

Corporate Sustainability Report 2020

Bank of Cyprus



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Investing in Resilience and Digital Futures



The photographs included in the Report are all from initiatives of the SupportCY Network that was created by Bank of Cyprus, in March 2020, with its main goal the support of public services performing frontline duties during the COVID-19 pandemic in Cyprus, as well as the support for other social needs.

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CEO Message: Beyond Banking



Investing in Resilience and Digital Futures

2020 has been a year like no other. As we watch COVID-19 to fade out, we know that its effects are long lasting, and we will need to define our path of recovery.

As the world and Cyprus are coming to terms with the COVID-19 global pandemic we realise that the boundaries between businesses and society are becoming blurred. The more we realise that COVID-19 is first and foremost a health crisis which is presenting an unprecedented external economic shock the more we comprehend that our purpose is to serve Cypriot society and economy, not only by doing a good job as bankers, but also by moving Beyond Banking as a key historical institution of the society in which we operate.

Our focus in 2020 was to utilise digital tools and channels to deliver more resilient

operating models, provide seamless customer experience, and adopt new workforce models suitable to these challenging circumstances. Digital transformation and new, resilient business models have ensured that we meet the requirement of demanding customers, shareholders, investors and regulators. During 2020, we experienced a sharp and transformative focus on Environmental, Social and corporate Governance (ESG) issues and Sustainability. The business landscape is changing with unprecedented speed and ESG is taking central stage. We realised a regulatory push, a high market awareness and readiness, a drive from investors and maturity from rating agencies. The ESG ecosystem is evolving and maturing, creating positive ripple effects to all aspect of business and society.

COVID-19 made clearer, that being a force for good, requires simultaneous action in a number of interconnected areas as part of the ESG agenda. It has affirmed what our role in society can and should be. It has reassessed our assumptions on how we need to contribute in order to create long term positive impact and Social Capital. Proving this, SupportCY Network encapsulates the Bank's vision for the creation of a structured, long-term relationship between businesses, Non-Governmental Organisations (NGOs) and public sector in generating Social Capital in Cyprus. SupportCY demonstrates how we must expand beyond our transactional limits and encompass our role as members of society in order to be multipliers of good. All our SupportCY members are proud signatories to this vision.

The pandemic has not affected us all equally and we do know that marginalised people, women and younger people have suffered disproportionately, and businesses have been hurt. Our role is to accelerate the focus on ESG issues, to support the creation of sustainable business opportunities and the creation of jobs, and promote social justice and cohesion. Our role is to support clients to navigate this crisis. New transformational solutions, contactless technologies, digital service delivery models are employed to face game-changing global challenges. Technological advancements enable better risk management and faster response to the requirements of a broad stakeholder base.

Climate change is now a defining factor of long-term success and is fundamentally changing financial services. Climate change is reshaping our approach to banking products and services. Climate risk has direct socioeconomic impact and complex global and local implications that we are still to discover. It calls for coordinated action between organisations, governments and societies. Especially investors and regulators have an important role to play in this transition and confront climate change. Managing and reducing our environmental footprint as well as disclosing our performance continues to be a priority for us. In the relevant sections of this Report you can find information on our approach and performance, and environmental goals for the future.

The coronavirus pandemic has not pushed back our vision for Sustainability.

It may have led to unprecedented volatility, threatened Sustainable Development and led us to reevaluate some of our plans, but at the same time it has united us under a common purpose, proved our resilience and sparked solidarity. We wouldn't have achieved any of this without the tremendous effort from our employees. Over the past year we have all felt exhausted and overwhelmed, but we have all worked together as a team to ensure that we all stay healthy and pave the path to fast recovery.

I would like to thank once again the Bank's employees for their contribution and dedication.

Our journey to Sustainable Development continues stronger than ever. Our approach and strategic outlook is addressed in detail in our 2020 Corporate Sustainability Report and we committed to working closely with all our stakeholders to enable this transition to Sustainable Development.

Panicos Nicolaou
Chief Executive Officer

Our Corporate Sustainability Highlights

CORPORATE GOVERNANCE AND MANAGEMENT



Spontaneously named as the
“Most Socially Responsible Among Corporations
and Banks During the Crisis”
as part of extensive market survey

52 Internal
Audits
conducted



101 virtual
meetings
with analysts, investors,
rating agencies and
correspondent banks

Project “Ethos”
Risk Management & Ethics
Culture programme internally
initiated

371 hours
of training
on Market Abuse and
Insider Dealing

€538+ million
direct economic value
generated

OUR PEOPLE



3,174 employees
• 1,915 women
• 1,259 men

€410,200
for new office equipment



“Well at Work”
programme
~800 participants
in webinars on physical,
mental, social, and financial
health topics

€274,398
for personal protective
equipment and medical
supplies as part of COVID-19
response

192 unique
training events

1,768
employees
joined
the Yammer Internal
Collaboration Tool

OUR SOCIETY



~€70 million cumulative investment
43,032 patients registered and treated
at the Bank of Cyprus Oncology Centre since 1998

€640,000
allocated by the Bank to
support the Health and
Education Pillars' selected
causes and initiatives

€600,000+
financial and in-kind
contribution by all SupportCY
members
with ~68% contributed by
the Bank

€2+ million
contributed
to Cyprus Anti-Cancer
Society since 1999

11 start-ups
joined IDEA Innovation
Center in 2020
• 82 Mentors
• 35 Trainers



OUR SERVICES



80 Branches & 150 ATMs & Automated Machines in Cyprus



178 million
transactions through digital
channels

€1,351+ million
new lending in 2020

9.7 million
transactions
completed through ATMs
and other Automated
Machines

80%
of our branches and ATMs
are accessible for people with
mobility impairments

1,000 participants
at the 4th Business Leaders
Summit (online)

€1.9 million
redeemed
from Card Reward Scheme "antamivi"

1,035 local
suppliers

OUR ENVIRONMENT



"Kill Waste" internal campaign

548,488 kWh
of energy savings

2,020,000 Kg
of paper recycled

€568,016
invested in Bank's
environmental projects



COVID-19 Response Highlights

PROTECTING OUR EMPLOYEES

Protective measures introduced:

- Pandemic Action Plan and Pandemic Incident Management Team mobilised.
- Strict implementation of the Ministry of Health's guidelines in relation to the handling of cases of personal contact of employees with confirmed or suspected cases.
- Prohibition of personal meetings and use of technology to carry out work and meetings (i.e. video calls, conference calls, etc.).
- Restriction of movements between buildings and departments.
- Issuing of guidelines to internal and external associates.
- Guidance provided to employees by a team of doctors and psychologists as part of the Well at Work programme.
- Launched Yammer, an interactive social networking service providing ongoing, immediate and two-way communication among employees.
- Human Resources Division created and shared 66 informative posts and updates for COVID-19 during 2020.



€126,797
disinfections



€37,000
COVID-19
diagnostic tests



€274,398
personal protective
equipment and
medical supplies



€410,200
new office equipment



€55,000
software licenses



4,665
working days off for
vulnerable persons



€137,913
workplace upgrades



~18% - 30%
of employees working
from home

CARING FOR OUR CUSTOMERS



71,138

Apple Pay cards
issued

45,144

Bank of Cyprus
Wallet cards issued

+101%

increase of use for
the Quick Pay

451,000

Bank customers
connected to 1bank

Launched

Garmin Pay
and Fitbit Pay

ESTIA
Scheme Prolonged

Certificates of Approved
Electronic Signature

to digitally complete transactions with the
government

- Directed customers to use digital channels in order to minimize need for physical presence at branches
- Free Direct Debit and standing orders
- Free wire transfers to third parties for up to €500
- Adjusted loan repayment periods and given options on how to repay instalments
- Introduction of a new process for cash deposits of over €2,000 and/or deposits of more than three cheques in order to minimize depositors' stay in the branch
- All charges (administration fee, loading fee or exchange fee) on cash withdrawals made with student cards from overseas and in countries outside the Eurozone, suspended until the end of May
- Developed Approved Electronic Signature Certificate with the collaboration of the Deputy Ministry of Research, Innovation and Digital Policy

SUPPORTING OUR SOCIETY

Developed the SupportCY Network and:

- Supported the establishment and operation of the Coordination Centre in partnership with the Ministry of Labour, Welfare and Social Insurance
 - 66 days of operation
 - 50+ volunteers
 - 1,163 calls for assistance
- Supported the Ministry of Education, Culture, Youth and Sports and collaborated with educational institutions, and organised online educational programmes in partnership with educational NGOs, etc.
- Supported and strengthened Health, Education and Social care across the Cypriot community
- Stood by the front-line "fighters" in hospitals and schools for health and education purposes
- Elevated partnership as the fundamental principle of operation and success of the SupportCY Network and its legacy for the future



365+

days of practical
support to the Cypriot
community

119

businesses
members in SupportCY
(by April 2021)

1,000

tablets offered to the
Ministry of Education,
Culture, Youth and
Sports to facilitate
online classes from
home

7,000+

masks donated to
public services,
hospitals and NGOs

€600,000+

financial and in-kind
contributions towards
society

€314,000

for educational
purposes

€191,000

for welfare purposes

€116,000

for health purposes

Our Corporate Sustainability Milestones

1899

Establishment and operation of the Nicosia Savings Bank to fight usury

1922

Approval of employees' salary plan and welfare fund

1936

The first female employee hired by the Bank

1942

The Bank supports the government to buy carob and raisins in order to deal with the exports' collapse resulting from World War II

1943

Adoption of the ancient Cypriot coin bearing the inscription "Koinon Kyprion" (Common of Cypriots) as its emblem

1963

Recruitment of employees after taking written exams and encouragement for further studies

1965

Employment for women members of Bank of Cyprus staff continues after marriage

1967

"Evlambios" (the Enlightened) operated in Bank of Cyprus, becomes the first electronic server in Cyprus. It also offers services to other Cypriot companies

1974

Bank of Cyprus provides full retrospective salaries to employees affected by the Turkish invasion and supports society by writing off debts and by donating to the Relief Fund for Refugees. Declines to register as "affected by the war" under Article 54 despite the impact it suffered

1976

Employee Union agreement with the Bank for permanent employment after 12 months of service

1984

Establishment of the Bank of Cyprus Cultural Foundation

1998

Establishment of the Bank of Cyprus Oncology Centre

1999

Corporate volunteering concept officially introduced through supporting the Cyprus Anti-Cancer Society

2002

Establishment of the Bank of Cyprus Historical Archive

2014

Bank of Cyprus emerges strong from the banking crisis

2015

Establishment of IDEA Innovation Center to assist start-ups and young entrepreneurs

2017

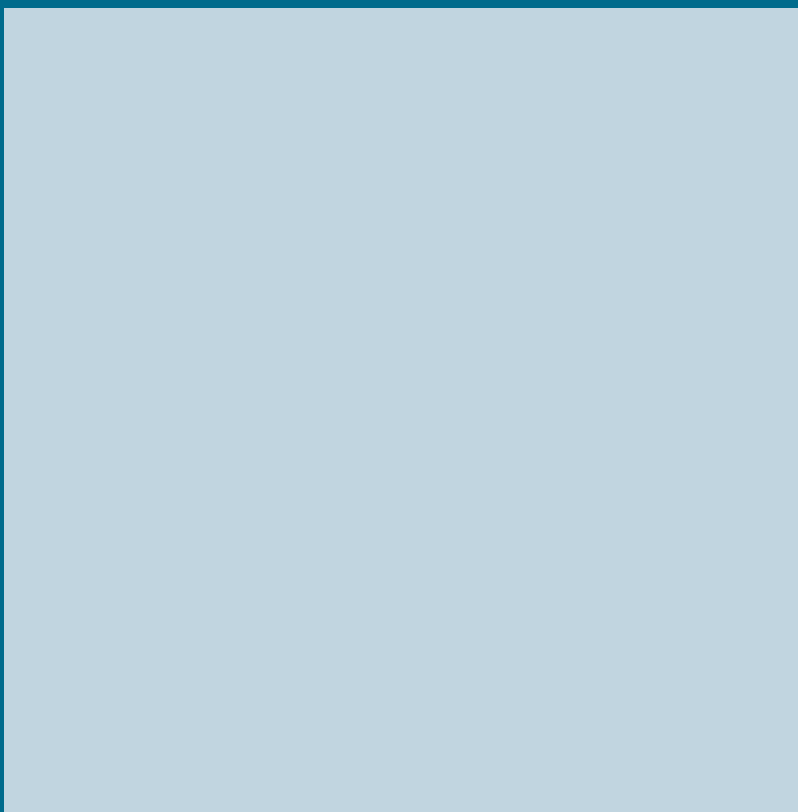
Development of the first Corporate Responsibility Report in line with the Global Reporting Initiative (GRI)

2019

The CEO of the Bank, Panicos Nicolaou, signs the "CEOs Call to Action"

2020

SupportCY, the innovative socioeconomic network of companies and NGOs is created by Bank of Cyprus for the fight against COVID-19



Vision

To create lifelong partnerships with our customers, guiding and supporting them in a changing world.

Mission

Our organisation exists to support our clients in the most important events of their lives as well as in their daily needs. To do this, we invest capital and effort to ensuring that our services are provided by top quality professionals at the cutting edge of technology and with sound and ethical practices. We will continue to be not only a systemic bank driving growth and shareholder value but also a key driver of progress in our community.

Values

Integrity: We are honest, ethical and fair

Reliability: We keep our promises and adhere to our word

Collaboration: We build lifelong partnerships and work together for our common future

Professionalism: We constantly enrich our skills and knowledge, keeping up to date with the developments in our industry

Innovation: We continuously move forward, innovating and improving



Corporate Governance, Management and Commitments

The Board of Directors commits itself to achieving the highest standards of corporate governance and aims to ensure that the Bank remains a modern, transparent, competitive and sustainable organisation. The Bank operates successfully within a complex regulatory framework of a holding company which is registered in Ireland, is listed on two Stock Exchanges and is run by different 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.

SOUND GOVERNANCE AND SUSTAINABILITY STRUCTURES

Bank of Cyprus governance system is in place to promote responsible decision-making that has a positive impact on the Bank and its stakeholders for the long term. The Board of Directors and Board Committees set the sustainability direction, oversee the strategy and focus on responsible decision-making that sets the Bank apart from other financial institutions in Cyprus and beyond. The Bank operates within a framework of prudent and effective controls which

enable risk assessment and risk management based on the relevant policies under the leadership of the Board of Directors.

In 2020, despite the challenges posed by the COVID-19 pandemic, the Board of Directors and the Board Committee meetings were held without disruption, as the Bank had already been using software for remote meetings at Board and Executive level. The remuneration of Non-Executive Directors is linked

to their responsibilities, time and participation and independently of the profitability of the Bank.

The Suitability Policy of the Group adopts the joint European Supervisory Market Authority (ESMA) and European Banking Authority (EBA) Guidelines for the assessment of the suitability of members of the Board and key function holders. It also adopts the relevant Directive of the Central Bank of Cyprus (CBC).

BOARD OF DIRECTORS (31.12.2020)

Position	Name	Role	Independent
Chairman	Efstratios-Georgios (Takis) Arapoglou	Non-Executive Member	Yes
Vice Chairperson	Lyn Grobler	Non-Executive Member	Yes
Member	Yiannis Zographakis	Non-Executive Member	Yes
Member	Maria Philippou	Non-Executive Member	Yes
Member	Paula Hadjisotiriou	Non-Executive Member	Yes
Member	Arne Berggren	Non-Executive Member	Yes
Member	Michael Heger	Non-Executive Member	Yes
Member	Maksim Goldman	Non-Executive Member	No
Member	Panicos Nicolaou	Executive Member	No

Eliza Livadiotou was appointed as Executive member of the Board of Directors in September 2020. At the same time Constantine (Dinos) Iordanou was appointed as Independent Non-Executive member of the Board. Both appointments are subject to European Central Bank approval and therefore do not participate in the workings of the Board.

BOARD OF DIRECTORS BY GENDER AND AGE:



Women

Age <30
Age 30-50: 1
Age 50+: 2

Men

Age <30
Age 30-50: 2
Age 50+: 4

Total

Age <30
Age 30-50: 3
Age 50+: 6

MARKET PRESENCE

	Number of people	Number of people with Cypriot nationality	Percentage (%)
Board of Directors	9	4	44



Board: 25 meetings
Committees: 90 meetings

Meetings held in 2020

BOARD COMMITTEES

The 2019 Report included an analysis of the Committees which operate under the Board of Directors. The six Committees contribute to effective decision-making, facilitate the communication between the Board, the Management and the shareholders, and ultimately ensure transparency and competitiveness.

In 2020, the Terms of Reference (TOR) for the Nominations & Corporate Governance Committee (NCGC) were updated. Authority to support the integration of Sustainability was delegated to the NCGC, and thus the Committee's role was further enhanced to include defining the Group's sustainability strategy, supporting the Board in fulfilling its strategy oversight responsibilities, and supporting the development and implementation of the Strategic Plan.

The NCGC in coordination with the Corporate Governance Compliance Officer of the Group assesses at

least on an annual basis the skills, knowledge, experience, diversity and independence of the Board of Directors taking into account the challenges and opportunities the Group is faced with as well as the structure, size and composition and performance of the Board and of each Board Committee. The latest assessment was initiated in 2020 and has been completed in February 2021.

Further, the NCGC in collaboration with the Corporate Governance Compliance Officer conducts an annual assessment of the Board performance, the Committee performance and individual member performance. The Senior Independent Director chairs an executive session of the Non-Executive Members in the absence of the Chairman and gives an evaluation of his performance throughout the year. Additionally, the Board is subject to external evaluation every three years. The current external review began in late 2020 and

was completed in February 2021. The external Board Performance Evaluation found the Board to be well-structured and well composed. The Board has the skills and knowledge necessary for directing and controlling the Bank. The Board members are very well informed, have a thorough understanding of the Group's business and are probing in controlling management's work. Committee composition could be enhanced through a more deliberate rotation which would enhance change and independence of perspective while making best use of Board members' expertise.

On 1 June, 2020 there was a change of Committee memberships since Anat Bar-Gera retired on 26 May, 2020. Christodoulos Patsalides retired on 31 October, 2020.

In 2021, the Audit Committee Chairperson, Yiannis Zographakis, was replaced by Nicolaos Sofianos.

BANK OF CYPRUS - Board Committees



*Appointed on 26 February 2021

CODE OF CONDUCT

The Code of Conduct guides everyone throughout the Bank's daily operations and professional decisions, irrespectively of position, role or responsibilities. It is a framework that enables ethical, correct, reliable

decision-making and enables employees to exhibit integrity and professionalism. In a highly regulated environment, the Code of Conduct acts as the moral compass of the Bank, defines corporate culture and the

framework within which the Bank operates. The Code of Conduct is available to employees in both Greek and English on the internal portal. Changes and updates are communicated to the employees as soon as they are confirmed.

OWNERSHIP STRUCTURE AND LEGAL FORM

The share capital of Bank of Cyprus Holdings Public Limited Company amounts to €44,619,993.30 divided into 446,199,933 ordinary shares of a nominal value of €0.10 each. The

Bank maintains on its website all the required information as per the notifications received from investors in accordance with the major holdings disclosure obligations pursuant to the

Irish Transparency Rules and Regulations. The investors' holding shares and financial instruments of 3% or more can be found under the "Major Holders of shares and financial instruments" section, [here](#).



HOW WE CREATE VALUE

WHO WE ARE

Bank of Cyprus is wholly owned by Bank of Cyprus Holdings Public Limited Company. Bank of Cyprus Holdings Public Limited Company was incorporated in the Republic of Ireland as a public limited company on 11 July, 2016, and it became the sole shareholder of Bank of Cyprus on 18 January, 2017. Bank of Cyprus Holdings Public Limited Company is listed on both the London Stock Exchange and the Cyprus Stock Exchange.

The Bank of Cyprus Group is comprised of the Bank of Cyprus Holdings Public Limited Company, its subsidiary, Bank of Cyprus, and the subsidiaries of Bank of Cyprus.

The Bank of Cyprus Group is the leading banking and financial services group in Cyprus. It provides a wide range of financial products and services which include retail and commercial banking, international banking, finance, factoring, investment banking, brokerage, fund management, life and general insurance.

HOW WE OPERATE

Group Key Activities

- Banking
- Financial services
- Insurance services and management
- Disposal of property predominately acquired in exchange of debt

Group Key Products and Services

- Retail Banking
- SME Banking
- Corporate Banking
- International Banking
- Large Corporate Banking
- International Corporate Banking
- Commercial Banking
- Shipping Finance
- Project Finance and Syndicated Loans
- Wealth Management Services (Private Banking and Institutional Wealth Management)
- Custody and Depositary Services
- Global Markets Execution Services
- Brokerage Services (CISCO)
- Asset Management (BOC Asset Management Company)
- Investment Banking (CISCO)
- Finance
- Factoring
- Life Insurance (EuroLife)
- General Insurance (General Insurance of Cyprus)

Where We Operate

- 80 Branches, 11 Cash Offices and 10 Unmanned Branches in Cyprus
- Representative offices in Russia, Ukraine and China

How We Are Governed

- Transparent Corporate Governance
- Solid risk management
- Strong leadership team

HOW WE ADD VALUE

Value for Cyprus Economy

- Listed and trading on the London Stock Exchange and Cyprus Stock Exchange
- Leading international financial hub in Cyprus
- Highly correlated with the Cyprus economy and well-positioned to capitalise on growth opportunities

Value for Society

- Supporting local communities through community investments including deliberate generation of Social Capital
- Having a positive impact on society through ongoing dialogue and partnerships
- Supporting local supply chain
- Reputable and trustworthy brand

Value for Employees

- Supporting wellness and well-being
- Fostering an inclusive and fair environment
- Retaining, engaging and growing exceptional talents
- Maintaining a culture of pride

Value for Customers

- Personal experiences based on trust and long-term relationships
- Online services of advanced quality
- Modern digital channels
- Data privacy and security
- Integrity in communication

Value for Planet

- Minimising environmental footprint of our operations
- Investing in new sustainable projects
- Enhancing green lending and mitigating climate risk

RELEVANT SDGS



KEY FINANCIAL PERFORMANCE INDICATORS RELEVANT TO SUSTAINABILITY

The Bank's ultimate objective is to provide great service to its customers, good returns to its shareholders and continuous value to society at large. Information on the governance

and financial status of the Bank, is available on its Annual Financial Report. Generating value is highly dependent on the strategic direction, mission, accountability and purpose of the Bank.

The Corporate Sustainability Report, presents a snapshot of all parameters that define how the Bank perceives its role in society and how it ensures the longevity of the value it creates.

BANK OF CYPRUS PUBLIC COMPANY LIMITED: 2020 FINANCIAL PERFORMANCE (IN THOUSAND EUROS)

Direct economic value generated	538,295
Turnover (Note 1)	654,468
Less: Interest expense, expense similar to interest expense and fee and commission expense	-116,173
Economic value distributed:	-343,682
Employee costs	-174,423
Voluntary exit plan and other termination benefits	-5,825
Other operating expenses (Note 2)	-135,934
Of which:	
• Supervisory fees (includes fees to Regulators)	-5,993
• Corporate social responsibility expenses	-640
• Donations and gifts	-206
• Advisory and other restructuring costs	-15,489
Dividends paid to AT1 shareholders	-27,500
Economic value retained (Note 3) "Direct economic value generated" less "economic value distributed"	194,613

1 Turnover comprises of interest income, income similar to interest income, fee and commission income, foreign exchange gains, dividend income, gains of investment properties and stock of properties and other income.

2 Other operating expenses do not include Depreciation of property and equipment and Amortisation of intangible assets.

3 Credit losses to cover credit risk on loans and advances to customers have not been deducted from the Economic value retained.

• Employee costs include all costs (salaries, employer's contributions to state social insurance and retirement benefits).

• Financial data are inclusive of VAT, where applicable.

• Payments to suppliers that are recognised in 2020 results, are included in the "Economic value distributed".

• Taxes paid to government are not included in the "Economic value distributed".

As on 31 December, 2020, the Group's Liquidity Coverage Ratio rose to 254%, meeting the minimum regulatory requirements of 100%, with liquidity surplus amounting

to €4.2 billion. The Net Stable Funding Ratio (NSFR) has not been implemented yet. It will come into force in 2021 as a regulatory indicator together with the Capital Requirements

Regulation II (CRR II), and will have a minimum requirement of 100%. As on 31 December, 2020, the Group's NSFR, based on Basel III standards, was 139%.

NON-PERFORMING EXPOSURES (NPES) DECREASE (NOT PROFORMA FOR HELIX 2):

€3,086 million

in December 2020

€3,880 million

in December 2019

OPERATING IN VOLATILE MARKETS

In 2020, as a result of the COVID-19 pandemic, markets saw significant and persistent volatility. The Treasury Division followed market developments closely and continued to monitor and manage its bond portfolio, focusing on new opportunities to invest or divest where deemed favourable or prudent. The Bank continued to invest in high quality bonds such as government bonds, covered bonds, supranational bonds as well as bonds issued by other financial institutions. Within 2020, the Bank, included Environmental, Social and Governance (ESG) designated bonds in its spectrum of investments and has continued strengthening its relationships with counterparties and issuers that support the European Union objective for a more sustainable

economy. The Bank also intends to incorporate ESG considerations in its Funding Plan in the medium term.

As part of liquidity management, the Treasury Division closely monitored the stock of liquid assets to ensure the uninterrupted operations of the Bank. It also monitored customer deposit flows and trends and investigated the reasons for any large outflows. Changes in customer behaviour or Bank related customer concerns were monitored and addressed. The interest rate and foreign exchange risks arising from the Bank's operations, have been continuously monitored and managed through the use of Interest Rate and Foreign Exchange derivatives, Foreign

Exchange Spot transactions and on balance sheet items.

The Bank has remained in direct communication with the European Central Bank that has adopted a broad set of policy measures to mitigate the economic impact of the crisis and ensure that its directly supervised banks would continue to fulfil their role in funding the real economy. In addition, the Bank participated in the Targeted Longer-Term Refinancing Operations (TLTRO III) scheme of the European Central Bank and obtained funding of €1bn in 2020. The Bank will continue to monitor market trends and developments as well as any regulatory guidelines required to move forward to a more sustainable future.

