

April 2025

Green Bond – Allocation & Impact Report



Bank of Cyprus

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Introduction

Leading Cyprus towards a Sustainable Future

As part of its vision to be the leading financial hub in Cyprus, the Group is determined to be a leader in Cyprus towards sustainable future. Sustainable development, social progress, environmental integrity, climate stability and a viable economy are all among the Bank's key ambitions. Bank of Cyprus is determined to lead the transition of the country into a sustainable future. During 2024, the Bank has made significant progress in enhancing its ESG agenda in its portfolio and operations. The Bank continues its "Beyond Banking" strategic approach to sustainability. The Bank keeps in mind the continuous challenges arising from its business activity that simultaneously are affecting the environment, people and the economy.

Bank of Cyprus ESG Strategy

The ESG strategy formulated in 2021 is continuously expanding. The Group is maintaining its leading role in the Social and Governance pillars and focuses 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 Bank continues to be committed to the following 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 EXCO and the Extended EXCO) by 2030, has been reached earlier with 33% representation of women, as at 31 December 2024, in Group's management bodies.

Sustainable Finance Framework

Bank of Cyprus published its Sustainable Finance Framework (the “Framework”) in April 2023 and issued its inaugural Green Senior Preferred Bond (the “Green Bond”) in May 2024 for an amount of €300mn.

The proceeds from the Green Bond have been allocated to Eligible Green categories as described in the Framework, and more specifically, exclusively to the Green Buildings category.

In line with the Framework, Eligible Green Building projects are originated no more than three years prior to the Green Bond issuance date.

ICMA Category: Green Buildings		
EU Environmental Objective: Climate Change Mitigation    SDG Target 11c	Eligibility Criteria: Construction and acquisition of commercial or residential buildings which meet at least one of the following certifications: <ul style="list-style-type: none"> • The LEED “gold” certification • The BREEAM “very good” certification • DGNB “Gold” certification • Energy Performance Certificate (EPC) A Or renovations and refurbishments of commercial or residential buildings that lead to an annual reduction of primary energy demand (PED) on a square metre basis of at least 30%	EU Taxonomy Activity 3.5 Manufacture of energy efficiency equipment for buildings 7.1 Construction of new buildings 7.2 Renovation of existing buildings 7.7 Acquisition and ownership of buildings

Exclusions:

Proceeds under the Bank’s Framework will not be allocated to finance assets that are included in the exclusions and referral sectors as included in the Environmental and Social Policy of the Bank. Additionally, activities related to the transportation, exploration and production of fossil fuels, are excluded.

Bank of Cyprus Green Bond

Green Bond Issuance XS2801451571

Settlement Date: 2 May 2024

Issue Size: €300 million

Net proceeds: €298,5 million

Coupon: 5,00%

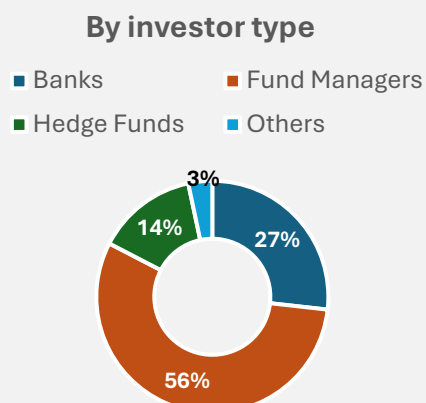
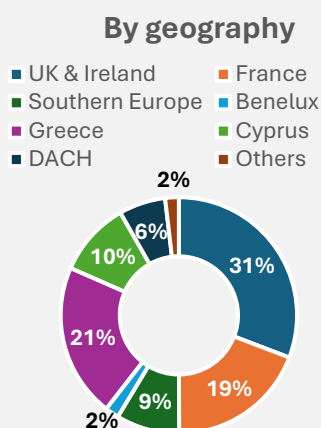
Spread: 197,1bps

Tenor: 5NC4

Maturity Date: 2 May 2029

Focus on: Green Buildings

Final order book from more than 125 institutional investors reached €1.25bn, allocated as shown below:



Allocation Report

Green Portfolio Allocation report

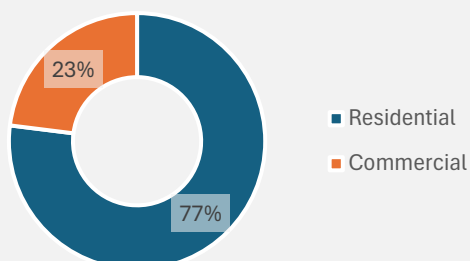
31 January 2025

The “Allocation Report” refers to eligible sustainable projects as of 31 January 2025.

