Bank of Cyprus Holdings

Announcement

Group Financial Results for the quarter ended 31 March 2025

Nicosia, 12 May 2025

Key Highlights for the quarter ended 31 March 2025

Economic growth to continue

- Cypriot economy is resilient and growing, despite increased global economic uncertainty
- Record new lending of €842 mn in 1Q2025, up 16% qoq
- Gross performing loans at €10.45 bn, up 3% vs December 2024

Attractive returns

- Profit after tax of €117 mn, up 9% qoq; Basic earnings per share of €0.27
- Cost to income ratio[1] at 34%
- ROTE of 18.3%

Liquid and resilient balance sheet

- NPE ratio reduced to 1.8%
- Cost of risk at 39 bps
- Retail funded deposit base at €20.7 bn, up 1% vs December 2024

Strong organic capital generation

- CET1 ratio at 19.9%[2] and Total Capital ratio at 25.0%[2], including 1Q2025 profits net of distribution accrual
- Positive impact of c.100 bps from CRR III initial implementation in January 2025
- Organic capital generation[3] of 111 bps in 1Q2025

Distributions

- 50% payout ratio for 2024; €211 mn cash dividend to be paid on 25 June 2025[4] and €30 mn buyback launched in February 2025
- Distribution policy at 50-70% payout ratio from 2025
- Introduction of interim dividends to be considered

Strong 1Q2025 performance underpins confidence in outlook

1. Excluding special levy on deposits and other levies/contributions
2. Regulatory CET1 ratio and Total Capital ratio at 19.7% and 24.8% respectively
3. Pre RWA and other movements, based on profit after tax (pre-distributions) and after AT1 coupon payment (where applicable)
4. Subject to AGM approval

*Key Highlights are based on the financial results on an ‘Underlying Basis’.

Group Chief Executive Statement

"The Bank of Cyprus delivered another strong quarterly performance in the first 3 months of 2025. Our key performance metric, Return on Tangible Equity, remained strong at 18.3%, above our full year target for mid-teens returns – despite the impact of falling interest rates. Our business model remains efficient with a cost to income ratio of 34%[1] whilst credit quality remained robust with NPEs remaining below 2% and cost of risk under 40 bps.

Our balance sheet continues to benefit from a robust capital position and high liquidity. Strong organic capital generation of c.110 bps combined with a positive c.100 bps impact from CRR III initial implementation in January 2025, increased our CET 1 ratio and Total capital ratio to 19.9%[2] and 25.0%[2] respectively, including 1Q2025 profits, net of distribution accrual at 70% payout ratio[3]. Our performing loan book grew by 3% from December 2024 to €10.45 bn, supported by strong new lending, which was up 16% on the prior quarter. Our international loan book is now c.10% of our performing loan portfolio, up 34% year on year.

As part of our strategy to expand our insurance operations and further improve our diversified business model, we signed a binding agreement to acquire 100% of Ethniki Insurance Cyprus Ltd for a total consideration of €29.5 mn in April 2025. This in-fill acquisition further solidifies our leading positions in the Life and Non-Life insurance sectors in Cyprus and will bolster the contribution of Non-NII to the Group's revenues.

The Cypriot economy continues to demonstrate resilience and good growth, despite increased global economic uncertainty. The economy expanded by 3.4% in 2024, significantly outperforming the Eurozone average, with this trend expected to continue. Whilst Cyprus' direct exposure to higher US trade tariffs is limited, we remain alert to risks that Cyprus might experience indirect effects, via the European economy.

The decisive management actions taken in recent years ensure that Bank of Cyprus faces the current heightened global economic uncertainty from a position of strength. This enabled us to recently upgrade our Distribution Policy with a 50-70% payout ratio[4] starting from 2025. We will also consider the introduction of interim dividends.

Our strong performance in the first quarter provides us with confidence about our ability to achieve our 2025 targets. We remain fully focused on supporting our customers and the Cypriot economy while delivering attractive returns to our shareholders."

Panicos Nicolaou

1) Excluding special levy on deposits and other levies/contributions
2) Regulatory CET1 ratio and Total Capital ratio at 19.7% and 24.8% respectively
3) Distribution accrual at the top end of distribution policy in line with Commission Delegated Regulation (EU) No 241/2014 principles. The distribution accrual level does not constitute a decision by the Bank with respect to distribution payment for 2025
4) Subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time

A. Group Financial Results – Underlying Basis

Unaudited Interim Consolidated Income Statement

€ mn	1Q2025	4Q2024	qoq ±%	1Q2024	yoy ±%
Net interest income	186	198	-6%	213	-13%
Net fee and commission income	44	46	-5%	42	5%
Net foreign exchange gains and net gains on financial instruments	9	9	-1%	7	21%
Net insurance result	12	11	5%	10	19%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of property	1	(4)	-	1	188%
Other income	3	6	-58%	3	-3%
Total income	**255**	**266**	**-4%**	**276**	**-8%**
Staff costs	(50)	(52)	-4%	(48)	4%
Other operating expenses	(37)	(49)	-24%	(33)	14%
Special levy on deposits and other levies/contributions	(8)	(13)	-40%	(11)	-33%
Total expenses	**(95)**	**(114)**	**-17%**	**(92)**	**3%**
Operating profit	**160**	**152**	**5%**	**184**	**-13%**
Loan credit losses	(10)	(8)	24%	(7)	49%
Impairments of other financial and non-financial assets	(10)	(17)	-39%	(8)	15%
Provisions for pending litigations, claims, regulatory and other matters (net of reversals)	(2)	(13)	-88%	(10)	-84%
Total loan credit losses, impairments and provisions	**(22)**	**(38)**	**-42%**	**(25)**	**-14%**
Profit before tax and non-recurring items	**138**	**114**	**20%**	**159**	**-13%**
Tax	(20)	(8)	147%	(25)	-19%
Profit attributable to non-controlling interests	(1)	1	-	(1)	26%
Profit after tax and before non-recurring items (attributable to the owners of the Company)	**117**	**107**	**9%**	**133**	**-12%**
Advisory and other transformation costs – organic	-	-	-	-	-
Profit after tax (attributable to the owners of the Company)	**117**	**107**	**9%**	**133**	**-12%**

A. Group Financial Results – Underlying Basis (continued)

Unaudited Interim Consolidated Income Statement- Key Performance Ratios

Key Performance Ratios	1Q2025	4Q2024	qoq ±%	1Q2024	yoy ±%
Net Interest Margin (annualised)	3.13%	3.34%	-21 bps	3.70%	-57 bps
Net Interest Margin excluding TLTRO III (annualised)	3.13%	3.34%	-21 bps	3.90%	-77 bps
Cost to income ratio	37%	43%	-6 p.p.	33%	4 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	34%	38%	-4 p.p.	29%	5 p.p.
Operating profit return on average assets (annualised)	2.4%	2.3%	0.1 p.p.	2.9%	-0.5 p.p.
Basic earnings per share attributable to the owners of the Company (€)[1]	0.27	0.24	0.03	0.30	-0.03
Return on tangible equity (ROTE)	18.3%	17.1%	1.2 p.p.	23.6%	-5.3 p.p.
Return (annualised) on tangible equity (ROTE) on 15% CET1 ratio[2]	25.9%	23.2%	2.7 p.p.	29.1%	-3.2 p.p.
Tangible book value per share[3] (€)	6.04	5.77	0.27	5.23	0.81
Tangible book value per share excluding the cash dividend	5.56	5.29	0.27	4.98	0.58

1. The diluted earnings per share attributable to the owners of the Company for 1Q2025 amounted to €0.26 (compared to €0.24 for 4Q2024 and €0.30 for 1Q2024)
2. Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised - (based on year - to - date days), divided by the quarterly average of Shareholders' equity minus intangible assets and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible shareholders' equity
3. Tangible book value per share is calculated based on number of shares in issue at the end of the period, excluding treasury shares

p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point

Commentary on Underlying Basis

The financial information presented in this Section provides an overview of the Group financial results for the quarter ended 31 March 2025 on the 'underlying basis' which management believes best fits the true measurement of the performance and position of the Group, as this presents separately any non-recurring items (where applicable) and also includes certain reclassifications of items, other than non-recurring items, which are done for presentational purposes under the underlying basis for aligning their presentation with items of a similar nature.

Reconciliations between the statutory basis and the underlying basis to facilitate the comparability of the underlying basis to the statutory information, are included in Section F.1 'Reconciliation of Interim Consolidated Income statement for the three months ended 31 March 2025 between statutory and underlying basis' and in Section H under 'Alternative Performance Measures' and Section I under 'Definitions & Explanations'.

A. Group Financial Results– Underlying Basis (continued)

Unaudited Interim Condensed Consolidated Balance Sheet

€ mn	31.03.2025	31.12.2024	±%
Cash and balances with central banks	7,197	7,601	-5%
Loans and advances to banks	1,019	821	24%
Reverse repurchase agreements	1,016	1,010	1%
Debt securities, treasury bills and equity investments	4,662	4,358	7%
Net loans and advances to customers	10,387	10,114	3%
Stock of property	622	649	-4%
Investment properties	36	36	-2%
Other assets	1,901	1,872	2%
Non-current assets and disposal groups held for sale	-	23	-100%
Total assets	**26,840**	**26,484**	**1%**
Deposits by banks	430	364	18%
Customer deposits	20,702	20,519	1%
Debt securities in issue	1,000	989	1%
Subordinated liabilities	312	307	1%
Other liabilities	1,455	1,475	-1%
Total liabilities	**23,899**	**23,654**	**1%**
Shareholders' equity	**2,700**	**2,590**	**4%**
Other equity instruments	220	220	-
Total equity excluding non-controlling interests	**2,920**	**2,810**	**4%**
Non-controlling interests	21	20	4%
Total equity	**2,941**	**2,830**	**4%**
Total liabilities and equity	**26,840**	**26,484**	**1%**

Key Balance Sheet figures and ratios		**31.03.2025**	**31.12.2024[1]**	**±[1]**
Gross loans (€ mn)		10,600	10,374	2%
Allowance for expected loan credit losses (€ mn)		231	254	-9%
Customer deposits (€ mn)		20,702	20,519	1%
Loans to deposits ratio (net)		50%	49%	1 p.p.
NPE ratio		1.8%	2.5%	-70 bps
NPE coverage ratio		122%	100%	+20 p.p.
Leverage ratio		10.7%	10.4%	+30 bps
Capital ratios and risk weighted assets	**31.03.2025 (Including RE[2])**	**31.03.2025 (Regulatory)**	**31.12.2024 (Regulatory[3])**	**±**
Common Equity Tier 1 (CET1) ratio (transitional)	19.9%	19.7%	19.2%	+70 bps
Total capital ratio (transitional)	25.0%	24.8%	24.0%	+100 bps
Risk weighted assets (€ mn)	10,495	10,495	10,834	-3%

1. Including the NPE portfolios classified as non-current assets and disposal groups held for sale were relevant. 2.Includes unaudited/unreviewed profits for 1Q2025 net of distribution accrual (refer to A.1.1). 3. Includes profits for the year ended 31 December 2024 net of distribution at 50% payout ratio p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 p.p.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis

A.1.1 Capital Base

Total equity excluding non-controlling interests totalled €2,920 mn as at 31 March 2025 compared to €2,810 mn as at 31 December 2024 and to €2,601 mn as at 31 March 2024. Shareholders' equity totalled to €2,700 mn as at 31 March 2025 compared to €2,590 mn as at 31 December 2024 and to €2,381 mn as at 31 March 2024.

The **regulatory Common Equity Tier 1 capital (CET1) ratio on a transitional basis** stood at 19.7% as at 31 March 2025 compared to 19.2% as at 31 December 2024. Throughout this announcement, the regulatory capital ratios as at 31 March 2025 do not include profits for the quarter ended 31 March 2025 (such ratios are referred as regulatory). Including the profits for 1Q2025, net of distribution accrual at the top end of the Group's approved distribution policy, in line with Commission Delegated Regulation (EU) No 241/2014 principles, the CET1 ratio on a transitional basis (including retained earnings) increases to 19.9% as at 31 March 2025. Such distribution accrual in respect of 2025 earnings does not constitute a binding commitment for a distribution payment of any amount nor does it constitute a warranty or representation that such a payment will be made. Since September 2023, a charge is deducted from own funds in relation to the ECB prudential expectations for NPEs, which amounted to 27 bps as at 31 March 2025, compared to 26 bps as at 31 December 2024. A prudential charge in relation to an onsite inspection on the value of the Group's foreclosed assets is being deducted from own funds since June 2021, the impact of which was 2 bps on Group's CET1 ratio as at 31 March 2025, compared to 3 bps on Group's CET1 ratio as at 31 December 2024. In addition, the Group is subject to increased capital requirements in relation to its real estate repossessed portfolio which follow a SREP provision to ensure minimum capital levels retained on long-term holdings of real estate assets, with such requirements being dynamic by reference to the in-scope REMU assets remaining on the balance sheet of the Group and the value of such assets. As at 31 March 2025, the impact of these requirements was 90 bps on Group's CET1 ratio, compared to 51 bps as at 31 December 2024. The above-mentioned requirements are within the capital plans of the Group and incorporated within its capital projections.

The **regulatory Total Capital ratio on a transitional basis** stood at 24.8% as at 31 March 2025 compared to 24.0% as at 31 December 2024. Including the profits for 1Q2025, net of distribution accrual at the top end of the Group's approved distribution policy, in line with Commission Delegated Regulation (EU) No 241/2014 principles, the Total Capital ratio on a transitional basis (including retained earnings) increases to 25.0% as at 31 March 2025.

The Group's capital ratios are above the Supervisory Review and Evaluation Process (SREP) requirements.

As at 31 March 2025, the Group's minimum phased-in CET1 capital ratio is set at **11.42%,** comprising a 4.50% Pillar I requirement, a 1.55% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.9375% and CcyB of c.0.94%. Likewise the Group's minimum phased-in Total Capital ratio requirement is set at **16.13%,** comprising an 8.00% Pillar I requirement, of which up to 1.50% can be in the form of AT1 capital and up to 2.00% in the form of T2 capital, a 2.75% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.9375% and CcyB of c.0.94%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) remains unchanged compared to 2024. **Also, as per the latest SREP decision, the requirement for prior regulatory approval for the declaration of dividends has been lifted, effective from 1 January 2025.**

The Central Bank of Cyprus ('CBC'), following the revised methodology described in its macroprudential policy, decided to set the CcyB to 1.00% of the total risk exposure in Cyprus for each licensed credit institution incorporated in Cyprus, effective from June 2024. As a result, the CcyB for the Group as at 31 March 2025 amounted to c.0.94%. In January 2025, CBC, based on its macroprudential policy, decided to increase the CCyB from 1.00% to 1.50% of the total risk exposure amount in Cyprus, for each licensed credit institution incorporated in Cyprus, effective from January 2026.

The Bank has been designated as an Other Systemically Important Institution (O-SII) by CBC in accordance with the provisions of the Macroprudential Oversight of Institutions Law of 2015 and the relevant buffer stood at 1.875% on 1 January 2024. The CBC has set the Group's O-SII buffer to 2.00% to be observed from 1 January 2026, to be phased by 6.25 bps annually, to 1.9375% on 1 January 2025 and 2.00% as of 1 January 2026.

Own funds held for the purposes of P2G cannot be used to meet any other capital requirements (Pillar I, Pillar II requirements or the combined buffer requirement), and therefore cannot be used twice.

As at 31 December 2024, the Group's minimum phased-in CET1 capital ratio requirement was set at **11.34%**, comprising a 4.50% Pillar I requirement, a 1.55% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.875% and CcyB of c.0.92%. Likewise, the Group's minimum phased-in Total Capital ratio requirement was set at **16.05%,** comprising an 8.00% Pillar I requirement, of which up to 1.50% can be in the form of AT1 capital and up to 2.00% in the form of T2 capital, a 2.75% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.875% and the CcyB of c.0.92%.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis (continued)

A.1.1 Capital Base (continued)

Distributions

FY2024 Distribution at 50% payout ratio

In February 2025, following the Group's strong financial performance, its successful execution of its strategic targets in 2024 and its ongoing commitment to delivering sustainable returns to shareholders, **the Company proposed a total distribution of €241 mn, comprising a cash dividend of €211 mn and a share buyback of up to €30 mn** (together, the '2024 Distribution'). The 2024 Distribution corresponds to 50% payout ratio of the Group's FY2024 adjusted recurring profitability, at the top-end of the Group's 2024 Distribution Policy and represents a significant increase both in terms of payout ratio and total quantum, compared to prior year. This is equivalent to 12% distribution yield (based on the share price as at 31 December 2024), above the 2024 Eurozone banking sector average.

Following the above, the Board of Directors of the Company has resolved to propose to the Annual General Meeting ('AGM') that will be held on 16 May 2025 for approval, a final cash dividend of €0.48 per ordinary share in respect of earnings for the year ended 31 December 2024, almost doubled compared to €0.25 per ordinary share in prior year. Subject to approval at the AGM, the dividend will be paid in cash on 25 June 2025 to those shareholders on the register on 27 May 2025 ('Record date') with an Ex-dividend date of 26 May 2025. Additionally, in February 2025 the Company launched a buyback programme to buy back ordinary shares in the Company for an aggregate consideration of up to €30 mn for which approval by the ECB has been received (the 'Programme'). The purpose of the Programme is to reduce the Company's share capital and therefore shares purchased under the Programme will be cancelled. The Company has entered into a non-discretionary agreement with The Cyprus Investment and Securities Corporation Ltd ('CISCO') acting as a lead manager, to conduct the Programme and to repurchase Shares on the Company's behalf and to make trading decisions under the Programme independently of the Company in accordance with certain pre-set parameters. The programme takes place on Athens Stock Exchange ('Athex') and the Cyprus Stock Exchange ('CSE') and may continue until 5 February 2026, subject to market conditions, the ongoing capital requirements of the business, early termination rights customary for a transaction of this nature. The launch and implementation of the share buyback programme complies with the Company's general authority to repurchase the Company's ordinary shares as approved by shareholders at the Company's AGM on 17 May 2024, which is subject to renewal at the AGM scheduled to take place on 16 May 2025. As at 8 May 2025, 3,426,950 ordinary shares have been bought back at a weighted average price of €5.62 for a total consideration of €19,265,826. As at 8 May 2025, 64% of the maximum total value of the share buyback programme has been completed.

The 2024 Distribution in respect of 2024 earnings is equivalent to c.220 bps on CET1 ratio as at 31 December 2024.

Historic Distributions

In April 2023, the Company obtained the approval of the European Central Bank ('ECB') to pay a dividend of €0.05 per ordinary share in respect of earnings for the year ended 31 December 2022. This was the first dividend payment after 12 years underpinning the Group's position as a strong and well-diversified organisation, capable of delivering sustainable shareholder returns.

In March 2024, the Company obtained the approval of the ECB to pay a cash dividend and to conduct a share buyback (together the '2023 Distribution'). The 2023 Distribution corresponded to a 30% payout ratio of FY2023 adjusted recurring profitability and amounted to €137 mn in total, comprising a cash dividend of €112 mn and a share buyback of up to €25 mn. The proposed final dividend of €0.25 per ordinary share was declared at the AGM which was held on 17 May 2024 and was paid in cash on 14 June 2024.

In April 2024, the Group launched its inaugural programme to buy back ordinary shares in the Company for an aggregate consideration of up to €25 mn (the 'Programme'). The purpose of the Programme was to reduce the Company's share capital and therefore shares purchased under the Programme were cancelled. The Programme was approved by the ECB on 15 March 2024. As at 29 November 2024, the Programme was successfully completed, resulting in the Company repurchasing 5,697,690 ordinary shares at a volume weighed average price of €4.39 per share for a total consideration of €25 mn. All shares bought back were cancelled.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis (continued)

A.1.1 Capital Base (continued)

Upgraded Distribution policy from FY2025

The Group aims to provide sustainable returns to shareholders. The distribution policy has been upgraded in February 2025 in order to reflect the steady sustained progress achieved over the last years, the profitability profile and medium-term outlook of the Group. Ordinary distributions are expected to be **in the range of 50-70% payout ratio** (from the previous policy of 30-50%) of the Group's adjusted recurring profitability through a combination of cash dividends and share buybacks. Additionally, the Board of Directors will also consider the introduction of interim dividends if it considers appropriate to do so. The Group adjusted recurring profitability is defined as the Group's profit after tax before non-recurring items (attributable to the owners of the Company) taking into account distributions under other equity instruments such as the annual AT1 coupon.

The decision to make any future final or interim distributions, including proposed distribution quantum, as well as envisaged allocation between dividend and buyback, will take into consideration market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time.

Share Capital

As at 31 March 2025, there were 440,820,060 issued ordinary shares with a nominal value of €0.10 each, compared to 440,502,243 as at 31 December 2024. The increase since the beginning of the year relates to issuance of ordinary shares of the Company in connection with the Company's Short Term Incentive Plan and Long Term Incentive Plan. Furthermore, as of 31 March 2025, the Company holds 1,496,122 ordinary shares as treasury shares, pending cancellation which shall take place at the end of the buyback programme (refer above).

