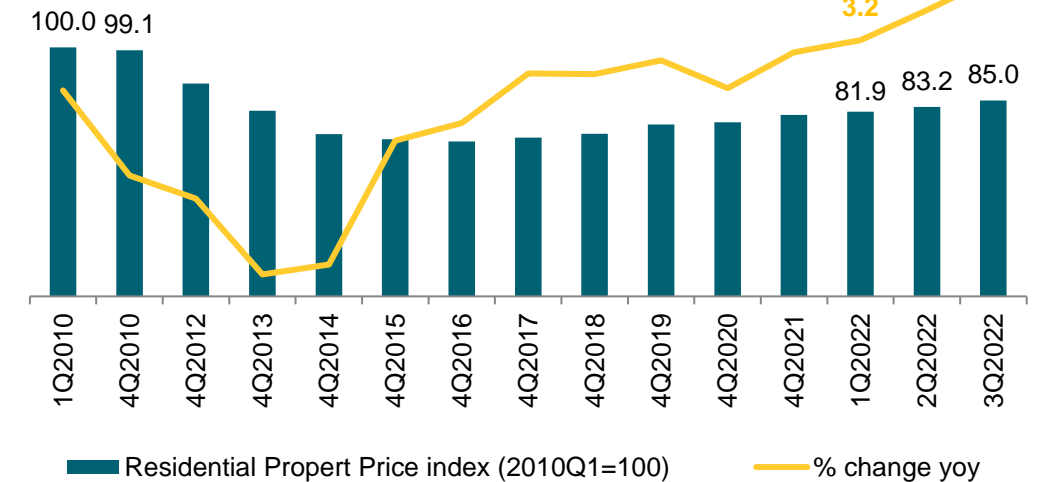
As at September 2022



Sales contracts (excl. DFAs)³ for FY2022 up 30% yoy



Real estate property prices up 6.3% yoy in 3Q2022²



Source: Cystat, Eurostat

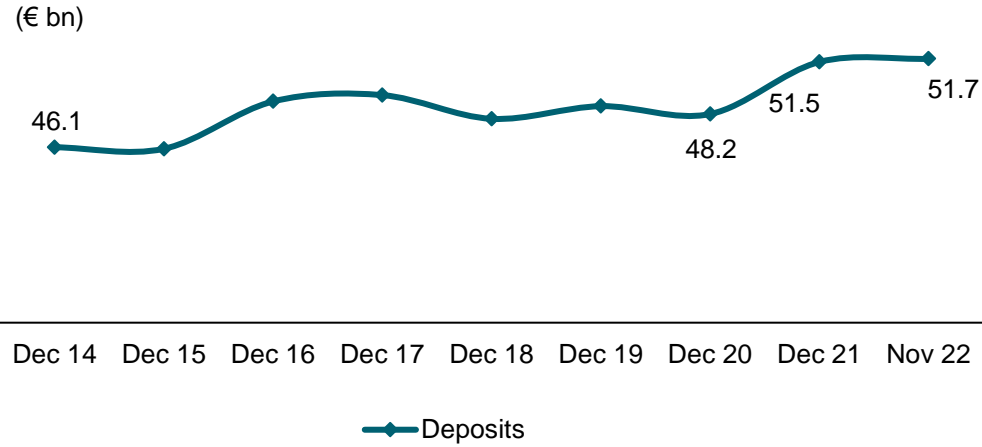
1) Projections in accordance with Ministry of Finance

2) Based on Residential price index published by Central Bank dated on 3 February 2023