RELATIONSHIPS WITH INVESTORS

In 2020, the Bank's top priority as a public listed company remained to enhance the relationship with major shareholders and engage with new investors. With respect to this, and irrespective of the restrictions imposed due to the pandemic, the Bank together with its designated Corporate Brokers, HSBC and KBW, attended virtual roadshows and conferences and

one-to-one virtual meetings with international and local equity and debt investors. In addition, the Management held frequent calls with the major active shareholders in order to provide an update on the quarterly financial results and any other significant corporate transactions. The Annual General Meeting of the Bank in 2020 was also held virtually.

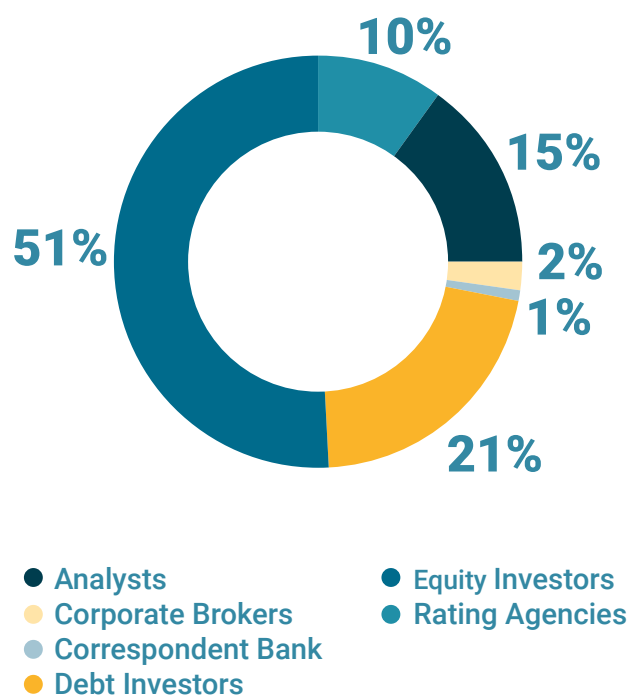
Specifically in 2020, the Management attended virtual conferences, roadshows and meetings with investors, organised by KBW, Wood's & Co, Goldman Sachs, Bank of America, Autonomous, HSBC, and Morgan Stanley. In addition, the Bank held several virtual meetings with analysts, rating agencies and correspondent banks. In total, 101 meetings were attended in 2020.



MEETINGS

15 Analysts	2 Corporate Brokers	1 Correspondent Bank	21 Debt Investors	52 Equity Investors	10 Rating Agencies
101 GRAND TOTAL					

MEETINGS HELD



CREDIT RATINGS AND SUSTAINABILITY INDICES

The Bank is currently rated by the following Credit Rating Agencies: Fitch Ratings, Moody's Investors Service, S&P Global Ratings and Capital Intelligence. For the most recent credit ratings, please visit the dedicated page on the Bank's website [here](#).

In addition to the credit ratings, investors are increasingly interested in ESG investments while Sustainability Rating Agencies and Index Providers rate the performance of the Bank and its sustainability efforts and outcomes.

Sustainability Ratings Assigned to Bank of Cyprus Public Company Limited (BOCH)

- ISS ESG Corporate Rating: D+
- In 2020, the Bank received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

MSCI ESG Rating

The use by 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 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.

COMBATING FINANCIAL CRIME

As the largest financial institution of Cyprus, Bank of Cyprus recognises that combating financial crime ensures trust in the banking capacities and relationships with customers. Financial crime in all its forms is considered a threat and the Bank abides by a zero-tolerance policy on money laundering, tax evasion, funding of terrorist activity, bribery, corruption fraud and market

abuse. The Anti-Financial Crime standards are in alignment with the best international practices. Payments and hospitality promised or offered to/from a customer, vendor, business partners and associates or any third parties for any projects are not generally allowed. They are allowed only if they fall within reasonable bounds of value and occurrence, they are recorded in

the gift registry and they cannot be perceived to affect the outcome of a business transaction. Gifts with a value above €50 must be first approved by the appropriate approval authority. Gift registries are monitored quarterly by Regulatory Compliance and appropriate clarifications are required for any excessive gifts accepted or offered.

COMPLIANCE IN NUMBERS FOR 2020:

5%

decrease in international clientele

1,573

potential new customers rejected exclusively for compliance reasons

1.37%

termination of business relationships with professional customer introducing intermediaries (from 302 to 298 intermediaries)

3,813

customer relationships terminated/suspended solely on compliance/financial crime concerns corresponding to an estimated turnover of €467 million and yearly profitability of €2.3 million

REGULATORY COMPLIANCE

Bank of Cyprus' compliance function strives to maintain a world-class standard based on the most stringent rules. The Bank performs compliance reviews following clear and aligned Anti-Money Laundering (AML) and Regulatory Compliance Reviews Methodologies. The Bank applies Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs) which are presented to the Executive Committee and the Audit Committee in quarterly compliance dashboards. Compliance risks are assessed annually according to a Compliance Risk Assessment Methodology and through the quarterly Regulatory Compliance Matrix, the results of which are reported to the Audit Committee. The Bank has appointed 50 Local Compliance Officers (LCOs) to facilitate mitigation of compliance risk across all units of the Group. These LCOs act as the first line of defence, assisting in handling compliance risk and closing any gaps with regard to regulatory requirements. In addition, the LCOs act as a second line of defence reporting quarterly to Compliance Division on issues that have been resolved or are still pending. The Bank assesses all its divisional operations based on a Risk and Control Self-Assessment methodology and uses the Risk & Control Management System (RCMS) of Operational Risk Management Department. Additionally, the Bank maintains anti-bribery Group policies and policies for Competition Law, Foreign Account Tax Compliance Act (FATCA), Common Reporting

Standard (CRS), Conflict of Interest and Whistleblowing. All regulatory compliance policies are uploaded to the Group's website [here](#). Despite the pandemic, compliance action plans have been successfully completed. Meetings were held virtually and compliance reviews were carried out off-site. In 2020, the Bank:

- implemented an integrated compliance management solution to automate the identification of new or amended regulation and facilitate internal handling, such as the compliance risk assessments and the reporting of the Local Compliance Officers. The actual system utilisation and benefit realisation will be evident from 2021 onwards,
- enhanced the Anti-Bribery and Corruption Group Policies as per the provisions of the ISO 37001 (Anti-Bribery Policy),
- became the only Bank in the country to adopt the provisions of ISO 19600 (Compliance),
- aligned the Anti-Financial Crime standards with best international practices,
- continues to comply with General Data Protection Regulation (GDPR), FATCA, CRS.

Anti-Financial Crime Framework

In 2020, the framework was extensively upgraded, at policy and procedural level. An enhanced risk-based approach with regard to the risk scoring of the customers was introduced. The Customer Acceptance Policy

reflects this approach. Customers are now risk scored for AML purposes, according to a set of parameters that take into account geographical factors, products purchased, distribution channels, transactional behaviour and other risk indicating factors. Further to the enhanced risk scoring, relevant policies were also revised and the level of the due diligence process was also adjusted. In 2020, the Bank:

- implemented an adverse media monitoring tool,
- adopted a tool for compliance with the EU Directive on cross-border tax arrangements (expected to be completed within 2021),
- adopted Digital Know Your Customer (KYC) for the digital onboarding of customers (expected to be completed within 2021),
- adhered to key provisions of the US Patriot Act.

Data Protection

The Bank commits itself to safeguarding the personal data of its customers, suppliers and partners. Customers retain control of their personal data and exercise their rights as per the EU GDPR with regard to the way their personal data is collected, processed and secured. The Bank applies Data Protection Impact Assessment (DPIAs), to promptly identify and mitigate any privacy risks. During 2020 there were no substantiated complaints concerning breaches of customer privacy or loss of customer data.

Bribery and Corruption

The Bank commits itself to achieving the highest standards and operates in compliance with the EU Market Abuse Regulation in order to prevent market abuse and especially the insider dealing on the financial instruments issued by the listed companies which are its customers. Strong

anti-bribery policy, a gift registry, a conflict of interest registry and frequent reminders contribute to achieving high-level compliance. In December, just before the festive season, a reminder of anti-bribery and corruption issues is sent to all employees.

Protecting money, privacy and data of the Bank's customers is

the key to its Anti-Bribery and Corruption Policy. The payment of any facilitation payments is prohibited by the Bank's policy.

Market Abuse

The Bank's ongoing dedication and commitment to compliance is demonstrated through the series of trainings organised on an annual basis.

TRAINING ON INSIDER DEALING AND MARKET ABUSE 2020

Insider dealing

23 participants

115 hours of training

Market abuse

45 participants

256 hours of training



BANKING INSPECTIONS

The Banking Inspection conducts reviews of the Operational and Accounting procedures that relate to the operations of first line (i.e. Branches, Business Units and Business Centres) of the Bank.

In 2020, it conducted:

- 17 in-branch inspections,
- 3 Business Centres' inspections,
- 1 Corporate Business Centre inspection,

- 1 International Business Unit inspection,
- 2 Business Unit re-inspections,
- 1 thematic inspection,
- 4 cash dispute investigations.

INTERNAL AUDIT

Internal Audit maintains an audit universe which includes all potential areas to be audited. Each of these areas is assessed against the main risk categories which are included in the risk universe:

- conduct and business practices risk,
- workplace safety risk,
- culture and social risk.

Based on the 2020 audits, zero units scored "unsatisfactory", some scored "satisfactory", and a number of improvements have been recommended to the majority of the audited units based on a plan. However, in 2020, one employee was dismissed following an investigation of malpractice.

In 2020, Internal Audit also revisited

its Audit Plan methodology so that it accommodates changes in risks and priority/focus areas. The plan will be prepared within one year. Especially for the 2021 Audit Plan, Internal Audit applied a risk-based approach and achieved the following:

- It reviewed and restructured the risk universe to align it with the Bank's strategic objectives, including ESG-related matters.
- It revisited the audit coverage model in an attempt to become more flexible and responsive, and adopted a combination of annual prioritised and responsive audit coverage models.

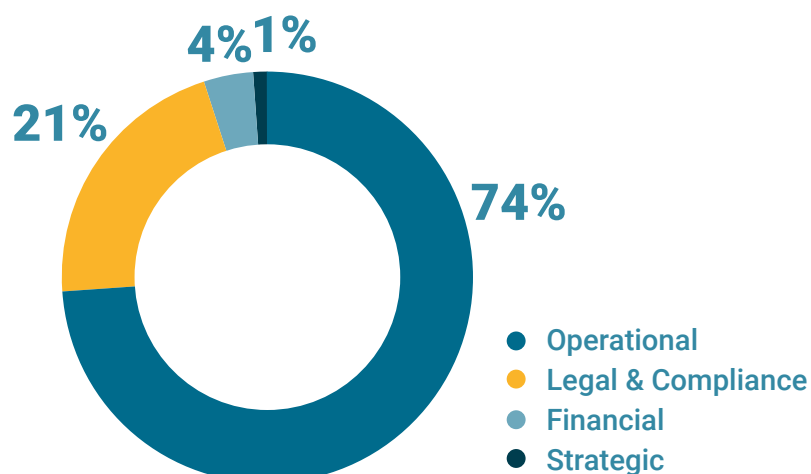
In 2021, climate risks will be further examined to align the Bank with the relevant regulatory expectations.

In an effort to enhance the overall corporate culture of the Group, Internal Audit adopted in September 2019 the "5 Whys" root cause methodology for critical and high-risk findings. From January 2020 onwards, this methodology was applied to medium risk findings as well, and aims to:

- identify why an issue occurred,
- assess whether the issue is a problem, an error, an instance of non-compliance or a missed opportunity,
- make recommendations for the rectification of the issue at its root, so that it does not repeat in the future.

In 2020, a total of 52 audits were conducted and 280 findings were issued.

AUDIT FINDINGS BY CATEGORY



NUMBER OF AUDITS BY CATEGORY

Quality	10
Regulatory Requirement	26
Quality-Information Systems	11
Health and Safety	3
Governance	2
Total	52

Best Practices and Alignment with Internal Audit Methodology

The Internal Audit function adopts best practices to ensure effectiveness of its policies, challenges existing norms where required and provides valuable recommendations for management. Internal Audit reports provide separate opinions on the Internal Control Framework (ICF) and Management Control Awareness (MCA). The ICF rating criteria address the “design adequacy” and “operating

effectiveness” of internal controls while the MCA criteria address the “management proactiveness” and “management willingness”.

Furthermore, in 2020, Internal Audit implemented its extensive Data Analytics Strategy, and is in the process of embedding Data Analytics in all Internal Audit engagements.

The high quality of the service provided by the Internal Audit function was validated in 2020 in the following ways:

- The external auditors of the Bank commenced using the work of Internal Audit, as allowed by the International Standard on Auditing (ISA) 610 “Using the Work of Internal Auditors”.
- By comparison with other financial service providers across the world, Internal Audit was rated favourably by Wolters Kluwer for 12 out of 13 operational components that are common to internal audit functions.

RISK MANAGEMENT

In 2020, the Bank further enhanced its Risk Management Framework by:

- formalising the Risk Quantification Framework,
- updating the Risk Appetite Framework and calibrating Risk Appetite Statement Indicators to the Bank’s risk bearing capacity,
- setting up an independent validation function,
- providing risk-related trainings to all employees,
- updating all necessary Risk Management frameworks and policies, enhancing and streamlining risk methodologies.

- recruiting additional employees.

The Bank applies a structured process for the identification of potential threats to the Bank, evaluates the criticality of such threats via the application of approved risk assessment methodology, defines the strategy needed to minimise or eliminate their impact and implements appropriate mechanisms to effectively monitor and evaluate this strategy. This process is ongoing and is subject to review.

The above approach includes inter alia, the following risk control measures:

- Maintenance of Risk Registers

- Preparation / implementation of Action Plans and mitigating controls
- Monitoring of Key Risk Indicators
- Recording of Loss Incidents (including near-misses)
- Design / implementation of risk mitigation controls

A description of the principal risks, their impact on business activity and the way they are managed is disclosed in detail in the section “principal risks and uncertainties risk management and mitigation” of the Directors’ report at the 2020 Bank of Cyprus Group Annual Financial Report.

CONFLICT OF INTEREST

The Bank commits itself to identifying, avoiding and managing conflict of interest which might emerge. According to the Conflict of Interest Policy, conflicts of interests were disclosed by affected individuals, i.e. members of the Board of Directors who then abstained from participating in the decision-making and voting on the matter that posed a conflict of interest. Two incidents of conflict were recorded in 2020.

The policy was further enhanced in 2020 by including the annual obligation of the members of the Board and Senior Management to submit their self-assessment on conflicts of interest and reports to Compliance Division, which then conducts its own assessment of issues identified and reports to the Audit Committee.

In late 2020, a 20-minute e-learning session was attended

by all members of the Board and Senior Management. A Greek version of the e-learning aimed at the employees is planned for 2021.


More information on the training sessions we conducted in 2020 for members of the Board and the Leadership team can be found in the section “Development Opportunities” in this Report.

PROJECT ETHOS

In 2020, the Bank, under the guidance of the Ethics, Conduct and Culture Committee of the Board of Directors, started the implementation of the Risk Management & Ethics Culture programme. The aim of the programme is to strengthen the culture of Ethics and Risk

Management in the Bank for the better protection and security of employees, customers and the Bank itself. During 2020, the Bank run four awareness campaigns, conducted a diagnostic research to assess the risk profile and the existing culture of the Bank and developed short videos on

the topic. The Bank developed an action plan focused on the cultivation of a healthy culture of ethics and risk management and the development of the important profiles of desirable behaviours that are required in order to develop the ideal Great Risk Management Profile.



Run four awareness campaigns

Conducted a diagnostic research

Developed an action plan focused on the cultivation of a healthy culture of ethics and risk management





Our Sustainability Approach

Since its inception in 1899, Bank of Cyprus has been focusing on creating positive impact on society and promoting long-term sustainable solutions. “Beyond Banking” is the Bank’s strategic approach to Sustainability and ethical business. The framework, which is in alignment with international best practices, is revised regularly to ensure that the Bank manages successfully Sustainability topics and addresses Sustainability-related risks and opportunities.

BEYOND BANKING FRAMEWORK

In 2020, the Bank took a decision to enhance the communication of its Sustainability approach and framework. The Beyond Banking Framework embodies

the Bank’s approach to managing Sustainability-related issues, risk, opportunities and its strategy for the future. It is now presented and communicated in a way that

conveys a clear message to all stakeholders: Sustainability is at the heart of the Bank’s operation and its ethos.

STRATEGIC FRAMEWORK

Beyond Banking

Vision for Sustainability

BOARD COMMITTEES

Human Resources &
Remuneration Committee

Nomination & Corporate
Governance Committee

Risk Committee

Audit Committee

Technology Committee

Ethics, Conduct &
Culture Committee

LEADERSHIP & GOVERNANCE COMMITMENTS

GOVERNANCE, INTEGRITY & RISK MANAGEMENT

Preventing money laundering,
Corruption & Financial crime

Risk Management

Economic Performance

Regulatory Compliance

Corporate Governance & Ethics

Corporate Strategy &
Investments

Relations with Stakeholders
& Partnerships

Market Presence

Financial Stability

KEY PILLARS AND KEY PRIORITIES



PEOPLE

Fair Working
Environment

Diversity & Equal
Opportunity

Employment &
Well-being

Occupational Health
& Safety

Employee
Development
Training & Education

Volunteering

Labour/Management
Relations



SOCIETY

Social Contribution

Indirect Economic
Impacts

Local Communities

Financial Literacy



ENVIRONMENT

Energy Consumption

Environmental
Investments

Waste Management

Emissions



RESPONSIBLE SERVICES

Cyber Security &
Data Protection

Innovation, Technology
& Digital Transition

Customer Service
Quality & Satisfaction

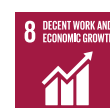
Responsible
& Transparent
Communication

Responsible Banking

Procurement Practices

Financial Inclusion

SDGs ALIGNED













COMMITMENT TO THE SUSTAINABLE DEVELOPMENT GOALS

Both as a standard-setter and as a key introducer of progressive approaches in its country of operation, the Bank remains dedicated to creating value for all stakeholders. Over the years, the strategic approach to Sustainability has been advancing with the introduction of the 17 Sustainable Development Goals

(SDGs). The SDGs emerged as a call for immediate and urgent action by all countries, with a global focus on peace and prosperity for people and the planet, now and into the future. The Bank acknowledges that it has an important role to play in the materialisation of the SDGs in Cyprus. To integrate

the SDGs, the Bank relies on its values for Integrity, Reliability, Collaboration, Professionalism and Innovation and it reviews its approach to identify new risks and opportunities for its stakeholders across the Bank Sustainability pillars.

LINKING SDGS WITH THE BANK'S PILLARS

-	Sound Governance & Management	Our People	Our Society	Our Responsible Services	Our Environment
		■	■		
			■		
	■	■			
	■	■		■	
				■	
		■			
			■		
	■			■	■
					■
	■			■	
	■		■		

BANK OF CYPRUS STAKEHOLDERS

Bank of Cyprus strives to create an active network of stakeholders which will be based on trust, honesty and a common vision for Sustainability. Even under the most challenging circumstances, the Bank remains true to its vision of supporting the economy of Cyprus and society at large. Maintaining long-term relationships and cultivating

strong bonds between the Bank and its stakeholders are at the heart of how the Bank makes change happen: by putting people first.

Key Stakeholders

- Employees
- Shareholders
- Credit and ESG Rating Agencies
- Media

- Customers
- Suppliers/Business Associates
- Bank of Cyprus Group and Subsidiaries of the Bank
- Government and Local Government
- Business Associations
- Financial Sector and Peers
- Regulators
- Society and Local Communities

STAKEHOLDERS	STAKEHOLDER NEEDS AND EXPECTATIONS	ENGAGEMENT CHANNELS	FREQUENCY
Employees	<ul style="list-style-type: none"> • Achieve, measure, acknowledge and reward performance • Transparent, interactive and timely communication with employees and provision of honest feedback • Forming a caring working environment which satisfies employees' financial, healthcare and other needs • Provision of opportunities for career advancement and lifelong learning and development • Freedom of association and collective bargaining • Volunteering 	<ul style="list-style-type: none"> • Personal and/or group meetings and presentations • Internal portal and email announcements • Internal Workshops • Open Days • Employee Opinion Survey • Management Practices Survey • Internal Customer Satisfaction Survey • Yammer Internal Collaboration Tool • Extended Leadership Team • Ask CEO • Book a Seat with the CEO 	Ongoing
Shareholders	<ul style="list-style-type: none"> • Publication of Annual and Interim Financial Results as well as publication and distribution of related announcements and presentations • Publication of announcements in line with the Group's regulatory obligations and compliance with all the applicable legislation, rules and regulations as these emanate from the listing on the Cyprus Stock Exchange and the London Stock Exchange • Deliver appropriate risk adjusted returns • Transparency and equitable provision of information to all investors 	<ul style="list-style-type: none"> • Website through regular updates • Email • Announcements • Annual and extraordinary general meetings • Conference calls • Meetings • Roadshows 	Quarterly (Financial Results) Ongoing
Media	<ul style="list-style-type: none"> • Constant direct contact and honest cooperation • Briefings and explainers on non-banking issues relating to the economy, based on the Bank areas of expertise in specific industries, in international finance and in macroeconomic developments • Interviews, press releases • Advertising campaigns • Content creation and support on non banking issues 	<ul style="list-style-type: none"> • Email • Personal meetings • Regular press "open days" available to answer any questions on Economics and Finance, extending beyond banking • Press conferences • Frequent briefings with members of Press Corporations 	Ongoing

STAKEHOLDERS	STAKEHOLDER NEEDS AND EXPECTATIONS	ENGAGEMENT CHANNELS	FREQUENCY
Customers	<ul style="list-style-type: none"> • Transparent financial conditions, reliability and honesty in transactions as far as products/services are concerned • Pricing Policy • Offering flexibility so that products services satisfy customer needs • Flexible procedures/Cutting through red tape • Covering the financing needs of businesses and individuals • Offering facilities/arrangement schemes for customers' debts • Digital Transformation • Project Sunrise • Protection of consumers, personal data and banking secrecy • Respond to and handle all communication and complaints with attention and in a timely fashion 	<ul style="list-style-type: none"> • Website • Post (account statement with a promotional insert) if customers choose so • Telephone from one's personal banker • Media campaigns • Personal meetings • Video calls or teleconference • Focus groups and surveys • SupportCY Network 	Ongoing
Suppliers/ Business Associates	<ul style="list-style-type: none"> • Further improvement in business relationships • Constant contracts and cooperation • Transparency and adequate assessment procedures in all areas of cooperation • Generating business opportunities in the market and greatly contributing to the economy of Cyprus 	<ul style="list-style-type: none"> • Business contracts • Contact via telephone, email • Personal meetings • SupportCY Network 	Ongoing
Community	<ul style="list-style-type: none"> • Supporting the pillars of Health and Education through the Bank's Donations, Sponsorships and Partnerships Policy • Respond to societal needs • Volunteering 	<ul style="list-style-type: none"> • SupportCY Network • Telephone • Email • Personal meetings • Media campaigns • Focus groups and surveys 	Ongoing

TRUST IN BANK OF CYPRUS

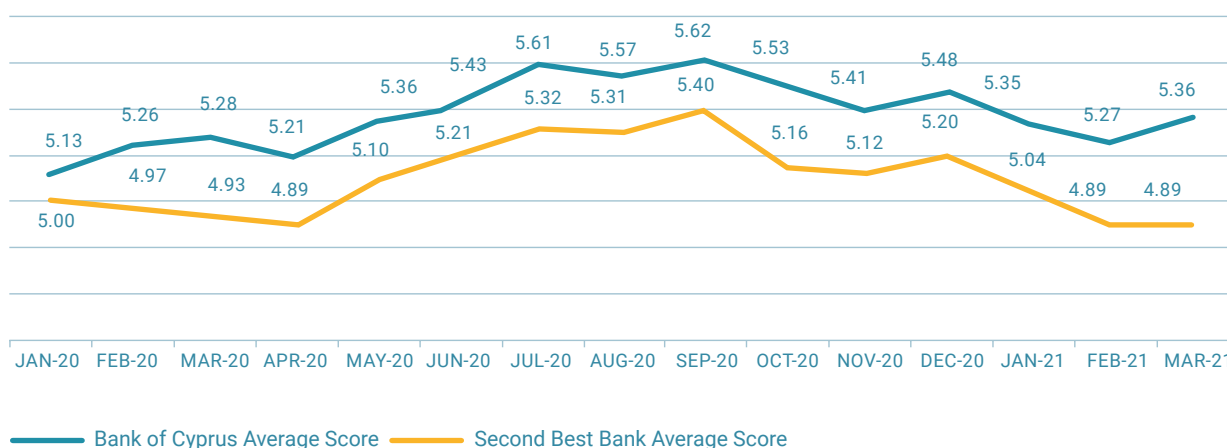
The charts presented here are derived from the Rolling Market Survey which is carried out by Symmetron Market Research on a monthly basis, and systematically monitor the public's views and perceptions on issues important for Bank of Cyprus.

Facts:

- The research design is carried out 48 weeks a year.
- The sample is rolled on a monthly basis. The survey is conducted island wide and covers urban and rural areas in all districts. Fieldwork commenced on the 27th of April 2015 and current wave covers results up to March 2021. A total of 49,667 effective interviews were conducted with Cypriot men and women 18 to 65 years old.
- A random multistage stratified sampling with soft quotas is applied, in full compliance with international standards and European Society for Opinion and Marketing Research (ESOMAR) rules and procedures.
- Sampling Tank is fixed telephone line directory and proprietary mobile telephones lists.