€300	Green Bond Nominal Amount (mn)
€298,5	Net proceeds (mn)
100%	Percentage of net proceeds allocated to Eligible Green categories

Eligible Categories	# of loans	Loan amount €mn	Amount disbursed €mn	Average life of project (years)	Average time to maturity (years)
Green buildings	2.559	586,2	475,1		
Residential buildings	2.540	475,8	365,7	24,4	23,1
Commercial buildings	19	110,4	109,4	11,6	9,9

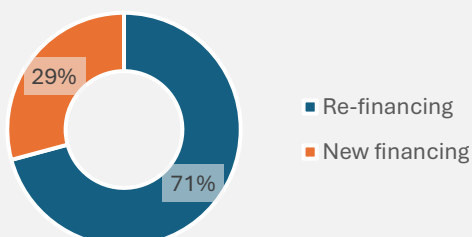
Allocation by main use



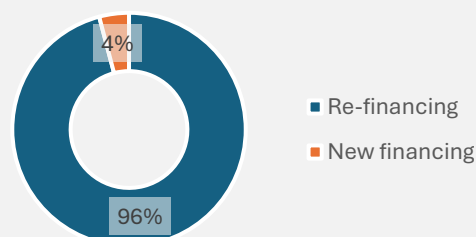
100%
Allocated

€177m
*Available eligible green
loans for new issues*

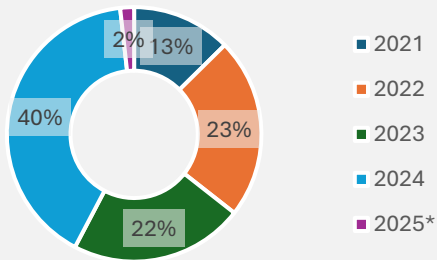
Residential buildings
Re-financing Vs New financing



Commercial buildings
Re-financing Vs New financing

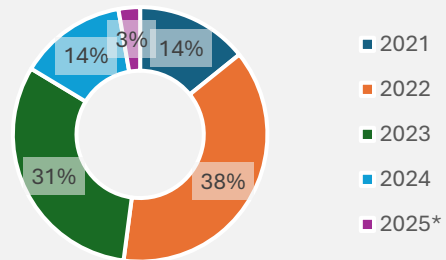


Residential buildings Allocation by vintage



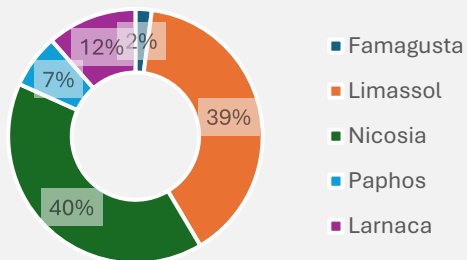
*For 2025, data as at 31-1-25

Commercial buildings Allocation by vintage

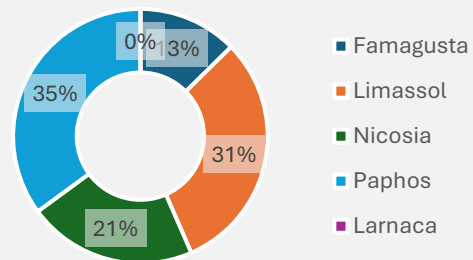


*For 2025, data as at 31-1-25

Residential buildings Allocation by region



Commercial buildings Allocation by region



Impact Report

- Amount disbursed

€475mn



- Annual avoided GHG emissions (tCO₂e)

26.563



- Avoided GHG emissions intensity (tCO₂e/€mn)