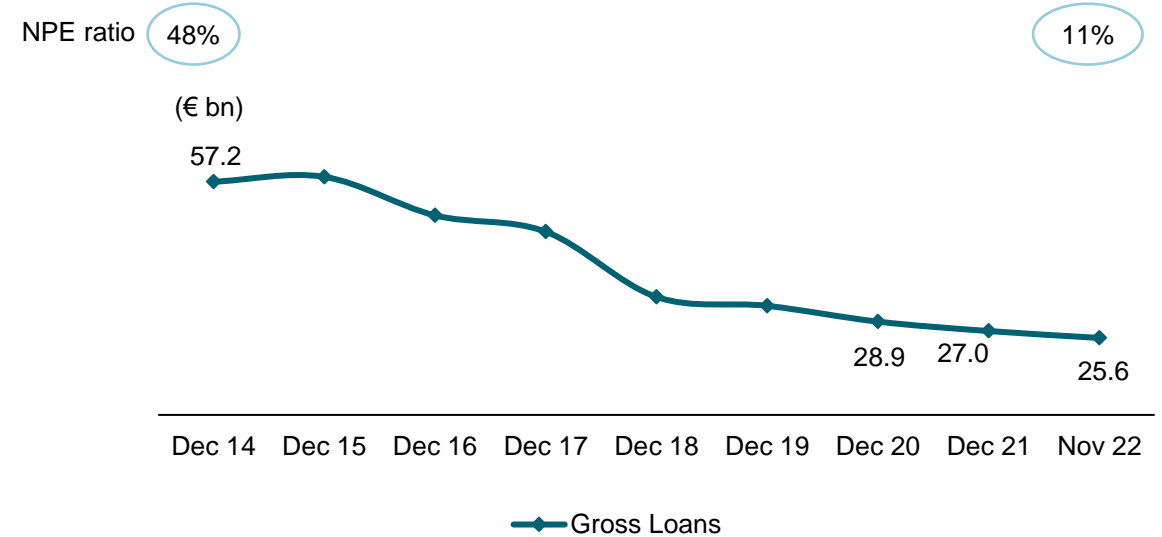
3) Based on data from Land of Registry- Sales contracts

Liquid banking sector in Cyprus

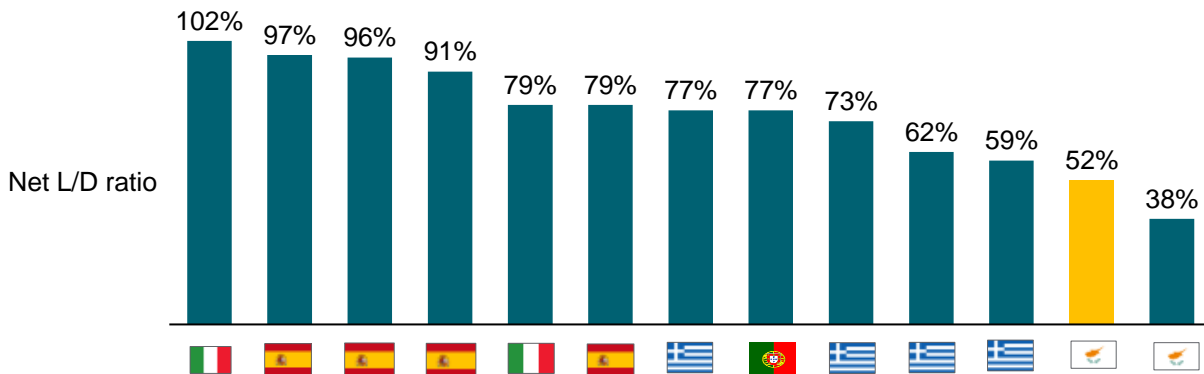
Deposits steadily increasing...