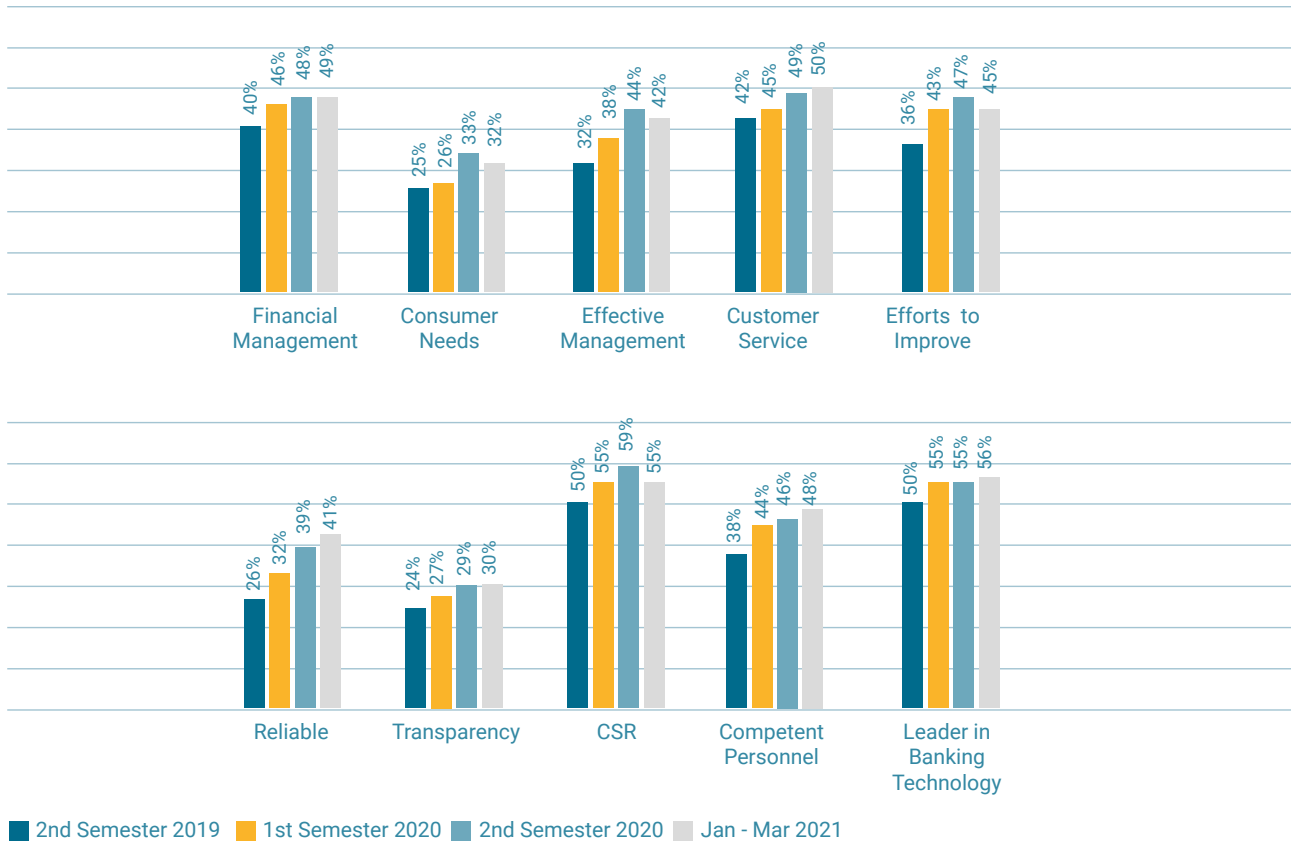
Trust in Bank of Cyprus

The chart presents a time trend analysis of the Bank's performance compared to the second best bank. It represents the average of spontaneous responses from a scale of 1 to 9.



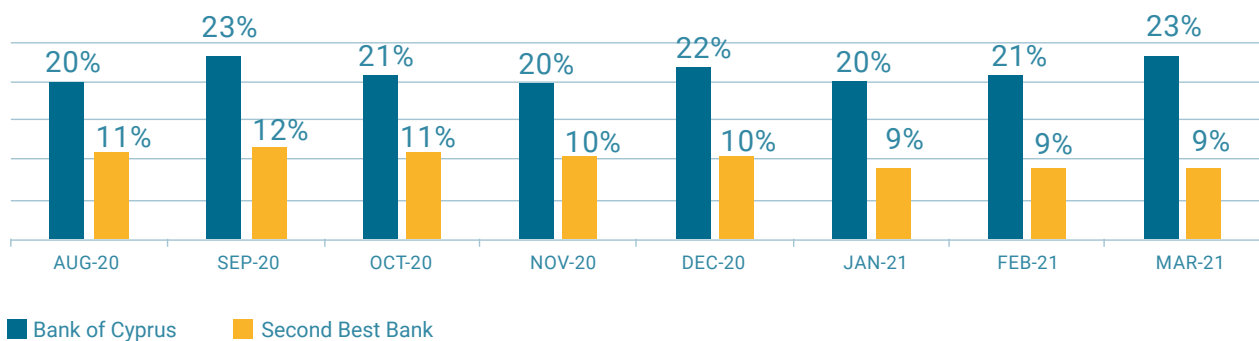
Bank of Cyprus' image attribute score by semester

The Bank tracks its performance on key metrics which represent image attributes with the aim to secure continued improvements. Polling among Cypriots (both Bank of Cyprus customers and non-Bank of Cyprus customers) confirms persistent improvement across the board.



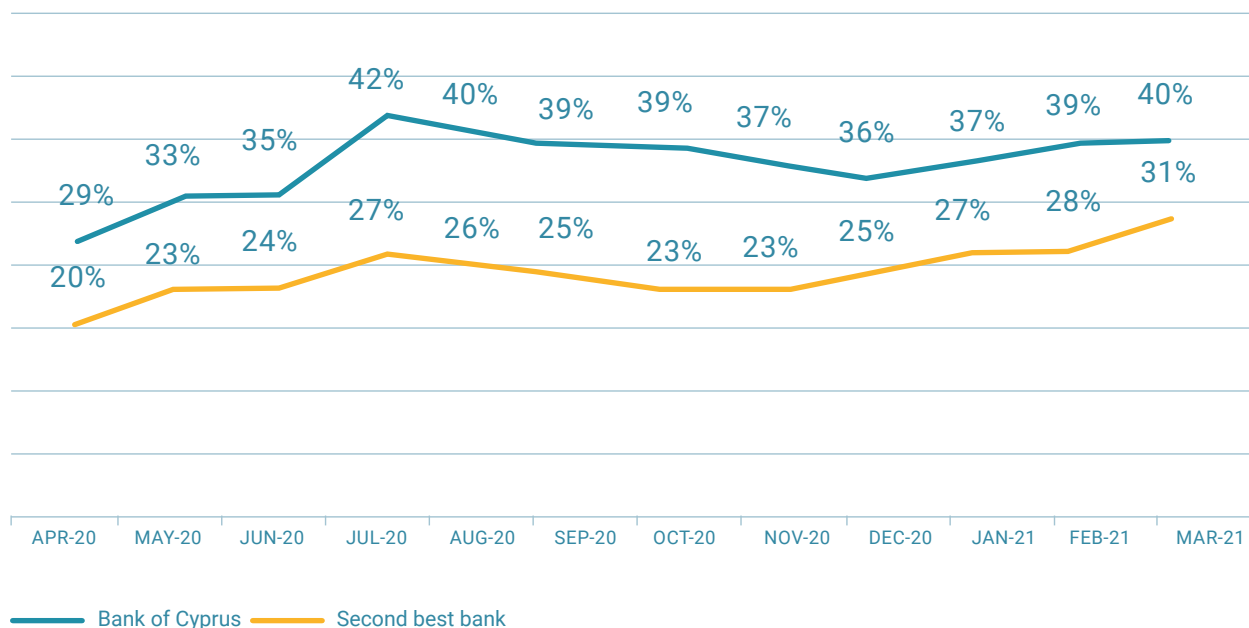
Banks that contributed the most to the restart of the economy

The chart presents the Bank's performance compared to the second best bank.



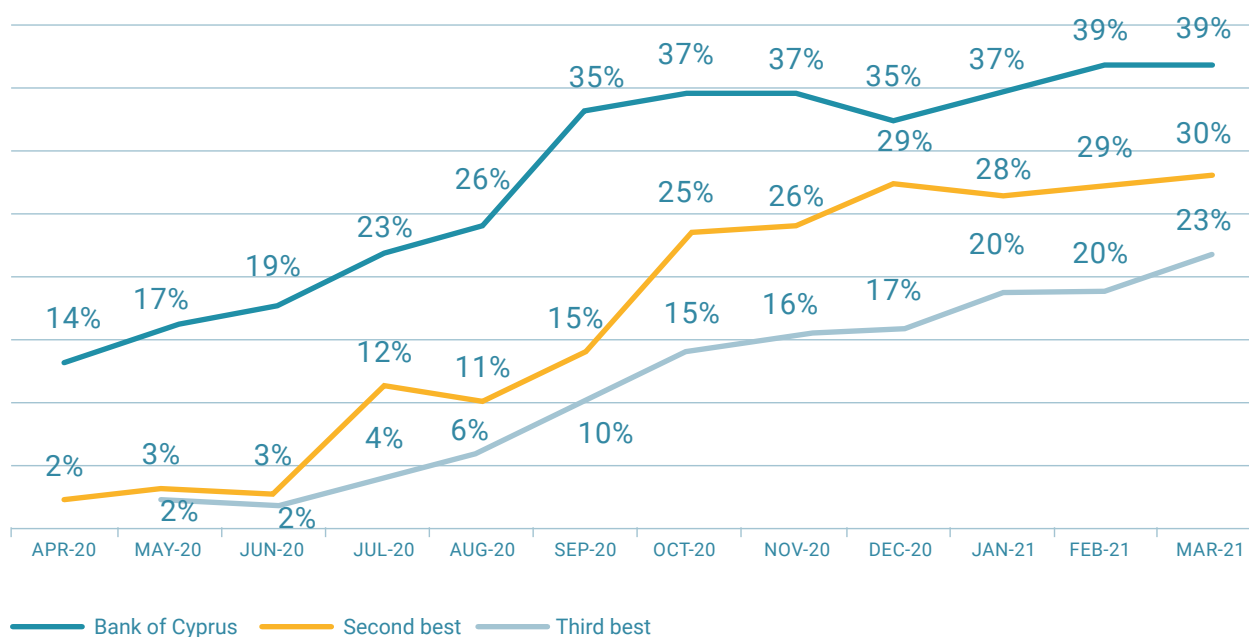
Assessment of Banks' social contribution during the COVID-19 crisis

The chart presents the Bank's performance compared to the second best bank.



Most socially responsible corporations and banks during the COVID-19 crisis

Bank of Cyprus was spontaneously named as the most socially responsible corporation during the COVID-19 crisis by 39% of consumers in the most recent survey. The chart presents the Bank's performance compared to the second and third best companies. The second-best ranking bank ranks fourth.



BANK OF CYPRUS SUSTAINABILITY PRIORITIES

CORPORATE SUSTAINABILITY PILLARS & MATERIAL TOPICS	Stakeholders & Topic Boundaries					
	Employees	Shareholders	Media	Customers	Suppliers/ Business Associates	Society & Local Communities
Governance, Integrity & Risk Management						
Preventing Money Laundering, Corruption and Financial Crime	•	•	•	•	•	•
Risk Management	•	•	•	•	•	•
Economic Performance	•	•	•	•	•	•
Regulatory Compliance	•	•		•	•	•
Corporate Governance and Ethics	•	•	•	•	•	•
Corporate Strategy and Investments	•	•	•	•	•	•
Relations with Stakeholders and Partnerships	•	•	•	•	•	•
Market Presence	•	•	•	•	•	•
Financial Stability	•	•	•	•	•	•
Responsible Services						
Cyber Security and Data Protection	•	•		•	•	
Innovation, Technology and Digital Transition	•	•	•	•	•	•
Customer Service Quality and Satisfaction	•	•		•	•	•
Responsible and Transparent Communication	•	•	•	•	•	•
Responsible Banking	•	•		•	•	
Procurement Practices	•	•		•	•	•
Financial Inclusion	•	•		•	•	
People						
Fair Working Environment	•	•		•		
Diversity and Equal Opportunity	•	•		•		•
Employment and Well-being	•	•		•		•
Occupational Health and Safety	•	•		•	•	
Employee Development, Training and Education	•	•		•	•	
Volunteering	•	•	•		•	•
Labour/Management Relations	•	•				
Society						
Financial Literacy	•	•	•	•	•	•
Social Contribution	•	•	•	•		•
Indirect Economic Impacts		•		•		•
Local Communities	•		•	•		•
Environment						
Energy Consumption	•	•				•
Environmental Investments		•	•	•	•	•
Waste Management	•	•		•		•
Emissions	•	•		•		•

• = material for the stakeholder group / empty= non material for the stakeholder group

Material Topics Per Pillar

Governance, Integrity & Risk Management

1	Preventing Corruption and Financial Crime
3	Risk Management
7	Economic Performance
8	Regulatory Compliance
9	Corporate Governance and Ethics
17	Corporate Strategy and Investments
18	Relations with Stakeholders and Partnerships
23	Financial Stability
30	Market Presence

Responsible Services

2	Cyber Security and Data Protection
5	Innovation, Technology and Digital Transition
6	Customer Service Quality and Satisfaction
11	Responsible and Transparent Communication
15	Responsible Banking
19	Procurement Practices
22	Financial Inclusion

People

4	Fair Working Environment
10	Diversity and Equal Opportunity
12	Employment and Well-being
13	Occupational Health and Safety
14	Employee Development, Training and Education
20	Volunteering
25	Labour/Management Relations

Society

16	Social Contribution
21	Financial Literacy
26	Local Communities
27	Indirect Economic Impacts

Environment

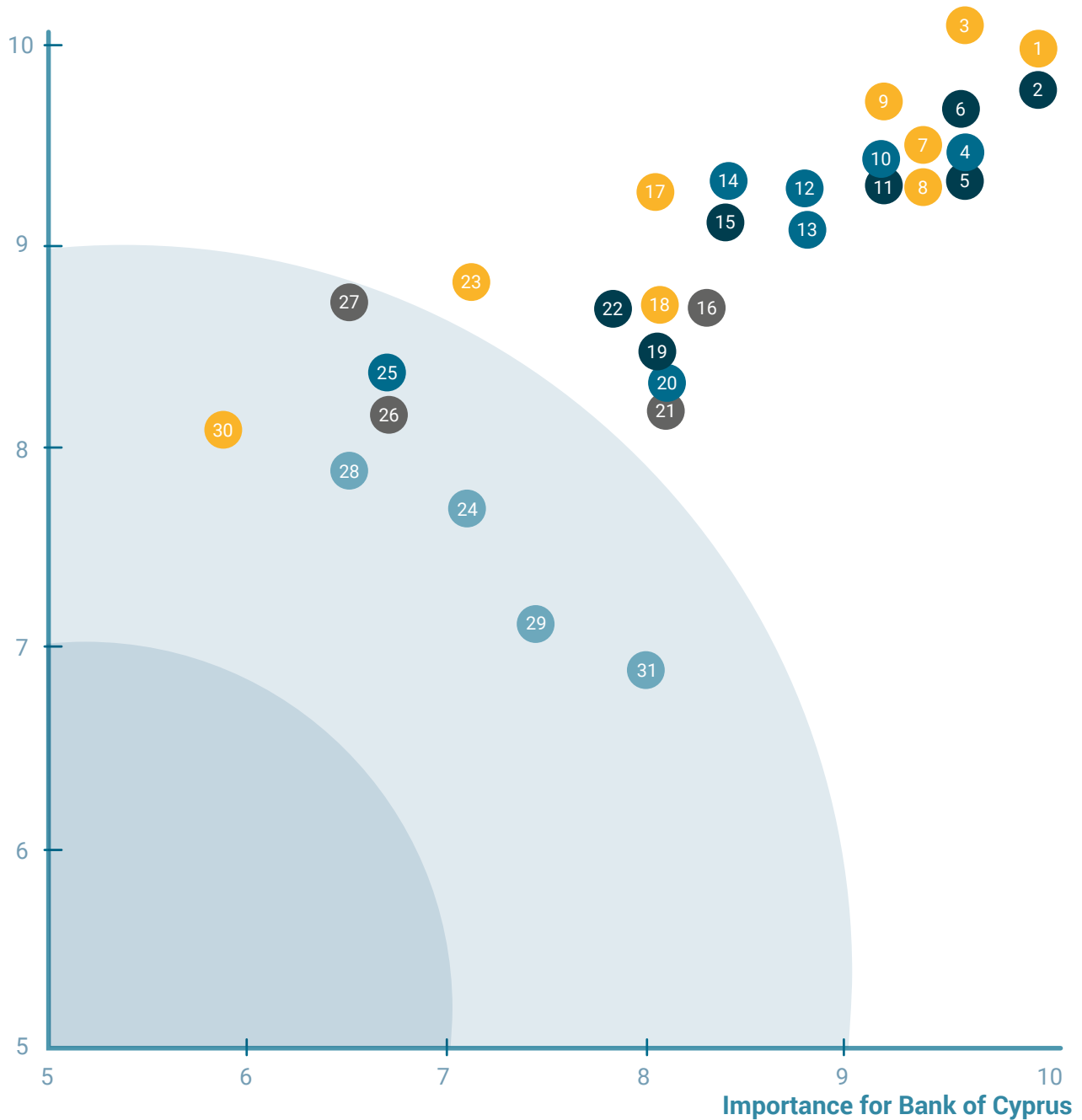
24	Energy Consumption
28	Environmental Investments
29	Waste Management
31	Emissions

As the Bank further strengthened its Sustainability structures, an extensive materiality exercise took place in 2019, and its results were presented in the 2019 Report. During 2020, the Bank embarked on a series of internal meetings

with all Divisions to ensure Sustainability integration. The purpose of these meetings was to discuss in depth Division-related Sustainability topics and actions in support of such topics, to identify and discuss new areas of action

and highlight changes regarding the significance of existing topics. As a result of that exercise, environment-related topics were ranked as more significant as compared with 2019.

Importance for Stakeholders



Corporate Sustainability Pillars

- Responsible Services
- Governance Integrity and Risk Management
- People
- Society
- Environment

CORPORATE SUSTAINABILITY STRUCTURE

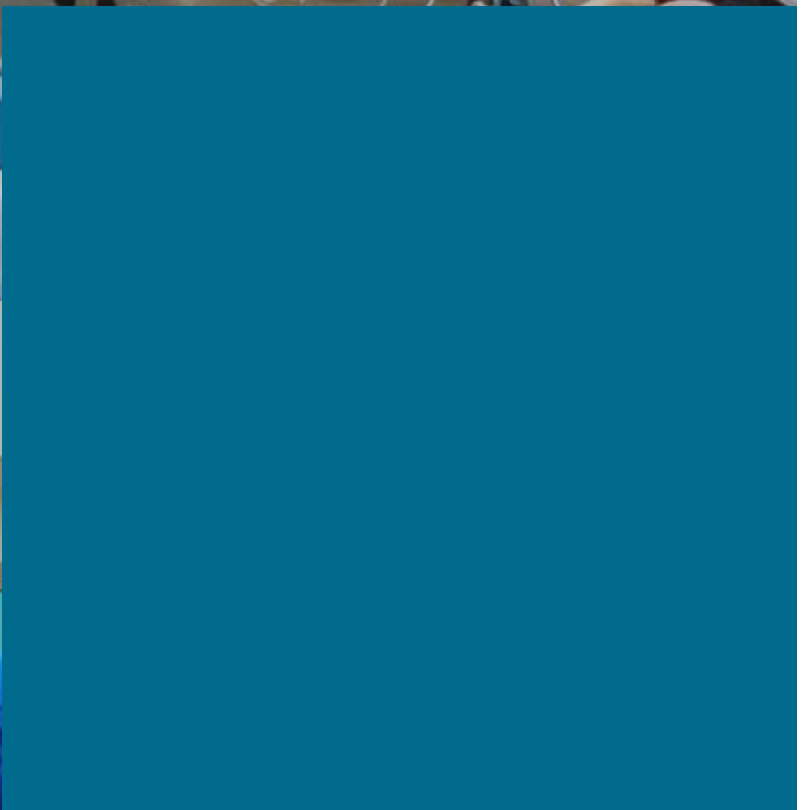
The Bank continues to strengthen the structures required to manage effectively Corporate Sustainability. The Corporate Affairs Division is entrusted with managing and leading the development of the Corporate Sustainability Report within the organisation and is supported by the CSR Liaisons.

CSR Liaisons work to decentralise the concept of Corporate Social Responsibility, increase awareness about volunteerism and enhance the social responsibility culture. CSR Liaisons facilitate data

collection and are responsible for the quality and reliability of data and information of the annual Corporate Sustainability Report. The COVID-19 pandemic significantly affected corporate volunteering in 2020, although some initiatives were able to continue, especially on an individual basis. The Bank did not actively encourage corporate volunteering activities during the pandemic in order to protect its employees and in line of government guidelines relating to the pandemic.

A new institution was initiated towards the end of 2020, the Sustainability Committee, that oversees the ESG agenda of the Group and leads the Group towards a cleaner, fairer, healthier, safer world by helping its customers manage risks in a long term sustainable and equitable way, and to be the employer of choice for the best diverse talent in Cyprus. This agenda will be managed by the Investor Relations & ESG Department.







A Future-Focused Bank

To prepare for the banking needs of the future, the Bank is constantly reinventing itself as a financial institution in order to embrace emerging technologies and address changing stakeholder expectations. The COVID-19 pandemic has catalysed the adoption of new business models and operational strategies resulting in more robust and more resilient systems.

STRENGTHENING RESILIENCE AND DIGITILISATION

Digital Economy

Bank of Cyprus is one of the first banks in Europe to offer a fully digital application process for obtaining an Approved Electronic Signature Certificate. The certificate was developed with the collaboration of the Deputy Ministry of Research, Innovation and Digital Policy during the harsh time of the pandemic. The project falls under the guidelines of providing support to the formal sector and enhancing the Digital Economy of Cyprus as a whole. Certificates of Approved Electronic Signature allow customers (and citizens more widely) to electronically complete transactions with the government

and any other organisation that supports e-signatures, to sign private agreements/contracts and any other digital files, documents, tenders that require signature, thus making physical presence unnecessary and improving customer experience.

In addition, since May 2020, Bank customers can use their online banking credentials to authorise their identification by the government of Cyprus and enable the digital registration with the government portal (Ariadne) which allows them to access all electronic services made available by the Cypriot government. Until recently, identification and authorisation required physical presence.

Branch Transformation Programme

In 2020, the Bank completed the Teller Cash Recyclers project and the pilots for the new Teller Cheque Scanners and ePads projects. Teller Cheque Scanners will enable direct scanning of Cheques at the teller with no need for a deposit voucher. The ePads project will enhance customer experience by allowing the customer to view and digitally sign cashier vouchers. These technologies have been formally deployed in the new flagship branch in Nicosia which came into operation in February 2021.

Modern Workplace

As part of the Digital Transformation Programme, significant changes have been made to establish a modern and more efficient work environment. Several new technologies and tools have been introduced with the aim of drastically improving

the experience of employees and enhancing collaboration and knowledge-sharing throughout the organisation. The Bank has initiated the rollout of highly portable devices for colleagues whose role demands high mobility, while the Information Technology Department in collaboration with

the Human Resources Division and Information Security Unit work to enhance the remote working capabilities, including advanced video conferencing capabilities for employees and executive teams. The new modern workplace also marks a decisive step towards the Paperless Office Initiative.

INFORMATION SECURITY AND CYBERSECURITY: DATA PROTECTION

Over the past years, the Information Security Unit has introduced a number of initiatives to ensure that data is properly stored and safeguarded. It has also followed a rigorous governance and security management process where controls are measured vis a vis their maturity based on international frameworks and remediation actions are taken. Especially in 2020, the Bank upgraded its authentication

process for customers carrying out transactions online. Customers can complete the new process exclusively via the Bank of Cyprus Mobile Banking App (push notifications). This new process is up to market standards and in accordance with rigorous regulatory requirements. During 2020 lockdown, the Bank offered the electronic method for secure payments to protect the interests of its stakeholders. A mandatory Security Awareness

Programme runs on a quarterly basis for all Board Members, Executives and employees. Seven such training programmes ran 15 times during the year for a total 12,592 participants who completed the training (out of the total 12,649 participants enrolled). The Bank is also leading a public awareness programme, in collaboration with the Association of Cyprus Banks, in an effort to raise awareness among users concerning their protection from scams.

SECURITY AWARENESS PROGRAMME

7 training programmes **12,592** participants
15 deliveries passed

MODERNISATION OF INTERNAL SYSTEMS/NEW STRUCTURES

In 2020, a series of projects were set up to enhance internal operational models. The Bank seized the opportunity to ensure better customer service and improve customer experience. It redefined and improved the business model of Wealth & Markets Division, including focus on CISCO Investment Banking. It initiated a series of projects with the aim of upgrading the products

and services offered to Wealth & Markets customers, such as External Asset Management, eFX Convert, and introduced new products such as the Elite Card which will be available before the end of 2021.

The activities of Global Corporate Banking & Markets were also further developed and the Division supported the promotion of

CISCO Asset Management and Investment Banking activities. A pipeline network was developed for lending to Wealth High-Net-Worth Individuals (HNWIs). The Division has established and strengthened collaborations and partnerships between the business lines, departments and companies of the Group with the aim of continuously improving portfolio quality.

Financial Governance Restructuring

The containment of cost is a key pillar of the Bank's strategy. A number of actions were taken to reduce cost while ensuring the quality and speed of service remain intact.

- Appointed a Chief Cost Officer and a team of "cost leaders".
- Strengthened the governance around the entire cycle of cost management, from budget setting and monitoring to reporting.
- Revised the 2019 Financial Governance Framework.
- Established a Cost Steering Committee (CoSC) chaired by CEO which meets on a monthly basis.
- Enhanced cost monitoring via the introduction of a new monthly variance report to track the entire universe of cost for the Group.