Other equity instruments

At 31 March 2025, the Group's other equity instruments relate to Additional Tier 1 Capital Securities (the "AT1 securities") and amounted to €220 mn, flat on prior quarter.

The Fixed Rate Reset Perpetual Additional Tier 1 Capital Securities constitute unsecured and subordinated obligations of the Company, are perpetual and are issued at par. They carry an initial coupon of 11.875% per annum, payable semi-annually and resettable on 21 December 2028 and every 5 years thereafter.

The Company will have the option to redeem these capital securities from, and including, 21 June 2028 to, and including, 21 December 2028 and on each interest payment date thereafter, subject to applicable regulatory consents and the relevant conditions to redemption.

Legislative amendments for the conversion of DTA to DTC

Legislative amendments allowing for the conversion of specific deferred tax assets (DTA) into deferred tax credits (DTC) became effective in March 2019. The legislative amendments cover the utilisation of income tax losses transferred from Laiki Bank to the Bank in March 2013. The introduction of the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) IV in January 2014 and its subsequent phasing-in led to a more capital-intensive treatment of the DTA arising from tax losses. With this legislation, institutions are allowed to treat such DTAs as 'not relying on future profitability', according to CRR/CRD IV and as a result not deducted from CET1, hence improving a credit institution's capital position. They also provide that a guarantee fee on annual tax credit is payable annually by the credit institution to the Government.

Following certain modifications to the relevant law in May 2022, the annual guarantee fee is to be determined by the Cyprus Government on an annual basis, providing however that such fee to be charged is set at a minimum fee of 1.5% of the annual instalment and can range up to a maximum amount of €10 mn per year.

The Group estimates that such fees could range to c.€5 mn per year (for each tax year in scope i.e. since 2018) although the Group understands that such fee may fluctuate annually as to be determined by the Ministry of Finance. An amount of c.€5.4 mn was recorded as an expense in FY2024.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis (continued)

A.1.2 Regulations and Directives

A.1.2.1 The 2021 Banking Package (CRR III and CRD VI and BRRD)

During 2024, the EU co-legislators finalised, adopted and published the comprehensive package of reforms with respect to European Union banking rules which implement the Final Basel III set of global reforms, changing how banks calculate their RWA (Regulation (EU) 2024/1623 (known as CRR III)) and Directive (EU) 2024/1619 (known as CRD VI), applicable from January 1, 2025. Most provisions of the CRR III have become effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased in over time. Member states shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and shall apply most of those measures by 11 January 2026. The implementation of CRR III had an estimated positive impact of approximately 1% on the CET1 ratio (transitional) of the Group on initial application on 1 January 2025, primarily driven by a reduction in Operational Risk RWAs and to a lesser extent by a reduction in credit risk RWAs. However, during 2025 the publication of ECB guidelines on options and discretions and EBA mandates could result in additional impacts on CET1 ratios across the industry.

A.1.2.2 Bank Recovery and Resolution Directive (BRRD)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

In January 2025, the Bank received notification from the SRB regarding the 2025 MREL decision, by which the MREL requirement is now set at 23.85% of risk weighted assets (or 29.23% of risk weighted assets taking into account the prevailing CBR as at 1 January 2025 which needs to be met with own funds on top of the MREL) and 5.91% of Leverage Ratio Exposure ('LRE' as defined in the CRR). The revised MREL requirement became binding with immediate effect, replacing the previous requirement of 25.00% of risk weighted assets and 5.91% of LRE.

The Bank must comply with the MREL requirement at the consolidated level, comprising the Bank and its subsidiaries.

The regulatory MREL ratio as at 31 March 2025, calculated according to the SRB's eligibility criteria currently in effect, stood at 34.7% of RWAs (including capital used to meet the CBR) and at 13.7% of LRE (based on the regulatory Total Capital as at 31 March 2025), demonstrating that the Bank created a comfortable buffer over the MREL requirement.

The CBR stood at 5.38% as at 31 March 2025, compared to 5.30% as at 31 December 2024, reflecting the phasing in of O-SII buffer from 1.875% to 1.9375% on 1 January 2025. The CBR is expected to increase further as a result of the phasing in of O-SII buffer to 2.00% on 1 January 2026 as well as the expected increase of CcyB rate as of January 2026, as explained above.

Throughout this announcement, the MREL ratio as at 31 March 2025 does not include profits for the quarter ended 31 March 2025. The MREL ratio expressed as a percentage of RWA and the MREL ratio expressed as a percentage of LRE as at 31 March 2025 stands at 34.9% and 13.8% respectively when including the profits for 1Q2025 net of a distribution accrual at the top end of the Group's approved distribution policy, in line with Commission Delegated Regulation (EU) No 241/2014 principles.

A.1.3 Funding and Liquidity

Funding

Deposits

Customer deposits totalled €20,702 mn at 31 March 2025 (compared to €20,519 mn at 31 December 2024 and to €19,260 mn at 31 March 2024) up 7% yoy and 1% since the beginning of the year. Customer deposits are mainly retail-funded and 55% of deposits are protected under the deposit guarantee scheme as at 31 March 2025.

The Bank's deposit market share in Cyprus reached 37.5% as at 31 March 2025, compared to 37.2% as at 31 December 2024. Customer deposits accounted for 77% of total assets and 87% of total liabilities at 31 March 2025 (compared to 77% of total assets and 87% of total liabilities as at 31 December 2024).

The net loans to deposits (L/D) ratio stood at 50% as at 31 March 2025, compared to 49% as at 31 December 2024 on the same basis, 1 p.p. up since the beginning of the year.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis (continued)

A.1.3 Funding and Liquidity *(continued)*

Funding (continued)

Subordinated liabilities

At 31 March 2025, the carrying amount of the Group's subordinated liabilities amounted to €312 mn (compared to €307 mn at 31 December 2024) and relate to unsecured subordinated Tier 2 Capital Notes ('T2 Notes').

The T2 Notes were priced at par with a fixed coupon of 6.625% per annum, payable annually in arrears and resettable on 23 October 2026. The maturity date of the T2 Notes is 23 October 2031. The Company will have the option to redeem the T2 Notes early on any day during the six-month period from 23 April 2026 to 23 October 2026, subject to applicable regulatory approvals.

Debt securities in issue

At 31 March 2025, the carrying value of the Group's debt securities in issue amounted to €1,000 mn (compared to €989 mn at 31 December 2024) and relate to senior preferred notes.

In April 2024, the Bank successfully launched and priced an issuance of €300 mn green senior preferred notes. The Green Notes were priced at par with a fixed coupon of 5% per annum, payable in arrear, until the Option redemption date i.e. 2 May 2028. The maturity date of the Green Notes is 2 May 2029; however, the Bank may, at its discretion, redeem the Green Notes on the Optional Redemption Date subject to meeting certain conditions (including applicable regulatory consents) as specified in the Terms and Conditions.

If the Green Notes are not redeemed by the Bank, the coupon payable from the Optional Redemption Date until the Maturity Date will convert from a fixed rate to a floating rate and will be equal to 3-month Euribor + 197.1 bps, payable quarterly in arrear. The transaction represents the Bank's inaugural green bond issuance in line with the Group's Beyond Banking approach, aimed at creating a stronger, safer and future-focused Bank and leading the transition of Cyprus to a sustainable future. An amount equivalent to the net proceeds of the Green Notes was allocated to Eligible Green Projects as described in the Bank's Sustainable Finance Framework, which include Green Buildings, Energy Efficiency, Clean Transport and Renewable Energy.

In July 2023, the Bank successfully launched and priced an issuance of €350 mn of senior preferred notes (the "Notes"). The Notes were priced at par with a fixed coupon of 7.375% per annum, payable annually in arrear, until the Optional Redemption Date i.e. 25 July 2027. The maturity date of the Notes is 25 July 2028; however, the Bank may, at its discretion, redeem the Notes on the Optional Redemption Date subject to meeting certain conditions (including applicable regulatory consents) as specified in the Terms and Conditions. If the Notes are not redeemed by the Bank, the coupon payable from the Optional Redemption Date until the Maturity Date will convert from a fixed rate to a floating rate and will be equal to 3-month Euribor + 409.5 bps, payable quarterly in arrear.

In June 2021, the Bank executed its inaugural MREL transaction issuing €300 mn of senior preferred notes (the "SP Notes"). The SP Notes were priced at par with a fixed coupon of 2.50% per annum, payable annually in arrears and resettable on 24 June 2026. The maturity date of the SP Notes is 24 June 2027, and the Bank may, at its discretion, redeem the SP Notes on 24 June 2026, subject to meeting certain conditions as specified in the Terms and Conditions, including applicable regulatory consents.

All issuances of senior preferred notes comply with the criteria for the Minimum Requirement for Own Funds and Eligible Liabilities ("MREL") and contribute towards the Bank's MREL requirements.

Liquidity

At 31 March 2025, the Group Liquidity Coverage Ratio (LCR) stood at 330% (compared to 309% at 31 December 2024), well above the minimum regulatory requirement of 100%. The LCR surplus as at 31 March 2025 amounted to €8.2 bn (compared to €8.1 bn at 31 December 2024, broadly flat on the prior quarter).

At 31 March 2025, the Group Net Stable Funding Ratio (NSFR) stood at 160% (compared to 162% as at 31 December 2024), well above the minimum regulatory requirement of 100%.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis (continued)

A.1.4 Loans

Group **gross loans** totalled €10,600 mn at 31 March 2025, compared to €10,374 mn at 31 December 2024, up 2% since the beginning of the year, mainly reflecting seasonally higher corporate loan demand. The Group's gross performing loan book increased by 3% since the beginning of the year to €10.45 bn, in line with the 2025 target of 4% growth on an annual basis.

New lending granted in Cyprus reached €842 mn for 1Q2025 (compared to €727 mn for 4Q2024 and to €676 mn for 1Q2024), up by 16% qoq and 25% yoy. The yoy increase is driven mainly by corporate, housing and international loans. New lending in 1Q2025 comprised €430 mn of corporate loans, €202 mn of retail loans (of which €114 mn were housing loans), €71 mn of SME loans and €139 mn of international loans. New lending for 1Q2025 is driven mainly by corporate demand.

At 31 March 2025, the Group net loans and advances to customers totalled €10,387 mn (compared to €10,114 mn at 31 December 2024) up 3% since December 2024.

The Bank is the largest credit provider in Cyprus with a market share of 43.1% at 31 March 2025, compared to 43.0% at 31 December 2024.

A.1.5 Loan portfolio quality

The Group has continued to make steady progress across all asset quality metrics. The Group's priorities focus mainly on maintaining high quality new lending with strict underwriting standards and preventing asset quality deterioration.

The loan credit losses for 1Q2025 amounted to €10 mn, compared to €8 mn for 4Q2024 and €7 mn for 1Q2024. Further details regarding loan credit losses are provided in Section A.2.3 'Profit before tax and non-recurring items'.

Non-performing exposures

Non-performing exposures (NPEs) as defined by the European Banking Authority (EBA) were reduced by €65 mn, or 26% in 1Q2025, compared to a net decrease of €19 mn in 4Q2024, to €190 mn at 31 March 2025 (compared to €255 mn at 31 December 2024).

As a result, the NPEs reduced to 1.8% of gross loans as at 31 March 2025, compared to 2.5% as at 31 December 2024.

The NPE coverage ratio stands at 122% at 31 March 2025, compared to 100% at 31 December 2024.

Agreement for the sale of NPEs

In September 2024, the Bank entered into an agreement with funds associated with Cerberus Global Investments B.V. to sell a non-performing loan portfolio of mainly corporate secured exposures with a contractual balance of c.€149 mn and a gross book value of c.€27 mn as at 30 June 2024.

In December 2024 the Bank entered into an additional agreement with funds associated with Cerberus Global Investments B.V. for the sale of a non-performing loan portfolio of mainly retail and SME exposures, with a contractual balance of c.€193 mn and a gross book value of c.€39 mn as at 31 December 2024.

As at 31 December 2024, the transactions were classified as non-current assets held for sale and their gross book value and net book value amounted to €55 mn and €23 mn respectively.

The transactions were completed in 1Q2025 and were broadly neutral to both the income statement and capital position.

Overall, since the peak in 2014, the stock of NPEs has been reduced by €14.8 bn or 99% to €0.2 bn and the NPE ratio by 61 p.p. from 63% to below 2.0%.

A. Group Financial Results – Underlying Basis (continued)

A.1 Balance Sheet Analysis (continued)

A.1.6 Fixed income portfolio

Fixed income portfolio amounts to €4,519 mn as at 31 March 2025, compared to €4,212 mn as at 31 December 2024 and €3,743 mn as at 31 March 2024, increased by 7% on the prior quarter and by 21% on prior year. As at 31 March 2025, the portfolio represents 17% of total assets and comprises €4,098 mn (91%) measured at amortised cost and €421 mn (9%) at fair value through other comprehensive income ('FVOCI').

The fixed income portfolio measured at amortised cost is held to maturity and therefore no fair value gains/losses are recognised in the Group's income statement or equity. This fixed income portfolio has high average rating at Aa2. The amortised cost fixed income portfolio as at 31 March 2025 has an unrealised fair value gain of €28 mn, equivalent to c.25 bps of CET1 ratio (compared to an unrealised fair value gain of €32 mn as at 31 December 2024).

A.1.7 Reverse repurchase agreements

Reverse repurchase agreements amount to €1,016 mn as at 31 March 2025, compared to €1,010 mn as at 31 December 2024 and €708 mn as at 31 March 2024. The year on year increase relates to the hedging activities the Group is carrying out in order to reduce its net interest income sensitivity. The average yield of reverse repurchase agreements is c.3.0% p.a. and the average duration is estimated at c.2 years.

A.1.8 Real Estate Management Unit (REMU)

The **Real Estate Management Unit (REMU)** is focused on the disposal of on-boarded properties resulting from debt for asset swaps. Cumulative sales of repossessed assets since the beginning of 2019 amount to c.€1.1 bn and exceed properties on-boarded in the same period of €0.5 bn.

REMU completed disposals of €22 mn in 1Q2025 (compared to €93 mn in 4Q2024 and €17 mn in 1Q2024), resulting in a gain on disposal of c.€2 mn for 1Q2025 (compared to a loss of c.€4 mn for 4Q2024 and to a profit of c.€2 mn for 1Q2024). Asset disposals are across all property classes, with 37% of sales in gross sale value in 1Q2025 relating to land.

During the quarter ended 31 March 2025, REMU executed sale-purchase agreements (SPAs) for disposals of 98 properties with contract value of €24 mn, compared to SPAs for disposals of 113 properties with contract value of €23 mn (including a transfer of €3 mn) for 1Q2024.

In addition, to date, REMU maintains a pipeline of €32 mn by contract value, of which €15 mn related to SPAs signed, (compared to a pipeline of €42 mn as at 31 December 2024, of which €24 mn related to SPAs signed).

REMU on-boarded €5 mn of assets in 1Q2025 (compared to additions of €2 mn in 4Q2024 and €5 mn in 1Q2024), via the execution of debt for asset swaps and repossessed properties.

As at 31 March 2025, repossessed properties held by REMU had a carrying value of €634 mn, compared to €660 mn as at 31 December 2024 and €836 mn as at 31 March 2024. In April 2025, the Group repossessed properties further reduced to €575 mn, remaining on track to achieve its target of reducing this portfolio to c.€0.5 bn by end-2025.

A.1 Balance Sheet Analysis (continued)

A.1.8 Real Estate Management Unit (REMU)

Assets held by REMU

Repossessed Assets held by REMU (Group) € mn	1Q2025	4Q2024	qoq ±%	1Q2024	yoy ±%
Opening balance	**660**	764	-14%	862	-23%
On-boarded assets	**5**	2	64%	5	6%
Sales	**(22)**	(93)	-76%	(17)	29%
Net impairment loss	**(9)**	(16)	-48%	(10)	-12%
Transfers to own properties	**-**	3	-100%	(3)	-100%
Closing balance	**634**	**660**	-4%	**836**	-24%

Analysis by type and country of repossessed properties 31 March 2025 (€ mn)	Cyprus	Greece	Total
Residential properties	**45**	**7**	**52**
Offices and other commercial properties	**62**	**7**	**69**
Manufacturing and industrial properties	**15**	**10**	**25**
Land (fields and plots)	**336**	**3**	**339**
Golf courses and golf-related property	**149**	**0**	**149**
Total	**607**	**27**	**634**

31 December 2024 (€ mn)	Cyprus	Greece	Total
Residential properties	**46**	**6**	**52**
Offices and other commercial properties	**74**	**8**	**82**
Manufacturing and industrial properties	**15**	**10**	**25**
Land (fields and plots)	**349**	**3**	**352**
Golf courses and golf-related property	**149**	**0**	**149**
Total	**633**	**27**	**660**

A. Group Financial Results – Underlying Basis (continued)

A.2 Income Statement Analysis

A.2.1 Total income

€ mn	1Q2025	4Q2024	qoq ±%	1Q2024	yoy±%
Net interest income	**186**	**198**	-6%	**213**	-13%
Net fee and commission income	**44**	46	-5%	42	5%
Net foreign exchange gains and net gains on financial instruments	**9**	9	-1%	7	21%
Net insurance result	**12**	11	5%	10	19%
Net gains / (losses) from revaluation and disposal of investment properties and on disposal of stock of properties	**1**	(4)	-	1	188%
Other income	**3**	6	-58%	3	-3%
Non-interest income	**69**	**68**	1%	**63**	10%
Total income	**255**	**266**	-4%	**276**	-8%
Net Interest Margin (annualised)	3.13%	3.34%	-21 bps	3.70%	-57 bps
Average interest earning assets (€ mn)	24,104	23,581	2%	23,171	4%
p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point					

Net interest income (NII) for 1Q2025 amounted to €186 mn (compared to €198 mn for 4Q2024 and €213 mn for 1Q2024, down 6% qoq and 13% yoy). The qoq is mainly attributed to the repricing of liquid assets and variable rate loans. The yoy decrease reflects mainly the reduction in the reference rates and the moderate increase in wholesale funding cost (following the issuance of €300 mn green senior preferred notes in April 2024), partially offset by the hedging actions undertaken and the continued increase in liquidity as a result of the increase of deposits.

Quarterly average interest earning assets (AIEA) for 1Q2025 amounted to €24,104 mn, up 2% qoq. Quarterly average interest earning assets (AIEA) were up 4% yoy, due to the increase in liquid assets mainly as a result of the increase in deposits by c.€1.4 bn yoy, the increase of the fixed income portfolio by €0.8 bn yoy and the increase in reverse repurchase agreements by €0.3 bn yoy, partly offset by the repayment of €1.7 bn TLTRO in March 2024.

Net interest margin (NIM) for 1Q2025 amounted to 3.13% (compared to 3.34% for 4Q2024 and 3.70% for 1Q2024) down 21 bps qoq and 57 bps yoy, mainly as a result of the decrease in the reference rates and the increase in quarterly average interest earning assets as explained above.

Non-interest income for 1Q2025 amounted to €69 mn (compared to €68 mn for 4Q2024 and €63 mn for 1Q2024, up 1% qoq and 10% yoy) comprising net fee and commission income of €44 mn, net foreign exchange gains and net gains on financial instruments of €9 mn, net insurance result of €12 mn, net gain from revaluation and disposal of investment properties and on disposal of stock of properties of €1 mn and other income of €3 mn. The qoq increase reflects the seasonally lower net fee and commission income, partly offset by higher net insurance result and higher net gains from revaluation and disposal of investment properties and on disposal of stock of properties. The yoy increase is attributed to the higher net fee and commission income, net insurance result and net foreign exchange gains and net gains on financial instruments.

Net fee and commission income for 1Q2025 amounted to €44 mn (compared to €46 mn for 4Q2024 and €42 mn for 1Q2024, down 5% qoq and up 5% yoy). The qoq decrease is attributed to seasonally lower card commissions. The yoy increase primarily reflects higher non-transactional fees.

Net foreign exchange gains and net gains on financial instruments amounted to €9 mn for 1Q2025 (compared to €9 mn for 4Q2024 and €7 mn for 1Q2024, flat qoq and up 21% yoy), comprising a net foreign exchange gain of c.€7 mn (including c.€4 mn customer related foreign exchange gains) and a net gain on financial instruments of c.€1.5 mn. The yoy increase is mainly attributed to higher gains on financial instruments. Customer-related foreign exchange gains are considered as recurring contributors to the Group's profitability, while the remaining elements of net foreign exchange gains and net gains on financial instruments are considered as volatile profit contributors.

Net insurance result amounted to €12 mn for 1Q2025 (compared to €11 mn for 4Q2024 and €10 mn for 1Q2024, up 5% qoq and up 19% yoy). The qoq increase reflects mainly lower claims of non-life insurance. The yoy increase is attributed to the increased renewed business in life insurance as well as better claims experience of non-life insurance due to severe weather-related events occurred in 1Q2024.