... whilst loans declined following deleveraging



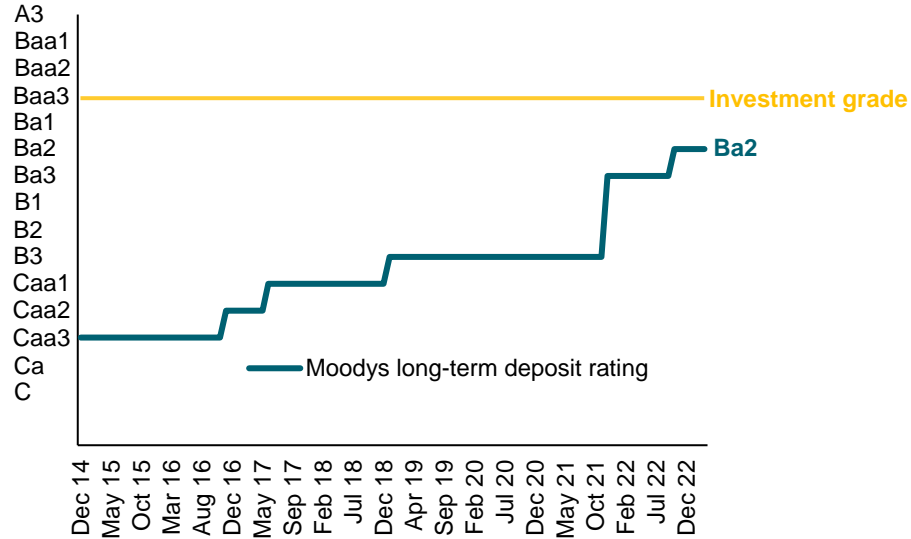
Cypriot banks have lower L/D ratio compared to Euro area



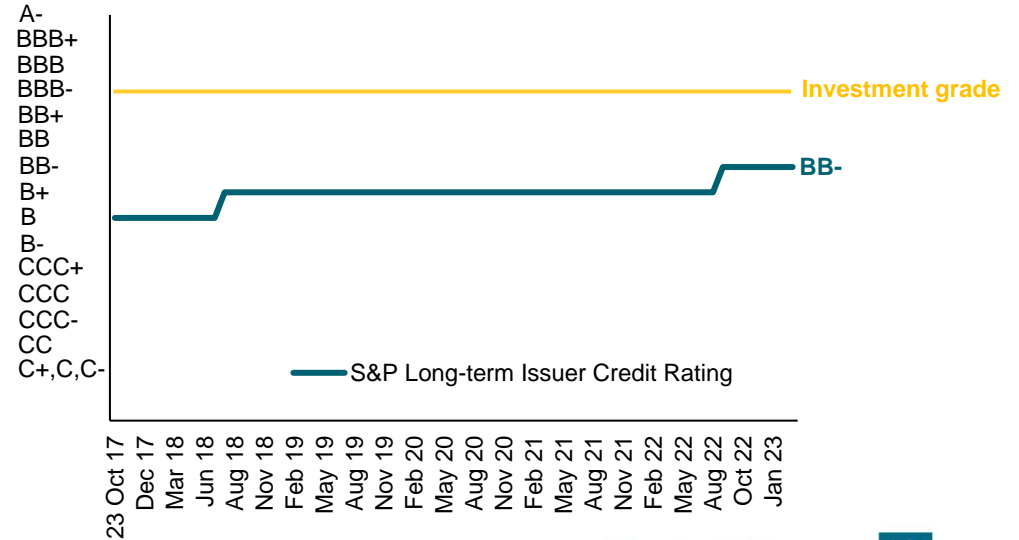
- The Cyprus banking system has one of the lowest loan to deposit ratios among EU countries, below 55%

Steadily improving credit ratings for BOC

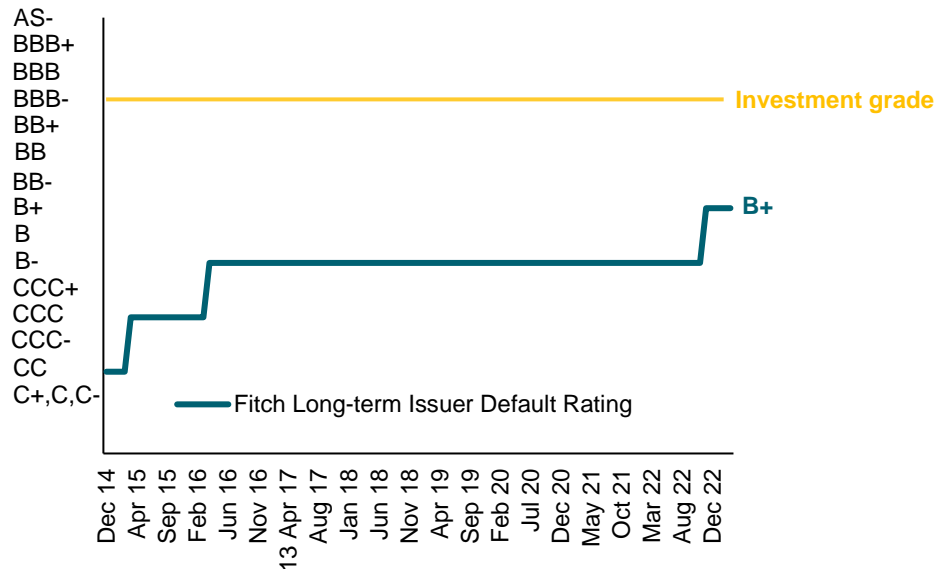
Moody's upgraded rating to Ba2 with positive outlook