Setup of Organisation Department

A new Organisation Department was set up in October 2019 with the mandate to drive the simplification process which consists of the three following pillars and is aimed at improving customer service, efficiencies and cost reduction.

1. Core Processes Simplification.
2. Business Process Management workflows (BPMs) simplification and automation.
3. Kill Bureaucracy initiatives to reduce bureaucracy and provide better service to customers.

The Organisation Department handles the review and assessment of Kill Bureaucracy recommendations on a weekly basis. These recommendations are concerned with customer service, opening of accounts, issuance and delivery of debit and credit cards, customer review, compliance issues, application for credit facilities, environmental issues, cost saving suggestions, which are received via email or the Yammer application.

Key projects materialised and achievements:

- Redesign processes through Business Process Management System (BPM).
- Revision and redesign of internal processes for document scanning, archiving and retrieval utilising cutting-edge systems.
- Digital Signatures Application.
- Optimisation of day-to-day recycling operations and destruction of old archiving material to comply with Retention Policy.

- Review and simplification of Payments Process.

During 2020, a number of key cost reduction initiatives were launched. Initiatives concerned the reduction of inland travelling, expanded use of carpooling and use of digital conference tools. These programmes have also had a positive impact on the environmental footprint of the Bank. Office space was optimised and initiatives on energy saving and consumption monitoring were introduced. A number of initiatives for resource management were implemented involving paper printing adjustments, termination of customer statements' posting, introduction of the Kill Bureaucracy and Kill Waste programmes. The Bank eliminated fitness sorting for notes already checked by the Teller Collection Recyclers. It also renegotiated major contracts and secured better pricing, reduced document retention period and continued with the destruction of box files. It also proceeded with the replacement of text messages (SMS) by push notifications and established screen-checking to minimise printing.

KILL BUREAUCRACY 2020

300

recommendations received

60

implemented

80

in the process of implementation

Central Operations contribution and achievements

- Organizational Restructuring of Payments, Advances Documentation Department (ADD), and Support Functions Departments.
- COVID-19 Loans Moratorium Project.
- Introduction of Securities Financing Transaction Reporting.
- Introduction of in-house development to comply with Banking Resolution Requirement Directive (BRRD).
- Termination of posting paper statements for VISA accounts to active 1bank subscribers.
- Update of internal manuals and circulars.
- Simplification of the process of product opening.
- Centralisation of all customer external communication functions.
- Completion of the new payments system.

22% cost reduction
achieved in 2020 compared with 2019

201,188 boxes of files
(approximately 2,000,000 Kg) were recycled as per the revised retention policy.

KEY COST CUTTING RESULTS IN 2020:

€149,000
elimination
of fitness sorting from Teller
Cash Recyclers (TCRs)
machines

€200,000
destruction
of 201,188 boxes

€50,000
reduced
branch-to-branch courier
services: reduction in 2020
as compared with 2019

BUSINESS CONTINUITY IN THE ERA OF COVID-19

Undoubtedly, 2020 was a very challenging year which tested the endurance of people, businesses, society and the economy. Following the outbreak of the pandemic in March 2020, the Bank invoked its Pandemic Plan which was deployed and tested under difficult and adverse conditions. It was however successfully implemented, it had excellent results and achieved its ultimate goal to retain safety of employees and customers and ensure that key operations were up and running remaining unaffected.

The business continuity of all Divisions was adhered to the provisions of the Pandemic

Plan by the implementation of new working methods including working from home, the familiarisation with new technology and the emergence of new employee culture. Divisions have deployed tailor-made approaches to meet specific needs and expectations of internal and external customers.

The outbreak of the pandemic changed completely how Divisions such as Retail Banking, Small and Medium Size Enterprises (SME) Banking, Corporate Banking and Global Corporate Banking & Markets operated. For operations depending heavily on physical banker-customer

contact, new business models had to be invented and deployed in extremely limited time and under great pressure. As customers showed a preference for the digital products and services in 2020, Departments like the Cards & Payments were under immense pressure to upgrade the Bank's processes as well as expand its range of digital offerings. The Global Corporate Banking & Markets Division, which consists of front-line customer service departments and whose operations are based on and depend on the international stock markets, was affected heavily by the pandemic. On the other hand, the effect of COVID-19 on International Banking

was less occur, mainly because of the very high level of pre-existing digitalisation. Since nearly 98% of the payments were made via online banking, 78% of payments were done via Straight-Through Processing (STP), and account opening and review requests were sent electronically, customers did not face any difficulties.

Internal Audit changed its approach to various activities in order to respond to the implications of this event and accommodate the abrupt change in management priorities. Actions included:

- stakeholder engagement to obtain input on the emerging risks and Internal Audit contributions,

- mid-year revision of 2020 Annual Audit Plan ahead of schedule and postponement of the follow-up process of implementation progress of recommendations, for the months March, April and May.

The pandemic had an impact on scheduled and pipelined projects, activities and tasks of the Chief Information Officer Division. The Division performed significant reprioritisation in terms of resource allocation, budget, projects and technology solutions. Within a very short time, it implemented and enhanced the necessary infrastructure, operational and security processes that allowed over 1,000 employees to work from home.

At the same time, a significant number of new IT projects and system adjustments were initiated and implemented to support the pandemic-related business/ government initiatives.

The Business Continuity and Insurance Risk Management Department was one of the main stakeholders of the Pandemic Plan having the overall responsibility to ensure the Bank's operating resilience along with its overall capability to continue the delivery of its products and services on an on-going business-as-usual mode. The deployment of the pandemic plan required the mobilisation of all employees, in the largest scale ever applied by the Bank.



PANDEMIC PLAN

Retain
employees and customers
safety

Ensure
key operations
were up and running



HIGH LEVEL OF DIGITALISATION

98%
of the payments
online banking

78%
of payments Straight-Through
Processing (STP)

1,000
employees working
remotely

CERTIFICATIONS

For service-centred industries, global recognition by external credible bodies provides industries with credentials that are necessary to build trust with stakeholders. Bank of Cyprus is certified according to prestigious international bodies and standards.

- ISO 50001:2018 Certificate of Conformity
- National Institute of Standards and Technology (NIST)
- Information Technology Infrastructure Library (ITIL)
- Committee of Sponsoring Organizations of the Treadway Commission Frameworks (COSO)
- International Standards of the Institute of Internal Audit (IIA)
- International Financial Reporting Standards (IFRS)
- International Accounting Standards Board (IASB)
- FX Global Code – Global Foreign Exchange Committee
- Cyprus Securities and Exchange Commission Certification (CySEC)
- Payment Card Industry Security Standards (PCI)
- International Standard on Auditing (ISA)
- ACCA (the Association of Chartered Certified Accountants)
Approved Employer

In addition, the Bank complies with the requirements of the ISO 37001 Anti-Bribery Management Systems and ISO 19600 Compliance Management Systems and follows ISO 27001 Information Security Standard. In addition to the above which apply at corporate level, Bank employees are certified for Information Systems Audit and Control Association Risk IT Framework (ISACA).



AWARDS AND RECOGNITIONS

BEST CORPORATE/ INSTITUTIONAL DIGITAL BANK IN CYPRUS

at World's Best Digital Bank Awards by the Global Finance magazine (US)

BEST CONSUMER DIGITAL BANK IN CYPRUS

at World's Best Digital Bank Awards by the Global Finance magazine (US)

BEST SUBCUSTODIAN BANK IN CYPRUS

by the Global Finance magazine (US) for the seventh consecutive year (2014- 2020)

WORLD'S BEST INVESTMENT BANK IN CYPRUS

by the Global Finance magazine (US)

BEST BANK FOR PRIVATE BANKING IN CYPRUS

by the internationally reputable magazine "Euromoney" for the fifth consecutive year (2016-2020)

BEST PRIVATE BANK IN CYPRUS

by the "Global Banking & Finance Review" magazine for the fourth consecutive year (2017-2020)

BEST INVESTMENT BANKING TEAM IN CYPRUS

by the Capital Finance International (cfi.co) for the CISCO Subsidiary for the first time

THE 2020 BANKING GOVERNANCE EUROPE AWARD

by the "Ethical Boardroom" magazine (UK)

THE BEST CORPORATE GOVERNANCE AWARD

for Cyprus by the World Finance (UK)

CFO OF THE YEAR

awarded to Eliza Livadiotou, the Executive Director Finance of Bank of Cyprus, in the framework of the 16th CFO Management Forum

MOST ACTIVE ISSUING BANK IN CYPRUS

by The European Bank for Reconstruction and Development (EBRD)

PARTNERSHIP AWARD

by KBC Bank

DIGITALIZED COMPANY OF THE YEAR

at the Cyprus Business IT Excellence Awards 2020 by Dias - Boussias Communications

GOLD AWARD IN NEW TECHNOLOGICAL TRENDS IN APPLICATIONS AND SERVICES (MOBILE BANKING APP)

at the Cyprus Business IT Excellence Awards 2020 by Dias - Boussias Communications

BEST ACCELERATOR/INCUBATOR PROGRAMME IN SOUTH EUROPE

Startup Awards by public vote for the IDEA Innovation Center

EXCELLENCE IN LEADERSHIP IN WESTERN EUROPE

by the "Euromoney" magazine for the SupportCY Network initiative

SOCIAL INNOVATION AWARD

at the Cyprus Employers & Industrialists Federation "Innovation Awards" for the SupportCY Network initiative



CONFERENCES AND SUMMITS

In 2020, Bank officials and experts were invited as chairs, coordinators or contributors in distinguished national and international conferences and summits, including:

- 4th Business Leaders Summit
- Marine Money 2020
- 6th International Funds Summit
- The Economist – 16th Cyprus Summit
- Cyprus CSR In Action 2020 – Walking together through a pandemic
- Cyprus SMEs Conference
- 3rd Cyprus-Italian Business Forum
- 2nd Digital Banking & Payments Conference
- Digital Transformation Revolution Conference
- Payments 360° Conference
- 6th International Compliance Forum
- The Summit for Asset Management (TSAM): Regulations & Compliance Digital Summit
- Institute of Chartered Accountants in England and Wales (ICAEW) Roundtable
- BCG CFO Virtual Roundtable
- 3rd Cyprus Anti-fraud Conference
- ISACA – The impact of COVID-19
- Empire and Excavation: Critical Perspectives on Archaeology in British period Cyprus, 1878-1960
- The Annual Economy Panel of the Cyprus Economic Society
- Cyprus Forum: Session on Fiscal Policies of Recovery and Resilience

Bank representatives delivered leading speeches, keynotes, presentations and gave interviews on a diverse number of topics, including:

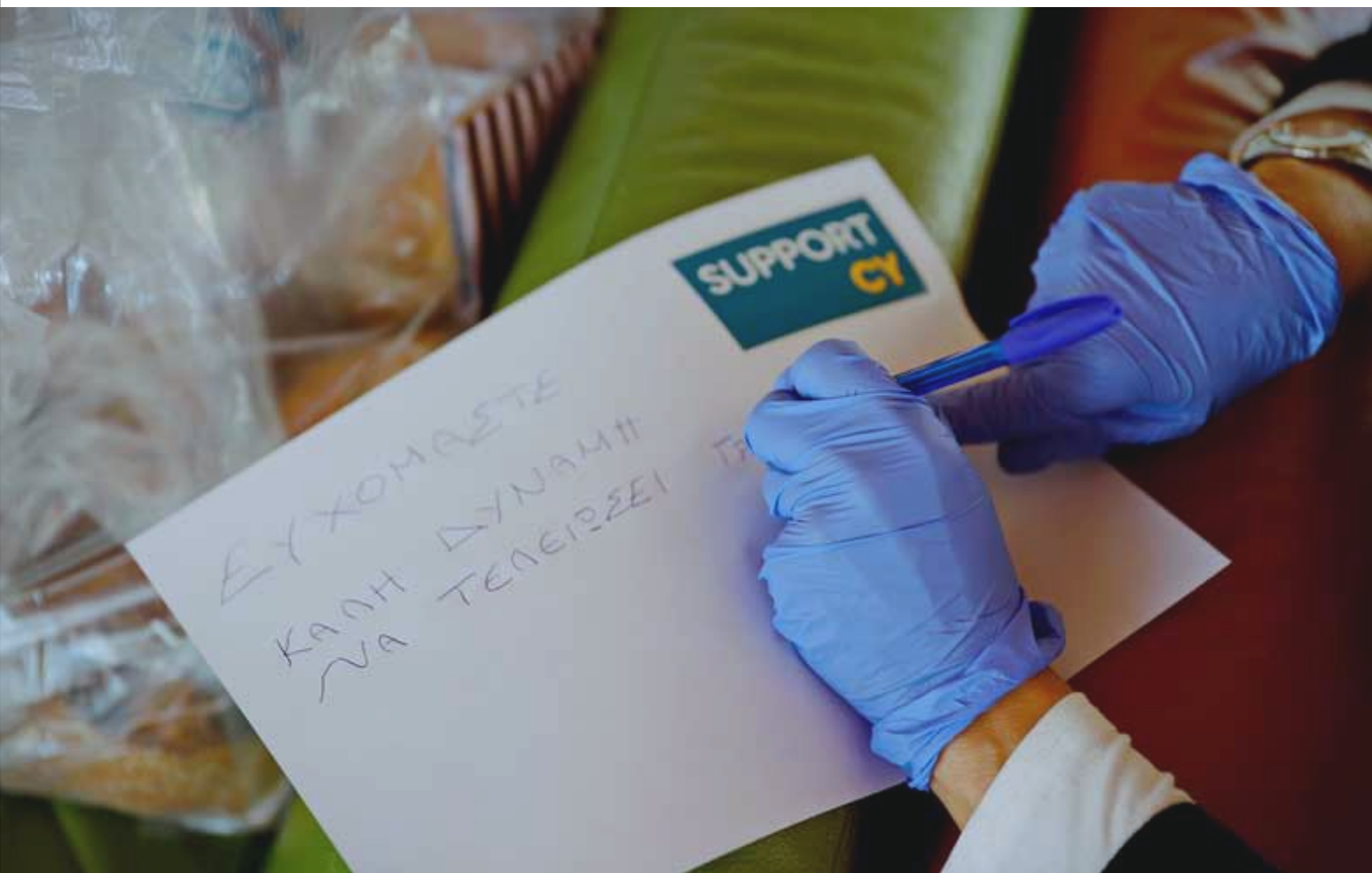
- The impact of COVID-19 on Business: Protect, Recover, Rethink
- The Cyprus Funds Industry: State of Play and Growth Prospects
- SupportCY. We fought this battle together and we continue...
- Funding and financial management of SMEs in the current digital era
- The Changing face of Payments
- Managing the Crisis, Planning the Future
- The Partnership Way or the Highway
- How will Cyprus protect whistle blowers?
- COVID-19 and implementing IFRS 9 Financial Instruments
- IFRS9 and banking in Cyprus
- The Ancient Cyprus Collection at the British Museum: retracing stories of travelling antiquities, knowledge and empire
- Cyprus' macroeconomic and investment outlook an opportunities post the COVID-1 pandemic
- Cypriot Shipping Banks and Market Profile
- Testing the strength of the Financial Sector

ACTIVE CONTRIBUTION AND MEMBERSHIPS

Bank of Cyprus is an active member of acclaimed associations and industry bodies. It actively contributes to the public debate and makes recommendations. Although the Bank does not engage in lobbying outside of the remit of the Association of Cyprus Banks, and does not commission lobbying services, it sometimes provides solicited clinical advice based on its expertise. The Bank has provided input on new legislation through the Association

of Cyprus Banks on: Stamp Duty Law, the Business of Credit Institutions Law, The Transfer and Mortgage of Immovable Property Law, Factoring Law (still draft bill), The Law Regulating Financial Leasing and the Activities of Financial Leasing Companies, the Resolution of Credit Institutions and Investment Firms Law, the Law Relating to the Establishment and Operation of a Single Agency for the Out of Court Settlement of Disputes of Financial Nature

(Financial Ombudsman), the Comparability of Fees related to Payment Accounts, Payment Account Switching and Access to Payment Accounts Law, the Law on Associations and Institutions and other related matters, the Unfair Contract Terms and Practices Law (still draft bill). The Bank has also taken an active part in advising the Ministry of Finance on decrees relating to the pandemic.



BANK OF CYPRUS IS A MEMBER OF THE ASSOCIATIONS AND ORGANISATIONS THAT ARE LISTED BELOW

Name	Holds a Place in the Governing Body	Participates in Projects or Committees	Provides Significant Funding Beyond the Regular Subscription	Considers its Involvement as a Strategic Priority
Association of Cyprus Banks	•	•		•
Central Bank of Cyprus (CBC)		•		•
International Chamber of Commerce (ICC)		•		
Cyprus Chamber of Commerce and Industry (CCCI)			•	•
Cyprus Employers and Industrialists Federation (OEB)				•
Cyprus Investment Funds Association (CIFA)		•		•
Cyprus Securities and Exchange Commission (CySEC)				•
Business Integrity Forum				•
International Advisory Board of the International Compliance Association (ICA)		•		•
Cyprus Association of listed companies	•	•		•
Cyprus Institute of Internal Auditors (IIA)		•		•
Information Systems Audit and Control Association (ISACA) Cyprus Chapter		•		
European Banking Federation		•		
The Cyprus Economic Society	•	•	•	•
Cyprus Advertisers Association	•	•		•
Advertising Control Agency (FED)		•		•
Cyprus Association for Quality				•
Cyprus International Business Association (IBU)				•
CSR Cyprus	•			•
Cyprus Marine Environment Protection Association (CYMEPA)	•	•		•
American Chamber of Commerce	•	•		•





Our Responsible Services

Faced with game-changing global challenges, technological disruptions, shifting customer demographics and sustainability priorities, the Bank focuses on transformational solutions to meet stakeholder needs, customer demands and remain relevant. Digital transformation will improve significantly the experience of the customer and therefore remains a top priority.

COMMITTED TO CUSTOMER CENTRICITY

The Bank works constantly to upgrade and expand its range of products and services, to meet and exceed customer expectations. As a leading player in banking business, its vision is to drive progress across the country. Its emphasis is on technological modernization, digital infrastructure and offerings

which during 2020 played a crucial part in mitigating the negative impact of the pandemic. Contactless technologies and digital experience change the established service delivery models but customer satisfaction always remains at the heart of the Bank.

Bank of Cyprus has completed a study in collaboration with KPMG to analyse consumer habits in Cyprus with regard to the impact of the pandemic. Both the habits of consumers and the impact of individual industries were analysed.

Our Responsible Services



Nicosia Region

Branches 33
Cash Offices 6
Unmanned Branches 7
ATMs 66

Limassol Region

Branches 18
Cash Offices 1
Unmanned Branches 2
ATMs 34

Larnaca Region

Branches 13
Cash Offices 2
ATMs 22

Paphos Region

Branches 10
Unmanned Branches 1
ATMs 16

Famagusta Region

Branches 6
Cash Offices 2
ATMs 12

Total

Branches 80
Cash Offices 11
Unmanned Branches 10
ATMs 150



695,145

Retail Banking customers

13,138

SME Banking customers

3,351

Corporate Banking customers

1,134

Global Corporate Banking customers

1,009

Wealth & Markets customers

48,205

International Banking customers

MACHINES



Automated Machines for the Public

Number of automated machines for the public by type/New in 2020:

- 360⁰ Notes: 18/16
- 360⁰ Coins: 14/13
- Coin Counters: 21/21
- Pay-In Machines: 15/15



Machines for the Branches

Number of machines for the branches by type/New in 2020:

- Teller Cash Recyclers: 207/14
- Scanners: 36/36



Pay-In Machines

Pay-In Machines is a new solution to simplify the process of depositing cash, checks and coins

AUTOMATED MACHINES DATA

9.7 million transactions in total amounting to €3.170 million

9.3 million of cash transactions amounting to €2.268 million

400 thousand of check transactions amounting to €902 million

Total investments in machines for the public: €630,175

Total investments in machines for the branches: €714,000

44,945 transactions in Pay-In Machines

€36.7 million in total cash amount

€330 million in checks

Retail Banking

Total Number of customers: 695,145
(Individuals 663,264 - Legal Entities 31,881)

537.9
New lending as at 31 December 2020 (€ mn)

5,740
Gross loans 31 December 2020 (€ mn)

Corporate Banking

Total Number of customers: 3,351
(Individuals 1,481 - Legal Entities 1,870)

364.7
New lending as at 31 December 2020 (€ mn)

2,442
Gross loans 31 December 2020 (€ mn)

Wealth and Markets

Total Number of customers: 1,009
(Individuals 777 - Legal Entities 232)

3.5
New lending as at 31 December 2020 (€ mn)

33
Gross loans 31 December 2020 (€ mn)

SME Banking

Total Number of customers: 13,138
(Individuals 7,559 - Legal Entities 5,579)

143.1
New lending as at 31 December 2020 (€ mn)

1,758
Gross loans 31 December 2020 (€ mn)

Global Corporate Banking

Total Number of customers: 1,134
(Individuals 251 - Legal Entities 883)

279.9
New lending as at 31 December 2020 (€ mn)

2,087
Gross loans 31 December 2020 (€ mn)

International Banking

Total Number of customers: 48,205
(Individuals 27,812 - Legal Entities 20,393)

22.1
New lending as at 31 December 2020 (€ mn)

136
Gross loans 31 December 2020 (€ mn)



New lending for education and health (€ mn): 24

Health: 20

Education: 4

Flagship Branch: Pioneering in Customer Experience

To fulfil its ambition to lead the way in digital services and offer superior customer experience, Bank of Cyprus designed a brand-new concept for the branch 0117 in Strovolos area, in Nicosia.

The branch has been designed to acquaint the customer with leading technologies. The customer service experience is based on three pillars.

1. Customer Welcome

- Welcome Desk: acquainting customers with new technologies and self-service machines.

- ATM / Kiosk and Tellers: machines designed for customer self-service use, with the help of employees if needed.

2. Explore

- Open Dialogue Table: direct contact with customers for product/solution presentations.

3. Meet & Talk

- Total Privacy: for specialized consulting services.

The flagship branch opened in February 2021 while a second branch, operating under the same principles, is planned to open in Limassol.

The branch design promoted digital onboarding of customers, paperless transactions and smoother, faster service for customers.

Drive-through ATM Locations

Bank of Cyprus maintains the only drive-through ATMs on the island, in three major urban locations in Nicosia and Limassol. These ATMs are among the most popular as they provide easy access especially for individuals with disabilities.

3 Drive-through ATM locations



DIGITAL INNOVATION AND CHANNELS

Due to the pandemic, customers were driven to alternative solutions for their banking needs and transactions. To meet their needs quickly and to the fullest,

the Bank focused all its efforts on raising awareness about the digital channels and increasing their use. The recognitions received by the reputable

magazine "Global Finance" as part of the prestigious "World's Best Digital Bank Awards 2020" was the embodiment of hard work and dedication.

2020 IN NUMBERS



- Transactions: 178 million (inquiries & financial)
- Subscribers at the end of the year: 325,000 active subscriptions
- Bank customers connected to 1bank: 451,000 customers in active subscriptions
- Value traded: €34.1 billion
- Average daily number of logins in 1bank in December: 197,000



INCREASE OF USE IN RELATION TO 2019

- Digital Channels (Internet Banking & Mobile app): +28%
- Internet Banking: +11.9%
- Quick Pay: +101%
- Digital Subscriber Penetration: 50.25% in 2020 (41.83% in 2019)
- Mobile Banking Application: +42.1%
- Mobile Subscriber Penetration: 42.67% in 2020 (34.74% in 2019)



RATE OF DIGITALLY ENGAGED CUSTOMERS

- Digitally Engaged Customers (Individuals)*: 74.71% in 2020 (68.56% in 2019)
- Digital Transactions Ratio (Legal Entities)**: 73.76% in 2020 (56.18% in 2019)
- Digital Transactions Ratio (Total Portfolio): 84.44% in 2020 (77.35% in 2019)

*Calculated as the ratio of digitally engaged individual customers vs the total number of individual customers as per the engagement scorecard. Digital channels include mobile, browser & ATMs.

**Calculated as the ratio of digital transactions performed by legal entity clients vs total transactions of legal entities. Transactions include Deposit, Withdrawal, Internal and External Transfer.

NEW DIGITAL PRODUCTS AND FEATURES

Bank of Cyprus opened its first unmanned branch in 2019 at the Nicosia Mall and the second branch in November 2020 at the Tiffany Mall in Limassol. Two more branches are planned for 2021, at the Metropolis Mall in Larnaca and at the Limassol Marina. The entrance to the branches for the use of the “360 machines” for businesses is achieved through Bank of Cyprus cards. ATMs located outside are accessible to the general public. The “360 machines” are an innovative and easy approach for business self-service allowing fast and safe cash deposit.

The ongoing transformation of the Bank is largely dependent on the continued rollout of new digital products -including cards- offered to the customers. The Bank offers a wide range of digital card “wallets” for Android and iOS, a wide variety of devices like watches, mobiles, tablets/ ipads and a big range of VISA and Mastercard products that can be added to these wallets. During 2020, digital wallets became a preferred method of card payment for safety reasons. The digital wallets offered by the Bank are:

- Apple Pay (launched June 2019): There was an increase of 64% and 48% in Apple Pay digital

cards and customers in 2019 and 2020 respectively. 2020 specifically closed with 71,138 Apple Pay cards and 44,374 customers.

- BoC Wallet (launched March 2019) for Android: There was an increase of 73% and 58% in BoC Wallet digital cards and customers in 2019 and 2020 respectively. 2020 specifically closed with 45,144 BoC Wallet cards and 30,094 customers.
- Garmin Pay: Launched in May 2020.
- Fitbit Pay: Launched in July 2020.

Paperless Services and E-statements

Bank of Cyprus customers using the ATMs have the opportunity to opt-in for a printed receipt, with the default option being to view their transaction only electronically. In 2019 the consumption for ATM paper rolls was 2,421, however in 2020 it increased (by 2.2%) to 2,474 due to the increased use of alternative service channels, despite the paper-saving default option offered.