A. Group Financial Results – Underlying Basis (continued)

A.2 Income Statement Analysis (continued)

A.2.1 Total income (continued)

Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties of a net gain of €1 mn for 1Q2025 (comprising of c.€1.7 mn gain on disposal of stock of properties and investment properties, and net loss from revaluation of investment properties of c.€0.2 mn) compared to a net loss of €4 mn in 4Q2024 and net gain of €1 mn for 1Q2024. The quarterly increase reflects the loss recognised in the previous quarter as a result of the sale of large, illiquid assets with idiosyncratic characteristics. REMU profits remain volatile.

Total income amounted to €255 mn for 1Q2025 (compared to €266 mn for 4Q2024 and €276 mn for 1Q2024, down 4% qoq and 8% yoy) mainly due to lower net interest income, as explained above.

A. Group Financial Results – Underlying Basis (continued)

A.2. Income Statement Analysis (continued)

A.2.2 Total expenses

€ mn	1Q2025	4Q2024	qoq ±%	1Q2024	yoy ±%
Staff costs	(50)	(52)	-4%	(48)	4%
Other operating expenses	(37)	(49)	-24%	(33)	14%
Total operating expenses	**(87)**	**(101)**	-14%	**(81)**	8%
Special levy on deposits and other levies/contributions	(8)	(13)	-40%	(11)	-33%
Total expenses	**(95)**	**(114)**	-17%	**(92)**	3%
Cost to income ratio	37%	43%	-6 p.p.	33%	4 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	34%	38%	-4 p.p.	29%	5 p.p.
p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point					

Total expenses for 1Q2025 were €95 mn (compared to €114 mn for 4Q2024 and €92 mn for 1Q2024, down 17% qoq and up 3% yoy), 53% of which related to staff costs (€50 mn), 39% to other operating expenses (€37 mn) and 8% to special levy on deposits and other levies/contributions (€8 mn). The qoq reduction relates to quarterly seasonality, mainly on other operating expenses. The yoy increase is mainly driven by higher other operating expenses.

Total operating expenses amounted to €87 mn for 1Q2025 (compared to €101 mn for 4Q2024 and €81 mn for 1Q2024, down 14% qoq and up 8% yoy). The qoq reduction is driven mainly by seasonally lower other operating expenses. The yoy increase reflects both higher staff costs and other operating expenses.

Staff costs for 1Q2025 were €50 mn (compared to €52 mn for 4Q2024 and €48 mn for 1Q2024, down 4% qoq and up 4% yoy) and include €2 mn performance-related pay accrual (compared to c.€4.3 mn performance-related pay accrual and c.€2.4 mn termination cost in 4Q2024 and to c.€2 mn performance-related pay accrual and c.€0.2 mn termination cost in 1Q2024). Net of these accruals, staff costs increased by 5% yoy and 5% qoq, reflecting step up adjustments which typically take place in the first quarter of the year, including salary increments, cost of living adjustments (COLA) and higher employer's contributions.

The performance-related pay accrual relates to the Short-Term Incentive Plan ('STIP') and the Long-Term Incentive Plan ('LTIP'). The Short-Term Incentive Plan involves variable remuneration to selected employees and will be driven by both, delivery of the Group's strategy as well as individual performance. The LTIP is a share-based compensation plan and provides for an award in the form of ordinary shares of the Company based on certain non-market performance and service vesting conditions.

The LTIP was approved by the 2022 AGM, which took place on 20 May 2022. The LTIP involves the granting of share awards and is driven by scorecard achievement, with measures and targets set to align pay outcomes with the delivery of the Group's strategy. Currently, under the plan, the employees eligible for LTIP awards are the members of the Extended EXCO, including the executive directors. The LTIP stipulates that performance will be measured over a 3-year period and sets financial and non-financial objectives to be achieved. At the end of the performance period, the performance outcome will be used to assess the percentage of the awards that will vest. Annual cycles of LTIP awards with a three year performance period have been granted since 2022 with the latest in March 2025 for 2025 LTIP Cycle, with a maximum of 278,440 share awards granted to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in March 2025 are subject to a three-year performance period 2025-2027 (with all performance conditions being non-market performance conditions).

These shares will then normally vest in six tranches, with the first tranche vesting after the end of the performance period and the last tranche vesting on the fifth anniversary of the first vesting date.

As at 31 March 2025, the Group employed 2,857 persons compared to 2,880 persons as at 31 December 2024.

Other operating expenses for 1Q2025 amounted to €37 mn (compared to €49 mn for 4Q2024 and €33 mn for 1Q2024, down 24% qoq and up 14% yoy). The quarterly decrease is driven by the seasonally lower marketing and other professional expenses. The annual increase reflects inflationary pressures as well as higher IT and other professional expenses.

A. Group Financial Results – Underlying Basis (continued)

A.2 Income Statement Analysis (continued)

A.2.2 Total expenses (continued)

Special levy on deposits and other levies/contributions for 1Q2025 amounted to €8 mn (compared to €13 mn for 4Q2024 and €11 mn for 1Q2024, down 40% qoq and 33% yoy). The qoq decrease reflects mainly the net impact of the levy in the form of annual guarantee fee relating to the income tax legislation for the conversion of specific deferred tax assets (DTA) into deferred tax credits (DTC) of €5.4 mn recognised in 4Q2024 (see Section A.1.1 'Capital Base'). The yoy decrease is driven by the reduction in the contribution of the Bank to the Deposit Guarantee Fund ('DGF'). As from 2020 to end-June 2024 the Bank was subject to DGF contributions on a semi-annual basis and calculated on the covered deposits of all authorised institutions with the target level expected to reach at least 0.8% of the covered deposits by 3 July 2024. The management committee of the Deposit Guarantee and Resolution of Credit and Other Institutions Schemes can decide to collect additional ex-ante contributions to achieve a higher return.

The **cost to income ratio excluding special levy on deposits and other levies/contributions** for 1Q2025 was 34% (compared to 38% for 4Q2024 and 29% for 1Q2024), reflecting seasonally lower operating expenses and resilient revenues.

A. Group Financial Results – Underlying Basis (continued)

A.2 Income Statement Analysis (continued)

A.2.3 Profit before tax and non-recurring items

€ mn	1Q2025	4Q2024	qoq +%	1Q2024	yoy +%
Operating profit	**160**	**152**	5%	**184**	-13%
Loan credit losses	(10)	(8)	24%	(7)	49%
Impairments of other financial and non-financial assets	(10)	(17)	-39%	(8)	15%
Provisions for pending litigations, claims, regulatory and other matters (net of reversals)	(2)	(13)	-88%	(10)	-84%
Total loan credit losses, impairments and provisions	**(22)**	**(38)**	-42%	**(25)**	-14%
Profit before tax and non-recurring items	**138**	**114**	20%	**159**	-13%
Cost of risk	**0.39%**	**0.32%**	7 bps	**0.27%**	12 bps
p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point					

Operating profit for 1Q2025 amounted to €160 mn, compared to €152 mn for 4Q2024, up by 5% qoq, as the reduction in total expenses is partially offset by the reduction in total income. Operating profit was down 13% yoy, reflecting mainly the reduction in net interest income as explained above.

Loan credit losses for 1Q2025 were €10 mn, compared to €8 mn for 4Q2024 and €7 mn for 1Q2024, up 24% qoq and 49% yoy, mainly due to more conservative macroeconomic assumptions on adverse scenario to account for heightened global economic uncertainty.

Cost of risk for 1Q2025 is equivalent to 39 bps, compared to a cost of risk of 32 bps for 4Q2024 and 27 bps for 1Q2024, up 7 bps qoq and 12 bps yoy, mainly reflecting more conservative assumptions (7 bps) as explained above.

At 31 March 2025, the allowance for expected loan credit losses, including residual fair value adjustment on initial recognition and credit losses on off-balance sheet exposures (please refer to Section I. 'Definitions and Explanations' for definition) totalled €231 mn (compared to €254 mn, including the portfolio held for sale, as at 31 December 2024 and €267 mn at 31 March 2024) and accounted for 2.2% of gross loans (compared to 2.5% as at 31 December 2024 and 2.6% as at 31 March 2024, calculated on the same basis).

Impairments of other financial and non-financial assets for 1Q2025 amounted to €10 mn (compared to €17 mn for 4Q2024 and €8 mn for 1Q2024) in line with the REMU disposal acceleration strategy.

Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for 1Q2025 amounted to €2 mn, compared to €13 mn for 4Q2024 and €10 mn for 1Q2024.

Profit before tax and non-recurring items for 1Q2025 totalled to €138 mn, compared to €114 mn for 4Q2024 and €159 mn for 1Q2024.

A. Group Financial Results – Underlying Basis (continued)

A.2 Income Statement Analysis (continued)

A.2.4 Profit after tax (attributable to the owners of the Company)

€ mn	**1Q2025**	**4Q2024**	qoq +%	**1Q2024**	yoy +%
Profit before tax and non-recurring items	**138**	**114**	20%	**159**	-13%
Tax	(20)	(8)	147%	(25)	-19%
(Profit)/loss attributable to non-controlling interests	(1)	1	-	(1)	26%
Profit after tax and before non-recurring items (attributable to the owners of the Company)	**117**	**107**	9%	**133**	-12%
Advisory and other transformation costs – organic	-	-	-	-	-
Profit after tax (attributable to the owners of the Company)	**117**	**107**	**9%**	**133**	-12%
p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point					

The **tax charge** for 1Q2025 amounted to €20 mn compared to €8 mn for 4Q2024, up 147% qoq, mainly due to reversal recognised in the previous quarter to account for the zeroing of any top-up tax in accordance with Cyprus Pillar Two Law (see below). The tax charge decreased by 19% yoy, reflecting mainly lower profitability.

On 22 December 2022, the European Commission approved Directive 2022/2523 which provides for a minimum effective tax rate of 15% for the global activities of large multinational groups (Pillar Two tax). The Directive follows closely the OECD Inclusive Framework on Base Erosion and Profit Shifting. In December 2024, the Cyprus Parliament voted to transpose the Directive (EU) 2022/2523 into Law 151(I)/2024 (the 'Cyprus Pillar Two Law'), which introduces an Income Inclusion Rule (IIR), effective for financial years starting from 31 December 2023. The Group is in scope of the Cyprus Pillar Two Law, however, the Group is eligible for the transitional provision under Article 55 of the Cyprus Pillar Two Law which results in zeroing any top-up tax computed in accordance with the rules laid out in the Cyprus Pillar Two Law. The Group is monitoring developments with respect to the tax reform proposals announced by the Ministry of Finance in 1Q2025.

Profit after tax and before non-recurring items (attributable to the owners of the Company) for 1Q2025 is €117 mn, compared to €107 mn for 4Q2024 and €133 mn for 1Q2024.

Profit after tax attributable to the owners of the Company for 1Q2025 amounts to €117 mn corresponding to a ROTE of 18.3%, compared to €107 mn for 4Q2024 and €133 mn for 1Q2024 (and a ROTE of 17.1% for 4Q2024 and 23.6% for 1Q2024). ROTE on 15% CET1 ratio for 1Q2025 increases to 25.9%, compared to 23.2% for 4Q2024 and 29.1% for 1Q2024, calculated on the same basis.The adjusted recurring profitability used for the Group's distribution policy (i.e. defined as the Group's profit after tax before non-recurring items (attributable to the owners of the Company) taking into account distributions under other equity instruments such as the annual AT1 coupon which is paid semi-annually) amounted to €117 mn for 1Q2025 compared to €94 mn for 4Q2024 and €133 mn for 1Q2024.

B. Operating Environment

The Cypriot economy has demonstrated remarkable resilience and growth in recent years, navigating through global uncertainties and regional challenges. Cyprus has a strong growth potential with one of the highest growth rates in the euro area, supported by solid fiscal fundamentals and sustained improvements in the financial sector.

The recent sovereign rating upgrades by the major rating agencies to 'A-' or equivalent, 3 notches above investment grade, are the recognition of the robust growth performance, the strong fiscal dynamics and declining public debt, and the improved stability in the financial system.

In 2024, the economy achieved an estimated growth rate of 3.4% in 2024, in line with the projections by the Ministry of Finance. Growth in 2024 was driven by rising exports and strong economic activity in key sectors, primarily the information and communications sector, business and professional services, tourism and construction. The growth of the information and communications services was driven by computer software and consulting services, thus increasing economic diversification.

The positive momentum is expected to continue in the medium term, with economic growth forecast to average around 3.0% in 2025 and 2026, according to the lasted projections of Ministry of Finance. Export performance is projected to continue to benefit from growing tourist receipts and a dynamic outlook for services, particularly related to Information and Communication Technology. Investments will also continue to benefit from the funds of the Recovery and Resilience Facility, following the third instalment (€77 mn) received in April 2025. The moderation of commodity prices could also support domestic demand given the high dependence on oil imports. Easing financial conditions are expected to provide a further stimulus.

Employment growth averaged 2.0% and labour productivity growth averaged 1.4% in 2024. Labour productivity growth remains a strong contributor to overall growth in the economy with efficiency improving, demonstrated by the increased ability to generate output per worker. The unemployment rate, after rising in 2020 and the first half of 2021, has been declining in the period since, dropping to 5.8% in 2023 and to 4.9% in 2024, on average, and to 4.6% in the fourth quarter, seasonally adjusted.

Inflation measured by the Harmonised Index of Consumer Prices, has been declining since the peak in July-August 2022, dropping to 3.9% in 2023 and further to 2.3% in 2024. Core inflation, which is headline inflation excluding energy and food, was a little stickier at 2.6% in the year. In the first four months of 2025, headline inflation was 2.2% and core inflation 2.4%.

In public finances, the budget surplus reached 4.3% of GDP in 2024 from a surplus of 1.7% of GDP the previous year. This was mainly the result of revenue growth. Strong revenue growth, long average debt maturity and limited financing needs are expected to continue driving solid fiscal performance.

Strong budget surpluses and robust economic growth performance led to the reduction in the general government debt to GDP, to 65% in 2024 from 74% the year before. This decline in public debt represents one of the strongest performances in the European Union.

Reduction in financial system risks, reflected in the continuous improvement of the private and banking sectors’ financial position. Private sector debt in banks' balance sheets, has more than halved over the past decade and is now among the lowest in Europe.

Total domestic loans excluding the government were €20.2 bn at the end of December 2024 or 60% of GDP. Loans to non-financial companies were about 26% of GDP and loans to households about 32%, where housing loans were about 25% of GDP.

The non-performing exposures ratio in the Cyprus banking sector stood at 6.5% or €1.6 bn in January 2025 while the coverage ratio of provisions accounted for 61% of the non-performing loans. At the same time about 43% of non-performing loans consisted of restructured facilities in January 2025. This steady progress in the banking sector continues to strengthen the sector’s shock absorption capacity.

The current account deficit remains elevated driven by the primary imbalances, but is projected to decline, as the total of the goods and services surplus rises. The current account deficit was 8.8% of GDP in 2023 and estimated at 6.8% of GDP in 2024 according to the IMF’s Spring World Economic Outlook. The decline reflects a sizable increase in the services surplus.

Short-term risks are mostly external and skewed to the downside, including a downturn in key tourism markets, an escalation of regional conflicts, and delays in the implementation of the Recovery and Resilience Plan. Medium-term risks stem from climate change and a possible further deterioration in the global geopolitical outlook. The digital and green transitions remain key challenges in the medium term. The implementation of the Recovery and Resilience Plan requires structural reforms to further strengthen governance and economic resilience.

B. Operating Environment *(continued)*

Recent economic policies under President Donald Trump in US, have significantly increased global economic uncertainty. Tariff increases may have a dampening effect on the US and the global economy and increase price pressure. The risks of recession have increased, and although Cyprus has a marginal goods trade exposure to the United States, the country might experience indirect effects via the European economy.

Sovereign ratings

The sovereign risk ratings of the Cypriot government have improved significantly in recent years, reflecting reduced banking sector risks, improved economic resilience and consistent fiscal outperformance. Cyprus has demonstrated policy commitment to correcting fiscal imbalances through reform and restructuring of its banking system.

In December 2024, **S&P Global Ratings** upgraded Cyprus' long-term local and foreign currency sovereign credit ratings to A- from BBB+ and revised its outlook in Cyprus to stable. This one-notch upgrade of Cyprus' rating reflects the third consecutive solid annual fiscal surplus as well as the capital and labour inflows from nearby conflict zones amid rising geopolitical developments.

Additionally, in December 2024, **Fitch Ratings** upgraded Cyprus' long-term foreign currency issuer default rating to 'A-' from 'BBB+' and revised its outlook on Cyprus to stable. The one notch upgrade relates mainly to the rapid decline in public debt, strong fiscal surpluses and strong growth momentum.

In November 2024, **Moody's Investors Service** upgraded the long-term issuer and senior unsecured ratings of the Government of Cyprus to A3 from Baa2. The outlook was revised to stable from positive. The upgrade of Cyprus ratings reflects the material improvement in fiscal and debt metrics, the reduced government debt ratio and the solid medium-term economic outlook driven by the steady expansion of high-productivity services sectors supported by headquartering of companies, significant foreign direct investments as well as reforms and investments related to Cyprus' National Recovery and Resilience Plan.

In October 2024, **Scope Ratings GmbH** upgraded the Cyprus' long-term issuer and senior unsecured debt ratings to A- from BBB+ in local and foreign currency and maintained the Stable Outlooks. The upgrade was driven by the strong fiscal outlook characterised by sustained primary surpluses and declining general government debt.

DBRS Ratings GmbH (DBRS Morningstar) confirmed Cyprus' Long-Term Foreign and Local Currency – Issuer Ratings at BBB (high) in September 2024. The trend was revised from stable to positive reflecting the view that public debt metrics are likely to continue to improve and that economic growth is likely to continue to benefit from robust private consumption, rising service exports and strong construction investment over the next few years.

C. Business Overview

Credit ratings

The Group's financial performance is highly correlated to the economic and operating conditions in Cyprus. In May 2025, **Moody's Investors Service upgraded** the Bank's long-term deposit rating **at A3 (from Baa1)** and revised the **outlook to stable** from positive. The update reflects the Bank's continued asset quality improvements, the expectations for a solid profitability and strong capital metrics, with sustained improved standalone financial strength. **This is the highest long-term deposit rating for the Bank since 2011.** In March 2025, **Fitch Ratings upgraded** long-term issuer default rating to the **investment grade BBB-** from BB+, whilst maintaining the **positive outlook**. The one-notch upgrade reflects the Bank's strengthened capitalisation and reduced stock of legacy problem assets as well as the structurally sound profitability, which is expected to remain satisfactory despite the declining interest rate environment. Finally, in February 2025, **S&P Global Ratings upgraded** the long-term issuer credit rating of the Bank to the **investment grade BBB-** from BB+ and revised the **outlook to stable** from positive. The upgrade by one notch was driven on the improved funding profile of the banking sector in Cyprus and the supportive economic environment.

Financial performance

The Group is the leading, financial and technology hub in Cyprus, with a diversified and sustainable business model. During the quarter ended 31 March 2025 the Group generated a profit after tax of €117 mn, corresponding to a ROTE of 18.3%. This strong performance was underpinned by the controlled net interest income, the well-disciplined cost base and the maintained robust asset quality, demonstrating that the Group remains well on track of its 2025 targets it set in February 2025. During the quarter ended 31 March 2025 the Group unlocked strong organic capital generation of 111 bps and the Group's tangible book value per share improved by 15% yoy to €6.04.

Interest rate environment

The structure of the Group's balance sheet remains highly liquid. As at 31 March 2025, cash balances with ECB amounted to €7.2 bn and 42% of the Group's loan portfolio is Euribor based. Net interest income for the quarter ended 31 March 2025 displayed a controlled decline to €186 mn, reflecting mainly reduction in the reference rates and the modest reduction of cost of time and notice deposits.

During the quarter ended 31 March 2025, the Group continued its hedging activities to further reduce the sensitivity of net interest income. The hedging tools include the use of receive fixed interest rate swaps, investment in fixed rate bonds, engagement into reverse repurchase agreements and the offering of fixed rate loans.

During the quarter ended 31 March 2025 the Group carried out additional hedging activities of €0.8 bn, totaling €9.7 bn by the quarter end, representing 40% of interest earning assets. The average yield of receive fixed interest rate swaps and reverse repos is 2.8%. Additionally, about a quarter of the Group's loan portfolio is linked with the Bank's base rate which provides a natural hedge against the cost of deposits of household time and notice deposit accounts. Overall, these actions have led to a reduction in the net interest income sensitivity (to a parallel shift in interest rates by 100 bps) by €52 mn since 31 December 2022.

Growing revenues in a more capital efficient way

The Group remains focused on growing revenues in a more capital efficient way through growth of high-quality new lending and the growth in areas, such as insurance and digital products that provide further market penetration and diversify through non-banking operations.

The Group has continued to provide high quality new lending in 1Q2025 via prudent underwriting standards. Growth in new lending in Cyprus has been focused on selected industries in line with the Bank's target risk profile. During the quarter ended 31 March 2025, the Group granted strong new lending at €842 mn, up 25% yoy, driven by corporate, housing and international loans demand. Gross performing loan book increased by 3% since the beginning of the year to €10.45 bn, in line with the 2025 target of 4% loan book growth. Furthermore, international loan book expanded by 34% yoy to c.€1 bn, progressing towards the target to grow to c.€1.5 bn in the medium term.