S&P upgraded rating to BB+; with stable outlook



Fitch upgraded rating to B+ with positive outlook

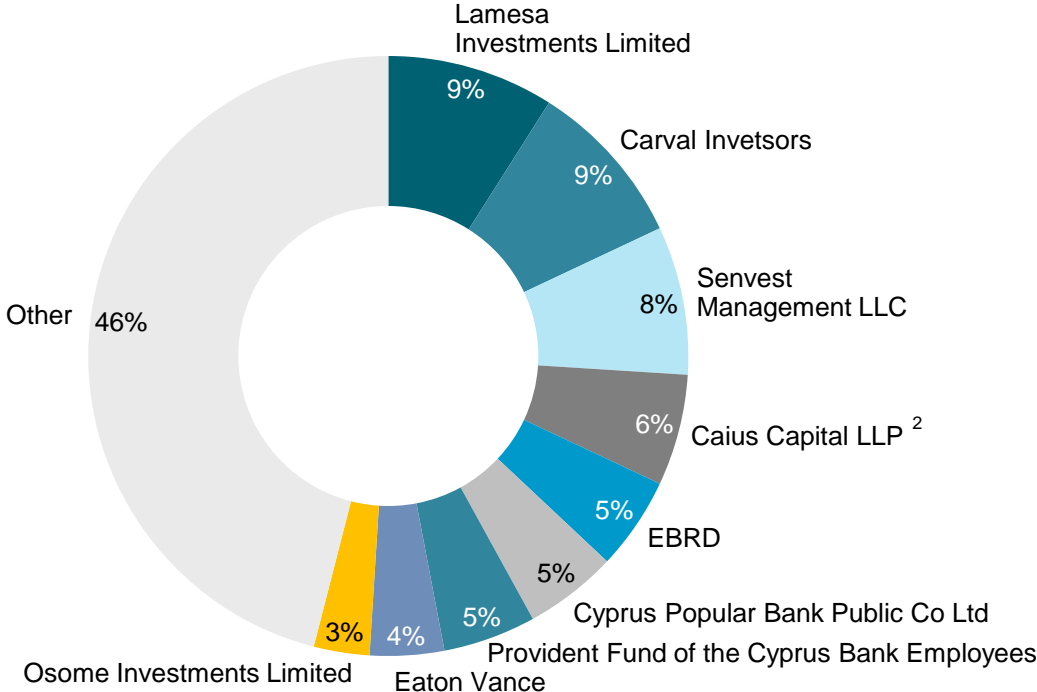


Bank of Cyprus

	Cyprus Sovereign Credit rating	LT Deposit rating	LT Counterparty Risk Rating	Outlook	Senior Unsecured Debt	Subordinate (Tier 2)
MOODY'S	Ba1	Ba2	Ba1	Positive	B1	B2
S&P Global Ratings	BBB	N/A	BB+	Stable	BB-	CCC
Fitch Ratings	BBB	BB-	N/A	Positive	N/A	N/A

Shareholder Structure

Bank of Cyprus Holdings PLC Shareholder Structure¹



Listing:

Trading in London Stock Exchange (LSE) since January 2017 and Cyprus Stock Exchange (CSE)

ISIN: IE00BD5B1Y92

Number of ordinary shares: 446,199,933

1) As per latest update from the Shareholders
 2) Including financial instruments with similar economic effect according to Regulation 17(1)(b) of the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland as amended