Paper rolls consumption in ATMs (pcs)

2020: 2,474

2019: 2,421

Mobile Banking Application

In 2020, the Bank upgraded its mobile banking application with new features which enable users to:

- apply for a digital certificate in order to secure their electronic signature through the approved provider in Cyprus (JCC Payment Services Ltd),
- receive push notifications on the mobile phone to authorise online card transactions and thus feel more secure,
- activate their subscription remotely,
- register online to 1bank digital channels,
- recover a forgotten user ID and set a new password (passcode),
- add Visa cards to BoC Wallet (Android) and Mastercard cards to Apple Pay (iOS) directly,
- purchase mobile top-ups.

10 Unmanned
branches

€12.7 million
Amount deposited in
unmanned branches

Services offered
ATM, cash “360 machines”
(notes and coins)

CHANGE IN SPENDING BEHAVIOURS THROUGH CARDS

COVID-19 has inevitably affected the spending behaviour and thus the Cards and Payments function. The Bank has observed an increase mainly in debit cards usage while on the contrary there was a decrease in the usage of

credit cards. Credit cards are used more for transactions such as travel, restaurants, hotels, etc. categories that have been dramatically affected by COVID-19. Also, there was an increase of 19.7% in the local turnover, while

the foreign turnover decreased by 19.1%. Although this development was fully anticipated, it affected negatively the profitability of the Bank, as local increase does not cover the loss from the foreign spending decrease.

TURNOVER	2020	2019
Local	2,959,523,121	2,473,073,631
Foreign	740,584,274	915,382,204

ENVIRONMENTAL AND SOCIAL POLICY FOR LENDING

Shifting to a more sustainable business is a commitment led by the CEO and applied across the Bank. The Bank commits itself to behave ethically at all times and circumstances, and reaches decisions based on long-term sustainability factors and ambitious targets. In line with its business objectives, in 2020, a total of 124 environmental and social studies regarding new lending to legal entities were conducted.

Environmental and social procedures are applied to:

- all new lending to legal entities (excluding credit card facilities),
- all lending secured by a mortgage, irrespective of type, amount or customer activity,
- insurance activities (exceptions apply).

The Bank applies policies and procedures to ensure that legal entities are compliant with relevant local and international environmental and social laws and regulations. In that way it minimises the risk of financial businesses that operate outside the law or pose a threat to the environment and society. As part of this process, it:

- obtains written confirmation from the customer,
- checks relevant licenses and work permits,
- conducts media search,
- checks for visits by regulatory authorities and any regulatory improvements requested by relevant authorities,
- checks for any legal action (criminal or civil),
- employs in-house or external expertise,

- monitors compliance on a regular basis.





In general, the level of the investigations was satisfactory, and all outputs of the assessments were taken into account and acted upon accordingly. Additional actions are being evaluated to strengthen the importance of environmental and social studies in the lending process, for all customers. In alignment with core Group policies on customer acceptance, lending, preventing money laundering and terrorism financing, among others, the Bank ensures that environmental, social, and governance factors are included in the decision-making process which is updated regularly to ensure that the Bank is compliant with the legislative framework and leading practices in the sector.

RESPONSIBLE PRODUCTS

Aligned with the global trends in products that have environmental or social characteristics or have a

sustainable investment objective, the Bank has designed four Go Green lending products which are

under approval and are planned to be activated before the end of 2021.

GREEN HOUSE RENOVATION LOAN	GREEN ENERGY LOAN
 <p>Upgrading energy efficiency of residences</p>	 <p>For the purchase of photovoltaic systems, purchase of systems for electric car charging and purchase and installation of solar heating system</p>
GREEN CAR LOAN	GREEN BUSINESS RENOVATION LOAN
 <p>For the purchase of a hybrid or electric car</p>	 <p>For the purpose of renovating business premises with simultaneous installation of photovoltaic systems, purchase of new technology machinery/equipment, etc.</p>
<p>In addition, three more new products focusing on digital transformation are under development. The Go digital products are aimed at both individuals and businesses.</p>	

The Estia Scheme

The Estia Scheme was developed by the Ministry of Finance and approved by the European Commission's Directorate-General for Competition. The scheme was designed to provide collaboration between Banks, the government and borrowers in order to protect the primary residence of households which were affected by the 2013 crisis,

but who are not categorized as strategic defaulters. The Bank is participating in the scheme which was launched in September 2019 expected to provide support to households/borrowers of the Bank, whose financial predicament did not emanate from own behaviour, but from exogenous developments relating to the overall economic crisis. An additional extension was given

by the government due to the COVID-19 pandemic and therefore the implementation is progressing according to plan. The Bank received 2,048 applications out of which 376 have been assessed as eligible and viable. Of these 236 have been approved until today by both the Bank and Ministry of Labour, Welfare and Social Insurance which is implementing the scheme on behalf of the Ministry of Finance.

FINANCIAL INCLUSION AND ACCESSIBILITY

Physical Premises

Bank of Cyprus has been making sure its branches and ATMs are accessible for people with mobility impairments. This applies to branches, ATMs, buildings and safe deposit lockers.

Basic Account

Bank of Cyprus offers basic banking accounts to ensure access to financial services for all. Access to the Basic Account and basic financial services is part of financial inclusion. It constitutes a priority for the Bank, as it enables everyone to be integrated in society and to live a normal social and economic life.

Digital Accessibility

Bank of Cyprus commits itself to ensuring digital accessibility for

people with disabilities. The Bank is actively working to increase the accessibility and usability of its website and digital banking. In 2020, the Bank worked to improve the web content to comply with the World Wide Web Consortium (W3C) Web Accessibility Initiative's (WAI) Web Content Accessibility Guidelines 2.1 (WCAG 2.1). The WCAG guidelines are aimed at making web content more accessible to people with disabilities, including blindness and low vision, deafness and hearing loss, and to others who rely on assistive technology, such as screen reader users and keyboard-only users. The goal of the Bank is to provide the opportunity for everyone to fully interact with and benefit from its website and digital banking. Periodical evaluations are

performed with automatic tools to identify and correct any potential accessibility issues of the website content and digital banking, with a view to maintaining and improving accessibility and usability level.

Access to Cash in Rural Communities

The Bank aims to provide everyone the access they need and enable them to use the products and services that are right for them. Although banking is changing and more people are choosing to conduct their banking electronically, having physical banking facilities is still important for certain local communities. Bank of Cyprus makes sure to provide physical infrastructure to serve local economies and the communities that need them.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

100 Branches
out of which 80%
are accessible

150 ATMs
80% accessible

20 Buildings
100% accessible

Safe deposit
lockers
55% accessible

Branches and ATMs in Rural, Sparsely Populated or Remote and Economically Disadvantaged Areas

6 Branches

6 Unmanned or Cash Outlets

12 ATMs

BUSINESS BANKING COMPLIANCE

The successful transition to a role model of sustainable business, first and foremost requires addressing issues of compliance. The Compliance Business Banking Department, in close cooperation with the Compliance Division, ensures the effective management of compliance risks and the implementation of the regulatory obligations, compliance policies and business strategy. This is achieved through:

- providing advice and guidance on issues such as the Anti Money Laundering (AML) and General Data Protection Regulation (GDPR),
- coordinating awareness campaigns,
- contributing to procedures' improvement or issuance,

- limit approval,
- report preparing.

Bank of Cyprus is embracing its role in influencing new behaviours among customers and shaping sustainable finance.

The Regulatory Business Banking Department supports the responsible mission of the Business Lines as follows:

- It monitors, studies and analyses in depth the European Directives, the Directives of the Central Bank and the developments in the institutional, legislative and regulatory framework related to the work of the Department and participates in cooperation with other responsible departments of the bank in the adoption of the procedures/systems with the said instructions.

- It monitors and supports the effective management of operational risks of Business Banking lines in accordance with the Group Risk Operational Management Policy with regards to risk identification, risk assessment and risk mitigation and relevant procedures.
- It monitors and supports the effective handling of the findings of internal and external audits (European Central Bank / Central Bank, other external audits) with the aim of completing all actions in the deadlines set.

In 2020, 25 Operational Risk and Control Self-Assessment (RCSA) workshops have been completed.

KNOW YOUR CUSTOMER

All Divisions give their uttermost attention to the Know Your Customer (KYC) policies, in close cooperation with the Compliance Division, the Central Bank of Cyprus and the European Central

Bank to ensure that the highest standards of KYC and anti-money laundering procedures are met. All Banking Divisions group customers into three different categories according to their

risk profile (High Risk, Moderate Risk, Low Risk) and update their data at different regular intervals depending on their category, to ensure compliance.

BUILDING CUSTOMER RELATIONSHIPS

4th Business Leaders Summit

Despite the pandemic, Bank of Cyprus hosted with great success its flagship event, the 4th Business Leaders Summit. Although initially planned to take place on 9 March, 2020 with the physical presence of the participants, the summit took place on 7 October online and exceeded all expectations with over 1,000 participants.

The conference was hosted by Michalis Athanassiou (Executive Director Global Corporate Banking and Markets) and Xenios Konomis (Director Corporate Banking). The closing comments were made by the Bank CEO, Panicos Nicolaou.

The conference examined how business leaders coped with the crisis, how they protected their organisations and managed the economic impact of the pandemic. Leading businessmen shared their experience and presented

their personal forecasts for life in the post-pandemic era and the return to growth.

Additional Initiatives

Corporate Banking Division focuses on providing fast and responsive customer service and aims to build strong customer relationships. Its primary objective is to be customers' first call. The Division held a few business lunches and dinners before the outbreak of the pandemic in 2020, with about 30 customers in Nicosia, Larnaca, Limassol, Famagusta.

The Bank has also responded to requests from corporate customers for detailed presentation of 1bank operations. During 2020, 10 presentations were given via video conference due to the pandemic.

Similarly, at the beginning of 2020, Small and Medium Size Enterprises (SME) Banking hosted an acquaintance party for 300 guests at the Head Office in Nicosia, during which Division executives engaged with customers and further nurtured their relationships.

Throughout 2020, Global Corporate Banking & Markets encouraged its business customers to adopt responsible behaviour policies, assess and mitigate their environmental and social impact, and contribute positively to the ecosystem in which they operate. These were successfully supported by 1bank and the electronic channels, the use of the B2B APIs service as well as the bulk deposits through automatic cash machines. All the aforementioned actions will continue to be a top priority as well in 2021.

SME BANKING EVENT

300 guests

February 2020

Physical presence

4TH BUSINESS LEADERS SUMMIT

1,000+ participants

October 2020

Online presence

PROMOTIONAL ACTIVITIES

A number of promotional activities for card customers were deployed throughout 2020 to enhance the Bank's relationship with its customers and service users. During the pandemic, the promotional activities of the Bank help enhance and strengthen its relationship with customers and reward them for their loyalty. In total, the Bank ran over 10 promotional campaigns and competitions.

Bank of Cyprus waived its fees on subscriptions and the issuance of

new debit cards as well as zero charges to young card holders, in order to facilitate needs under pandemic conditions and to encourage cashless, contactless transactions. It launched initiatives to limit the use of cash and to obviate the customers' need to physically visit a branch unless absolutely necessary. In order to help young people and in particular Cypriot students stranded abroad, the Bank waived its charges for purchases and withdrawals in and out of the Eurozone.

Card Reward Scheme "antamivi"

The Bank of Cyprus rewards every card transaction through its innovative card reward scheme "antamivi". Over 250 merchants and more than 700 outlets participate in the Scheme enabling Bank of Cyprus card customers to earn points that can be redeemed immediately.

ANTAMIVI CARD REWARD SCHEME COMPOSITION

	2020	2019
Number of participating merchants	247	260
Total subscribers	272,248	260,844
Subscribers who redeemed points	121,883	119,677
Total amount redeemed (€)	1,905,239	2,374,870

ANTAMIVI PARTNERS

33%

Restaurants

10%

Hotels/ Travel

24%

Other Retail

14%

Retail Clothing/
Shoes Other Retail

8%

Beauty/ Spa/ Hair

CUSTOMER FEEDBACK

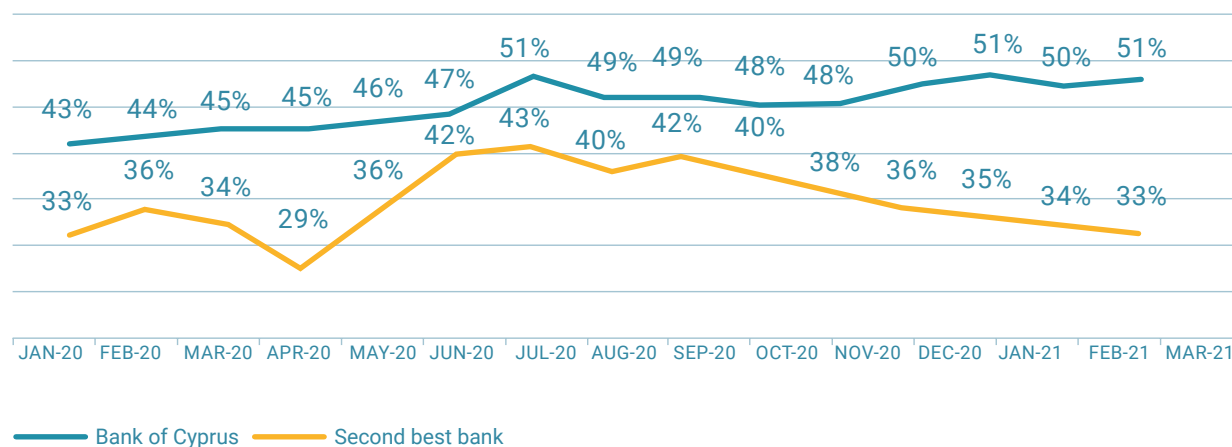
The Bank commits itself to maintaining open channels of communication, especially during challenging times. Listening to the voice of the customer is a powerful way to develop and deliver exceptional services and

improve the customer experience. In 2020 the Bank reaffirmed its commitment to service quality since the target of zero overdue complaints was achieved by the end of the year. The Complaint Management Policy ensures

that employees are trained, they properly record and thoroughly investigate complaints. It also ensures that management mechanisms are sound.

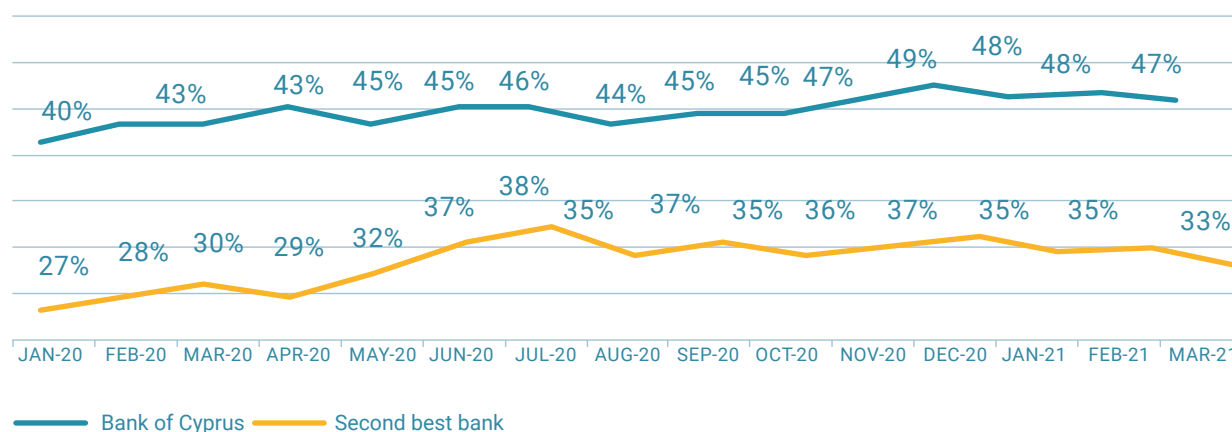
Engagement attributes: Best customer service

Bank of Cyprus focus on Customer Service has secured a solid, distant lead from second best in polling data. The intention is to continue improving the Bank's metrics.



Engagement attributes: Most competent employees

Among key evaluations of employee training and Customer Service quality, is the external polling of public opinion. A widening margin from second best confirms the training impact trickles down to the customer.



Complaints Management Unit

The Unit coordinates and follows up the complaints procedure of the Bank for all Business lines to ensure compliance with the complaints policy and the regulatory framework. It is also responsible for capturing, recording and coordinating complaints procedure from external sources such as the Financial Ombudsman. To ensure that the Bank's complaints procedure complies to the regulatory framework, the Unit participates in the design of processes and circulars, and reports to the relevant Bank committees.

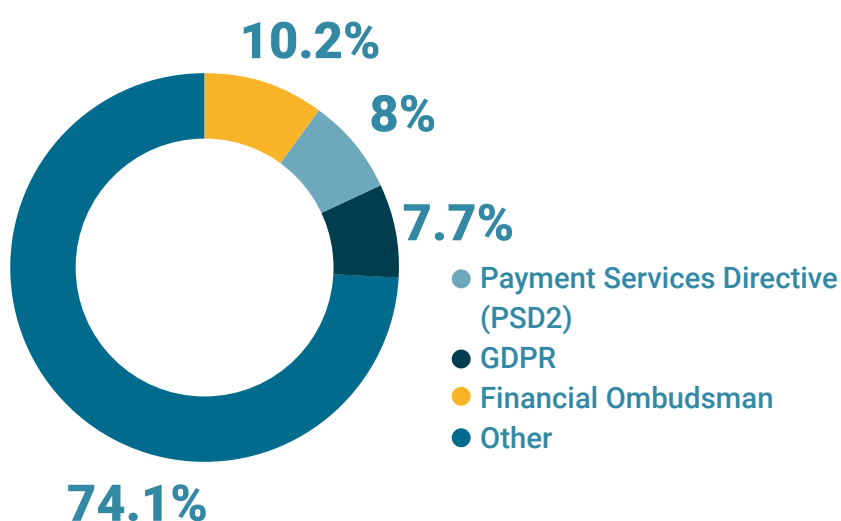
COMPLAINTS COMPLETED IN 2020 BY LEGAL FRAMEWORK

	NUMBER
Payment Services Directive (PSD2)	59
General Data Protection Regulation (GDPR)	57
Financial Ombudsman	75
Other (e.g. loans, customer service, cards etc.)	546
Total complaints completed in 2020	737

COMPLAINTS

	TOTAL
Pending end of 2019	109
Registered in 2020	690
Completed in 2020	737
Pending end 2020	62

COMPLAINTS COMPLETED BY LEGAL FRAMEWORK 2020



COMPLAINTS REGISTERED PER YEAR*

2020: 690
2019: 1,050
2018: 668

*The number of complaints was reduced from 1,050 in 2019 to 690 in 2020, i.e. by 360. In 2019, 205 complaints on Contingent Convertible Bonds were recorded, thus boosting 2019 figures. Taking this into account, complaints actually reduced by 155 in 2020. The further reduction can be attributed mainly to the measures taken against COVID-19.

The actual compensation amount paid for 2020 is €140,409.06 which is mostly attributed to Financial Ombudsman's decisions. 26 out of 690 cases incurred a compensation amount.

Call Centre

The Bank of Cyprus Call Centre is yet another channel of communication with customers. In 2020, about 666,000 calls were received, and taking into account the low customer abandonment rate of 8.25% before speaking to an agent, the Bank is positive about its service quality and aims even higher.

CALL CENTRE DATA 2020

Number of contacts with customers	≈666,000
Average call duration	3:30 minutes
Customer abandonment rate	8.25%

Observations and Lessons Learned

Maintaining high quality responsible services requires commitment to continuous improvement. By analysing the Bank performance and outcomes through root-cause analysis, it was concluded that no significant complaints have been recorded and no significant issues have been reported. In the first half of 2020, there was an increase in Card-related complaints (58 complaints) due to the deployment of the new Cards Management System. In the second half of 2020, these complaints were significantly reduced (25 complaints). The focus remains on achieving zero complaints for all Business Lines and on maintaining zero overdue complaints by the end of 2021.

SUPPLY CHAIN

The Bank aims to establish mutually beneficial strategic partnerships with its suppliers and business partners. It implements an established process under tightly drawn criteria for sourcing and procurement. The Bank follows certain principles, including carrying out a due diligence process for local and external suppliers and running

e-learning modules for employees on a regular basis to ensure internal alignment.

In 2020, in preparation for the planned rollout of an e-Procurement solution (ZYCUS system), training material has been sent to a number of suppliers in order to facilitate supplier registration. Main groups of suppliers are:

- Advertising companies
- Supply of materials and supplies
- Technical services
- Technology services
- Architects and civil engineers
- Consultant agencies
- Other services

BANK OF CYPRUS SUPPLIERS

Category	Number of Suppliers	Amount Paid (includes VAT)
Local suppliers*	1,035	90,313,100
Foreign suppliers	260	43,302,390
Rents paid to third parties	204	7,692,156
Total	1,499	141,307,646

*Suppliers based in Cyprus

Payments exclude employee costs, trade subscriptions, Central Bank, ECB, single resolution, insurance policies.

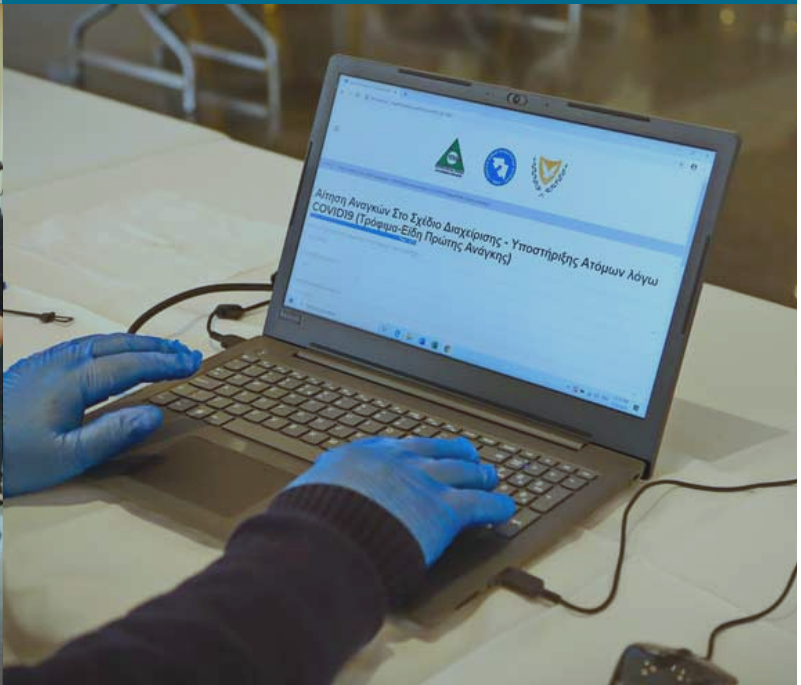
RESPONSIBLE COMMUNICATION AND MARKETING

The Bank adopts a customer-centric approach and aims to provide exceptional digital experience. The customer experience via the Bank's digital assets is continuously monitored while function and design upgrades often take place to guarantee their users the best experience. The activity of the Bank on social media and websites is constantly monitored and upgraded. All the advertising

agencies with which the Bank collaborates are required to follow the World Federation of Advertisers (WFA) guidelines.

As a member of the Advertising Control Agency (FED), the Bank follows the Cyprus Code of Conduct which is based on the International Chamber of Commerce (ICC) Code. The Code sets out the rules of professional conduct and ethics to be observed in relation to the consumer.

Both the spirit and the letter of the Code are followed in all forms of products and services advertising and communication. The word "advertising" is taken in its broadest sense and includes all forms of communication and promotion. The main communication topics include: Banking/Finance, Products, Corporate Sustainability and Corporate Social Responsibility.





Our Society

It is the undeniable responsibility of the Bank to make a difference in the communities in which it operates. Since its establishment, and especially during challenging times, the Bank has gone beyond its primary corporate role as a banking institution to reinvent ways of improving Social Capital. As such, SupportCY which was conceived in the first days of the of the Pandemic, in March 2020 is ground-breaking in its conception. It focuses on social value creation and has confirmed the Bank as the leader and key player in the societal health for Cyprus.

SOCIAL VALUE

Bank of Cyprus is not limited to its legal obligations as defined by its status as a banking institution.

The purpose of the Bank is to become the engine of sustainable growth in Cyprus. Therefore, the Bank engages with stakeholders, including investors and shareholders, and establishes and

maintains partnerships that create long term value.

Bank of Cyprus allocates financial, human and material resources in order to design, create and implement short term programmes and long term initiatives. This is part of the Bank's direction to maximise

the value added created by its activities and contribute to the prosperity of Cyprus.

In 2020, the Bank, as per the calculations presented earlier in the Report distributed economic value that reached €343 million. The aim is to increase this value further in 2021.

SupportCY NETWORK

SupportCY encapsulates the Bank's vision for the creation of a structured, long-term relationship between businesses, NGOs and public sector in generating Social Capital in Cyprus. The Bank treats Social Capital as critical infrastructure for the economy and as a key driver for technological and social progress. This entails that relationships with customers, suppliers and other partners must expand beyond the transactional limits, to encompass the Bank's role as a member of society.

SupportCY aims to provide prompt and accurate assistance to individuals, groups and the public sector, providing quickly tangible solutions to existing social issues and to the prevention of crises. Its success so far has been driven by the willingness of its members to provide assistance based on the products and services that they offer as part of their normal business operations, and on their expertise and know-how in their particular area. Close, structured and continued communication between members has allowed the SupportCY Network to meet needs as they arose in the first year of its existence.