Fixed income portfolio continued to grow in 1Q2025 to €4,519 mn, and currently represents 17% of total assets. This portfolio is mostly measured at amortised cost and is highly rated with average rating at Aa2. The amortised cost fixed income portfolio as at 31 March 2025 has an unrealised fair value gain of €28 mn, equivalent to c.25 bps of CET1 ratio, following the reduction in the bond yields.

Separately, the Group focuses to continue improving revenues through multiple less capital-intensive initiatives, with a focus on fees and commissions, insurance and non-banking opportunities, leveraging on the Group's digital capabilities.

C. Business Overview (continued)

Growing revenues in a more capital efficient way (continued)

In the first quarter of 2025, the Group generated non-interest income of €69 mn, up 10% on prior year, reflecting higher net fee and commission income and insurance contribution, remaining an important profit contributor to the Group, covering almost 80% of the Group's total operating expenses.

During 1Q2025, net fee and commission income amounted to €44 mn and was up by 5% compared to the previous year, primarily due higher non-transactional fees. Net fee and commission income is enhanced by transaction fees from the Group's subsidiary, **JCC Payment Systems Ltd** (JCC), a leading player in the card processing business and payment solutions, 75% owned by the Bank. JCC's net fee and commission income contributed 10% of total non-interest income and amounted to €7 mn for 1Q2025, broadly flat yoy, reflecting strong transaction growth, offset by increased fee and commission expense due to higher third-party commissions absorbed internally.

The Group's **insurance companies,** EuroLife and GI are respectively key market players in the life and general insurance business in Cyprus, and have been providing recurring income, and generate the highest profitability in the sector. The net insurance result for the first quarter of 2025 contributed 17% of non-interest income and amounted to €12 mn for 1Q2025, up 19% on prior year reflecting improved claims experience of non-life insurance following the severe weather-related events occurred in 1Q2024 and increased renewed business in life insurance. The insurance companies remain valuable and sustainable contributors to the Group's profitability.

As part of the Group's strategy to expand its insurance operations and further improve its diversified business model, in April 2025, the Group signed a binding agreement for the **acquisition of 100% of Ethniki Insurance Cyprus Ltd** (the 'Transaction'), which is subject to regulatory approvals and is expected to be completed in the second half of 2025. The consideration for the Transaction is €29.5 mn in cash and the capital impact of the transaction is estimated at c.15 bps upon completion.

Ethniki Insurance Cyprus Ltd is an established market player in the life and non-life insurance sectors in Cyprus, with a market share of 3% and 4% respectively. Upon completion of the Transaction, the Group will further solidify its leading market positions in the insurance market in Cyprus, becoming the number one player in the life insurance sector.

The Transaction is aligned with the strategy of the Group to expand its insurance operations and customer base and to invest capital in small in-fill Merges and Acquisition to deliver value to shareholders. It is estimated that Group's gross written premiums and the net insurance result will increase by 15% and 10% respectively, thereby increasing the Non-NII contribution to the Group's revenues.

Finally, the Group through the **Digital Economy Platform (Jinius)** ('the Platform') aims to support the national digital economy by optimising processes in a cost-efficient way, allow the Bank to strengthen its client relationships, create cross-selling opportunities as well as to generate new revenue sources over the medium term, leveraging on the Bank's market position, knowledge and digital infrastructure. Jinius is expected to contribute to the Group by enhancing further the Group's non-interest income through transaction and merchant fees and enhance the Group's digital footprint connecting e-commerce to financial services.

The Business-to-Business services are already in use by clients and include invoice, remittance, tender, ecosystem management and advertising. Currently, c.2,600 companies are registered in the platform and c.€0.5 bn cash were exchanged via the platform in 1Q2025 and through invoicing and remittance services. In February 2024, the Business-to-Consumer service was launched, a Product Marketplace aiming to increase the touch points with customers. Currently c.220 retailers were onboarded in total 13 product categories, including fashion, technology, small appliances, toys, beauty, health & wellness, personal care devices, luggage & travel gear, DIY, home & garden, heating & cooling, white goods and bookstore sectors, and around 300 k products were embedded in the Marketplace.

Lean operating model

Striving for a **lean operating model** is a key strategic pillar for the Group in order to deliver shareholder value, without constraining investment in the business and funding in its digital transformation.

In 2024, the Group completed a small-scale, targeted VEP through which 57 full-time employees were approved to leave at a total cost of c.€9.5 mn, recorded in staff costs in FY2024. Since the beginning of the year, there was further branch footprint rationalization as the Group reduced the number of branches to 54, from 55.

The Group's total operating expenses for the quarter ended 31 March 2025 amounted to €87 mn, up 8% yoy, impacted by inflationary pressures mainly on staff costs as well as higher professional and IT expenses. The cost to income ratio excluding special levy on deposits and other levies/contributions for the quarter ended 31 March 2025 remained low at 34%, reflecting resilient revenues and disciplined cost management.

C. Business Overview (continued)

Lean operaattating model (continued)

Transformation plan

The Group's focus continues on deepening the relationship with its customers as a customer centric organisation. The Group **aims to enable the shift to modern banking by digitally transforming customer service, as well as internal operations**. The holistic transformation aims to (i) shift to a more customer-centric operating model by defining customer segment strategies, (ii) redefine distribution model across existing and new channels, (iii) digitally transform the way the Group serves its customers and operates internally, and (iv) improve employee engagement through a robust set of organisational health initiatives.

Digital transformation

In the dynamic world of banking, the Group stands as a pioneer of digital banking innovation in Cyprus, reshaping the banking experience into something more intuitive, more responsive, and more aligned with the contemporary needs of its customers, consistently pushing the boundaries to offer unparalleled banking services. The Group aims to continue to innovate, and simplify the banking journey, providing a unique and personalised experience to each of its customers.

The Group's digital channels continue to grow. As at 31 March 2025, the Group's digital community has increased to 484k active subscribers, across Internet Banking and the BoC Mobile App, improving by 5% yoy. Likewise, the BoC Mobile App, had 451 k active subscribers as at 31 March 2025, an increase of 7% yoy.

During 1Q2025, the Group continued to enrich and improve its digital portfolio with new innovative services to its customers. The new QuickAccount for 18–25 year old was launched, providing eligible customers benefits of €0 account maintenance fees, free of charge visa debit card, card payments in foreign currency with no fees and worldwide ATM withdrawals with no BoC fees. New features have been enabled for "Joey" Junior App, the Savings and Goals feature and the ability to send money between Joeyers. QuickPay has been enhanced enabling charity donations and fundraising through "QuickPay Care". Finally, the two new innovative digital products, "Fleksy" and Digital Housing Loan became widely available in 1Q2025.

One of the Group's digital innovations, Quickloans, accessible through both the BoC Mobile App and Internet Banking, has transformed the traditional loan process, enabling customers to obtain a credit facility decision instantly, without the need to visit a branch. As at 31 March 2025, Quickloans and digital loans increased by 105% yoy to €155 mn.

In collaboration with Genikes Insurance, the ability to purchase insurance policies is integrated into the BoC Mobile App and Internet Banking, enabling customers to access motor or home insurance plans through digital channels at preferential rates. Digital insurance sales for the 1Q2025 amounted to €194 k, compared to €144 k for 1Q2024, reflecting 589 policies in 1Q2025 compared to 457 policies for 1Q2024.

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda

Climate change and transition to a sustainable economy is one of the greatest challenges. As part of its vision to be the leading financial hub in Cyprus, the Group is determined to **lead the transition of Cyprus to a sustainable future**. The Group continuously evolves towards its ESG agenda and continues to progress towards building a forward-looking organisation embracing ESG in all aspects of business as usual. In 2025, the Bank received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

Reaffirming its strong commitment to sustainability and to the long term value creation for all its stakeholders, in November 2023, the Bank was the first bank in Cyprus to become an official signatory of the United Nations Principles for Responsible Banking representing a single framework for a sustainable banking industry developed through a collaboration between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI).

In line with the Group's Beyond Banking approach and its commitment to create a stronger, safer and future-focused organisation the Bank proceeded, in 2024, with the issuance of an inaugural green bond. During 2025, the Bank published the relevant Green Bond Allocation and Impact report. An amount equivalent to the net proceeds of the notes had been allocated to eligible green projects as described in the Bank's sustainable finance framework, which includes green buildings, energy efficiency, clean transport and renewable energy.

The Group during 1Q2025 implemented the Corporate Sustainability Reporting Directive (CSRD) and successfully published its first Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS), incorporated in the Group's Annual Financial Report for the year ended 31 December 2024.

C. Business Overview (continued)

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda (continued)

The ESG strategy formulated in 2021 is continuously expanding. The Group is maintaining its leading role in the Social and Governance pillars and focus on increasing the Group's positive impacts on the Environment by transforming not only its own operations, but also the operations of its customers.

The Group has committed to the following primary ESG ambitions, which reflect the pivotal role of ESG in the Group's strategy:

- Become carbon neutral by 2050 with interim target to reduce 42% GHG emission in own operations by 2030
- Become Net Zero by 2050
- Steadily increase Green Asset Ratio
- Steadily increase Green Mortgage Ratio
- The aspiration to achieve a representation of at least 30% women in Group's management bodies (Defined as the Executive Committee (EXCO) and the Extended EXCO) by 2030, has been reached earlier with 33% representation of women, as at 31 December 2023 and 31 March 2025.

For the Group to continue its progress against its primary ESG ambition and address the evolving regulatory expectations, it further enhanced in 2025, its ESG working plan which was established in 2022. Progress on the ESG working plan is closely monitored by the Sustainability Committee, the Executive Committee and the Board Committees on a quarterly basis.

Environmental Pillar

The Group has estimated the Scope 1 and Scope 2 greenhouse gas (GHG) emissions of 2021 relating to own operations in order to set the baseline for carbon neutrality target by 2050. The Bank being the main contributor of GHG emissions of the Group, designed in 2022 the strategy to meet the interim GHG emission reduction target set for 2030. To become carbon neutral by 2050, the Group has set an interim target to reduce Scope 1 and Scope 2 emissions by 42% by 2030. The Bank, following the implementation of various energy upgrade actions since 2021, achieved a c.25% reduction in Scope 1 and Scope 2 GHG emissions by 2024 compared to the baseline of 2021. In 1Q2025 the Bank achieved 5% reduction of Scope 1 and Scope 2 GHG emissions compared to 1Q2024.

The Group plans to invest further to energy efficient installations and actions as well as replace fuel intensive machineries and vehicles in 2025. The Bank achieved a reduction of c.5% achieved in Scope 2 GHG emissions by 1Q2025 compared to 1Q2024 from 1,811 tCO_2e to 1,728 tCO_2e. The Group expects that the Scope 2 emissions will be reduced further when the energy market in Cyprus shifts further towards renewable energy. The Bank also achieved an increase of 19% in renewable energy production, from 68,072 Kwh to 81,298 Kwh, in 1Q2025 compared to 1Q2024.

The Group is gradually integrating climate-related and environmental (C&E) risks into its Business Strategy. The Bank was the first bank in Cyprus to join the Partnership for Carbon Accounting Financials (PCAF) in October 2022, and has estimated and published the Financed Scope 3 GHG emissions associated with its loan and investment portfolio as well as Insurance associated GHG emissions using the PCAF standards, methodology and proxies. Following the estimation of Financed Scope 3 GHG emissions of loan portfolio, the Bank established a decarbonization target on Mortgage loan portfolio. The decarbonization target on Mortgage portfolio was established by applying the International Energy Agency's Below 2 Degree Scenario. For the Bank's Mortgage loan portfolio to be aligned with the climate scenario and effectively be associated with lower transition risks, the baseline as at 31 December 2022 of 53.5 $kgCO_2e/m^2$ should be reduced by 43% by 31 December 2030. The carbon intensity of the portfolio as at 31 December 2024 is estimated at 47.19 $kgCO2e/m^2$ achieving a c.12% reduction compared to baseline, due to increased installation of solar panels in residential properties in 2023 and 2024 and increase in financing of energy efficient residential properties in 2024. A Variable Green Housing product and a Fixed Green Housing product aligned with Green Loan Principles (GLPs) of Loan Market Association (LMA) were launched at the end of 2023 and 9M2024 respectively to support the Bank to meet the decarbonization target on Mortgage loans and effectively limit the level of climate transition risk that is exposed to. In addition, the Bank has set lending and investment limits on specific carbon intensive sectors which are widely considered to be associated with high climate transition risk. Further, having introduced and implementing a Business Environment Scan process, the Bank developed green/transition new lending metrics in certain sectors to support its customer's transition to a low carbon economy and effectively manage climate transition risks.

During 2024 and 1Q2025, the Bank has made considerable progress in integrating climate-related and environmental risks into its risk management approach and risk culture. The Bank revised and enhanced the Materiality assessment process on C&E risks. The Bank has carried out a comprehensive identification and assessment of C&E risks as drivers of existing financial and non-financial risks considering its business profile and loan portfolio composition. As part of this process, the Bank has identified the risk drivers, both physical and transition, which could potentially have an impact on its risk profile and operations and has assessed the severity of each risk driver for all the existing categories of risks.

C. Business Overview (continued)

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda (continued)

Environmental Pillar (continued)

In 2024, the Bank introduced the syndicated 'Synesgy solution' (ESG Due Diligence process) across the Cypriot Banking system designed to enhance data collection, score customers on their performance against various aspects around C&E risks and provide guidance on remediation actions. This process involves the utilization of structured ESG questionnaires, through the 'Synesgy' platform, applied at the individual company level to derive an ESG score. The Bank established a structure and detailed Business Environment Scan process to monitor the impact of C&E risks on its business environment in the short, medium and long-term. The results of the preliminary (quarterly) and final (annual) impact assessment have been incorporated in the Materiality assessment of C&E risks as well as informed the Bank's Business Strategy.

The Bank offers a range of environmentally friendly products to manage transition risk and help its customers become more sustainable. Specifically, the Bank offers loans for energy upgrades of homes, installation of solar panels, acquisition of new hybrid or electric car, as well as financing of renewable energy projects. In addition, as at 31 March 2025 the Bank had a pool of €381 mn gross loans financing the acquisition or construction of residential property with EPC category A (Green Housing Loans) compared to €321 mn gross loans as at 31 December 2024. The gross amount of environmentally friendly loans (including the Green Housing Loans) was €415 mn as at 31 March 2025 compared to €354 mn as at 31 December 2024.

Social Pillar

At the centre of the Group's leading social role lie its contributions in the Bank of Cyprus Oncology Centre (with an overall investment of c.€70 mn since 1998, whilst 55% of diagnosed cancer cases in Cyprus are being treated at the Centre), the immediate and efficient response of Bank of Cyprus' SupportCY network consisting of companies and organisations, to various needs of the society as well as in cases of crises and emergencies, through the activation of programs, specialized equipment and a highly trained Volunteers Corps, the contribution of the Bank of Cyprus Cultural Foundation in promoting the cultural heritage of the island, and the work of IDEA Innovation Centre.

The new exhibition 'Cyprus Insula' launched in 9M2024 being hosted in the lately renovated premises and museums of the Cultural Foundation and will take place until 6M2025.The physical attendees of Cultural foundation events were 7,963 in 1Q2025.

The IDEA Innovation Centre, invested c.€4.25 mn in start-up business creation since its incorporation, supported creation of 100 new companies to date, provided support to more than 260 entrepreneurs through its Startup program since incorporation, and supported the development of more than 120 new jobs in the Cypriot Economy. Staff continued to engage in voluntary initiatives to support charities, foundations, people in need and initiatives to protect the environment.

The Group continued its emphasis on staff wellness during 1Q2025 by offering webinars, team building activities and family events with sole purpose to enhance mental, physical, financial and social health, attended by c.245 employees through its Well at Work program.

Governance Pillar

The Group continues to operate successfully within a complex regulatory framework of a holding company which is registered in Ireland, listed on two Stock Exchanges and run in compliance with a number of rules and regulations. Its governance and management structures enable it to achieve present and future economic prosperity, environmental integrity and social equity across its value chain. The Group operates within a framework with adequate control environment, which enable risk assessment and risk management based on the relevant policies under the leadership of the Board of Directors. The Group has set up a Governance Structure to oversee its ESG agenda. Progress on the implementation and evolution of the Group's ESG strategy is monitored by the Sustainability Committee and the Board of Directors. The Sustainability Committee is a dedicated executive committee set up in early 2021 to oversee the ESG agenda of the Group, review the evolution of the Group's ESG strategy, monitor the development and implementation of the Group's ESG objectives and the embedding of ESG priorities in the Group's business targets. The Group's ESG Governance structure continues to evolve, so as to better address the Group's evolving ESG needs. The Group's regulatory compliance continues to be an undisputed priority.

In FY2024, in order to enhance the awareness and skillset on ESG matters, the Group performed relevant trainings to all staff, control functions, insurance subsidiaries, Senior Management and to the Board of Directors and plans to continue enrich ESG training activities in FY2025. The Group has continued to upgrade its staff's skillset by providing training and development opportunities to all staff and capitalising on modern delivery methods. In 1Q2025, the Bank's employees attended 14,968 hours of trainings covering a variety of topics including Business Conduct and Compliance topics in accordance with the Bank's Corporate Governance Policy and Framework.

C. Business Overview (continued)

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda (continued)

Governance Pillar (continued)

The Group's aspiration to achieve a representation of at least 30% women in Group's management bodies (Defined as the EXCO and the Extended EXCO) by 2030, has been reached earlier with 33% representation of women, as at 31 December 2023, in Group's management bodies. Women representation in Group management bodies continue to be 33% as at 31 March 2025. During the transitional phase of Board's composition in 1H2024 two male members, highly experienced in the areas of ESG and technology were appointed leading to the female representation, as at 31 March 2025, being at 37.50%.

D. Strategy and Outlook

The Group has established key priorities going forward to maintain a strongly capitalised and highly profitable organisation delivering attractive returns to shareholders, while simultaneously supporting the Group's stakeholders and the broader economic environment.

These priorities are set below:

- **Driving new growth initiatives** in both banking and non-banking areas (such as international and digital respectively) to complement the strength of the domestic franchise whilst managing the current interest rate headwinds.
- **Maintaining a lean operating model** via ongoing cost management discipline while continuing to re-invest in the business.
- **Protecting the quality of the balance sheet** with continuous meticulous underwriting standards to ensure asset quality in line with European sector.
- **Providing attractive shareholder returns in line with European sector** with focus on prudent management of surplus capital and value creation.
- **Leading the transition of Cyprus to a sustainable future** and building a forward-looking organisation embracing ESG in all aspects.

The Group maintains a resilient and robust model, supported by a resilient and growing macroeconomic environment, despite global economic uncertainty. Bolstered by a strong liquidity and capital position, strong risk management, and a diversified loan portfolio, the Group is well-equipped to navigate current economic uncertainties. Following a strong first quarter performance, the Group remains confident in achieving its 2025 targets.

The Group's targets are set out below. Targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change.