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	Residential	Commercial	Total
Area of green buildings			
Area of green buildings (m ²)	528.289	124.731	653.020
Average square meters per loan	208	6.565	255
Annual Absolute (gross) GHG emissions			
Total Property Emissions (tCO ₂ e)	10.275	5.666	15.940
Emissions (kgCO ₂ e) per sq.meter financed	19	45	24
Annual avoided GHG emissions			
Total Emissions avoided (tCO ₂ e)	17.989	8.574	26.563
Emissions (kgCO ₂ e) avoided per sq.meter financed	34	69	41
Avoided GHG emissions intensity			
Total Amount disbursed (€mn)	366	109	475
Emissions (tCO ₂ e) avoided per €1m financed	49	78	56
Avoided Energy Consumption			
Energy Saving (MWh/year)	28.700	13.679	42.380






Definitions



Allocation Report

Indicator	Definition	Data Source
# of loans	Loans in number included in the Green Bond	
Loan amount	Total amount in € million of eligible loans included in the Green Bond originated between 2 May 2021 and 31 January 2025	
Amount disbursed	Total disbursed amount in € million of eligible loans included in the Green Bond originated between 2 May 2021 and 31 January 2025. This is a subset of the Loan amount.	
Average life of project (years)	Average loan tenor from origination to maturity, in years	
Average time to maturity (years)	Average loan tenor from 31 January 2025 to maturity, in years	
Loans by Vintage (in %)	Loans by year of origination as a % of Loan amount	
New financing	Loans in %, originated between 2 May 2024 and 31 January 2025	
Re-financing	Loans in %, originated between 2 May 2021 and 1 May 2024	
Breakdown by region (in %)	Loans in million, broken down by region in %	
Breakdown by main use (in %)	Loans in million, broken down by main use: Residential or Commercial	
Allocated (in %)	% of Green Bond net proceeds allocated in eligible Green Buildings	

Impact Report

Indicator	Definition	Data Source
Area of green buildings (m ²)	Total area in m ² of green buildings financed, as available in the Bank's systems. Where actual area of a building is not available, the average area in m ² , by type of property from the Cyprus Statistical Service has been used.	 
Average square meters per loan	The total area of green buildings financed divided by the number of loans.	
Total property emissions (tonnes)	Property emissions of the green buildings financed. It is calculated as the property emissions per m ² obtained from the EPC certificate (pre-construction) multiplied by the area, in m ² , of each building.	 
Emissions per sq.meter financed	Total property emissions divided by the total area, in m ² , of green buildings.	

Total emissions avoided (tonnes)	<p>The difference between the Total Property Emission and the benchmark emissions.</p> <p>For residential buildings, benchmark emissions is the BOC Group baseline calculated at 53,50kgCO₂e/m² and has been estimated as explained in the Methodological Approach section below.</p> <p>For commercial buildings, the benchmark emissions for commercial buildings used is the latest available Cyprus proxy for each building type, as extracted from the PCAF database.</p>	 
Emissions avoided per sq.meter financed	Total emissions avoided divided by the total area, in m ² , of green buildings.	
Emissions (tCOe) avoided per €1m financed	Total emissions avoided, in tonnes, divided by the total amount disbursed.	
Energy Saving (MWh/year)	<p>Energy consumption avoided per year, in MWh, calculated as the total emissions avoided multiplied by the latest Cyprus Energy Mix available, as published by the Electricity Authority of Cyprus¹. The 2023 CO₂ emission conversion factor for electricity consumption is 0.000627 tCO₂/MWh.</p>	

Bank of Cyprus database	
External database	

¹ [EAC - Contribution of Energy Sources](#)

Methodological Approach

Eligible Assets

As per the Bank's Sustainable Finance Framework, loans provided for the construction and/or acquisition of commercial or residential buildings with Energy Performance Certificate (EPC) A. The Bank is not using any of the other criteria included in the Green Buildings Category of the Sustainable Finance Framework for the identification of Green Buildings at this stage.

Avoided GHG emissions

Avoided GHG emissions are calculated as the difference between the benchmark GHG emissions and the actual GHG emissions of the financed building.

Benchmark GHG emissions

Residential buildings: The benchmark GHG emissions for residential buildings used is the BOC Group baseline calculated at 53,50kgCO₂e/m² which has been estimated using PCAF standard and proxies and square metres as per the Cyprus Department of Lands and Surveys. For the cases where the square metres of the financed properties were not available, the average square metres from CYSTAT² was used.

Commercial buildings: the benchmark GHG emissions for commercial buildings used is based on the latest available Cyprus proxy for each building type, as extracted from the PCAF database.