Immediately after the outbreak of

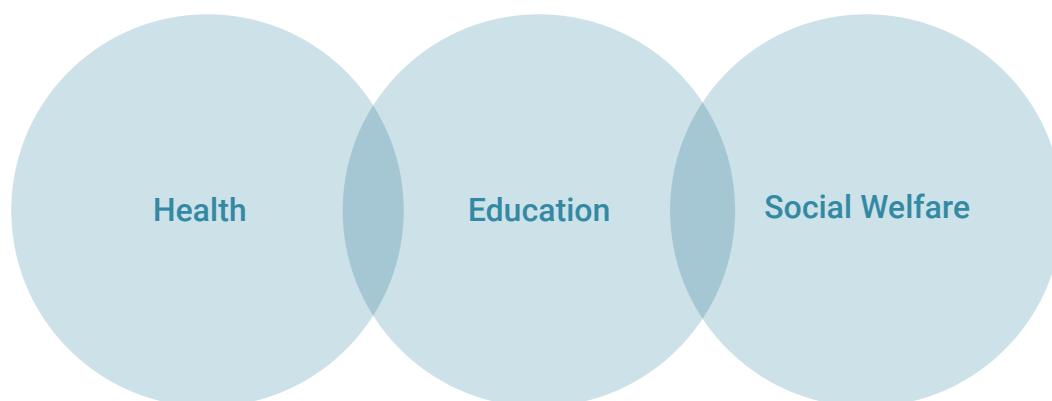
COVID-19 in Cyprus, the Bank's focus was on ensuring that employees and customers remain safe. At the same time, and more specifically on 12 March 2020, three days after the first confirmed case of COVID-19 in Cyprus, Bank of Cyprus completed the setting up of the SupportCY Network to support public services performing frontline duties "fighting" the pandemic. In a statement dated 16 December 2020, the CEO of the Bank specified that the creation of the SupportCY Network is the materialisation of its logo "Koinon Kyprion" (Common of Cypriots) and justifies the timeless role and the contribution of the Bank to society.

The SupportCY Network was developed through partnerships between companies and organisations. The NGO Reaction became the operational partner of the Network, thus extending its support to individuals and other social groups. SupportCY is a significant, multifaceted practice to be continued and empowered by the Bank in the post-pandemic period.

SupportCY is an innovative initiative since, for the first time, a company, Bank of Cyprus, drives and develops a continuing,

ongoing and growing network whereby other companies and their brands are promoted, their initiatives are communicated, and recognition is shared for the common good.

Bank of Cyprus, through SupportCY, has created and developed Social Capital. Alongside the positive social impact of SupportCY actions, it is equally important to mention that the companies-members of the SupportCY Network have also benefited. In a period when most of the companies were affected by the pandemic, members were financially supported by the Bank and other members in order to provide products and services to serve SupportCY actions. Thus, the relationship of the Bank of Cyprus with existing customers has been strengthened and a new basis for business synergies has been formed. The growing number of its members is encouraging and proves that the Network will continue to offer to those in need beyond the COVID-19 pandemic, through a responsible, governed and transparent collaboration between its members focusing on supporting the economy and the society of Cyprus.



Management of SupportCY

SupportCY is now an integral part of the Bank's strategy. It operates under the direction of the Bank of Cyprus Sustainability & CSR Unit and is governed by the Bank's Donations, Sponsorships and Partnerships Policy.

In 2020, an estimated amount (which includes cash and in-kind products and services) valued at over €600,000 was channelled through all SupportCY members into society. SupportCY initiatives and operations are mainly covered by the Bank's annual budget. The Bank contributed financially the amount of €426,342. The SupportCY members contributed with financial and in-kind donations (products and services), with an amount estimated to about 45% of the Bank's contribution.

The Bank's contribution included the investment made for "polignosi.com", a project which was initiated in 2017. "Polignosi.com", a long term project started in 2017, but its purpose shifted to meet the needs of students during the pandemic and moved forward as well. The amount already paid for the development of polignosi.com during 2017-2019 is estimated at 66.6% of the total cost of the project thus far.

Areas of focus of the Network relate directly to health, education and social welfare meeting needs which would otherwise be difficult

to fulfill. By the end of 2020, SupportCY was comprised of 92 (119 in April 2021) companies and organisations from all over Cyprus, and one member from Greece. All members are presented in the relevant section of this Report. The updated members list is published on the Bank's website, [here](#).

SupportCY AREAS OF FOCUS AND IMPACT

Health

SupportCY has provided medical equipment and consumables, technological equipment as well as catering services for the Nicosia General Hospital, the Limassol General Hospital, the Reference Hospital for COVID-19 (Famagusta General Hospital), the Epidemiological Surveillance Unit, the Institute of Genetics and Neurology, the Cyprus Blood Bank, the Ambulance Service, the 1420 Call Centre, and a number of healthcare NGOs.

Education

In April 2020, 1,000 tablets were donated to the Ministry of Education, Culture, Youth and Sports to cover the needs of distance schooling.

In collaboration with "Politis" newspaper, the Bank presented the first Cypriot online encyclopedia "polignosi.com" for students and the public. The

online encyclopedia focuses on Cypriot history and culture, with content otherwise unavailable in publicly-available sources.

Children were offered creative and educational activities through television shows, televised revision lessons and social media content. The University of Cyprus and the European University developed research and raised awareness about the pandemic, thus enhancing existing partnerships.

Social Welfare

The Bank was actively involved in the creation of the Coordination Centre of the Mobile Assistance Unit of the Civilian Service of the Ministry of Labour, Welfare and Social Insurance and supported its operation by providing premises and infrastructure and also covering operating costs. Through SupportCY members, technical equipment, medicines, catering, vehicles and fuel for home deliveries, security as well as disinfection services were provided for the Coordination Centre. The Centre responded to 1,163 requests for the provision of medication, food and other basic necessities nationwide. The Mobile Assistance Unit supported people in all provinces of Cyprus, including mountainous and remote areas.

Health

€116,000

contribution to health services by the SupportCY Network

Education

€314,000

contribution to education by the SupportCY Network

Social Welfare

€191,000

contribution to social welfare by the SupportCY Network

Additional initiatives of SupportCY, beyond COVID-19:








- Organising blood donation drives (May 2020).
- Providing support to the Nicosia Special School through summer school scholarships and school equipment (July 2020).
- Providing goods and medicines for the victims of the explosion in Beirut, within the first hours of the emergency (August 2020).

- Supporting the annual Cyprus Anti-Cancer Society in the #stiMaxi (Fight Against Cancer) campaign (August–September 2020).
- Organising the #VirtualSantaCY. A Christmas programme where children met Santa Claus and talked to him online (December 2020).

SupportCY has also impacted on the environment through

the partnership it built with the Ministry of Agriculture, Rural Development and Environment in June 2020. SupportCY provided fire prevention equipment for remote mountain areas and villages during the “forest fire season” (summer months). This is an ongoing collaboration, and further fire prevention activities are planned for 2021.

SupportCY AND SUSTAINABLE DEVELOPMENT GOALS

	<p>Support to families in need (Cyprus Organization of Large Families, Funraising NGO, offering clothing and food coupons to schools for students in need, etc.)</p>
	<p>Support to the Ministry of Health, the Ministry of Labour, Welfare and Social Insurance and various healthcare NGOs</p>
	<p>Support to the Ministry of Education, Culture, Youth and Sports, collaboration with educational institutions, organisation of online educational programmes in partnership with educational NGOs, etc.</p>
	<p>Support between the members of the Network and thus strengthening entrepreneurship</p>
	<p>Cooperation with municipalities and local authorities as part of the mission to support society</p>
	<p>Support the Ministry of Agriculture, Rural Development and Environment in fire prevention for remote mountains of Cyprus during the “forest fire season”</p>
	<p>Partnership has been the fundamental principle of operation and success of the SupportCY Network and its legacy for the years to come</p>

THE BANK OF CYPRUS SOCIAL RESPONSIBILITY STRATEGY PILLARS

The Bank's approach to improving positive impact is based on the following strategic pillars:

- **Health Pillar:** partnerships and initiatives to improve the living conditions and to meet immediate needs of vulnerable groups and people in need,

- **Education Pillar:** partnerships and initiatives to promote learning, development and social welfare and to preserve local culture and history.

The Bank allocated €640 thousand within 2020 from its social responsibility budget to support these pillars and their related causes.

HEALTH PILLAR

Bank of Cyprus Oncology Centre

Since its inauguration in 1998, the Bank of Cyprus Oncology Centre has represented the biggest and most successful partnership between the public and the private sector to the benefit of cancer patients and the society at large in Cyprus. The centre handles approximately 60% of oncology cases in Cyprus. The Bank of

Cyprus Oncology Centre is the first hospital not only in Cyprus, but also in Greece to receive quality accreditation from Caspe Healthcare Knowledge Systems (CHKS), which is Europe's leading hospital accreditation organisation.

2020 proved to be one of the most challenging years for the Bank of Cyprus Oncology Centre. The Infection Control Committee of the Centre undertook the difficult task of handling the pandemic. The priority of the Committee was to safeguard the continuation of patients' scheduled and emergency treatments. Patient visits and patient escorts were limited only to the absolute necessary while strict protective measures were introduced to limit the spread of COVID-19 virus. Possible positive cases were isolated and treated as positive unless the COVID-19 PCR test result proved to be negative, as per strict medical protocols. Telephone consultation was introduced, wherever feasible, by the Centre's consultants. The employees adapted to the new

circumstances with remarkable speed so there were no delays for newly diagnosed patients, and they demonstrated remarkable discipline in order to prevent the spread of the virus and protect their colleagues and patients.

In 2020, the Bank's Internal Audit completed the third annual audit of the Centre. The audit provides assurance to the Centre's Board of Directors in relation to the adequacy of the existing governance, risk management and internal control framework.

Furthermore, in 2020, within the framework of the Wall Gallery Project a new piece of art titled "Golden Dragons" by Constantinos Hadjidemetri was exhibited on the surrounding walls of the Bank of Cyprus Oncology Centre. The Wall Gallery Project was initiated in 2018 in collaboration with the NGO Alternative Brains Rule and refers to a giant display outside the window of patients and employees. This display hosts photographs or illustrations by a different artist every year, aiming to boost the morale of both patients and employees.

KEY NUMBERS FOR BANK OF CYPRUS ONCOLOGY CENTRE

~€70 million
cumulative investment of the Bank for the Bank of Cyprus Oncology Centre

17,960
cancer patients treated in 2020

2,332
new patients treated in 2020

252
medical and administrative employees

43,032
patients registered and treated at the Centre since 1998

60%
of the diagnosed cases in Cyprus treated at the Centre

61
medical suppliers

142
other suppliers

Impact in Health through Partnerships

Cyprus Anti-Cancer Society

Since 1999 Bank of Cyprus has been supporting the Association's efforts to improve public awareness around cancer and to raise money for the maintenance and upgrading of palliative care services offered to thousands of cancer patients.

The radical uncertainty caused by the COVID-19 pandemic affected the operation of the Cyprus Anti-Cancer Society, which is a member of SupportCY. However, after a short adjustment period, the Association continued to offer its services to people in need.

In 2020, the Association offered over 60,000 free support services

to patients and their relatives, either in the two Palliative Care Centres in Nicosia and in Limassol, or in their homes across Cyprus. These services include medical and nursing care, psychological, social and emotional support, physiotherapy and lymphedema treatment, aromatherapy as well as daily transportation of patients from their cities to the oncology centres of Nicosia and Limassol.

The pandemic, as it was expected, affected all the social initiatives of the Cyprus Anti-Cancer Society, mainly the established "Christodoula March" and the #stiMaxi campaign (Fight Against Cancer), that is jointly organised every year by Bank of Cyprus and the Society. The 2020 campaign was adjusted to the pandemic

constraints and, in addition to the shift to online donations, 300 piggy banks were placed in various locations throughout Cyprus, i.e. in enterprises and shops that participate in the SupportCY Network and the Bank's "antamivi" card reward scheme.

Through the "antamivi" scheme, Bank of Cyprus donated 5 cents (for every transaction at any participating merchant) to the Cyprus Anti-Cancer Society. In the course of the three-week campaign, a total amount of about €18,000 was collected.

In 2020:

Campaign funds raised: €285,853

Since 1999 Bank of Cyprus has contributed more than €2 million to Cyprus Anti-Cancer Society.



“En Ergo” Programme

The “En Ergo” programme (Home care for individuals with disabilities) has been managed, coordinated and supervised by the Cyprus Paraplegics Association since 2016, under the auspices of the Ministry of Labour, Welfare and Social Insurance. “En Ergo” programme is partially funded by Bank of Cyprus and the European Structural Funds. The programme trains home care givers for individuals with severely limited mobility. It therefore generates employment positions while also providing significant support in life independence for paraplegic and quadriplegic individuals and for their familiar environment. In

response to the 2020 pandemic crisis, the Cyprus Paraplegics Association, which is a member of SupportCY, followed crisis plan procedures and abided by the state guidelines for the continuation of “En Ergo”.

During 2020, En Ergo:

- employed over 77 carers across Cyprus,
- offered over 204,223 hours of care,
- empowered 100% of its carers to acquire the European Carer Card and register for relevant seminars,
- received 313 calls via the on-call line which operates daily from 12:00 until 24:00,

- offered psychological support to 680 cases and social support to 607 cases,
- offered 150 hrs of specialised professional training and opportunities for personal development,
- held a webinar on stress management, time management and resilience,
- introduced a new service, i.e. the Home Nurse Caring Service. 100 nurses were employed in 2020 to support, supervise, evaluate and prepare care plans in collaboration with the assigned carers.



Folia Centre

The Folia (Nest) Centre was established in 2017 with the support of the Ministry of Health and in collaboration with the Cyprus Alliance for Rare Disorders. Since the very first day of the centre's operation, Bank of Cyprus has been its main partner and sponsor. The Bank has proudly witnessed the Centre growing into an information and education centre for patients with rare disorders and their families. Folia Centre currently provides approximately 60,000 patients and their families with information, support and education.

In 2020, the Bank expanded its cooperation with the Cyprus Alliance for Rare Disorders, which is a member of SupportCY, and offered premises (one of its ex-branch buildings) to Folia Centre for as long as it is required.

Blood Donation Drives

The multifaceted effects of the COVID-19 pandemic have caused a reduction in the number of volunteers and the cancellation of blood donation programmes. On the occasion of World Blood Donor Day, on June 14, the Bank organised a blood donation drive-through in collaboration with other SupportCY members. The blood donation event took place in the parking lot of The

Mall of Cyprus in Nicosia under the auspices of the Ministry of Health. In addition, through its long-term support to the Cyprus Blood Establishment, Bank of Cyprus provided technological equipment, furniture for the blood donation station in Larnaca and covered various needs at blood donation points. Even under these challenging times 15 blood bottles were collected.

Additional Support in Health

The Bank provided financial and other support for a number of NGOs, including:

- Alkionides Charity,
- Association of Parents and Friends of Children with Heart Disease,
- Centre for Education about Drugs and Treatment of Drug Addicted Persons (KENTHEA),
- Christos Stelios Ioannou Foundation,
- Cyprus Autism Association,
- Cyprus Sports Federation for People with Disabilities,
- Down Syndrome Association Cyprus,
- Emergency Rescue Unit,
- Europa Donna Cyprus,
- Europa Uomo Cyprus,
- Goal in Life-Football players' Charity Foundation,
- Heart Patients Association,
- Ithaki Charity Organisation,

- KEPAKY,
- Mana Association,
- Nicosia Regional Committee of the Organisation of Large Families,
- Nicosia Volunteer Corps,
- One Dream One Wish Cyprus association for children with cancer and related diseases,
- Pancyprian Organization for the Rehabilitation of the Disabled,
- Pancyprian Thalassaemia Association,
- Parents and Friends Association of Children with Special Needs,
- Pediatric Ward at the Limassol General Hospital,
- Ronald McDonald House Charities of Cyprus,
- St. Loucas Community,
- The Cyprus Association of Cancer Patients and Friends (PASYKAF),
- The Cyprus Kidney Association,
- Vagoni Agapis Charity Organisation,
- Zoe Pancyprian Antileukemia Association,

The Bank renewed the medical health insurance contract for children orphaned by major accidents (Helios, Sharm el-Sheikh, Mari, Soleas forest fire) until the age of 18. In 2020 the Bank partnered with Red Cross Society Nicosia Branch through "Life" exhibition and charity auction.

EDUCATION PILLAR

Bank of Cyprus Cultural Foundation

The Bank of Cyprus Cultural Foundation (BOCCF) was established in 1984, and since then it has developed a series of activities, in keeping with the objectives defined by Bank of Cyprus. The BOCCF main strategic aims are to:

- encourage research,
- study Cypriot civilisation in the fields of archaeology, history, art and literature, and
- preserve and disseminate the cultural and natural heritage of Cyprus, with a particular emphasis on the international promotion of the island's centuries-long Greek civilisation.

The COVID-19 pandemic pushed the Bank of Cyprus Cultural Foundation (BOCCF) to redefine its strategy, redesign its approach and focus on creating

and delivering a new model of sustainable heritage. BOCCF made more extensive use of digital channels, digitalised a large part of its programme and implemented a number of strategies to upgrade and promote its educational role. It utilised podcast technology, strengthened its relations with schools and its strategic collaborations with relevant Ministries.

Capitalising on 36 years of impact on the sustainability of the culture, art and history sector, the Foundation utilised online channels and digital technology to expand its reach beyond Nicosia and Cyprus in the Greek-speaking world. In the era of social distancing, it launched a series of online activities under the broader title "Culture means Solidarity". This series was targeted at children and adults and focused on various areas of the Foundation's permanent

museums and collections. Through the online activities, the Foundation reinforced the message that museums are focal points of communities, promoted mutual understanding, communication and solidarity between people, especially in conditions of social isolation.

As part of its mission to redesign its digital strategy during the pandemic, the Foundation became the coordinator of the "ReInHerit – Redefining the future of cultural heritage, through a disruptive model of sustainability", i.e. an EU funded programme to develop online lectures and conferences on various Cypriot topics related to the museums, collections, exhibitions, activities of the Cultural Foundation but also on other Cypriot topics, from all periods of Cypriot history, archaeology, art history and literature.

Events attendance: 27,372 (digital) and 4,354 (physical).

THE BANK OF CYPRUS CULTURAL FOUNDATION KEEPS SIX CYPROLOGICAL COLLECTIONS



Coinage

Maps

Rare Books and Manuscripts

Engravings, Old Photographs
& Watercolours

Contemporary Cypriot Art

Ethnography

THE BANK OF CYPRUS CULTURAL FOUNDATION CURATES THREE MUSEUMS



Museum of the History
of Cypriot Coinage,
in Nicosia

Museum of the George and
Nefeli Giabra Pierides Collection
(donated by Clio and Solon
Triantafyllides), in Nicosia,
covering a wide span of Cypriot
history and archaeology

Pierides Museum in
Larnaca, which hosts
a Collection of Ancient
and Medieval Cypriot Art,
as well as a collection of
maps of Cyprus

The Bank of Cyprus Cultural Foundation also manages the Historical Archive of Bank of Cyprus, intended for the safekeeping and study of the Bank's archival material.

IDEA Innovation Center

IDEA Innovation Center is the largest non-profit incubator-accelerator for start-ups and an entrepreneurship hub for Cypriot young entrepreneurs.

IDEA aims to offer training and business support to start-ups, enable setting up new companies and promotes Cyprus as a regional innovation hub between Europe, Middle East, Asia and Africa. Through its activities it promotes digital transformation, materialises partnerships between public and private sector and facilitates fintech solutions. Since 2015 it hosts start-up companies for a period of 9 to 12 months offering them the highest quality of training, mentorship, consultation and professional

services. IDEA had launched a hybrid mode of working long before the pandemic, therefore its entrepreneurs continued to reap the benefits of smooth and unobstructed services.

Provisions for the training, consulting and mentoring sessions are in place for its start-ups, and can be carried out exclusively online via a third-party platform.

IDEA's network of collaborators expands steadily every year and has established a growing, strong culture of giving back to the society.

In 2020 IDEA participated:

- in the 1st Cybersecurity Cyberdefence Hackathon, in collaboration with the Embassy of USA in Cyprus,

the Ministry of Defence, the Ministry of Education, Culture, Youth and Sports and the Embassy of Israel in Cyprus,

- in the Cyprus Entrepreneurship Competition, organised by the Centre for Entrepreneurship – C4E and University of Cyprus,
- as a judge in the Cyprus Start-ups Virtual Pitch Competition,
- in DLD Innovation Festival in Tel-Aviv, Israel for the 4th year,
- in the 5th EU-India Innovation Partnership representing the Cypriot ecosystem,
- in the EU-Sri Lanka Innovation Partnership (EU-SLIP),
- as a partner in the Africa-Europe Innovation Partnership (AEIP) Tech Hub Network.

2020 IDEA HIGHLIGHTS

11

Start-ups joined

in 2020

17

Entrepreneurs

successfully completed the IDEA Business Creation Training Programme in 2020:

82 Mentors, 35 Trainers

€528,000

Pro bono services

€48,000 to 11 companies

7

New companies

founded

€84,000

Financial support received

€12,000 to 7 companies

130

Entrepreneurs

supported in total by 2020

Impact in Education through Partnerships

Reaction

The Bank has a long-standing partnership with NGO Reaction, which focuses on areas of social development and well-being, especially for youth. From day one, Reaction faced the challenge of the pandemic and responded to the emergencies arising from it. Reaction has been the main partner of Bank of Cyprus in developing the SupportCY Network at the beginning of March 2020. It continues to do so by undertaking the operational part of SupportCY through a series of actions and initiatives under the guidelines and strategy of the Bank.

European Youth Parliament Cyprus

European Youth Parliament (EYP) is one of the largest European platforms for debate, intercultural dialogue, European Civic Education and exchange trips. In 2020, despite the pandemic, EYP Cyprus, a member of SupportCY, continued to encourage independent thinking and run initiatives for young people with the Bank's support.

Student Awards

The Bank supports students and provides rewards for their performance in various fields related to Science, Technology, Engineering and Mathematics (STEM). Through its partnership with the Cyprus Mathematical Society and the Cyprus Physicists Society, it

gave awards to participants in various tournaments and student competitions, in 2020.

The above-mentioned associations as well as the Cyprus Computer Society are now members of the SupportCY Network since they have been long-term partners of the Bank of Cyprus. During the pandemic, within the framework of their collaboration at the Network, they all created content to support distance learning for students at home, through webinars and educational online presentations.

Sophia Foundation for Children

The Bank has a long-term partnership with Sophia Foundation for Children. In 2013 the programme "Cook and Offer" was initiated with the support of the Bank. This programme promotes equality since it concerns the provision of lunch at all-day primary schools in Cyprus supporting students who have financial difficulties. The programme currently covers 16 schools, six of which are entirely funded by Bank of Cyprus. The programme has made a positive impact on the local communities as it provides for both children and their families. Students' parents who have been unemployed are hired to cook for the students and for events hosted at the schools. In 2020, 1,270 children participated in the programme while 960 took part in 2014.

In 2020, the Bank further supported Sophia Foundation for Children through the "Giraffes for Hope" project. Companies

were invited by the Foundation to "adopt" a giraffe, which was a collectible sculpture, and thus contribute financially to the foundation. The proceeds were donated to children in need in Cyprus and Kenya with a focus on education, health and dignity. The Bank "adopted" Lily that was created by the artist Lida Symeonidou, and the piece of art is currently exhibited at the Bank's Headquarters in Nicosia.

Funraising Cyprus

For the past seven years the Bank has developed a partnership with Funraising Cyprus, a voluntary charity organisation that supports families with severe financial problems in the Limassol area. The Bank contributes to the Funraising Morfosi scholarship Fund. Through this fund, during the academic year 2019-20, 22 university students were supported with scholarships. Additionally, the Bank through this established partnership provides food, clothes and other necessities for the local families in need.

READ

Bank of Cyprus continued powering the application READ, a digital library offering free-for reading books. READ is planning to offer Cypriot authors the opportunity in 2021 to publish their work free of charge, in a bid to promote local community authors, including original research. This work will be available for payment, with all proceeds going directly to the authors, without any fees or charges from READ.



EUROPEAN YOUTH PARLIAMENT CYPRUS

10

workshops,
forums, events

+600

students/
participants



CYPRUS MATHEMATICAL SOCIETY

4 tournaments

13 students
honoured



CYPRUS PHYSICISTS SOCIETY

3 tournaments

37 students
honoured

#VirtualEducationCY

ΒΙΟΛΟΓΙΑ Γ' Λυκείου

 **SUPPORT CY**

ΑΠΑΡΑΙΤΗΤΗ ΕΓΓΡΑΦΗ
[περιορισμένες θέσεις]

Μηχανισμοί Άμυνας - Άνοσία
(Α' Μέρος)
26 Μαρτίου 2021
18:30 - 19:30

Μηχανισμοί Άμυνας - Άνοσία
(Β' Μέρος)
02 Απριλίου 2021
18:30 - 19:30



#VirtualEducationCY

Ενισχυτική Ψηφιακή Διδασκαλία

 **SUPPORT CY**









Additional Support in Education

The Bank has repeated its partnership with the Cyprus Institute of Marketing (CIM) and offered scholarships to the Institute students and to Bank of Cyprus employees. The Bank was the main partner of the Graphic Stories Cyprus, which is the conference on graphic design and visual communication. It was also the awards provider of the official Cyprus animation Festival named "Countryside Animafest Cyprus – Views of the World". Additionally,

the Bank supported the Cyprus Sports Writers Union, by becoming the owner of the Best Upcoming Sports Talent Award in Cyprus at the Cyprus Sports Writers Association Annual Awards and the presenter of the First Sports Journalist Awards.

The Bank participated in a joint initiative between the Association of Banks and the Junior Achievement Cyprus (JA Cyprus) on financial literacy. It participated with two mentors in workshops tackling "Spending Smartly" and "Economics for Success".

The Bank also provided financial and other support to a number of NGOs, including:

- Cyprus Para Sports Federation
- Cyprus Scouts Association
- Healthy Lifestyle Camp Cyprus
- Oxygono
- Sports Federations focusing on youth and sports academies
- Cyprus Cycling Federation
- Round Table 7 for the outdoors park for the disabled in Paphos
- Schools of all levels (to support students in need)

#VirtualHomeCY

Απ' το Ψηφιακό μας σπίτι

Facebook Live



SUPPORT
CY



DONATION OF OFFICE AND TECHNICAL EQUIPMENT

According to internal policies, supplies of 110 desks, 1,200 chairs, 68 tables, 265 cupboards were donated to NGOs. The Bank made a donation of refurbished

redundant office and technical equipment in order to meet the needs of various NGOs and organisations, as well as schools and the National Guard,

in collaboration with the Bank's Supplies Department and the IT Department.