<table>
<tr><th>Key metrics</th><th>1Q2025</th><th>FY2025 targets</th></tr>
<tr><td>Net interest income
(Average ECB deposit rate assumptions)</td><td>€186 mn
(2.8%)</td><td><€700 mn
(2.1%[4])</td></tr>
<tr><td>Cost to income ratio[1]</td><td>34%</td><td>c.40%</td></tr>
<tr><td>Cost of risk</td><td>39 bps</td><td>Towards the lower end of normalised levels of 40-50 bps</td></tr>
<tr><td>Organic capital generation[2]</td><td>111 bps</td><td>c.300 bps</td></tr>
<tr><td>ROTE (reported)</td><td>18.3%</td><td>Mid-teens</td></tr>
<tr><td>ROTE on 15% CET1 ratio</td><td>25.9%</td><td>High-teens</td></tr>
<tr><td>Distributions</td><td colspan="2">50%-70% payout ratio[3], including cash dividends and buybacks; Introduction of interim dividends to be considered</td></tr>
</table>

1) Excluding special levy on deposits and other levies/contributions
2) Pre RWA and other movements, based on profit after tax (pre-distributions) and after AT1 coupon payment
3) Calculated based on profit after tax before non-recurring items (attributable to the owners of the Company) taking into consideration the distributions from other equity instruments such as AT1 coupon; Subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time
4) Previously 2.3% (Feb 2025)

E. Financial Results – Statutory Basis

Interim Consolidated Income Statement

The following financial information for the first three months of 2025 and 2024 within Section E corresponds to the condensed consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

	Three months ended 31 March	
	2025	2024
	€000	€000
Interest income	**220,719**	263,676
Income similar to interest income	**1,822**	2,816
Interest expense	**(36,735)**	(52,810)
Expense similar to interest expense	**(68)**	(432)
Net interest income	**185,738**	213,250
Fee and commission income	**45,480**	44,080
Fee and commission expense	**(1,544)**	(2,063)
Net foreign exchange gains	**7,277**	6,747
Net gains on financial instruments	**385**	892
Net (losses)/gains on derecognition of financial assets measured at amortised cost	**(781)**	2,062
Net insurance finance income/(expense) and net reinsurance finance income/(expense)	**(281)**	(330)
Net insurance service result	**18,888**	16,417
Net reinsurance service result	**(6,759)**	(6,172)
Net losses from revaluation and disposal of investment properties	**(177)**	(1,094)
Net gains on disposal of stock of property	**1,776**	1,648
Other income	**2,838**	2,935
Total operating income	**252,840**	278,372
Staff costs	**(50,042)**	(47,903)
Special levy on deposits and other levies/contributions	**(7,719)**	(11,577)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	**(1,573)**	(9,795)
Other operating expenses	**(37,529)**	(32,948)
Operating profit before credit losses and impairment	**155,977**	176,149
Credit losses on financial assets	**(8,328)**	(9,266)
Impairment net of reversals on non-financial assets	**(9,785)**	(8,550)
Profit before tax	**137,864**	158,333
Income tax	**(20,168)**	(24,929)
Profit after tax for the period	**117,696**	133,404
Attributable to:		
Owners of the Company	**116,966**	132,826
Non-controlling interests	**730**	578
Profit for the period	**117,696**	133,404
Basic profit per share attributable to the owners of the Company (€ cent)	**26.6**	29.8
Diluted profit per share attributable to the owners of the Company (€ cent)	**26.5**	29.7

E. Financial Results – Statutory Basis (continued)

Interim Consolidated Statement of Comprehensive Income

	Three months ended 31 March	
	2025	2024
	€000	€000
Profit for the period	**117,696**	133,404
Other comprehensive income (OCI)		
OCI that may be reclassified in the consolidated income statement in subsequent periods	**613**	(139)
Fair value reserve (debt instruments)	**653**	(142)
Net gains/(losses) on investments in debt instruments measured at fair value through OCI (FVOCI)	**653**	(142)
Foreign currency translation reserve	**(40)**	3
(Loss)/profit on translation of net investment in foreign subsidiaries	**(40)**	4
Loss on hedging of net investments in foreign subsidiaries	**-**	(1)
OCI not to be reclassified in the consolidated income statement in subsequent periods	**826**	844
Fair value reserve (equity instruments)	**409**	241
Net gains on investments in equity instruments designated at FVOCI	**409**	241
Property revaluation reserve	**5**	(86)
Deferred tax credit/(charge)	**5**	(86)
Actuarial gains on defined benefit plans	**412**	689
Remeasurement gains on defined benefit plans	**412**	689
Other comprehensive income for the period net of taxation	**1,439**	705
Total comprehensive income for the period	**119,135**	134,109
Attributable to:		
Owners of the Company	**118,404**	133,552
Non-controlling interests	**731**	557
Total comprehensive income for the period	**119,135**	134,109

E. Financial Results – Statutory Basis (continued)

Interim Consolidated Balance Sheet

	31 March 2025	31 December 2024
Assets	**€000**	€000
Cash and balances with central banks	**7,197,251**	7,600,726
Loans and advances to banks	**1,018,603**	820,574
Reverse repurchase agreements	**1,015,539**	1,010,170
Derivative financial assets	**117,471**	95,273
Investments at FVPL	**132,940**	136,629
Investments at FVOCI	**430,820**	416,077
Investments at amortised cost	**4,097,794**	3,805,637
Loans and advances to customers	**10,387,055**	10,114,394
Life insurance business assets attributable to policyholders	**770,104**	772,757
Prepayments, accrued income and other assets	**493,863**	479,199
Stock of property	**622,187**	648,757
Investment properties	**35,516**	36,251
Deferred tax assets	**167,423**	166,844
Property and equipment	**306,151**	307,414
Intangible assets	**47,486**	49,747
Non-current assets and disposal groups held for sale	**-**	23,143
Total assets	**26,840,203**	26,483,592
Liabilities		
Deposits by banks	**430,180**	364,231
Derivative financial liabilities	**13,699**	4,664
Customer deposits	**20,702,361**	20,519,276
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	**43,450**	44,074
Insurance contract liabilities	**738,751**	743,684
Accruals, deferred income, other liabilities and other provisions	**563,123**	556,459
Provisions for pending litigation, claims, regulatory and other matters	**63,399**	92,620
Debt securities in issue	**1,000,487**	989,435
Subordinated liabilities	**311,671**	307,138
Deferred tax liabilities	**31,986**	31,943
Total liabilities	**23,899,107**	23,653,524
Equity		
Share capital	**44,082**	44,050
Share premium	**594,358**	594,358
Revaluation and other reserves	**78,469**	86,139
Retained earnings	**1,983,262**	1,865,327
Equity attributable to the owners of the Company	**2,700,171**	2,589,874
Other equity instruments	**220,000**	220,000
Non-controlling interests	**20,925**	20,194
Total equity	**2,941,096**	2,830,068
Total liabilities and equity	**26,840,203**	26,483,592

E. Financial Results – Statutory Basis (continued)

Interim Consolidated Statement of Changes in Equity

	Attributable to the owners of the Company												
	Share capital	Share premium	Capital redemption reserve	Treasury shares	Other capital reserves	Retained earnings	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	**Total**	Other equity instruments	Non-controlling interests	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**	€000	€000	**€000**
1 January 2025	**44,050**	**594,358**	**570**	**(21,463)**	**1,849**	**1,865,327**	**84,869**	**3,623**	**16,691**	**2,589,874**	**220,000**	**20,194**	**2,830,068**
Profit for the period	-	-	-	-	-	116,966	-	-	-	**116,966**	-	730	**117,696**
Other comprehensive income/(loss) after tax for the period	-	-	-	-	-	412	4	1,062	(40)	**1,438**	-	1	**1,439**
Total comprehensive income/(loss) after tax for the period	-	-	-	-	-	117,378	4	1,062	(40)	**118,404**	-	731	**119,135**
Share-based benefits-cost	-	-	-	-	416	-	-	-	-	**416**	-	-	**416**
Issue of shares under share-based schemes	32	-	-	-	(589)	557	-	-	-	**-**	-	-	**-**
Share buyback-repurchase of shares	-	-	-	(8,523)	-	-	-	-	-	**(8,523)**	-	-	**(8,523)**
31 March 2025	**44,082**	**594,358**	**570**	**(29,986)**	**1,676**	**1,983,262**	**84,873**	**4,685**	**16,651**	**2,700,171**	**220,000**	**20,925**	**2,941,096**

E. Financial Results – Statutory Basis (continued)

Interim Consolidated Statement of Changes in Equity (continued)

	Attributable to the owners of the Company											
	Share capital	Share premium	Treasury shares	Other capital reserves	Retained earnings	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	**Total**	Other equity instruments	Non-controlling interests	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	€000	**€000**	€000	€000	**€000**
1 January 2024	44,620	594,358	(21,463)	917	1,518,182	84,239	9,553	16,674	**2,247,080**	220,000	21,261	**2,488,341**
Profit for the period	-	-	-	-	132,826	-	-	-	**132,826**	-	578	**133,404**
Other comprehensive income/(loss) after tax for the period	-	-	-	-	689	(65)	99	3	**726**	-	(21)	**705**
Total comprehensive income/(loss) after tax for the period	-	-	-	-	133,515	(65)	99	3	**133,552**	-	557	**134,109**
Share-based benefits-cost	-	-	-	244	-	-	-	-	**244**	-	-	**244**
31 March 2024	**44,620**	**594,358**	**(21,463)**	**1,161**	**1,651,697**	**84,174**	**9,652**	**16,677**	**2,380,876**	**220,000**	**21,818**	**2,622,694**

F. Notes

F.1 Reconciliation of Interim Consolidated Income Statement for the three months ended 31 March 2025 between the statutory and the underlying basis

€ million	Underlying basis	Other	Statutory basis
Net interest income	186	-	186
Net fee and commission income	44	-	44
Net foreign exchange gains and net gains on financial instruments	9	(1)	8
Net losses on derecognition of financial assets measured at amortised cost	-	(1)	(1)
Net insurance result*	12	-	12
Net gains from revaluation and disposal of investment properties and on disposal of stock of property	1	-	1
Other income	3	-	3
Total income	**255**	**(2)**	**253**
Total expenses	**(95)**	**(2)**	**(97)**
Operating profit	**160**	**(4)**	**156**
Loan credit losses	(10)	10	-
Impairment of other financial and non-financial assets	(10)	10	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	(2)	2	-
Credit losses on financial assets and impairment net of reversals of non-financial assets	-	(18)	(18)
Profit before tax and non-recurring items	**138**	**-**	**138**
Tax	(20)	-	(20)
Profit attributable to non-controlling interests	(1)	-	(1)
Profit after tax (attributable to the owners of the Company)	**117**	**-**	**117**

* Net insurance result per underlying basis comprises the aggregate of captions '*Net insurance finance income/(expense) and net reinsurance finance income/(expense)*', '*Net insurance service result*' and '*Net reinsurance service result*' per the statutory basis.

The reclassification differences between the statutory basis and the underlying basis are explained below:

- Net losses on loans and advances to customers at FVPL of €1 million included in '*Loan credit losses*' under the underlying basis are included in '*Net gains on financial instruments*' under the statutory basis. Their classification under the underlying basis is done to align their presentation with the loan credit losses on loans and advances to customers at amortised cost.

- '*Net losses on derecognition of financial assets measured at amortised cost*' of approximately €1 million under the statutory basis comprise net losses on derecognition of loans and advances to customers and are included in '*Loan credit losses*' under the underlying basis as to align their presentation with the loan credit losses arising from loans and advances to customers.

- '*Provisions for pending litigation, claims, regulatory and other matters (net of reversals)*' amounting to a charge of approximately €2 million presented within '*Operating profit before credit losses and impairment*' under the statutory basis, are presented under the underlying basis in conjunction with loan credit losses and impairments.

- '*Credit losses on financial assets*' and '*Impairment net of reversals on non-financial assets*' under the statutory basis include: i) credit losses to cover credit risk on loans and advances to customers of €8 million, which are included in '*Loan credit losses*' under the underlying basis, and ii) credit losses of other financial assets of €0.2 million and impairment net of reversals of non-financial assets of €10 million, which are included in '*Impairment of other financial and non-financial assets*' under the underlying basis, as to be presented separately from loan credit losses.

F. Notes (continued)

F.2 Customer deposits

The analysis of customer deposits is presented below:

	31 March 2025	31 December 2024
By type of deposit	**€000**	€000
Demand	**10,763,084**	10,737,484
Savings	**3,106,325**	3,091,475
Time or notice	**6,832,952**	6,690,317
	20,702,361	20,519,276

	31 March 2025	31 December 2024
By geographical area	**€000**	€000
Cyprus	**16,550,701**	16,422,089
Greece	**1,527,427**	1,558,482
United Kingdom	**372,943**	396,972
United States	**131,709**	129,823
Germany	**81,320**	80,796
Romania	**26,857**	38,408
Russia	**80,278**	88,710
Ukraine	**195,815**	212,662
Belarus	**1,471**	1,583
Israel	**320,336**	214,547
Other countries	**1,413,504**	1,375,204
	20,702,361	20,519,276

Deposits by geographical area are based on the country of residence of the Ultimate Beneficial Owner.

	31 March 2025	31 December 2024
By currency	**€000**	€000
Euro	**18,821,470**	18,559,339
US Dollar	**1,507,897**	1,589,240
British Pound	**313,627**	309,083
Russian Rouble	**3,088**	1,080
Swiss Franc	**7,636**	8,315
Other currencies	**48,643**	52,219
	20,702,361	20,519,276

F. Notes (continued)

F.2 Customer deposits (continued)

	31 March 2025	31 December 2024
By business line	**€000**	€000
Corporate	**2,378,787**	2,310,165
IBU & International corporate		
– IBU	**4,040,998**	4,139,368
– International corporate	**213,496**	174,370
SMEs	**1,156,133**	1,161,464
Retail	**12,677,529**	12,600,526
Restructuring		
– corporate	**7,926**	10,000
– SMEs	**3,194**	2,854
– retail other	**4,847**	6,306
Recoveries		
– corporate	**846**	979
Institutional Wealth Management and Custody	**218,605**	113,244
	20,702,361	20,519,276

F.3 Loans and advances to customers

	31 March 2025	31 December 2024
	€000	€000
Gross loans and advances to customers at amortised cost	**10,420,021**	10,130,405
Allowance for ECL for impairment of loans and advances to customers	**(156,349)**	(147,019)
	10,263,672	9,983,386
Loans and advances to customers measured at FVPL	**123,383**	131,008
	10,387,055	10,114,394

F. Notes (continued)

F.4 Credit risk concentration of loans and advances to customers

The credit risk concentration, which is based on industry (economic activity) and business line, as well as the geographical concentration, is presented below.

The geographical analysis, for credit risk concentration purposes, is based on the Group's Country Risk Policy which is followed for monitoring the Group's exposures, according to which exposures are analysed by country of risk based on the country of residency for individuals and the country of registration for companies.

31 March 2025	Cyprus	Greece	United Kingdom	Russia	Other countries	**Gross loans at amortised cost**
By economic activity	€000	€000	€000	€000	€000	**€000**
Trade	867,791	8,359	3	-	33,801	**909,954**
Manufacturing	272,422	94,820	180	-	40,529	**407,951**
Hotels and catering	955,085	36,126	37,903	-	36,320	**1,065,434**
Construction	385,013	29,089	-	-	273	**414,375**
Real estate	873,659	9,073	601	-	34,238	**917,571**
Private individuals	4,699,578	7,820	33,504	7,331	38,206	**4,786,439**
Professional and other services	631,983	548	5,160	6	52,525	**690,222**
Shipping	34,189	15,496	-	-	249,200	**298,885**
Other sectors	665,535	212,022	-	5	51,628	**929,190**
	9,385,255	**413,353**	**77,351**	**7,342**	**536,720**	**10,420,021**

31 March 2025	Cyprus	Greece	United Kingdom	Russia	Other countries	**Gross loans at amortised cost**
By business line	€000	€000	€000	€000	€000	**€000**
Corporate	3,460,325	62,866	183	-	162	**3,523,536**
IBU & International corporate						
– IBU	95,571	1,582	4,722	4,987	16,608	**123,470**
– International corporate	154,968	344,513	42,906	-	493,607	**1,035,994**
SMEs	985,879	325	1,038	-	2,196	**989,438**
Retail						
- housing	3,515,008	2,587	21,245	78	13,309	**3,552,227**
- consumer, credit cards and other	1,039,065	1,457	949	-	4,974	**1,046,445**
Restructuring						
- corporate	14,278	-	1,321	114	59	**15,772**
- SMEs	17,031	-	157	-	-	**17,188**
- retail housing	33,512	-	540	118	268	**34,438**
- retail other	13,858	-	3	-	31	**13,892**
Recoveries						
- corporate	3,669	-	1	146	91	**3,907**
- SMEs	7,331	4	404	878	634	**9,251**
- retail housing	25,220	5	3,460	914	4,382	**33,981**
- retail other	19,540	14	422	107	399	**20,482**
	9,385,255	**413,353**	**77,351**	**7,342**	**536,720**	**10,420,021**

F. Notes (continued)

F.4 Credit risk concentration of loans and advances to customers (continued)

31 December 2024	Cyprus	Greece	United Kingdom	Russia	Other countries	Gross loans at amortised cost
By economic activity	€000	€000	€000	€000	€000	**€000**
Trade	880,142	8,405	1	-	15,283	**903,831**
Manufacturing	275,779	9,691	193	-	31,412	**317,075**
Hotels and catering	914,460	33,500	38,355	-	36,329	**1,022,644**
Construction	453,362	36,629	-	-	297	**490,288**
Real estate	757,099	114,289	2	-	34,565	**905,955**
Private individuals	4,670,608	7,842	34,513	7,534	40,083	**4,760,580**
Professional and other services	568,294	567	5,171	6	61,550	**635,588**
Shipping	36,874	12	-	-	302,279	**339,165**
Other sectors	606,598	106,116	-	5	42,560	**755,279**
	9,163,216	**317,051**	**78,235**	**7,545**	**564,358**	**10,130,405**

31 December 2024	Cyprus	Greece	United Kingdom	Russia	Other countries	Gross loans at amortised cost
By business line	€000	€000	€000	€000	€000	**€000**
Corporate	3,286,902	59,961	195	-	163	**3,347,221**
IBU & International corporate						
- IBU	92,206	1,638	4,769	5,214	16,867	**120,694**
- International corporate	147,180	251,140	43,245	-	519,456	**961,021**
SMEs	964,412	402	1,054	-	2,203	**968,071**
Retail						
- housing	3,496,469	2,544	22,185	80	14,071	**3,535,349**
- consumer, credit cards and other	1,033,208	1,339	337	-	5,510	**1,040,394**
Restructuring						
- corporate	16,015	-	1,241	112	66	**17,434**
- SMEs	20,289	-	157	-	100	**20,546**
- retail housing	35,644	-	534	126	80	**36,384**
- retail other	15,169	2	3	-	30	**15,204**
Recoveries						
- corporate	3,627	-	32	144	377	**4,180**
- SMEs	7,760	4	390	876	634	**9,664**
- retail housing	25,795	5	3,571	907	4,574	**34,852**
- retail other	18,540	16	522	86	227	**19,391**
	9,163,216	**317,051**	**78,235**	**7,545**	**564,358**	**10,130,405**

The loans and advances to customers include lending exposures in Cyprus with collaterals in Greece with a carrying value as at 31 March 2025 of €171,889 thousand (31 December 2024: €176,890 thousand).

The loans and advances to customers reported within 'Other countries' as at 31 March 2025 include exposures of €0.6 million in Ukraine (31 December 2024: €0.6 million) and €5.0 million in Israel (31 December 2024: €4.9 million).

F. Notes (continued)

F.5 Analysis of loans and advances to customers by stage

The following tables present the Group's gross loans and advances to customers at amortised cost by stage and by business line concentration:

31 March 2025	Stage 1	Stage 2	Stage 3	POCI	**Total**
By business line	€000	€000	€000	€000	**€000**
Corporate	3,070,164	423,527	20,103	9,742	**3,523,536**
IBU & International corporate					
- IBU	106,218	16,479	674	99	**123,470**
- International corporate	1,009,775	26,210	-	9	**1,035,994**
SMEs	907,275	68,849	9,108	4,206	**989,438**
Retail					
- housing	3,356,933	168,967	16,579	9,748	**3,552,227**
- consumer, credit cards and other	942,701	85,535	8,080	10,129	**1,046,445**
Restructuring					
- corporate	2,027	293	2,788	10,664	**15,772**
- SMEs	4,954	2,614	7,923	1,697	**17,188**
- retail housing	4,938	3,799	24,532	1,169	**34,438**
- retail other	1,815	628	10,731	718	**13,892**
Recoveries					
- corporate	-	-	3,579	328	**3,907**
- SMEs	-	-	8,175	1,076	**9,251**
- retail housing	-	-	29,565	4,416	**33,981**
- retail other	12	-	17,520	2,950	**20,482**
	9,406,812	**796,901**	**159,357**	**56,951**	**10,420,021**

31 December 2024	Stage 1	Stage 2	Stage 3	POCI	**Total**
By business line	€000	€000	€000	€000	**€000**
Corporate	2,897,542	409,697	30,103	9,879	**3,347,221**
IBU & International corporate					
- IBU	104,327	16,124	126	117	**120,694**
- International corporate	935,383	25,634	-	4	**961,021**
SMEs	886,864	68,843	8,094	4,270	**968,071**
Retail					
- housing	3,327,631	179,619	18,206	9,893	**3,535,349**
- consumer, credit cards and other	959,787	61,415	8,463	10,729	**1,040,394**
Restructuring					
- corporate	1,424	3,184	2,469	10,357	**17,434**
- SMEs	6,447	3,928	8,205	1,966	**20,546**
- retail housing	5,062	5,898	24,281	1,143	**36,384**
- retail other	2,014	738	11,698	754	**15,204**
Recoveries					
- corporate	-	-	3,873	307	**4,180**
- SMEs	-	-	8,671	993	**9,664**
- retail housing	-	-	30,358	4,494	**34,852**
- retail other	14	-	16,221	3,156	**19,391**
	9,126,495	**775,080**	**170,768**	**58,062**	**10,130,405**

F. **Notes** (continued)

F.6 Credit losses to cover credit risk on loans and advances to customers

	Three months ended 31 March	
	2025	2024
	€000	€000
Impairment loss net of reversals on loans and advances to customers	**13,099**	11,777
Recoveries of loans and advances to customers previously written off	**(1,950)**	(2,190)
Changes in expected cash flows	**(3,013)**	(502)
Financial guarantees and commitments	**3**	67
	8,139	9,152

The movement in ECL of loans and advances to customers, including the loans and advances to customers held for sale, and the analysis of the balance by stage is as follows:

	Three months ended 31 March	
	2025	2024
	€000	€000
1 January	**178,797**	179,453
Foreign exchange and other adjustments	**(84)**	(77)
Write offs	**(5,573)**	(10,853)
Interest (provided) not recognised in the income statement	**1,433**	1,401
Charge for the period	**13,099**	11,777
Disposal of held for sale portfolio (Project River)	**(31,323)**	-
31 March	**156,349**	181,701
Stage 1	**19,756**	9,861
Stage 2	**41,454**	29,738
Stage 3	**76,550**	119,177
POCI	**18,589**	22,925
31 March	**156,349**	181,701

The charge for the period on loans and advances to customers by stage is presented in the table below:

	Three months ended 31 March	
	2025	2024
	€000	€000
Stage 1	**1,405**	(20,397)
Stage 2	**8,879**	3,897
Stage 3	**2,815**	28,277
	13,099	11,777

During the three months ended 31 March 2025 the total non-contractual write-offs recorded by the Group amounted to €102 thousand (three months ended 31 March 2024: €6,718 thousand). The contractual amount outstanding on financial assets that were written off during the three months ended 31 March 2025 and that are still subject to enforcement activity amounted to €2,091 thousand (31 December 2024: €187,288 thousand).