Actual GHG emissions

The actual GHG emissions is the emission level as shown on the EPC certificate of each building, as held and recorded in the Bank's systems.

Energy Saving (MWh/year)

The energy saving (MWh/year) is calculated as the avoided GHG emissions multiplied by the latest Cyprus Energy Mix available, as published by the Electricity Authority of Cyprus³. The 2023 CO₂ emission conversion factor for electricity consumption is 0.000627 tCO₂/MWh.

Area of certified green buildings in square feet

The Bank collects the property square meters through the Cyprus Department of Lands and Surveys⁴ on a six-month basis. In the cases where the actual square meters are not available, the average square meters of each type of property based on the Cyprus Statistical Service (CYSTAS¹) has been used.

² <https://cystatdb.cystat.gov.cy/pxweb/en/8.CYSTAT-DB/>

³ [EAC - Contribution of Energy Sources](#)

⁴ <https://portal.dls.moi.gov.cy/en/>

Other methodological notes:

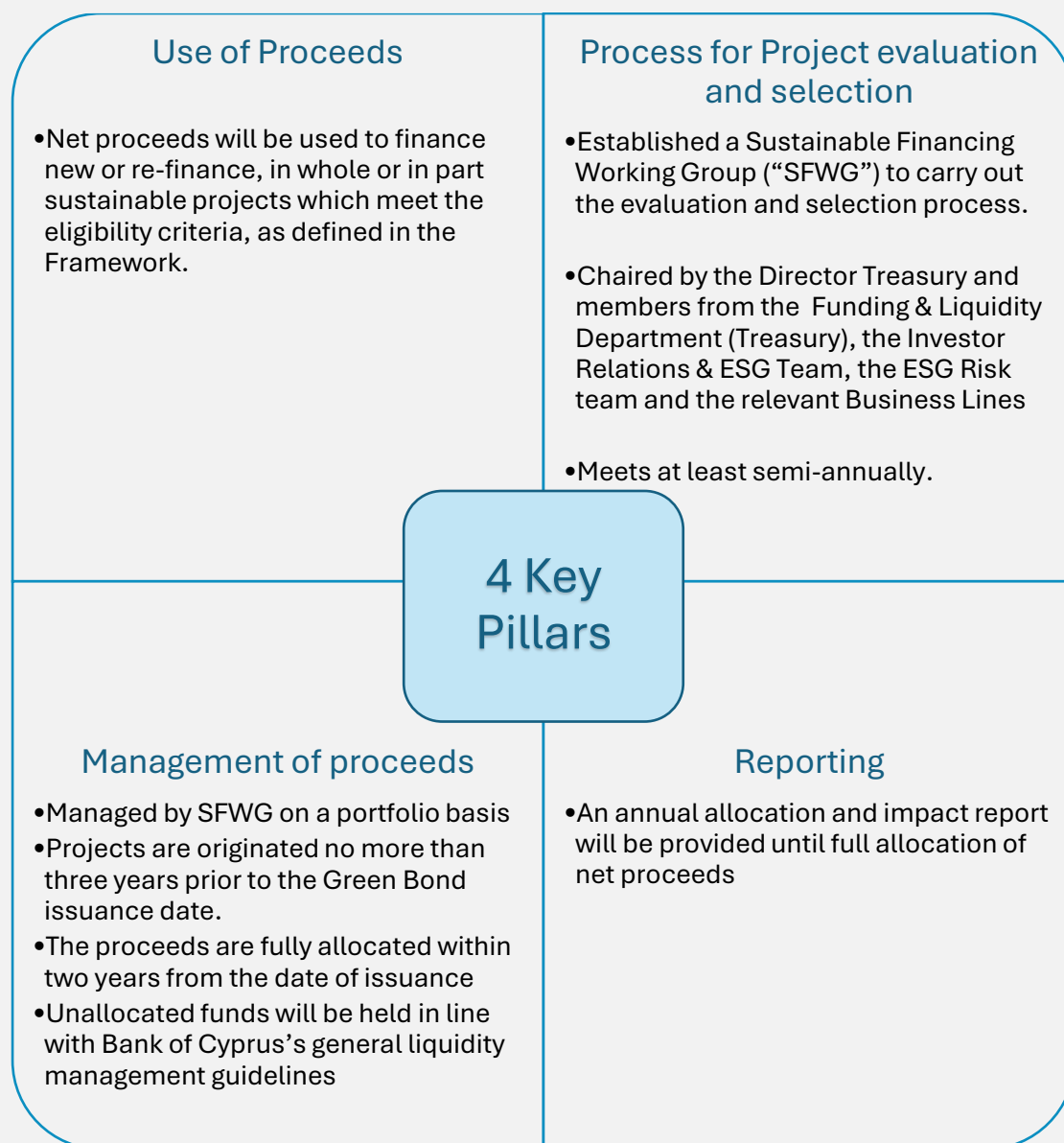
- In the cases where the carbon emissions of the property are higher than the baseline emissions, the properties are included in the calculation of impact indicators.
- Environmental indicators are measured as gross figures: they do not take into account the emissions from the project implementation