POLICY ON POLITICAL DONATIONS

Based on the Donations, Sponsorships and Partnerships Policy of the Group, the Group

does not sponsor political parties or any associations/organisations related directly or indirectly to any

political party. No donations of political nature were made during 2020 as per relevant policies.

INTERNAL INITIATIVES

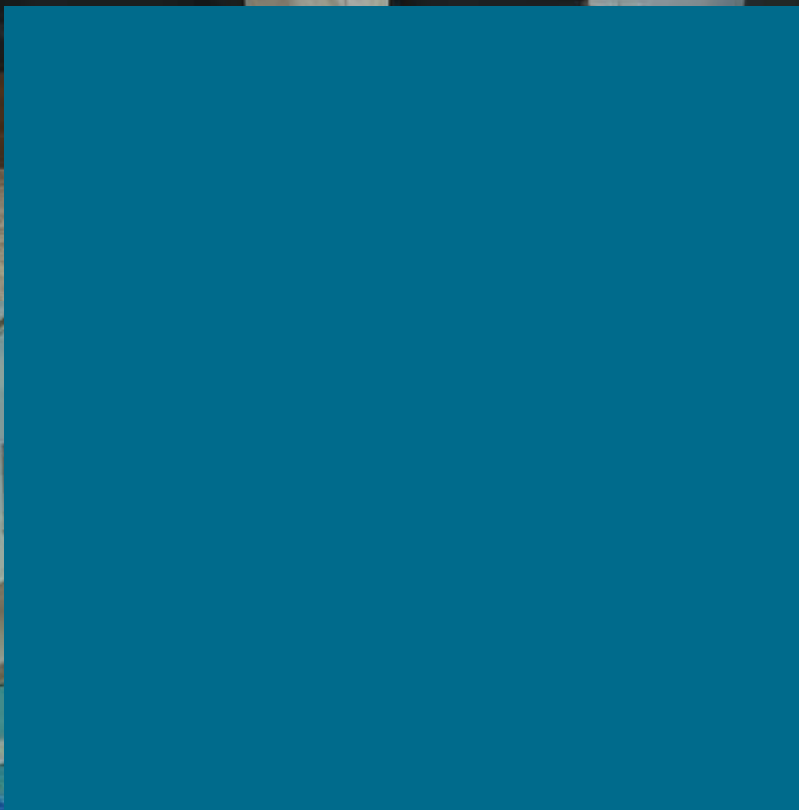
During 2020 employees voluntarily supported charities, foundations and people in need:

- Global Corporate Banking & Markets Division supported the Cyprus Table Tennis Club and the Cyprus Association for Children with Cancer and Related Diseases "One Dream One Wish" with the amount of €1,225.
- International Banking provided the Vagoni Agapis Charity Organisation and families in need with food.
- Compliance Division supported the Cyprus Anti-Cancer Society, the Cyprus Association of Cancer

Patients and Friends (PASYKAF) and families in need by offering €610 collected at donations and bazaars.

- Risk Division supported the Nicosia Volunteer Corps with €2,504 raised from Easter and Christmas craft sales.
- Financial Control Department collected €2,840 for the Cyprus Association for Children with Cancer and Related Diseases "One Dream One Wish" by selling masks and charms.
- Central Operations supported families affected by cancer with a donation of €1,000.

- Restructuring & Recoveries Division supported the Cyprus Anti-Cancer society by purchasing works of art for €160.
- The Cards and Payments Department sent Christmas gifts to close partners and matched the value of every gift donated to an equal amount of money at the Cyprus Association for Children with Cancer and Related Diseases "One Dream One Wish". The total amount donated was €500.





Our People

The COVID-19 pandemic served as a wake-up call for current fragile systems. The Bank acted swiftly to protect its people and safeguard their families' physical and mental health. The implementation of its Pandemic version of the Bank's Business Continuity Plan and a series of wellness initiatives helped the Bank face the challenge, meet its commitments as well as the expectations of its people. The Pandemic Plan was activated on 9 March 2020, on the day of the first COVID-19 case in Cyprus.

THE BANK AND ITS PEOPLE

Bank of Cyprus recognises the significance of investing in employee empowerment and development. Employees are brand ambassadors and define public perception. They are a

key factor in achieving the Bank Strategic Plan and objectives. They are first and foremost empowered to do the right thing for customers, society, shareholders and all stakeholders. During 2020 the

Bank focused on reducing the impact of the pandemic on its employees, maintaining a safe environment and continuing to work genuinely to maintain a positive work environment.

EMPLOYEE BREAKDOWN BY GENDER

2020

Women: 1,915 (60,3%)

Men: 1,259 (39,7%)

Total: 3,174 (100%)

2019

Women: 1,997 (60,2%)

Men: 1,321 (39,8%)

Total: 3,318 (100%)

2018

Women: 2,254 (59,7%)

Men: 1,523 (40,3%)

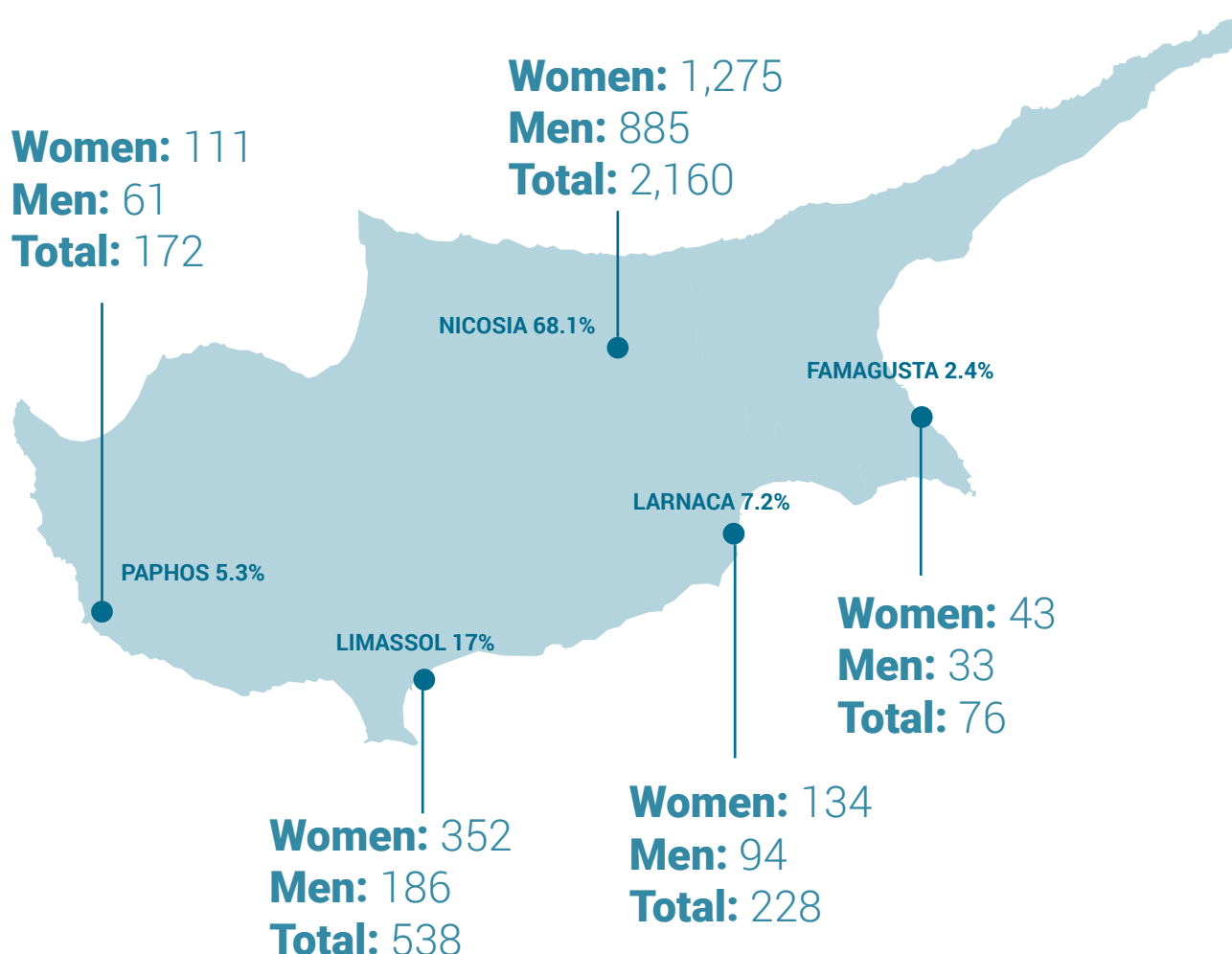
Total: 3,777 (100%)

EMPLOYEES' AVERAGE AGE

46 Women

48 Men

EMPLOYEE BREAKDOWN BY GENDER AND REGION:

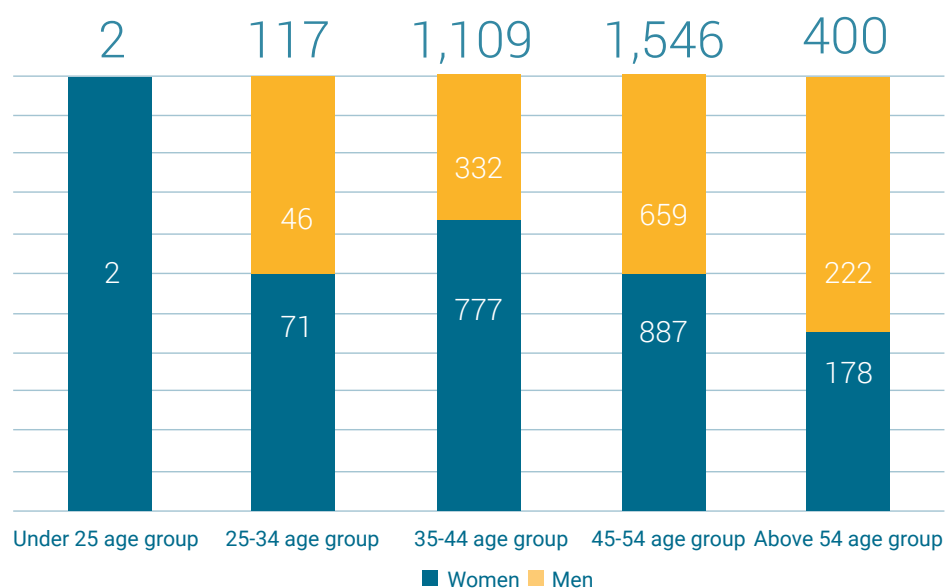


HUMAN RESOURCES BY TYPE OF EMPLOYMENT AND EMPLOYMENT CONTRACT

Types of Employment and Employment Contract	2020			
	Women	Men	Total	%
With a collective labour agreement	1,915	1,255	3,170	99.87%
Without a collective labour agreement	0	4	4	0.13%
Fixed-term employment contract	7	9	16	100.00%
Full-time employees*	1,875	1,249	3,124	98.92%
Part-time employees*	33	1	34	1.08%

* Does not include employees with fixed-term contracts

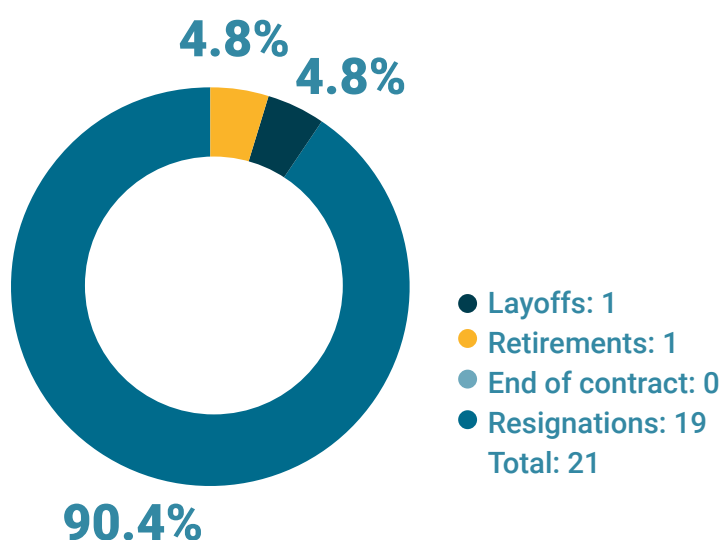
EMPLOYEE BREAKDOWN BY GENDER AND AGE GROUP



Employee Breakdown by Job Position	Number			%	
	Women	Men	Total	Women	Men
Managers	252	358	610	41.3%	58.7%
Non-Managers	1,663	901	2,564	64.9%	35.1%
Total	1,915	1,259	3,174		

Years of Service	Number			%	
	Women	Men	Total	Women	Men
< 1 year	12	21	33	36.4%	63.6%
1–10 years	84	88	172	48.8%	51.2%
11–20 years	826	389	1,215	68.0%	32.0%
21–30 years	838	628	1,466	57.2%	42.8%
31–41 years	155	133	288	53.8%	46.2%
Total	1,915	1,259	3,174	60.3%	39.7%

TURNOVER ANALYSIS 2020



Employee Hires	Under 25 Age Group	25–34 Age Group	35–44 Age Group	45–54 Age Group	Above 54 Age Group
Nicosia	1	20	13	3	1

Incoming: 0.01%

Women	1	7	5	1	1
Men	0	13	8	2	0
Total	1	20	13	3	1

Employee Turnover	Under 25 Age Group	25–34 Age Group	35–44 Age Group	45–54 Age Group	Above 54 Age Group
Nicosia	0	6	5	4	5
Paphos	0	0	1	0	0
Total	0	6	6	4	5

Outgoing: 0.006%

Women	0	4	4	2	2
Men	0	2	2	2	5
Total	0	6	6	4	5

100 employees who left from Bank of Cyprus to join Gordian are not included

Bank of Cyprus human resources management software has been set up to provide information based on this age group categorisation.

HEALTH AND SAFETY IN THE WORKPLACE

Bank employees can access via the portal informative brochures, instructions and guidelines on several Health and Safety issues, including, but not limited to defibrillators, fire safety, mental health, wight lifting and moving, working with screens, first aid. Safety instructions for employees as well as escape

routes and emergency plans for the Bank's buildings are also available. Employees can access all the necessary documents for managing health and safety issues (visitors log, incident report documents, training logging etc.) as well as instructions and guidance regarding the purpose and use of the documents. A new

dedicated section on COVID-19 measures and updates is also available to all employees. Circulars on Health and Safety and information on the Cypriot legislation for Health and Safety (smoking, minimum Health and Safety requirements etc.) are also available.

22

evacuation drills nationwide in emergency cases during an earthquake, fire or other

78

defibrillators on the premises for personnel and customers

8

defibrillators installed in 2020

38

employees addressed threat incidents

43

threat incidents against employees

All

buildings inspected for Health and Safety

6

4 women
2 men
had work accidents

A total of 112.5 hours of training on Health and Safety topics was delivered in 2020.

Health and Safety Indices	Women	Men	Total
Workdays	476,835	313,491	790,326
Sick days	16,708	6,214	22,922

PROTECTING OUR PEOPLE THROUGHOUT THE PANDEMIC

The Bank invoked its Pandemic Plan in February 2020, well in advance of the first confirmed COVID-19 case in Cyprus. In 2021, the Pandemic Incident Management Team and the Crisis Management Committee continue to monitor closely and assess the situation on a regular basis (at least weekly or more often if needed) in order to respond

effectively and efficiently to any issues should the need arise. The Business Continuity Plan of the Bank stipulated that an appropriate number of the employees of each Division worked both from home and from authorised areas of Business Continuity, following the model of “split operations”. 18% of the

employees were still working from home on 18 January 2021, mostly for Business Continuity purposes. At the outbreak, the Pandemic Committee (PIMT – Pandemic Incident Management Team) held daily teleconferences, securing swift approval of requests and instructions regarding the operation of the various Divisions.

Absence Type	Employees	Working Days	Calendar Days	
Vulnerable persons	192	4,665	7,430	Salary fully paid by the Bank
Special leave-Kids care	227	4,667	7,048	Unpaid leave. Funded by the government (Special COVID-19 Schemes)

The PIMT meetings ensured that the Bank’s reaction to the developing Pandemic was at, or above, formal guidelines provided by the Ministry of Health, the Ministry of Labour, Welfare and Social Insurance and the World Health Organisation (WHO).

A team of Human Resources (HR) Division employees was assigned to provide continuous help and support to employees who were affected by COVID-19 (psychological support and guidance on a daily basis via telephone).

A video titled “We are stronger together” was published on the portal to inform employees about all Business Continuity Plan initiatives that were launched due to COVID-19.

- Workplaces/offices were assessed in relation to the protocol for workplaces.

- Separators were placed in the offices to ensure distances.
- Headphones for teleconferencing were provided.
- The infrastructure was upgraded to ensure operational continuity.
- The rules of personal protection and hygiene that were announced by the Ministry of Health were strictly followed.
- Additional specific guidelines for personal protection and hygiene were shared internally.
- Laptops were provided to facilitate remote work.

Precautionary measures are taken by the HR, such as provision of masks to all employees, antiseptics, etc. Other measures include no movement between floors and restricted use of lifts. At the same time, a specific plan was implemented as part of the Business Continuity Plan, so that customer service operation

would not be affected in case of a confirmed COVID-19 incident.

The Global Corporate Banking & Markets Division approved the highest possible number of “work from home” permits. The Division employees were divided into insular groups with no contact between them and worked in rotation to prevent the spread of COVID-19. International Banking reacted swiftly to the early warning signs due to the number of customers from abroad. Extra action was taken to prevent the spread of the disease before the formal measures were introduced: Meetings through video calls were encouraged, while face-to-face meetings were limited and held with customers that had not travelled recently.

The SME Division implemented a solid action plan when the first confirmed incident of infection in Cyprus was announced. Its basic functions and the required minimum number of employees were identified so that a smooth operation is ensured. A two-month plan was then drawn up for the rotation and remote work.

Immediate measures were taken to ensure the operation of the branches (Retail):

- Measures against the spread of the pandemic among the employees (installation of protective dividers between

the positions of the employees and the positions of the visitors, special disinfection of the premises, administering masks and antiseptics, thermometers, monitoring people in the branches).

- Measures to avoid synchronisation (reduction of transactions performed at the teller points, mass free issuance of debit cards for contactless transactions/use of the ATM network, for commercial customers – placing their checks/cash in special envelopes and delivering them to the branches so that they are

processed without customers' physical presence, updating data via pop-up call centres).

- Closed stores for the public for a period of one week on a rotation basis, while employees continue to work inside.
- Ensuring a reserve (a number of employees can work on this remotely) so that the branches can reopen in a short time in case of suspension due to COVID-19 incidents.
- Limiting in-branch service to elders and high-risk groups at the beginning of the workday (08:00 to 10:00).



COMMITMENT TO DIVERSITY AND EQUAL OPPORTUNITIES

The Bank has developed policies to safeguard gender equality, diversity and inclusion. The Bank operates based on objective criteria regarding skills, ethics and experience irrespective of colour, race, nationality/ethnicity, disability, age, gender, religion,

sexual orientation or political opinion. Policies, procedures, training and a series of tools are available to ensure the Bank fosters a culture of meritocracy and fairness. A policy of zero tolerance against discrimination, harassment and bullying aims

at the effective handling and eventual elimination of any form of harassment, discrimination or unfair treatment. There is no salary discrepancy at any grade and the salary ratio (per grade across the Bank) of women to men is 1 to 1.

1ST NATIONALITY

Nationality	Number	% of other nationalities
Australian	1	1.16%
Austrian	1	1.16%
British	13	15.12%
Bulgarian	1	1.16%
Colombian	1	1.16%
Greek	62	72.09%
Moldavian	1	1.16%
Russian	3	3.49%
Ukrainian	2	2.33%
Serbian	1	1.16%
Cypriot	3,072	97.28%
Total	3,158	100.00%

2ND NATIONALITY (1ST NATIONALITY – CYPRIOT)

Nationality	Number	
American	1	2.13%
Australian	6	12.77%
British	20	42.55%
Canadian	3	6.38%
German	1	2.13%
Greek	7	14.89%
Hungarian	1	2.13%
New Zealand	1	2.13%
Russian	1	2.13%
South African	5	10.64%
Swedish	1	2.12%
Total	47	100.00%

GRIEVANCES

Key policies and relevant procedures, including the Anti-Sexual Harassment Code of Practice and the Grievances Procedure, aim at handling effectively and eradicating any form of discrimination or

unequal treatment, harassment or discrimination. The Group reviews cases hierarchically and, if necessary, cases can reach the Personal Complaints Committee, which is the supreme body according to the approved

policies and procedures. The Group operates formal resolution processes in order to ensure that all grievances are resolved properly and promptly and all cases are handled with the utmost respect and sensitivity.

BENEFITS FOR EMPLOYEES

Bank employees are entitled to a number of benefits under the provisions of the Collective Agreement. Benefits include life insurance, health care and

provident fund. In addition, employees are entitled to low interest car, mortgage, student loans. Additionally, as of 2020, employees may opt in to change

their terms to part-time work or to take a long-term unpaid leave. All female employees are legally entitled to maternity leave.

Maternity Leave 2020	Number of Women
Took maternity leave 2020	63
Returned from maternity leave 2020	45

Medical fund
€4.9 million

**General Health
Care System (GESY)**
€3.7 million

Life insurance
€1.47 million

INTERNAL COMMUNICATION AND TRUST

Yammer Internal Collaboration Tool

The Bank's social collaboration tool, Yammer, was launched in March 2020. It is an internal two-way communication tool which enables employees to connect and engage with co-workers and Senior Management across the company in real time. Yammer is easily accessible both inside and outside the office. This is a great benefit especially during the COVID-19 pandemic period.

Yammer is an optional tool for employees. However, in 2020, the Bank's main goal was to motivate employees to join the Yammer Bank of Cyprus Community.

At the end of the year, employees' engagement had reached 53%

- Users joined: 1,768
- Groups created: 126
- Messages posted: 3,967

In 2021, a new series of activities is planned, including Random Acts of Kindness and International Days Awareness.

Engaging with the CEO

During 2020 a number of meetings took place to enable a sincere and open relationship between the CEO and employees:

Book a Seat: Two "Book a seat" events took place, a face-to-face and an online one. A total of 24 employees took part. The programme was postponed due to the pandemic.

CEO Corner: CEO inspirational quotes were published on portal and Yammer on a monthly basis. During 2020, the CEO sent 22 announcements to employees on important topics, such as the Code of Ethics, awards, risk management, bureaucracy, financial results, whistleblowing.

Open Days: In 2020, a total of 20 open days were organised despite the pandemic. During these days the employees had the opportunity to discuss any issues with their Director, share thoughts or make recommendations.

Best practices are adopted by Divisions across the Bank and open communication is always encouraged. Monthly "catch-up" or "ad hoc" meetings are arranged for coaching or feedback purposes. Monthly meetings, quarterly and ad hoc employee meetings are also scheduled. In addition, team building events are organised at department or management level, e.g. Christmas outing or team building social events. Unfortunately, all employee team building events and activities were cancelled due to the pandemic. A total of 297 one-to-one meetings across all Divisions took place in 2020 in an effort to establish direct communication channels between the directors and the members of the Divisions.

Assessment Tools

Assessment tools help the Bank identify and address training needs about specific competencies and practices in the area of Management.

Management Practices Survey and 360° Assessments

These Management assessment tools aim to increase self-awareness among management, identify potential development areas and facilitate internal feedback/coaching/counselling discussions with the Management Team. In 2020 the Bank proceeded with the assessment of Directors and Managers at all levels, utilizing the assessment tools of 360° Assessment and Management Practices Survey.

- Information on 360° Assessment of Management Team:
Participants: 40 Managers at N-2/N-3 level
Appraisers: Total 977 (Manager, Peers, Subordinates)
Overall response rate: 90%

The survey consisted of 41 questions across 8 management competencies

- Information on MPS Survey:
Participants: 467 Managers
Appraisers: Total 3642 (Subordinates and Self assessment)
Overall response rate: 80%

The survey consisted of 47 questions across 15 management practices/competencies.

OPEN DAYS ORGANISED

20
2020

17
2019

37
2018

EMPLOYEES ATTENDED

65
2020

40
2019

188
2018

Staff Opinion Survey

The Staff Opinion Survey runs on an annual basis and aims at assessing the levels of commitment and dedication of employees as well as identifying areas to focus on and improve in the future. In 2020, 63% of the employees participated in the survey.

Internal Customer Satisfaction Survey

The Internal Customer Satisfaction Survey offers employees the opportunity to evaluate the level of service they receive from various internal departments of the Bank. In 2020, one survey took place for three Departments of Central Operations of Operations and Cost

Management Division: Advances Documentation Department (ADD), Payments Department (PD), Trade Services Department (TSD).

INTERNAL CUSTOMER SATISFACTION SURVEY FACTS

6 weeks

Duration

3

Departments

31%

Participation rate

Strong points

PD

TSD

ADD

Courtesy of Bank employees

95%

93%

83%

Willingness of employees to serve

94%

92%

78%

Work knowledge level

93%

94%

84%

Improvement Areas

Ease of communication

77%

84%

55%

Request response time

89%

87%

56%

Feedback for non-approval/ execution/ processing:

87%

87%

70%

*% of positive answers

WHISTLEBLOWING AND RAISING CONCERNS

According to the Bank Code of Conduct, all employees have an ethical obligation to raise issues of concern in good faith, in cases these affect customers, colleagues, shareholders or the general public. The chairperson of

the Group Audit Committee acts as the Whistleblowing Champion. The Internal Audit Division is responsible for the whistleblowing channels, assesses information received and conducts investigations if necessary.

The results of the investigation allow the Bank to take action in order to address any issues identified. All employees are encouraged to raise timely their concerns about workplace practices or conduct.