Assumptions have been made about the future changes in property values, as well as the timing for the realisation of collateral, taxes and expenses on the repossession and subsequent sale of the collateral as well as any other applicable haircuts. Indexation has been used as the basis to estimate updated market values of properties, supplemented by management judgement where necessary, given the difficulty in differentiating between short-term impacts and long-term structural changes and the shortage of market evidence for comparison purposes. Assumptions were made on the basis of a macroeconomic scenario for future changes in property prices and qualitative adjustments or overlays were applied to the projected future property value increases to restrict the level of future property price growth to 0% for all scenarios for loans and advances to customers which are secured by property collaterals.

F.6 Credit losses to cover credit risk on loans and advances to customers (continued)

At 31 March 2025, the weighted average haircut (including liquidity haircut and selling expenses) used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) is approximately 42% under the baseline scenario (31 December 2024: approximately 42%, excluding those classified as held for sale).

At 31 March 2025, the timing of recovery from real estate collaterals used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) has been estimated to be on average seven years under the baseline scenario (31 December 2024: average of seven years, excluding those classified as held for sale).

For the calculation of individually assessed provisions of Stage 3 exposures, the timing of recovery of collaterals as well as the haircuts used, are based on the specific facts and circumstances of each case. For specific cases judgement may also be exercised over staging during the individual assessment.

Any changes in these assumptions or differences between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

Modelling adjustments
Forward looking models have been developed for ECL parameters (PD, EAD, LGD) for all portfolios and segments sharing similar characteristics. Model validation (initial and periodic) is performed by the independent validation unit within the Risk Management Division and involves assessment of a model under both quantitative (i.e. stability and performance) and qualitative terms. The frequency and level of rigour of model validation is commensurate to the overall use, complexity and materiality of the models, (i.e. risk tiering). In certain cases, judgement is exercised in the form of expert judgment and/or management overlay by applying adjustments on the modelled parameters. Governance of these models lies with the Risk Management Division, where a governance process is in place around the determination of the impairment measurement methodology including inputs, assumptions and overlays. Any management overlays are prepared by the Risk Management Division, endorsed by the Group Provisions Committee and approved by the Board Risk and Audit Committees.

Calibration of IFRS 9 models during the three months ended 31 March 2025
During the three months ended 31 March 2025, the Group proceeded with a calibration of the probability of default (PD) parameter and specifically in relation to the PD adjustment factor; a dynamic adjustment that calibrates the model projections based on the relationship between the past model projections and the actual observed defaults. The factor was updated to include observations over a longer period to further enhance stability and predictability. The impact of the calibration was an increase in PDs across stages and a €4.9 million ECL charge for the three months ended 31 March 2025.

The IFRS 9 models are reviewed regularly in order to incorporate the most recent information available and to ensure that they perform adequately and that they are suitably representative when applied to the current portfolio for the calculation of impairment loss allowances.

The Group has exercised critical judgement on a best effort basis, to consider all reasonable and supportable information available at the time of the assessment of the ECL allowance as at 31 March 2025. The Group will continue to evaluate the ECL allowance and the related economic outlook each quarter, so that any changes arising from the uncertainty on the macroeconomic outlook and geopolitical developments, are timely captured.

F.7 Rescheduled loans and advances to customers

The below table presents the Group’s forborne loans and advances to customers by staging.

	31 March 2025	31 December 2024
	€000	€000
Stage 1	**-**	-
Stage 2	**255,482**	253,862
Stage 3	**76,382**	86,639
POCI	**26,135**	26,338
	357,999	366,839

F. Notes (continued)

F.8 Pending litigation, claims, regulatory and other matters

The Group, in the ordinary course of business, is involved in various disputes and legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators, governmental and other public bodies, actual and threatened, relating to the suitability and adequacy of advice given to clients or the absence of advice, lending and pricing practices, selling and disclosure requirements, reporting and information security requirements and a variety of other matters. In addition, as a result of the deterioration of the Cypriot economy and banking sector in 2012 and the subsequent restructuring of BOC PCL in 2013 as a result of the Bail-in Decrees, BOC PCL is subject to a large number of proceedings and investigations that either precede or result from the events that occurred during the period of the Bail-in Decrees.

Provisions have been recognised for those cases where the Group is able to estimate probable losses. Any provision recognised does not constitute an admission of wrongdoing or legal liability. There are also situations where the Group may enter into a settlement agreement. This may occur only if such settlement is in BOC PCL's interest (such settlement does not constitute an admission of wrongdoing) and only takes place after obtaining legal advice and all approvals by the appropriate bodies of management. While the outcome of these matters is inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of legal proceedings, regulatory and other matters as at 31 March 2025 and hence it is not believed that such matters, when concluded, will have a material impact upon the financial position of the Group. Details on the material ongoing cases are disclosed within the 2024 Annual Financial Report.

G. Additional Risk and Capital Management disclosures

G.1 Additional Credit risk disclosures

The tables below present the analysis of loans and advances to customers in accordance with the EBA standards.

31 March 2025	Gross loans and advances to customers				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	Gross customer loans and advances[1,2]	Of which: NPEs	Of which exposures with forbearance measures		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: NPEs	Of which exposures with forbearance measures	
			Total exposures with forbearance measures	Of which: NPEs			Total exposures with forbearance measures	Of which: NPEs
	€000	€000	€000	€000	€000	€000	€000	€000
Loans and advances to customers								
General governments	71,393	-	-	-	3	-	-	-
Other financial corporations	459,054	556	34,978	480	6,173	396	1,634	323
Non-financial corporations	5,124,673	66,438	211,407	48,719	66,390	32,684	29,200	24,502
Of which: Small and Medium sized Enterprises[3] (SMEs)	*2,814,218*	*54,304*	*103,538*	*38,437*	*35,364*	*22,097*	*15,779*	*14,228*
Of which: Commercial real estate[3]	*3,442,565*	*56,914*	*190,086*	*46,390*	*49,378*	*26,429*	*27,331*	*23,283*
Non-financial corporations by sector								
Construction	*407,460*	*1,602*			*9,839*			
Wholesale and retail trade	*897,373*	*13,963*			*10,241*			
Accommodation and food service activities	*1,185,503*	*2,355*			*4,415*			
Real estate activities	*904,189*	*21,916*			*14,007*			
Transport and storage	*515,051*	*241*			*2,755*			
Other sectors	*1,215,097*	*26,361*			*25,133*			
Households	4,888,284	123,386	111,614	50,966	83,783	60,662	23,773	19,727
Of which: Residential mortgage loans[3]	*3,772,090*	*91,116*	*99,026*	*42,852*	*51,643*	*37,861*	*18,940*	*15,270*
Of which: Credit for consumption[3]	*648,228*	*24,386*	*11,619*	*6,787*	*20,576*	*15,630*	*3,780*	*3,383*
Total on-balance sheet	10,543,404	190,380	357,999	100,165	156,349	93,742	54,607	44,552

1. Excluding loans and advances to central banks and credit institutions and reverse repurchase agreements.
2. The residual fair value adjustment on initial recognition (which relates mainly to loans acquired from Laiki Bank and is calculated as the difference between the outstanding contractual amount and the fair value of loans acquired and bears a negative balance) is considered as part of the gross loans, therefore decreases the gross balance of loans and advances to customers.
3. The analysis shown in lines 'non-financial corporations' and 'households' is non-additive across categories as certain customers could be in both categories.

	Gross loans and advances to customers				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
			Of which exposures with forbearance measures				Of which exposures with forbearance measures	
31 December 2024	**Gross customer loans and advances[1,2]**	**Of which: NPEs**	**Total exposures with forbearance measures**	**Of which: NPEs**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**	**Of which: NPEs**	**Total exposures with forbearance measures**	**Of which: NPEs**
	€000	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Loans and advances to customers								
General governments	68,892	-	-	-	3	-	-	-
Other financial corporations	296,345	545	34,871	475	3,904	377	1,297	308
Non-financial corporations	5,033,827	75,589	209,835	57,040	58,681	36,952	33,041	29,324
Of which: Small and Medium sized Enterprises[3] (SMEs)	*2,900,947*	*62,950*	*113,932*	*46,764*	*35,447*	*26,482*	*20,551*	*19,208*
Of which: Commercial real estate[3]	*3,463,617*	*66,202*	*188,182*	*54,506*	*46,462*	*30,978*	*31,142*	*27,954*
Non-financial corporations by sector								
Construction	*483,832*	*1,862*			*9,069*			
Wholesale and retail trade	*891,437*	*16,086*			*8,565*			
Accommodation and food service activities	*1,149,973*	*1,614*			*3,002*			
Real estate activities	*892,563*	*21,252*			*12,666*			
Transport and storage	*551,168*	*194*			*1,131*			
Other sectors	*1,064,854*	*34,581*			*24,248*			
Households	4,862,349	125,955	122,133	52,747	84,431	*57,501*	*24,152*	*19,055*
Of which: Residential mortgage loans[3]	*3,761,702*	*94,107*	*107,516*	*44,065*	*53,360*	*36,164*	*19,172*	*14,554*
Of which: Credit for consumption[3]	*638,798*	*24,218*	*13,526*	*7,304*	*20,278*	*14,643*	*3,967*	*3,404*
	10,261,413	202,089	366,839	110,262	147,019	94,830	58,490	48,687
Loans and advances to customers classified as held for sale	54,921	54,921	15,221	15,221	31,778	31,778	7,562	7,562
Total on-balance sheet	10,316,334	257,010	382,060	125,483	178,797	126,608	66,052	56,249

1. Excluding loans and advances to central banks and credit institutions and reverse repurchase agreements (including an amount of €6,865 thousand cash collateral placed).
2. The residual fair value adjustment on initial recognition (which relates mainly to loans acquired from Laiki Bank and is calculated as the difference between the outstanding contractual amount and the fair value of loans acquired and bears a negative balance) is considered as part of the gross loans, therefore decreases the gross balance of loans and advances to customers.
3. The analysis shown in lines 'non-financial corporations' and 'households' is non-additive across categories as certain customers could be in both categories.

G. Additional Risk and Capital Management disclosures (continued)

G.2 Capital management

The primary objective of the Group's capital management is to ensure compliance with the relevant regulatory capital requirements and to maintain healthy capital adequacy ratios to cover the risks of its business, support its strategy and maximise shareholders' value.

The capital adequacy framework, as in force, was incorporated through the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) which came into effect on 1 January 2014 with certain specified provisions implemented gradually. The CRR and CRD transposed the new capital, liquidity and leverage standards of Basel III into the European Union's legal framework. CRR establishes the prudential requirements for capital, liquidity and leverage for credit institutions. It is directly applicable in all EU member states. CRD governs access to deposit-taking activities and internal governance arrangements including remuneration, board composition and transparency. Unlike the CRR, member states were required to transpose the CRD into national law and national regulators were allowed to impose additional capital buffer requirements.

On 27 June 2019, the revised rules on capital and liquidity (Regulation (EU) 2019/876 (CRR II) and Directive (EU) 2019/878 (CRD V)) came into force. As an amending regulation, the existing provisions of CRR apply, unless they are amended by CRR II. Certain provisions took immediate effect (primarily relating to Minimum Requirement for Own Funds and Eligible Liabilities (MREL)), but most changes became effective as of June 2021. The key changes introduced consist of, among others, changes to qualifying criteria for Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) instruments, introduction of requirements for MREL and a binding Leverage Ratio requirement (as defined in the CRR) and a Net Stable Funding Ratio (NSFR).

The amendments that came into effect on 28 June 2021 are in addition to those introduced in June 2020 through Regulation (EU) 2020/873, which among others, brought forward certain CRR II changes in light of the COVID-19 pandemic. The main adjustments of Regulation (EU) 2020/873 that had an impact on the Group's capital ratio relate to the acceleration of the implementation of the new SME discount factor (lower RWAs), extending the IFRS 9 transitional arrangements and introducing further relief measures to CET1 allowing to fully add back to CET1 any increase in ECL recognised in 2020 and 2021 for non-credit impaired financial assets and phasing-in this starting from 2022 (phasing-in at 25% in 2022, 50% in 2023 and 75% in 2024) and advancing the application of prudential treatment of software assets as amended by CRR II (which came into force in December 2020).

During 2024, the EU co-legislators finalized, adopted and published the comprehensive package of reforms with respect to European Union banking rules which implement the Final Basel III set of global reforms, changing how banks calculate their RWAs (Regulation (EU) 2024/1623 (known as CRR III)) and Directive (EU) 2024/1619 (known as CRD VI), applicable from January 1, 2025. Most provisions of the CRR III have become effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased in over time. Member states shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and shall apply most of those measures by 11 January 2026. The implementation of CRR III had an estimated positive impact of approximately 1% on the CET1 ratio (transitional) of the Group on initial application on 1 January 2025, primarily driven by a reduction in Operational Risk RWAs and to a lesser extent by a reduction in Credit Risk RWAs. However, during 2025 the publication of ECB guidelines on options and discretions and EBA mandates could result in additional impacts on CET1 ratios across the industry.

The Regulatory CET1 ratio of the Group as at 31 March 2025 stands at 19.7% and the Total Capital ratio at 24.8%. Including profits for the three months ended 31 March 2025 and an accrual for a distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges, the CET1 ratio and Total Capital ratio of the Group stand at 19.9% and 25.0% respectively, as further described in Section 'Distributions' in Section 'A. Group Financial Results – Underlying Basis'.

G.2 Capital management (continued)

The Group's minimum capital requirements are presented below:

Minimum CET1 Regulatory Capital Requirements	**31 March 2025**	**31 December 2024**
Pillar I – CET1 Requirement	**4.50%**	4.50%
Pillar II – CET1 Requirement	**1.55%**	1.55%
Capital Conservation Buffer (CCB)*	**2.50%**	2.50%
Other Systematically Important Institutions (O-SII) Buffer**	**1.9375%**	1.875%
Countercyclical Buffer (CcyB)	**0.94%**	0.92%
Minimum CET1 Regulatory Capital Requirements	**11.42%**	11.34%

** Fully phased-in as of 1 January 2019*
*** Increasing by 0.0625% on 1 January 2026 at 2.00%*

Minimum Total Capital Regulatory Requirements	**31 March 2025**	**31 December 2024**
Pillar I – Total Capital Requirement	**8.00%**	8.00%
Pillar II – Total Capital Requirement	**2.75%**	2.75%
Capital Conservation Buffer (CCB)*	**2.50%**	2.50%
Other Systematically Important Institutions (O-SII) Buffer**	**1.9375%**	1.875%
Countercyclical Buffer (CcyB)	**0.94%**	0.92%
Minimum Total Capital Regulatory Requirements	**16.13%**	16.05%

** Fully phased-in as of 1 January 2019*
*** Increasing by 0.0625% on 1 January 2026 at 2.00%*

The minimum Pillar I total capital requirement ratio of 8.00% may be met, in addition to the 4.50% CET1 requirement, with up to 1.50% by AT1 capital and with up to 2.00% by T2 capital.

The Group is also subject to additional capital requirements for risks which are not covered by the Pillar I capital requirements (Pillar II add-ons). Applicable Regulation allows a part of the said Pillar II Requirements (P2R) to be met also with AT1 and T2 capital and does not require solely the use of CET1.

The capital position of the Group and BOC PCL as at 31 March 2025 exceeds both their Pillar I and their Pillar II add-on capital requirements. However, the Pillar II add-on capital requirements are a point-in-time assessment and therefore are subject to change over time.

The CBC, in accordance with the Macroprudential Oversight of Institutions Law of 2015 sets, on a quarterly basis, the CcyB rates in accordance with the methodology described in this law.

On 2 June 2023, the CBC, announced its decision to raise the CcyB rate from 0.50% to 1.00% of the total risk exposure amount in Cyprus, effective from 2 June 2024. The CcyB for the Group as at 31 March 2025 has been calculated at approximately 0.94% (2024: 0.92%). In January 2025, the CBC, based on its macroprudential policy, decided to increase the CcyB rate from 1.00% to 1.50% of the total risk exposure amount in Cyprus effective from January 2026. Based on the above, the CcyB for the Group is expected to increase further.

In accordance with the provisions of this law, the CBC is also the responsible authority for the designation of banks that are Other Systemically Important Institutions (O-SIIs) and for the setting of the O-SII Buffer requirement for these systemically important banks. BOC PCL has been designated as an O-SII. The O-SII Buffer increased by 37.5 bps to 1.875% on 1 January 2024, following a revision of the O-SII buffer by the CBC in October 2023. In April 2024, following a revision by the CBC of its policy for the designation of credit institutions that meet the definition of O-SII and the setting of an O-SII buffer to be observed, the Group's O-SII buffer has been set to 2.00% from 1 January 2026 (from the previous assessment carried out in October 2023 of 2.25% from 1 January 2025) phased-in by 6.25 bps to 1.9375% on 1 January 2025 and to be fully phased in to 2.00% as of 1 January 2026.

The ECB also provides non-public guidance for an additional Pillar II CET1 buffer (P2G) to be maintained.

G. Additional Risk and Capital Management disclosures (continued)

G.2 Capital management (continued)

Following the annual SREP performed by the ECB in 2024 and based on the final SREP decision received in December 2024, effective from 1 January 2025, the Group's minimum phased-in CET1 capital ratio and Total Capital ratio requirements remained unchanged, when disregarding the phasing-in of the O-SII buffer. The non-public guidance P2G remained unchanged compared to 2024. Furthermore, based on the final SREP decision, the requirement for prior regulatory approval for the declaration of dividends was lifted, effective from 1 January 2025.

The Group is subject to a 3% Pillar I Leverage Ratio requirement.

The above minimum ratios apply for both BOC PCL and the Group.

The EBA final guidelines on SREP and supervisory stress testing and the Single Supervisory Mechanism's (SSM) 2018 SREP methodology provide that the own funds held for the purposes of Pillar II Guidance (P2G) cannot be used to meet any other capital requirements (Pillar I requirement, P2R or the Combined Buffer Requirement (CBR)), and therefore cannot be used twice.

The regulatory capital position of the Group and BOC PCL as at the reporting date (after applying the transitional arrangements) is presented below:

Regulatory capital	Group		BOC PCL	
	31 March 2025[1]	31 December 2024[2]	**31 March 2025[1]**	31 December 2024[2]
	€000	€000	**€000**	€000
Common Equity Tier 1 (CET1)[3]	**2,070,951**	2,075,484	**2,008,276**	2,015,685
Additional Tier 1 capital (AT1)	**220,000**	220,000	**220,000**	220,000
Tier 2 capital (T2)	**311,671**	307,138	**312,377**	307,955
Transitional total regulatory capital	**2,602,622**	2,602,622	**2,540,653**	2,543,640
Risk weighted assets – credit risk[4]	**9,255,552**	9,172,397	**9,274,847**	9,228,404
Risk weighted assets – market risk	**-**	-	**-**	-
Risk weighted assets – operational risk	**1,239,018**	1,661,691	**1,200,462**	1,601,470
Total risk weighted assets	**10,494,570**	10,834,088	**10,475,309**	10,829,874
Transitional	**%**	%	**%**	%
Common Equity Tier 1 (CET1) ratio	**19.7**	19.2	**19.2**	18.6
Total capital ratio	**24.8**	24.0	**24.3**	23.5
Leverage ratio	**8.6**	8.8	**8.4**	8.5

[1] Profits for the three months ended 31 March 2025 are not included. The CET1 ratio, the Total Capital ratio and the Leverage ratio as at 31 March 2025 stand at 19.9%, 25.0% and 8.7% respectively for the Group and at 19.3%, 24.3% and 8.4% respectively for BOC PCL, when including the profits for the quarter ended 31 March 2025 and an accrual for a distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges. Such distribution accrual does not constitute a binding commitment for a distribution payment nor does it constitute a warranty or representation that such a payment will be made.

[2] Includes profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings of €241 million, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €211 million and approval by the Board to undertake a share buyback of ordinary shares of the Company for an aggregate consideration of up to €30 million and in compliance with the terms of the ECB approval. Similarly, for BOC PCL amounts include profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million.

[3] CET1 includes regulatory deductions, comprising of, amongst others, intangible assets amounting to €20,494 thousand for the Group and €13,225 thousand for BOC PCL as at 31 March 2025 (31 December 2024: €25,231 thousand for the Group and €16,039 thousand for BOC PCL).

[4] Includes Credit Valuation Adjustments (CVA).