Summary of Framework

The Framework is based on principles and guidelines introduced by the Green Bond Principles (GBP) 2021 version of the International Capital Markets Association (“ICMA”), the “ICMA Principles”.

Moody’s Investor Services provided the second party opinion.

Both documents are available on the Bank’s website⁵.



⁵ <https://www.bankofcyprus.com/en-gb/group/investor-relations/fixed-income/sustainable-finance-framework/>

Post Issuance External Verification



Independent Limited Assurance Report on Selected Information of Bank of Cyprus Public Company Limited (the “Bank”)

To the Board of Directors

We have been engaged to perform a limited assurance engagement on the accompanying Selected Information contained in the section headed “Allocation Report”, which are presented in pages 5 to 6 (the “Selected Information”), in the Bank of Cyprus Public Company Limited (the “Bank”) Green Bond – Allocation & Impact Report (the “Report”) as of 31 January 2025.

Management’s Responsibility for the Selected Information

Management is responsible for the preparation and presentation of the Selected Information in accordance with the eligibility criteria as set out in the Bank’s Sustainable Finance Framework (the “Eligibility Criteria”), available at <https://www.bankofcyprus.com/globalassets/group/investor-relations/sustainable-finance-framework/eng/20230404-bank-of-cyprus-sustainable-finance-framework-4.4.2023.pdf> (1).

This responsibility includes: designing, implementing and maintaining internal control relevant to the proper preparation and presentation of the Selected Information.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

The basis of allocation of bond proceeds may differ between different reporting frameworks, including whether proceeds may be allocated to existing projects or only to new projects, and the basis on which eligibility of projects is determined. Therefore, the Bank’s reported allocation of bond proceeds and our assurance thereon must be read and understood in conjunction with the Eligibility Criteria.

(1) The maintenance and integrity of the Bank’s website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Bank’s website.

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Reporting on other information

The other information comprises all of the information in the Report other than the Selected Information and our assurance report. The Directors are responsible for the Selected Information and other information. Our limited assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our limited assurance of the Selected Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Selected Information or our knowledge obtained during the limited assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Selected Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the Selected Information based on our work performed. Within the scope of our engagement we did not extend to information in respect of earlier periods or to any other information included in, or linked from, the Bank's Report.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded in fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management 1 (ISQM 1) and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance whether any matters come to our attention that causes us to believe that the Selected Information does not comply in all material respects with the criteria.



In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material noncompliance of the Selected Information with the criteria. Within the scope of our work we performed amongst others the following procedures:

- Obtained an understanding of the Bank's control environment and processes and systems relevant to the preparation of the Selected Information. Our limited assurance procedures did not include assessing the adequacy of control activities through performing design or operating effectiveness testing;
- conducted interviews with responsible officers; and
- inspected internal and external documentation. Our procedures did not include inspecting the existence of the underlying supporting assets to which use of proceeds are allocated.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information as of 31 January 2025 has not been prepared, in all material respects, in accordance with the Eligibility Criteria.

Restriction on Use and Distribution

This report, including the opinion, is intended solely for the Board of Directors of the Bank in accordance with the terms of our engagement letter and is not suitable for any other purpose. We do not accept any responsibility to any other party to whom it may be distributed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers Limited

Certified Public Accountants and Registered Auditors

25 April 2025

Disclaimer

This Report has been prepared by Bank of Cyprus Public Company Limited (the “**Issuer**”) to provide information to the holders of the Issuer’s Green Bond (XS2801451571) referred to in this Report. The information contained herein may not be used for any other purpose.

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