G. Additional Risk and Capital Management (continued)

G.2 Capital management (continued)

The capital ratios of the Group and BOC PCL as at the reporting date on a fully loaded basis are presented below:

Fully loaded	Group		BOC PCL	
	31 March 2025[1,4]	31 December 2024[2,3]	**31 March 2025[1,4]**	31 December 2024[2,3]
	%	%	**%**	%
Common Equity Tier 1 ratio	**19.4**	19.1	**18.9**	18.6
Total capital ratio	**24.4**	24.0	**23.9**	23.5
Leverage ratio	**8.6**	8.7	**8.4**	8.5

1. Profits for the three months ended 31 March 2025 are not included. The CET1 ratio, the Total Capital ratio and the Leverage ratio as at 31 March 2025 stand at 19.6%, 24.6% and 8.7% respectively for the Group and at 18.9%, 24.0% and 8.4% respectively for BOC PCL, when including the profits for the quarter ended 31 March 2025 and an accrual for a distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges. Such distribution accrual does not constitute a binding commitment for a distribution payment nor does it constitute a warranty or representation that such a payment will be made.

2. Includes profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings of €241 million, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €211 million and approval by the Board to undertake a share buyback of ordinary shares of the Company for an aggregate consideration of up to €30 million and in compliance with the terms of the ECB approval. Similarly, for BOC PCL amounts include profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million.

3. IFRS 9 fully loaded as applicable. IFRS 9 transitional arrangements ceased to apply as of 1 January 2025.

4. Fully loaded under Articles 495a, 495b, 495d and 500a of the Capital Requirements Regulation (CRR).

During the three months ended 31 March 2025, the regulatory CET1 ratio was mainly affected by the decrease in risk-weighted assets primarily as a result of the implementation of CRR III. The implementation of CRR III had an estimated positive impact of approximately 1% on the CET1 ratio (transitional) of the Group on initial application on 1 January 2025, primarily driven by a reduction in Operational Risk RWAs and to a lesser extent by a reduction in Credit Risk RWAs. Including the profits for the three months ended 31 March 2025, net of a distribution at the top-end range of the Group's distribution policy, the CET1 ratio, on a transitional basis, increases to 19.9%.

A charge, which amounted to 27 bps as at 31 March 2025, is deducted from own funds in relation to ECB expectations for NPEs. In addition, a prudential charge in relation to the onsite inspection on the value of the Group's foreclosed assets is being deducted from own funds since June 2021, the impact of which is 2 bps on the Group's CET1 ratio as at 31 March 2025. Furthermore, the Group is subject to increased capital requirements in relation to its real estate repossessed portfolio which follow a SREP provision to ensure minimum capital levels retained on long-term holdings of real estate assets, with such requirements being dynamic by reference to the in-scope REMU assets remaining on the balance sheet of the Group and the value of such assets. As at 31 March 2025 the impact of these requirements was c.90 bps on the Group's CET1 ratio compared to 51 bps as at 31 December 2024. The above-mentioned requirements are within the capital plans of the Group and incorporated within its capital projections.

Capital requirements of subsidiaries

The insurance subsidiaries of the Group, the General Insurance of Cyprus Ltd and Eurolife Ltd, comply with the requirements of the Superintendent of Insurance including the minimum solvency ratio. The regulated Cyprus Investment Firm (CIF) of the Group, The Cyprus Investment and Securities Corporation Ltd (CISCO), complies with the minimum capital adequacy ratio requirements. In 2021 the new prudential regime for Investment Firms ('IFs') as per the Investment Firm Regulation (EU) 2019/2033 ('IFR') on the prudential requirements of IFs and the Investment Firm Directive (EU) 2019/2034 ('IFD') on the prudential supervision of IFs came into effect. Under the new regime CISCO has been classified as a Non-Systemic 'Class 2' company and is subject to the new IFR/IFD regime in full. The payment services subsidiary of the Group, JCC Payment Systems Ltd, currently licensed as an Electronic Money Institution, complies with regulatory capital requirements under the Electronic Money Laws of 2012 (N. 81(I)/2012) as amended.

G.2 Capital management (continued)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Bank Recovery and Resolution Directive (BRRD) requires that from January 2016 EU member states shall apply the BRRD's provisions requiring EU credit institutions and certain investment firms to maintain a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), subject to the provisions of the Commission Delegated Regulation (EU) 2016/1450. On 27 June 2019, as part of the reform package for strengthening the resilience and resolvability of European banks, the BRRD II came into effect and was required to be transposed into national law. BRRD II was transposed and implemented in Cyprus law in May 2021. In addition, certain provisions on MREL have been introduced in CRR II which also came into force on 27 June 2019 as part of the reform package and were immediately effective.

In January 2025, BOC PCL received notification from the SRB regarding the 2025 MREL decision, by which the MREL requirement is set at 23.85% of risk weighted assets (or 29.23% of risk weighted assets taking into account the prevailing CBR as at 1 January 2025 which needs to be met with own funds on top of the MREL) and 5.91% of Leverage Ratio Exposure. The revised MREL requirements became binding with immediate effect.

BOC PCL must comply with the MREL requirement at the consolidated level, comprising BOC PCL and its subsidiaries.

The MREL ratio as at 31 March 2025, calculated according to the SRB's eligibility criteria currently in effect and based on internal estimate, stood at 34.7% of RWAs (including capital used to meet the CBR) and at 13.7% of LRE (based on the regulatory Total Capital as at 31 March 2025) creating a comfortable buffer over the requirements. The CBR stood at 5.38% as at 31 March 2025, compared to 5.30% as at 31 December 2024, reflecting the phasing in of the O-SII buffer by 6.25 bps on 1 January 2025. The CBR is expected to increase further as a result of the phasing-in of O-SII buffer from 1.9375% to 2.00% on 1 January 2026 as well as the expected increase of the CcyB rate as of January 2026 as aforementioned.

The MREL ratio expressed as a percentage of RWAs (including capital used to meet the CBR) and the MREL ratio expressed as a percentage of LRE as at 31 March 2025 stand at 34.9% and 13.8% respectively when including the profits for the quarter ended 31 March 2025 and an accrual for a distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period.

G.3 Internal Capital Adequacy Assessment Process (ICAAP), Internal Liquidity Adequacy Assessment Process (ILAAP) and Pillar II Supervisory Review and Evaluation Process (SREP)

The Group prepares annual ICAAP and ILAAP packages. Both reports for 2024 have been completed and submitted to the ECB at the end of March 2025 following approval by the Board of Directors. The 2024 ICAAP indicated that the Group has sufficient capital and available mitigants to support its risk profile and its business and to enable it to meet its regulatory requirements, both under baseline and stressed conditions. The 2024 ILAAP indicated that the Group maintains liquidity resources which are adequate to ensure its ability to meet obligations as they fall due under ordinary and stressed conditions.

The Group undertakes quarterly reviews of its ICAAP results as well as on an ad-hoc basis if needed, which are submitted to the ALCO and the RC, taking into consideration the latest actual and forecasted information. During the quarterly review, the Group's risk profile is reviewed and any material changes/developments since the annual ICAAP exercise are assessed in terms of capital adequacy.

The Group undertakes quarterly reviews of its ILAAP results through quarterly liquidity stress tests which are submitted to the ALCO and the RC, where actual and forecasted information is considered. Any material changes since the annual ILAAP exercise are assessed in terms of liquidity and funding.

The ECB, as part of its supervisory role, has been conducting the SREP and other inspections (onsite/ off-site/ targeted reviews/ deep-dive exercises) on the Group. The SREP is a holistic assessment of, amongst other things, the Group's business model, internal governance and institution-wide control arrangements, risks to capital and adequacy of capital to cover these risks and risks to liquidity and adequacy of liquidity resources to cover these risks. The objective of the SREP is for the ECB to form an up-to-date supervisory view of the Group's risks and viability and to form the basis for supervisory measures and dialogue with the Group. As a result of these supervisory processes, additional capital and other requirements could be imposed on the Group, including a revision of the level of Pillar II add-ons, as the Pillar II add-on capital requirements are a point-in-time assessment and therefore subject to change over time.

G. Additional Risk and Capital Management disclosures (continued)

G.4 Liquidity regulation

The Group is required to comply with provisions on the Liquidity Coverage Ratio (LCR) under CRD IV/CRR (as supplemented by Delegated Regulation (EU) 2015/61), with the limit set at 100%. The Group must also comply with the Net Stable Funding Ratio (NSFR) calculated as per the CRR II, with the limit set at 100%.

The LCR is designed to promote the short-term resilience of a Group's liquidity risk profile by ensuring that it has sufficient high-quality liquid resources to survive an acute stress scenario lasting for 30 days. The NSFR has been developed to promote a sustainable maturity structure of assets and liabilities.

As at 31 March 2025, the Group was in compliance with all regulatory liquidity requirements. As at 31 March 2025, the Group's LCR stood at 330% (compared to 309% as at 31 December 2024) and the Group's NSFR stood at 160% (compared to 162% as at 31 December 2024).

G.5 Liquidity reserves

The table below sets out the Group's liquidity reserves:

Composition of the liquidity reserves	**31 March 2025**			31 December 2024		
	Internal Liquidity Reserves	**Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 LCR eligible**		Internal Liquidity Reserves	Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 LCR eligible	
		Level 1	**Level 2A & 2B**		Level 1	Level 2A & 2B
	€000	**€000**	**€000**	€000	€000	€000
Cash and balances with central banks	**6,930,993**	**6,930,993**	**-**	7,341,141	7,341,141	-
Placements with banks	**840,418**	**-**	**-**	658,154	-	-
Liquid investments	**5,048,132**	**4,335,590**	**462,778**	4,787,396	4,206,223	377,572
Available ECB Buffer	**2,020,533**	**-**	**-**	1,999,540	-	-
Total	**14,840,076**	**11,266,583**	**462,778**	14,786,231	11,547,364	377,572

Internal Liquidity Reserves present the internally defined liquid buffer of BOC PCL. Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 present the liquid assets as per the definition of the aforementioned regulation i.e., High-Quality Liquid Assets (HQLA).

Balances in Nostro accounts and placements with banks are not included in Liquidity reserves as per LCR, as they are not considered HQLA (they are part of the LCR Inflows).

Liquid investments under the Liquidity reserves as per LCR are shown at market values reduced by standard weights as prescribed by the LCR regulation. Liquid investments under the Internal Liquidity Reserves include additional unencumbered liquid bonds. Liquid investments under the Internal Liquidity Reserves are shown at market values net of haircuts based on the ECB haircut methodology for the ECB eligible bonds, while for the non-ECB eligible bonds, a more conservative internally developed haircut methodology is applied.

Currently, the available ECB buffer is not part of the Liquidity reserves as per LCR.

H. Alternative Performance Measures Disclosures

Reconciliations

Reconciliation between the Interim Consolidated Income Statement under the statutory basis in Section E and the underlying basis in Section A is included in Section 'F.1 Reconciliation of Interim Consolidated Income Statement for the three months ended 31 March 2025 between the statutory and the underlying basis'.

Reconciliations between the non-IFRS performance measures and the most directly comparable IFRS measures which allow for the comparability of the underlying basis to the statutory basis are disclosed below.

1. (a) Reconciliation of Gross loans and advances to customers

	31 March 2025	31 December 2024
	€000	€000
Gross loans and advances to customers as per the underlying basis (*as defined in Section I*)	**10,600,444**	10,374,056
Reconciling items:		
Residual fair value adjustment on initial recognition (*as per table 1(b) below*)	**(58,030)**	(60,679)
Loans and advances to customers classified as held for sale	**-**	(54,921)
Residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale	**-**	778
Loans and advances to customers measured at FVPL (*Section F.3*)	**(123,383)**	(131,008)
Aggregate fair value adjustment on loans and advances to customers measured at FVPL	**990**	2,179
Gross loans and advances to customers at amortised cost as per Section F.3	**10,420,021**	10,130,405

1. (b) Analysis of loans and advances to customers at amortised cost by stage

31 March 2025	Stage 1	Stage 2	Stage 3	POCI	**Total**
	€000	€000	€000	€000	**€000**
Gross loans at amortised cost before residual fair value adjustment on initial recognition	9,460,363	800,811	158,193	58,684	**10,478,051**
Residual fair value adjustment on initial recognition	(53,551)	(3,910)	1,164	(1,733)	**(58,030)**
Gross loans at amortised cost as per Section F.5	**9,406,812**	**796,901**	**159,357**	**56,951**	**10,420,021**

31 December 2024	Stage 1	Stage 2	Stage 3	POCI	**Total**
	€000	€000	€000	€000	**€000**
Gross loans at amortised cost before residual fair value adjustment on initial recognition	9,176,411	785,674	169,189	59,810	**10,191,084**
Residual fair value adjustment on initial recognition	(49,916)	(10,594)	1,579	(1,748)	**(60,679)**
Gross loans at amortised cost as per Section F.5	9,126,495	775,080	170,768	58,062	**10,130,405**

H. Alternative Performance Measures Disclosures (continued)

Reconciliations (continued)

2. Reconciliation of Allowance for expected credit losses (ECL) on loans and advances to customers

	31 March 2025	31 December 2024
	€000	€000
Allowance for expected credit losses (ECL) on loans and advances to customers as per the underlying basis (*as defined in Section I)*	**231,285**	254,412
Reconciling items:		
Residual fair value adjustment on initial recognition (*as per table 1(b) above*)	**(58,030)**	(60,679)
Allowance for expected credit losses on loans and advances to customers classified as held for sale	**-**	(31,778)
Residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale	**-**	778
Aggregate fair value adjustment on loans and advances to customers measured at FVPL	**990**	2,179
Provisions for financial guarantees and commitments	**(17,896)**	(17,893)
Allowance for ECL for loans and advances to customers as per Section F.3	**156,349**	147,019

3. Reconciliation of NPEs

	31 March 2025	31 December 2024
	€000	€000
NPEs as per the underlying basis (*as defined in Section I*)	**189,793**	255,251
Reconciling items:		
Loans and advances to customers (NPEs) classified as held for sale (*as per table 1(a) above*)	**-**	(54,921)
Residual fair value adjustment on initial recognition of loans and advances to customers (NPEs) classified as held for sale (*as per table 1(a) above*)	**-**	778
POCI (NPEs) *(Note 1 below)*	**(31,600)**	(31,919)
Residual fair value adjustment on initial recognition on loans and advances to customers (NPEs) classified as Stage 3 (*as per table 1(b) above*)	**1,164**	1,579
Stage 3 gross loans and advances to customers at amortised cost as per Section F.5	**159,357**	170,768
NPE ratio		
NPEs (*as per table above*) (€000)	**189,793**	255,251
Gross loans and advances to customers (*as per table 1(a) above*) (€000)	**10,600,444**	10,374,056
Ratio of NPEs/Gross loans (%)	**1.8%**	2.5%

NPE Coverage ratio	**31 March 2025**	31 December 2024
Allowance for expected credit losses (ECL) on loans and advances to customers (*as per table 2 above*) (€000)	**231,285**	254,412
NPEs (*as per table above*) (€000)	**189,793**	255,251
NPE Coverage ratio (%)	**122%**	100%

Note 1: Gross loans and advances to customers at amortised cost before residual fair value adjustment on initial recognition include an amount of €31,600 thousand POCI - NPEs (out of a total of €58,684 thousand POCI loans) (31 December 2024: €31,919 thousand POCI - NPEs (out of a total of €59,810 thousand POCI loans)) as disclosed in table 1(b) above.

H. Alternative Performance Measures Disclosures (continued)

Reconciliations (continued)

4. Reconciliation of Loan credit losses

	Three months ended 31 March	
	2025	2024
	€000	€000
Loan credit losses as per the underlying basis	**10,122**	6,801
Loan credit losses (as defined) are reconciled to the statutory basis as follows:		
Credit losses to cover credit risk on loans and advances to customers *(Section F.6)*	**8,139**	9,152
Net losses/(gains) on derecognition of financial assets measured at amortised cost – loans and advances to customers	**781**	(2,062)
Net losses/(gains) on loans and advances to customers measured at FVPL	**1,202**	(289)
	10,122	6,801

5. Reconciliation of Adjusted recurring profitability to Profit after tax for the period attributable to the owners of the Company

	Three months ended 31 March	
	2025	2024
	€000	€000
Adjusted recurring profitability as per the underlying basis (*as defined in Section I*)	**116,966**	132,826
Profit after tax for the period attributable to the owners of the Company as per the Interim Consolidated Income Statement	**116,966**	132,826

H. Alternative Performance Measures Disclosures (continued)

Key Performance Ratios Information

1. Net Interest Margin (NIM)

The components for the calculation of net interest margin are provided below:

	Three months ended 31 March	
	2025	2024
1.1. Net interest income used in the calculation of NIM	**€000**	€000
Net interest income as per the underlying basis/statutory basis	**185,738**	213,250
Net interest income used in the calculation of NIM (annualised)	**753,271**	857,687

1.2. Interest earning assets	**31 March 2025**	31 December 2024
	€000	€000
Cash and balances with central banks	**7,197,251**	7,600,726
Loans and advances to banks	**1,018,603**	820,574
Reverse repurchase agreements	**1,015,539**	1,010,170
Loans and advances to customers	**10,387,055**	10,114,394
Loans and advances to customers held for sale	**-**	23,143
Prepayments, accrued income and other assets – Deferred consideration receivable (‘DPP’)	**145,463**	143,604
Investments		
Debt securities	**4,518,668**	4,212,177
Total interest earning assets	**24,282,579**	23,924,788
1.3. Quarterly average interest earning assets (€000)		
- as at 31 March 2025		**24,103,684**
- as at 31 March 2024		23,170,602

1.4. Net Interest Margin (NIM)	Three months ended 31 March	
	2025	2024
Net interest income (annualised) (*as per table 1.1. above*) (€000)	**753,271**	857,687
Quarterly average interest earning assets (*as per table 1.3. above*) (€000)	**24,103,684**	23,170,602
NIM (%)	**3.13%**	3.70%

H. Alternative Performance Measures Disclosures (continued)

Key Performance Ratios Information (continued)

2. Cost to income ratio

2.1 Reconciliation of the components of total expenses used in the cost to income ratio calculation from the underlying basis to the statutory basis is provided below:

2.1 Total Expenses as per the underlying basis	**Three months ended 31 March**	
	2025	2024
	€000	€000
Staff costs as per the underlying basis/statutory basis	**50,042**	47,903
Special levy on deposits and other levies/contributions as per the underlying basis/statutory basis	**7,719**	11,577
Other operating expenses as per the underlying basis/statutory basis	**37,529**	32,948
Total Expenses as per the underlying basis	**95,290**	92,428

2.2 Reconciliation of the components of total income used in the cost to income ratio calculation from the underlying basis to the statutory basis is provided below:

2.2.1 Total Income as per the underlying basis	**Three months ended 31 March**	
	2025	2024
	€000	€000
Net interest income as per the underlying basis/statutory basis (*as per table 1.1 above*)	**185,738**	213,250
Net fee and commission income as per the underlying basis/statutory basis	**43,936**	42,017
Net foreign exchange gains, Net gains on financial instruments and Net (losses)/gains on derecognition of financial assets measured at amortised cost as per the underlying basis *(as per table 2.2.2 below)*	**8,864**	7,350
Net insurance result* *(as per the statutory basis)*	**11,848**	9,915
Net losses from revaluation and disposal of investment properties and Net gains on disposal of stock of property *(as per the statutory basis)*	**1,599**	554
Other income *(as per the statutory basis)*	**2,838**	2,935
Total Income as per the underlying basis	**254,823**	276,021

**Net insurance result comprises the aggregate of captions 'Net insurance finance income/(expense) and net reinsurance finance income/(expense)', 'Net insurance service result' and 'Net reinsurance service result' per the statutory basis.*

H. Alternative Performance Measures Disclosures (continued)

Key Performance Ratios Information (continued)

2. Cost to income ratio (continued)

2.2.2 Reconciliation of Net foreign exchange gains, Net gains on financial instruments and Net (losses)/gains on derecognition of financial assets measured at amortised cost between the statutory basis and the underlying basis	**Three months ended 31 March**	
	2025	2024
	€000	€000
Net foreign exchange gains, Net gains on financial instruments and Net (losses)/gains on derecognition of financial assets measured at amortised cost as per the underlying basis	**8,864**	7,350
Reclassifications for:		
Net (losses)/gains on loans and advances to customers measured at FVPL disclosed within 'Loan credit losses' per the underlying basis (*as per table 4 in Section 'Reconciliations' above*)	**(1,202)**	289
Net (losses)/gains on derecognition of financial assets measured at amortised cost-loans and advances to customers, disclosed within 'Loan credit losses' per the underlying basis (*as per table 4 in Section 'Reconciliations' above*)	**(781)**	2,062
Net foreign exchange gains, Net gains on financial instruments and Net (losses)/gains on derecognition of financial assets measured at amortised cost as per the statutory basis (see below)	**6,881**	9,701
Net foreign exchange gains, Net gains on financial instruments and Net (losses)/gains on derecognition of financial assets measured at amortised cost (as per table above) are reconciled to the statutory basis as follows:		
Net foreign exchange gains	**7,277**	6,747
Net gains on financial instruments	**385**	892
Net (losses)/gains on derecognition of financial assets measured at amortised cost	**(781)**	2,062
	6,881	9,701

	Three months ended 31 March	
	2025	2024
Cost to income ratio		
Total expenses (*as per table 2.1 above*) (€000)	**95,290**	92,428
Total income (*as per table 2.2.1 above*) (€000)	**254,823**	276,021
Total expenses / Total income (%)	**37%**	33%

Cost to income ratio excluding special levy on deposits and other levies/contributions	**Three months ended 31 March**	
	2025	2024
Total expenses (*as per table 2.1 above*) (€000)	**95,290**	92,428
Less: Special levy on deposits and other levies/contributions (*as per table 2.1 above*) (€000)	**(7,719)**	(11,577)
Total expenses excluding special levy on deposits and other levies/contributions (€000)	**87,571**	80,851
Total income (*as per table 2.2.1 above*) (€000)	**254,823**	276,021
Total expenses excluding special levy on deposits and other levies/contributions / Total income (%)	**34%**	29%

H. Alternative Performance Measures Disclosures (continued)

Key Performance Ratios Information (continued)

3. Operating profit return on average assets

The components used in the determination of the operating profit return on average assets are provided below:

	31 March 2025	31 December 2024
	€000	€000
Total assets used in the computation of the operating profit return on average assets per the statutory basis (*Section E Interim Consolidated Balance Sheet*)	**26,840,203**	26,483,592
Quarterly average total assets (€000)		
- as at 31 March 2025		**26,661,898**
- as at 31 March 2024		25,784,625

	2025	2024
Total income for the three months ended 31 March (*as per table 2.2.1 above*) - annualised (€000)	**1,033,449**	1,110,150
Total expenses for the three months ended 31 March (*as per table 2.1 above*) - annualised (€000)	**(386,454)**	(371,743)
Operating profit – annualised (€000)	**646,995**	738,407
Quarterly average total assets as at 31 March (*as per table above*) (€000)	**26,661,898**	25,784,625
Operating profit return on average assets (annualised) (%)	**2.4%**	2.9%

4. Cost of Risk

	Three months ended 31 March	
	2025	2024
	€000	€000
Loan credit losses (*as per table 4 in Section 'Reconciliations' above*) – annualised	**41,050**	27,353
Average gross loans (as defined) (*as per table 1(a) in Section 'Reconciliations' above*)	**10,487,250**	10,173,088
Cost of Risk (CoR) %	**0.39%**	0.27%

5. Basic profit per share attributable to the owners of the Company

The components used in the determination of the 'Basic profit per share attributable to the owners of the Company (€ cent)' are provided below:

	2025	2024
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the three months ended 31 March (€000)	**116,966**	132,826
Weighted average number of shares in issue during the period, excluding treasury shares (thousand)	**440,081**	446,058
Basic profit per share attributable to the owners of the Company (€ cent)	**26.6**	29.8

H. Alternative Performance Measures Disclosures (continued)

Key Performance Ratios Information (continued)

6. Return on tangible equity (ROTE)

The components used in the determination of 'Return on tangible equity (ROTE)' are provided below:

	2025	2024
Profit after tax for the period (attributable to the owners of the Company) per the underlying basis/statutory basis for the three months ended 31 March (€000) - annualised	**474,362**	534,223
Quarterly average tangible shareholders' equity as at 31 March (*as per table 6.2 below*) (€000)	**2,596,406**	2,266,356
ROTE (%) - annualised	**18.3%**	23.6%

6.1 Tangible shareholders' equity	**31 March 2025**	31 December 2024
	€000	€000
Equity attributable to the owners of the Company (as per the statutory basis)	**2,700,171**	2,589,874
Less: Intangible assets (as per the statutory basis)	**(47,486)**	(49,747)
Total tangible shareholders' equity	**2,652,685**	2,540,127
6.2 Quarterly average tangible shareholders' equity (€000)		
- as at 31 March 2025		**2,596,406**
- as at 31 March 2024		2,266,356

7. Return on tangible equity (ROTE) on 15% CET1 ratio

The components used in the determination of 'Return on tangible equity (ROTE) on 15% CET1 ratio', are provided below:

	2025	2024
Profit after tax for the period (attributable to the owners of the Company) per the underlying basis/statutory basis for the three months ended 31 March (€000) - annualised	**474,362**	534,223
Quarterly average tangible shareholders' equity adjusted for excess CET1 capital on a 15% CET1 ratio as at 31 March (*as per table 7.2 below*) (€000)	**1,834,522**	1,835,460
ROTE on 15% CET1 (%)	**25.9%**	29.1%

7.1 Tangible shareholders' equity on 15% CET1 ratio	**31 March 2025**	31 December 2024
	€000	€000
Equity attributable to the owners of the Company (as per the statutory basis)	**2,700,171**	2,589,874
Less: Intangible assets (as per the statutory basis)	**(47,486)**	(49,747)
Less: FY2024 distribution **	**(232,509)**	(241,032)
Less: excess CET1 capital* on a 15% CET1 ratio	**(599,856)**	(450,371)
Total tangible shareholders' equity on 15% CET1 ratio	**1,820,320**	1,848,724

**Includes amount of foreseeable charge for shareholders' distribution accrual at the top-end range of the Group's approved distribution policy deducted from CET1 ratio as applicable.*

***FY2024 distribution is adjusted to the extent not already deducted from the Equity attributable to the owners of the Company (as per the statutory basis) at each period end. As at 31 March 2025, the amount relating to the proposed dividend of €0,48 per share and the amount of the approved share buyback of €30 million not yet executed, is adjusted. As at 31 December 2024, the full amount of the FY2024 distribution of €241 million is adjusted.*

7.2 Quarterly average tangible shareholders' equity on 15% CET1 ratio (€000)	
- as at 31 March 2025	**1,834,522**
- as at 31 December 2024	1,839,293
- as at 31 March 2024	1,835,460

H. Alternative Performance Measures Disclosures (continued)

Key Performance Ratios Information (continued)

8. Tangible book value per share

	31 March 2025	31 March 2024
	€000	€000
Tangible shareholder's equity (*as per table 6.1 above*) (€000)	**2,652,685**	2,334,267
Number of shares in issue at the end of the period, excluding treasury shares (thousand)	**439,182**	446,058
Tangible book value per share (€)	**6.04**	5.23

9. Leverage ratio

	31 March 2025	31 December 2024
Tangible total equity (including Other equity instruments) (*as per table 9.1 below*) (€000)	**2,872,685**	2,760,127
Total assets as per the statutory basis (€000)	**26,840,203**	26,483,592
Leverage ratio	**10.7%**	10.4%

9.1 Tangible total equity	**31 March 2025**	31 December 2024
	€000	€000
Equity attributable to the owners of the Company per the statutory basis	**2,700,171**	2,589,874
Other equity instruments per the statutory basis	**220,000**	220,000
Less: Intangible assets per the statutory basis	**(47,486)**	(49,747)
Tangible total equity	**2,872,685**	2,760,127

I. Definitions and Explanations

Adjusted recurring profitability	The Group's profit after tax before non-recurring items (attributable to the owners of the Company) taking into account distributions under other equity instruments such as the annual AT1 coupon.
Advisory and other transformation costs	Comprise mainly of fees of external advisors in relation to: (i) the transformation program and other strategic projects of the Group and (ii) customer loan restructuring activities, where applicable.
Allowance for expected loan credit losses (previously 'Accumulated provisions')	Comprises (i) allowance for expected credit losses (ECL) on loans and advances to customers (including allowance for expected credit losses on loans and advances to customers held for sale where applicable), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers (including residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale where applicable), (iii) allowance for expected credit losses for off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities, and (iv) the aggregate fair value adjustment on loans and advances to customers classified and measured at FVPL.
AT1	AT1 (Additional Tier 1) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Basic earnings per share (attributable to the owners of the Company)	Basic earnings after tax per share (attributable to the owners of the Company) is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of shares in issue during the period, excluding treasury shares.
Carbon neutral	The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
CET1 capital ratio (transitional basis)	CET1 capital ratio (transitional basis) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
CET1 Fully loaded (FL)	The CET1 fully loaded (FL) ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Cost to Income ratio	Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).
Data from the Statistical Service	The latest data from the Statistical Service of the Republic of Cyprus, Cyprus Statistical Service, was published on 7 May 2025.
Diluted earnings per share	Diluted earnings per share is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of ordinary shares in issue adjusted for the ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the Long-Term Incentive Plans (LTIP)
ECB	European Central Bank
Green Asset ratio	The proportion of the share of a credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets.
Green Mortgage ratio	The proportion of the share of a credit institution's assets financing EU Taxonomy-aligned mortgages (acquisition, construction or renovation of buildings) as a share of total mortgages assets.

I. Definitions and Explanations (continued)

Gross loans	Gross loans comprise: (i) gross loans and advances to customers measured at amortised cost before the residual fair value adjustment on initial recognition (including loans and advances to customers classified as non-current assets held for sale where applicable) and (ii) loans and advances to customers classified and measured at FVPL adjusted for the aggregate fair value adjustment. Gross loans are reported before the residual fair value adjustment on initial recognition relating mainly to loans acquired from Laiki Bank (calculated as the difference between the outstanding contractual amount and the fair value of loans acquired) amounting to €57 mn as at 31 March 2025 (compared to €59 mn as at 31 December 2024). Additionally, gross loans include loans and advances to customers classified and measured at fair value through profit or loss adjusted for the aggregate fair value adjustment of €122 mn as at 31 March 2025 (compared to €129 mn as at 31 December 2024).
Gross performing loan book	Gross loans (as defined) excluding the legacy exposures (as defined).
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.
Legacy exposures	Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.
Leverage ratio	The leverage ratio is the ratio of tangible total equity to total assets as presented on the balance sheet. Tangible total equity comprises of equity attributable to the owners of the Company and Other equity instruments minus intangible assets.
Leverage Ratio Exposure (LRE)	Leverage Ratio Exposure (LRE) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended.
Loan credit losses (PL) (previously 'Provision charge')	Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers, (ii) net gains on derecognition of financial assets measured at amortised cost relating to loans and advances to customers and (iii) net gains on loans and advances to customers at FVPL, for the reporting period/year.
Loan credit losses charge (previously 'Provisioning charge') (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 gross loans are calculated as the average of the opening balance and the closing balance of Gross loans (as defined), for the reporting period/year.
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 43.1% as at 31 March 2025 (compared to 43.0% as at 31 December 2024). The Bank's deposit market share in Cyprus reached 37.5% as at 31 March 2025 (compared to 37.2% as at 31 December 2024).
MSCI ESG Rating	The use by the Company and the Bank of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI Logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of the Company or the Bank by MSCI. MSCI Services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI Names and logos are trademarks or service marks of MSCI.
Net Interest Margin	Net interest margin is calculated as the net interest income (annualised) divided by the 'quarterly average interest earning assets' (as defined).

I. Definitions and Explanations (continued)

Net loans and advances to customers	Net loans and advances to customers comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined, but excluding allowance for expected credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities).
Net loans to deposits ratio	Net loans to deposits ratio is calculated as gross loans (as defined) net of allowance for expected loan credit losses (as defined) divided by customer deposits.
Net performing loan book	Net performing loan book is the total net loans and advances to customers (as defined) excluding net loans included in the legacy exposures (as defined).
Net Stable Funding Ratio (NSFR)	The NSFR is calculated as the amount of "available stable funding" (ASF) relative to the amount of "required stable funding" (RSF). The regulatory limit, enforced in June 2021, has been set at 100% as per the CRR II.
Net zero emissions	The reduction of greenhouse gas emissions to net zero through a combination of reduction activities and offsetting investments
New lending	New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forborne or re-negotiated accounts) as well as the average year-to-date change (if positive) of the current accounts and overdraft facilities between the balance at the beginning of the period and the end of the period. Recoveries are excluded from this calculation since their overdraft movement relates mostly to accrued interest and not to new lending.
Non-interest income	Non-interest income comprises Net fee and commission income, Net foreign exchange gains and net gains/(losses) on financial instruments and (excluding net gains on loans and advances to customers at FVPL), Net insurance result, Net (losses)/ gains from revaluation and disposal of investment properties and on disposal of stock of properties, and Other income.
Non-performing exposures (NPEs)	As per the European Banking Authorities (EBA) standards and European Central Bank's (ECB) Guidance to Banks on Non-Performing Loans (which was published in March 2017), non-performing exposures (NPEs) are defined as those exposures that satisfy one of the following conditions: (i) The borrower is assessed as unlikely to pay its credit obligations in full without the realisation of the collateral, regardless of the existence of any past due amount or of the number of days past due. (ii) Defaulted or impaired exposures as per the approach provided in the Capital Requirement Regulation (CRR), which would also trigger a default under specific credit adjustment, diminished financial obligation and obligor bankruptcy. (iii) Material exposures as set by the CBC, which are more than 90 days past due. (iv) Performing forborne exposures under probation for which additional forbearance measures are extended. (v) Performing forborne exposures previously classified as NPEs that present more than 30 days past due within the probation period. From 1 January 2021 two regulatory guidelines came into force that affect NPE classification and Days-Past-Due calculation. More specifically, these are the RTS on the Materiality Threshold of Credit Obligations Past-Due (EBA/RTS/2016/06), and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07). The Days-Past-Due (DPD) counter begins counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than as of the first day of presenting any amount of arrears or excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality threshold. Payments towards the exposure that do not reduce the arrears/excesses below the materiality threshold, will not impact the counter. For retail debtors, when a specific part of the exposures of a customer that fulfils the NPE criteria set out above is greater than 20% of the gross carrying amount of all on balance sheet exposures of that customer, then the total customer exposure is classified as non performing; otherwise only the specific part of the exposure is classified as non performing. For non retail debtors, when an exposure fulfils the NPE criteria set out above, then the total customer exposure is classified as non performing.

I. Definitions and Explanations (continued)

	Material arrears/excesses are defined as follows: (a) Retail exposures: Total arrears/excess amount greater than €100, (b) Exposures other than retail: Total arrears/excess amount greater than €500 and the amount in arrears/excess in relation to the customer's total exposure is at least 1%.
	The NPEs are reported before the deduction of allowance for expected loan credit losses (as defined).
Non-recurring items	Non-recurring items as presented in the 'Unaudited Consolidated Income Statement–Underlying basis' relate to 'Advisory and other transformation costs - organic'.
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).
Operating profit	Operating profit comprises profit before loan credit losses (as defined), impairments of other financial and non-financial assets, Provisions for pending litigation, claims regulatory and other matters (net of reversals), tax, profit attributable to non-controlling interests and non-recurring items (as defined).
Operating profit return on average assets	Operating profit return on average assets is calculated as the annualised operating profit (as defined) divided by the quarterly average of total assets for the relevant period. Average total assets exclude total assets of discontinued operations at each quarter end, if applicable.
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).
Profit after tax and before non-recurring items (attributable to the owners of the Company)	This refers to the profit after tax (attributable to the owners of the Company), excluding any 'non-recurring items' (as defined).
Profit/(loss) after tax – organic (attributable to the owners of the Company)	This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any 'non-recurring items' (as defined, except for the 'advisory and other transformation costs – organic').
Quarterly average interest earning assets	This relates to the average of 'interest earning assets' as at the beginning and end of the relevant quarter. Interest earning assets include: cash and balances with central banks (including cash and balances with central banks classified as non-current assets held for sale), plus reverse purchase agreements (reverse repos) plus loans and advances to banks, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus 'deferred consideration receivable' included within 'other assets', plus investments (excluding equities, mutual funds and other non interest bearing investments).

I. Definitions and Explanations (continued)

Qoq	Quarter on quarter change
Return on Tangible equity (ROTE)	Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders' equity minus intangible assets at each quarter end.
Return on Tangible equity (ROTE) on 15% CET1 ratio	Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders' equity minus intangible assets and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible book value.
Shareholders' equity	Shareholders' equity comprise total equity adjusted for non-controlling interest and other equity instruments.
Special levy on deposits and other levies/contributions	Relates to the special levy on deposits of credit institutions in Cyprus, contributions to the Single Resolution Fund (SRF), contributions to the Deposit Guarantee Fund (DGF), as well as the DTC levy, where applicable.
Tangible book value per share	Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter end divided by the number of ordinary shares of the Group (excluding treasury shares) at the period/quarter end.
Tangible book value per share excluding the cash dividend	Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter/year end and the amounts of cash dividend recommended for distribution in respect of earnings of the relevant year the dividend relates to, divided by the number of ordinary shares (excluding treasury shares) at the period/quarter end.
Total Capital ratio	Total capital ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Total expenses	Total expenses comprise staff costs, other operating expenses and the special levy on deposits and other levies/contributions. It does not include 'advisory and other transformation costs-organic', where applicable. 'Advisory and other transformation costs-organic' amounted to nil for 1Q2025 (compared to nil for 4Q2024 and 1Q2024).
Total income	Total income comprises net interest income and non-interest income (as defined).
Total loan credit losses, impairments and provisions	Total loan credit losses, impairments and provisions comprise loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for pending litigation, claims regulatory and other matters net of reversals).
Underlying basis	This refers to the statutory basis after being adjusted for reclassification of certain items as explained in the Basis of Presentation.
Write offs	Loans together with the associated loan credit losses are written off when there is no realistic prospect of recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
Yoy	Year on year change

Basis of Presentation

This announcement covers the results of Bank of Cyprus Holdings Public Limited Company, "BOC Holdings" or "the Company", its subsidiary Bank of Cyprus Public Company Limited, the "Bank" or "BOC PCL", and together with the Bank's subsidiaries, the "Group", for the three months ended 31 March 2025.

At 31 December 2016, the Bank was listed on the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX). On 18 January 2017, BOC Holdings, incorporated in Ireland, was introduced in the Group structure as the new holding company of the Bank. On 19 January 2017, the total issued share capital of BOC Holdings was admitted to listing and trading on the LSE and the CSE. On 19 September 2024 the Company delisted its share capital from the LSE and cancelled its LSE listing and on 23 September 2024 the Company's ordinary shares were listed on the Main Market of the Regulatory Securities Market on the Athens Exchange.

Financial information presented in this announcement is being published for the purposes of providing an overview of the Group financial results for the three months ended 31 March 2025.

The financial information in this announcement is not audited and does not constitute statutory financial statements of BOC Holdings within the meaning of section 340 of the Companies Act 2014. The statutory financial statements for the year ended 31 December 2024, upon which the auditors have given an unqualified opinion are expected to be delivered to the Registrar of Companies of Ireland within 56 days of 30 September 2025. The Board of Directors approved the statutory financial statements for the year ended 31 December 2024 on 26 March 2025. The Board of Directors approved the Group financial results for the quarter ended 31 March 2025 on 9 May 2025.

Statutory basis: Statutory information is set out on pages 30-32. However, a number of factors have had a significant effect on the comparability of the Group's financial position and performance. Accordingly, the results are also presented on an underlying basis.

Underlying basis: The financial information presented under the underlying basis provides an overview of the Group financial results for the quarter ended 31 March 2025, which the management believes best fits the true measurement of the financial performance and position of the Group. For further information, please refer to 'Commentary on Underlying Basis' on page 5. The statutory results are adjusted for certain items (as described on section F.1) to allow a comparison of the Group's underlying financial position and performance.

The financial information included in this announcement is neither reviewed nor audited by the Group's external auditors.

This announcement and the presentation for the Group Financial Results for the quarter ended 31 March 2025 have been posted on the Group's website www.bankofcyprus.com (Group/Investor Relations/Financial Results).

Definitions: The Group uses definitions in the discussion of its business performance and financial position which are set out in section I, together with explanations.

The Group Financial Results for quarter ended 31 March 2025 are 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 with respect to the financial condition, results of operations and business of Bank of Cyprus Holdings Public Limited Company (together with Bank of Cyprus Public Company Limited, the 'Bank', and its subsidiaries, the 'Group') ''and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates and its future capital requirements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements can usually be identified by terms used such as 'achieve', 'aim', 'anticipate', 'assume', 'believe', 'continue', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'project', 'plan', 'seek', 'should', 'target', 'will' or similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Group (including during management presentations) in connection with this document. 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 levels of growth, provisions, impairments, business strategies and opportunities, capital generation and distributions (including distribution policy), return on tangible equity and commitments and targets (including environmental, social and governance (ESG) commitments and targets). 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, other European Union (EU) Member States and globally, 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 and geopolitical developments. This creates significantly greater uncertainty about forward-looking statements. Should any one or more of these or other factors materialise, or should any underlying assumptions prove to be incorrect, the actual results or events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The forward-looking statements made in this document are only applicable as at the date of publication of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any statement is based. Changes in our reporting frameworks and accounting standards may have a material impact on the way we prepare our financial statements. In setting future targets and outlook, the Group has made certain assumptions about the macroeconomic environment and the Group's businesses, which are subject to change.

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The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. At 31 March 2025, the Bank of Cyprus Group operated through a total of 56 branches in Cyprus, of which 2 operated as cash offices. The Bank of Cyprus Group employed 2,857 staff worldwide. At 31 March 2025, the Group's Total Assets amounted to €26.8 bn and Total Equity was €2.9 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.