FREEDOM OF ASSOCIATION

Almost all employees of the Bank (a staggering 97.6%) are members of the Cyprus Union of Bank Employees. According to article 21.2 and article 11 of the European Convention on Human Rights, the right of association,

including the right to trade unions and accession to them, is constitutionally guaranteed. These rights are also reflected in the article 21 of the Constitution of the Republic of Cyprus (1960, amended 2013). The Union of

Banking Employees of Cyprus was registered as a trade union in 1956 and still remains the sole representative of workers in the banking sector. A collective agreement is also in place.

WELL AT WORK

In 2020 the Bank placed special emphasis on topics of mental health. It put in place mechanisms and developed tools to support employees and their families.

The Employee Assistance Line was initiated again during the lockdown. It was accessible by all employees and their families and focused on tackling any psychological issues they faced during the lockdown.

The Employee Assistance Line is managed externally, and all data remain confidential. All the costs are covered by the Bank. The Bank pays an annual fee for this service.

The “Well at Work” programme readjusted and offered a series

of webinars on mental health to about 100 employees. Topics included:

- parenting styles,
- stress and mental health at home and at the workplace,
- relations between parents and children,
- psychological challenges.

By the end of 2020, a new series of “Well at Work” webinars called “U matter Webinars” focusing on physical, mental, social and financial health were introduced.

The “Well at Work” programme sponsored two reusable cloth face masks for all employees, with the Well at Work and SupportCY logos printed on them.

An open to all employees “Well at Work” group was created on Yammer. The group has about 1,800 members and is used to communicate the various events/ actions that are running during the year. It hosted 12 short videos on physical and mental health presented by doctors and psychologists.

The pandemic put a halt to the planned physical activities for 2020 and 2021 and forced the Bank to readjust and adopt new initiatives and ideas. In 2021, the well-being programme will continue to offer the “U matter Webinars”. The mental health seminars will be conducted again in 2021 as webinars will be open to all employees.

WELL AT WORK

14

WEBINARS IN 2020

5

on FINANCIAL
PLANNING

~400 participants

3

on #FIGHTING
CANCER

~150 participants

2

on HEALTHY
EATING

~140 participants

4

on MENTAL
HEALTH

~100 participants

DEVELOPMENT OPPORTUNITIES

The unprecedented changes that took place in 2020 expedited the adoption of alternative training methodologies, such as live online courses, e-learning modules, webinars. Live online in-house programmes through video calls were delivered in various topics (management skills, systems training, compliance), in-class seminars were converted to e-learning (e.g. bancassurance for 1,542 participants with multiple

benefits for the Bank and the participants in terms of time and cost). There was a proportional increase in the number of e-learning options available during the year and an increase in the attendance of online local and international conferences.

In 2020 the Bank achieved the objectives of its e-learning plan, and all regulatory/compulsory training was completed as scheduled.

The programme "Credit Coach" was initiated with Moody's Analytics. According to the programme, 100 participants were offered an online approach to scenario-based skills diagnosis and remediation in the area of credit lending. In-house live online seminars were conducted through video calls on various topics (management skills, systems training, compliance).

192

total number of unique training events

1,851
Women
1,246
Men
3,097
Total

73
E-learning
82
Online
42
Classroom

9
E-learning for training Board Members
(total 53 hrs)
7
Board Members trained
2 women (16 hrs)
5 men (37 hrs)



Training Attendance by Employee Category	Attendees		
	Women	Men	Total
Board Members	16	37	53
Managers	3,884	6,154	10,038
Non-Managers	24,824	13,502	38,326
Total	28,724	19,693	48,417

Training Attendance by Employee Category	Training Attendance (in hours)		
	Women	Men	Total
Board Members	8.5	20.5	29
Managers	5,293.11	8,504.01	13,797.12
Non-Managers	28,635.03	14,775.52	43,410.55
Total	33,936.64	23,300.03	57,236.67

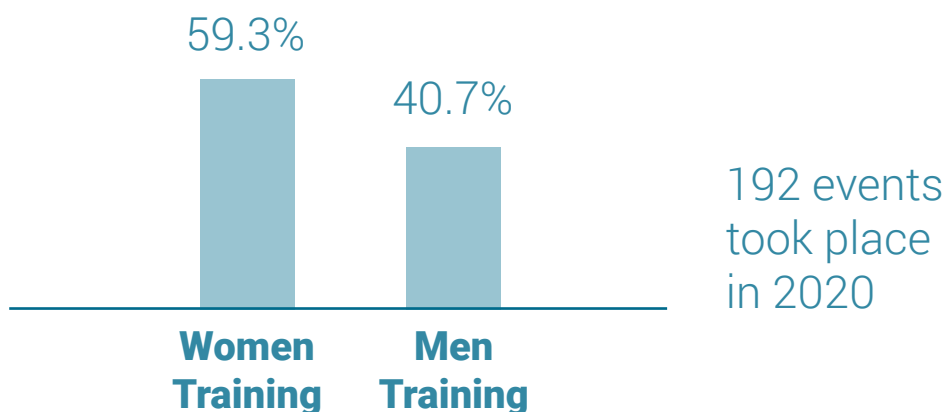
The Training Department of the Bank with the cooperation of the relevant Divisions comes up with a training plan regarding the training needs for the year.

Training Attendance by Means of Delivery	Classroom	E-learning/Web	Total
Training hours	9,581.50	47,655.17	57,236.67
Training days	1,277.5	6,354	7,631.5

Training on Anti-corruption and Corporate Governance 2020	Women	Men	Training Duration
Anti-Bribery & Corruption 2020			
Board Members	4	7	20' e-learning
Leadership Team	5	17	20' e-learning
Individual Contributors and Managers	1,720	1,036	20' e-learning
Whistleblowing 2020			
Board Members	4	7	20' e-learning
Leadership Team	5	17	20' e-learning
Individual Contributors and Managers	1,712	1,035	20' e-learning
Assessment of Suitability (Note: corporate governance matters)			
Board Members	3	6	20' e-learning
Leadership Team	5	16	20' e-learning

Training on Anti-Money Laundering and Prevention of Terrorism Financing

Training Hours	2,113.5		
Training Days	281.8		
Training on Anti-corruption and Corporate Governance	Women	Men	Training Hours
Board Members	8.5	20.5	29
Division Directors	57	248.98	305.98



PERFORMANCE ASSESSMENTS

Building a high-performance culture is one of the most important strategic pillars, and in that effect, a number of changes were made in 2020 in the Performance Management Framework. Changes involved increasing the “human element” in performance appraisals balancing Key Performance Indicators (KPIs) and Competencies so that the ratio of KPIs to Competencies is 60%:40%, enhancing the Risk Culture, and updating the Competencies Framework to

reflect the values and strategy of the Bank. Following the completion of Performance Appraisals, a Performance Appraisal Quality Check is performed with a representative sample to assess quality of appraisals. Drafting a personal development plan for all employees became compulsory and now forms an integral part of the performance appraisal process. The performance appraisals for 2019 were completed in 2020. Only 1% (27)

of appraisal disagreements was recorded and the relevant procedure for handling appraisal disagreements was initiated. A total of 112 employees (57 women and 55 men) did not complete the process by the end of 2020 due to absence of either the employees or the supervisors.

- 95.6% of women completed their performance assessment (1,830 out of 1,915 women)
- 92.4% of men completed their performance assessment (1,164 out of 1,259 men)

REWARDING BEHAVIOURS AND ACCOMPLISHMENTS

A total of 907 employees, the “Darewinners”, have volunteered to act as opinion multipliers and spokespersons of change. Due to the unfortunate circumstances in 2020, no new members joined the “Darewinners”, and the number of events was limited. However, the existing

“Darewinners” were invited to be the first to attend a series of events, including the Yammer launch (March 2020), and the Financial Planning webinars. They were also invited to give feedback on the webinars. The “Extra Mile” scheme was introduced in 2018 to recognise

and reward outstanding employee behaviours in 5 categories: Change & Innovation, Outstanding Contribution, Team Spirit, Customer Centricity and Our Values. In 2020, a total of 800 employees were acknowledged for their exemplary behaviour.

Extra Mile Rewards 2020

Women	502	63%
Men	298	37%
Managers	142	18%
Non-Managers	658	82%
Total	800	100%

INTERNAL OPPORTUNITIES

The Bank has developed an internal procedure called “Internal Opportunities” in order to provide employees with the opportunity to

apply for internal vacancies that are announced on the internal portal. The purpose of this initiative is to enable employees

to actively pursue a career in positions that are of interest to them.

Internal Opportunities 2020

Positions announced	6
Applications received	53
Positions filled	2
Jobs covered	33.3%

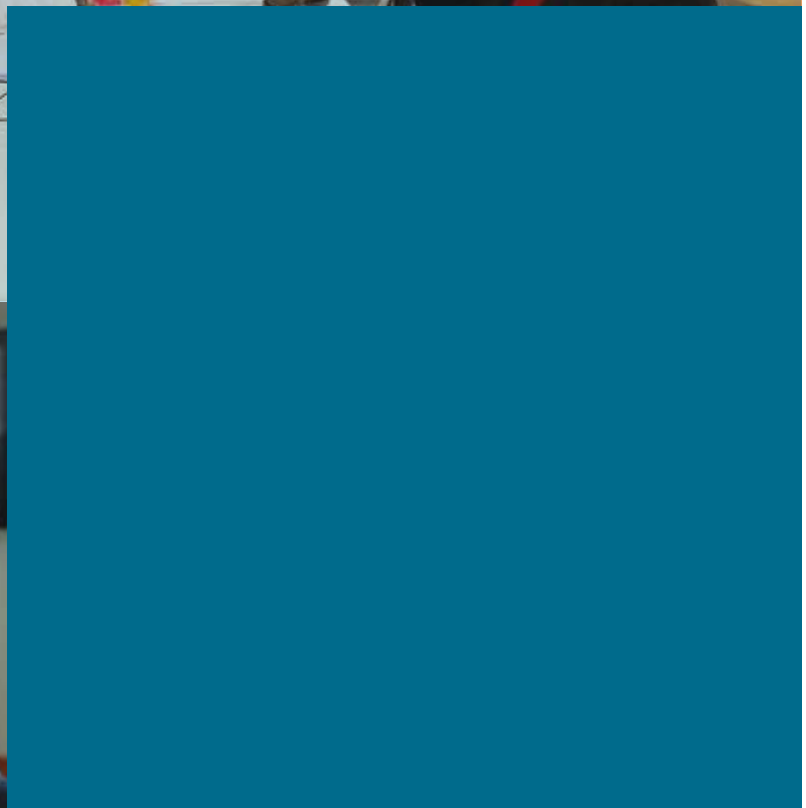
REWARD EVENTS

In 2020, a number of events took place to honour exceptional performance. In 2020, SME Banking and Retail Banking honoured the winners of the annual contest (Aristeio 2020). SME Banking organised a dinner event in honour of the exceptional employees who won the Top Individual Awards. The dinner took place before the outbreak of the pandemic and brought together 26 people. In order to boost the team spirit during the pandemic, the Division implemented thoughtful acts, including sending coffee to over 100 of its employees as a gesture of appreciation. Retail Banking recognised a total of

15 branches that demonstrated superior performance, six in Nicosia, four in Limassol, three in Larnaca/Famagusta and two in Paphos. It hosted two events to honour employees with the Aristeio Awards, which brought together a total of 460 participants. Also, Retail Banking organised two ceremonies for Individual Awards for 70 people. Retail Banking also acknowledged the performance of employees through the top Banker/Teller competitions. In 2020 a total of 111 employees (Customer Service Officers: 46, Customer Relationship Service Officers: 11, Bankers: 54) were honoured for their contribution.

The Global Corporate Banking & Markets Division conducts internal competitions, the Wealth & Markets Performance League and the Global Corporate Banking Performance League. The competitions reward group performance and teamwork and align with the individual and Division KPIs.

The International Banking Division empowers employees to meet their annual targets and makes sure that they are all given the opportunity to be honoured for their efforts through various competitions.





Our Environment

As the leading financial services provider in Cyprus, Bank of Cyprus plays a very important role in addressing the climate crisis. Beyond the initiatives focusing on financing sustainable products and services and the environmental procedures that the Bank applies in the lending processes, the Bank monitors closely internal resource utilization, in order to address issues on materials' use and energy consumption wherever possible and therefore reduce waste and CO₂ emissions.

COMMITTING TO A GREENER PLANET

The Bank acknowledges that it needs to set an example of best practices and raise awareness about the vital importance of environmental protection. In this regard the Bank is committed to

adopting and implementing the highest standards. Understanding the nature of the business, the Bank is aware that its direct activity also makes an impact on the environment. That is why the Bank

invests in updating its internal practices regularly, adopting new and relevant standards and certifications, and upgrading the equipment and technologies used.

Investments 2020	In €
Equipment upgrading and new systems	566,350
Standards and certifications	1,666
Total	568,016

Equipment upgrading and new systems include replacing bulbs with led and replacing air-conditioning (AC) units and electronic equipment with more environment-friendly alternative options.

Apart from the investment in new technologies and systems, the Bank focuses its attention on training its employees to manage the Bank's impact on the environment focusing on topics that are material for managing the Bank's footprint.

A number of training courses were organised to increase knowledge and awareness about environmental topics. In addition, online campaigns were deployed to inform all employees about the basic environmental impacts of the Bank.

Topic	Number of Participants	Training Duration (Days)	Who Participated	Type of Training
Inventory of gas emissions by companies	2	1	Technical services employees	E-learning
Basic principles of circular economy	2	1		
The role of the energy manager in a business	2	1		
Packaging waste management	2	1		
Basic requirements of ISO50001:2018	3	1	Management team of ISO50001	Classroom
ISO seminar	3	1		

KILL WASTE INTERNAL CAMPAIGN

14 days

Raising awareness

All Bank employees

Online

EMISSIONS

Environment-related considerations are a new major factor for financial institutions globally. The business model and operations Banks's could be affected by climate change and climate-related risks. At a Group level, the organisation is also monitoring environmental legislation, including transition to low-carbon economy, which may impact customer behaviour.

The climate crisis remains one of the biggest challenges that the world faces, posing a

threat not only to the quality of life, but also to the future of the humankind. In 2017, the Bank joined the European programme Business4Climate by signing the "Voluntary Commitment" to take action and implement measures in order to reduce the Bank's climate change footprint.

The main goal of the Bank, through its participation in the programme is to reduce the energy consumption of existing buildings and increase the environmental awareness of

its employees. The key focus areas, as part of the action plan developed, are: energy saving and supply, processes, transportation, waste. As part of the Business4Climate initiative in 2017, the Bank completed the inventory of Scope 1 and Scope 2 greenhouse gas emissions from direct activities, using the Business4Climate "Baseline Emissions Inventory" that took into account emissions of CO₂, CH₄, N₂O. The Bank committed itself to a 2.6% emission reduction by 2020 and to an 8% reduction by 2030.

Bank of Cyprus GHG Emissions (tonnes CO ₂ e)	2020	2017 (base line)
Scope 1		
• Processes and machinery	176.41	22.8
• Vehicles	214.16	378.0
• Fugitive gases	360.98	238.7
• Waste disposal	1,565.96	1,836.6
Scope 2		
• Energy consumption in buildings	13,471.93	16,091.9
Total	15,789.44	18,568
CO ₂ -e avoided emissions due to renewable energy in 2020	106,3	

The emissions factor used is (0.711 tCO₂/kWh) (0.000028 CH₄) (0.0000057N₂O) which is 2019 Cyprus National average as per the Ministry of Energy.

In 2017 boiler heating oil and LPG were included in Scope 2. However, this does not change the total sum of the reported tonnes of CO₂e. Additionally, the increase in fugitive gases emissions in 2020 is due to change after methodological upgrades. The calculations do not include emissions from waste, wastewater from buildings, as well as Scope 3 emissions as defined in

the Greenhouse Gas Protocol.

During the past years, it has been made apparent that the Bank needs to develop its own system and metrics to measure its performance and manage its impact. The Bank is in the process of adopting a new system that will be managed internally and will take into account the unique

business elements of the Bank, its structure and considerations. As the Bank is embarking on this journey, information will be reinstated, and comparability between the years may not be as accurate as anticipated. However, the Bank is committed to transparency and will continue to disclose its performance, actions and goals.

ENERGY MANAGEMENT

Reducing energy consumption is a key priority for the Bank and one of its top commitments. Optimising the amount of energy

consumed helps the Bank reduce both its environmental footprint and operational costs. Therefore, the initiatives implemented focus on

branches across Cyprus as well as on the Head Office, focus on making a significant positive impact on the environment and on cost reduction.

In 2020, the Bank took key actions in the following directions:

- LED bulbs installation
- Continuation of the AC replacement project
- Exploring the installation of a more comprehensive Energy Management System
- Exploring the installation of photovoltaic systems
- E-learning awareness seminar for energy and waste (Kill Waste)
- Including requirements regarding the energy efficiency for any purchase of Electrical/Mechanical related equipment in the Request for Quotation (RFQ) template
- Reducing inland travelling by introducing online conference systems and expanding the use of carpooling
- Optimising office space via relocations and vacating unused office space
- Optimising paper consumption by quitting colour printing and applying double-sided printing
- Reducing printed customer statements by introducing new online alternative ones

In 2020, the internal energy management team of the Bank went through the annual external audit according to the requirements

of the standard CYS EN ISO 50001: 2018 for the two data centres (Head Offices and IT Division building). The process was successfully

completed in September 2020, and thus the validity period for the certificates has been extended until August 2022.

Energy Consumption	2020			2019			2018
	Total	From Renewable Sources	From Non-Renewable Sources	Total	From Renewable Sources	From Non-Renewable Sources	Total
Electric energy (kWh)	18,884,161	149,087	18,735,074	20,120,420	151,336	19,969,084	21,611,440*
Diesel for heating (litres)	59,981			80,280			100,000

*restatement of 2018 information

The energy savings for each equipment replaced are not calculated based on direct measurements, but estimated using the best available reference. The savings for LED and A/Cs upgrading or replacement are

extracted from the estimation of the annually energy save derived by the suggestions of the energy audit report of 2018. Regarding the following savings estimations, the Bank does not use a specific baseline year, as the estimated

saving for each equipment is calculated for a period of one year since installation (equipment installation took place across the first half of year, from December 2019 until July 2020).

Energy Saving Actions 2020	Investment (in €)	Savings (kWh)	Percentage (%)
Replacement of old luminaires with LED	358,285	461,721	2.46%
R22 gas as replacement for A/Cs and replacement of other old appliances	208,065	86,767	0.46%
Total	566,350	548,488	2.92%

Corporate Fleet Fuel Consumption (litres)	2020	2019
Gasoline	28,354	45,909
Diesel	50,006	69,036
Total	78,360	114,945

WASTE MANAGEMENT AND RECYCLING

In October 2020, the Bank launched both an internal communication campaign and an e-learning seminar. This initiative aimed to raise the Bank employees' awareness about the impact of daily activities on the environment,

e.g. paper consumption, printing and using the A/C systems. The goal of this initiative was to motivate all employees to take action and join the effort to become more efficient when it comes to resource consumption.

The continuous investments in technology, innovation and digitalisation helped the Bank reduce the amount of paper used in its operation by 10% in 2020.

The Bank prints:

45,180,000 sheets per year	equal to 226 tonnes of paper	~equal to 8,000 trees
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The cost for colour printing is 7 times the cost of black and white printing

The Bank consumes:

€4.24 million for energy	€1,278 per employee
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45% of energy consumption comes from the use of A/Cs

Paper Consumption

In 2019 the Bank consumed 273 tonnes of paper, while in 2020, it consumed 242 tonnes.

In 2020 outsourcing for recycling services was terminated and the whole recycling operation was undertaken internally. On a

daily basis, the paper that can be recycled is sorted in designated containers by each branch/unit/department and is sent to Customer Correspondence via internal mail. The material is then kept in a dedicated safe location within the Bank's premises and is

sent for bulk recycling.

In 2020 the total amount of recycled paper was 2,020,000 Kg and included 20,000 Kg from internal recycling across Cyprus operations and 2,000,000 Kg from documents' destruction process.

Paper Consumption	2020	2019
Total paper and pre-printed documents used (tonnes)	242	273*

*restatement of 2019 information

Waste by Type and Disposal Method			
Recycled	2020	2019	2018
Empty packaging of printing toners (laser, inkjet etc.) (pieces)	2,279	50	80
Electronic equipment (kg)	28,000	-	-
Metal (metal parts of old furniture, machinery etc.) (kg)	7,000	22,350	1,178
Miscellaneous appliances-machines	295,000		9,800
Paper (kg)	2,020,000	390,000	735,000
Plastics, glass, wood, metal (kg)	295,000	11,155	3,070

The increase in the recycling of plastics, glass, wood, metal recorded in 2020, is due to a clearing operation that was undertaken for the first time by the Bank. The Bank cleared equipment that was in unusable condition and as a result, emptied warehouses which were then released. It is expected that next year the amount will be significantly reduced.

PAPERLESS PROGRAMME


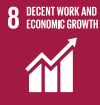



The COVID-19 pandemic has substantially contributed to establishing a paperless bank environment and fostering positive environmental change. The Bank has been utilising online solutions to enable paperless meetings, including the use of Diligent Boards (a Board Portal

Software) which is used at the Board of Directors and Executive Committees. During 2020 employees became more familiar with digital tools and technologies. The Bank more actively utilised digital channels and the corporate portal which hosts all key documents, including circulars,





announcements, policies, internal requests and applications, system details, product and services details, tools, employees' assessment reports. Employees are actively encouraged to utilise the internal portal as much as possible.




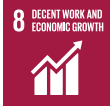


Our Goals

Corporate Governance and Management				
Area	2020 Goal	2020 Main Achievement	2021 Goal	Relevant SDGs
Risk Management	<ul style="list-style-type: none"> • Further strengthening of the IT department • Continue building confidence on security awareness • Improve risk and control management framework • Continue to streamline procedures for cost control, risk recording and anti-fraud management • Conduct training on Fraud Risk Awareness 	<ul style="list-style-type: none"> • Provided risk related trainings to all employees • Formalised the Risk Quantification Framework • Updated the Risk Appetite Framework • Set up an independent validation function • Enhanced and streamlined of risk methodologies • Implemented "Ethos" a Risk Management and Ethics Culture programme • Conducted 2,985 training hours on Fraud Risk Awareness • Conducted operational risk assessment workshops 	<ul style="list-style-type: none"> • Operational risk minimisation • Environmental, Social and Governance (ESG) opportunities and risks identification • Identify and manage climate related and environmental risks and opportunities relevant to current sectors, products and services 	    
Financial Sustainability	Loan Portfolio Quality	<ul style="list-style-type: none"> • Non-Performing Exposures (NPEs) decrease (not proforma for Helix 2) • €3,086 million in December 2020 • €3,880 million in December 2019 	<ul style="list-style-type: none"> • Maintain excellent Loan Portfolio quality 	
Restructuring	Manage new structures based on the Bank's restructuring strategy	Introduced the Organisation Department	Continuously streamline organisational procedures	
	<ul style="list-style-type: none"> • Continue to adhere to The Institute of Internal Auditors Professional Practices Framework, standards and guidelines • Enhance the application of Root Cause Analysis • Ensure continuous employee development • Implement data analytics strategy 	<ul style="list-style-type: none"> • Adopted the "5 Whys" root cause methodology • Implemented an extensive Data Analytics Strategy 	<ul style="list-style-type: none"> • Establish continuous auditing techniques • Evaluate steps towards agile auditing • Embed Data Analytics in all Internal Audit engagements 	
Digital Transformation	e-Procurement	<ul style="list-style-type: none"> • Develop and implement complete electronic procurement system according to agreed timeline 	Implement e-Procurement solution approved stages	
	Upgrade systems for implementing of Digital Transformation Strategy	Completed numerous systems upgrades, including: <ul style="list-style-type: none"> • Automation of external reporting • Project management of digital signatures • New mobile cheque deposit application • Setup of the Digital Signatures Team 	Continuous development of new systems and upgrading of existing systems	
Communication with Stakeholder	<ul style="list-style-type: none"> • Utilise International Standards • Develop 4th Corporate Responsibility Report 	<ul style="list-style-type: none"> • Core level GRI Standards 4th Sustainability Report developed • SASB Standards adopted 	Develop 5th Corporate Responsibility Report according to international standards	
	Strengthen relationships with investors and shareholders	<ul style="list-style-type: none"> • Target achieved • 101 meetings were held with meetings with investors, analysts, rating agencies and correspondent banks in 2020 	Continue to build and strengthen relationships shareholders and investors	





Our Responsible Services

Area	2020 Goal	2020 Main Achievement	2021 Goal	Relevant SDGs
Increase customer satisfaction	Resolve customer complaints within the timeframe set by the Central Bank	<ul style="list-style-type: none"> Received 690 Customer Complaints (1,050 in 2019) and resolved 737 (1,016 in 2019) across all business lines Bank of Cyprus focus on Customer Service has secured a solid, distant lead (14% as of December 2020) from second best in polling data 	<ul style="list-style-type: none"> Achieving zero complaints for all Business Lines and on maintaining zero overdue complaints by the end of 2021 Continue improving the Bank's metrics Renovate branches and upgrade machines and ATMs 	 
Fight Corruption & Bribery	Maintain a "zero tolerance" approach to acts of bribery by any of our employees or any business partners	<ul style="list-style-type: none"> 3,813 customer relationships terminated/suspended and 1,573 potential new customers were rejected exclusively for compliance reasons 	Maintain goal	
	Encourage Whistleblowing	Conducted a training course for 11 Board members and 22 Directors	Maintain goal	
	Continue to prevail against money laundering	<ul style="list-style-type: none"> Conducted 2,113.5 training hours on Anti-Money Laundering and Prevention of Terrorism Financing Improvement of existing Anti Money Laundering procedures and development of new 	Maintain goal	
	Smooth implementation of regulatory framework in the Bank	<ul style="list-style-type: none"> Conducted Regulatory Compliance Campaigns Identify, monitor and reduce risks 	Maintain goal	
New and innovative services	Open the first e-branches offering smart services and innovative technologies	Flagship branch opened in Nicosia	A second branch to open in Limassol	
	Implement the concept of an innovative new branch	10 unmanned branches	New unmanned branch planned to open	
	Develop further policies on "green lending" based on European Banking Authority (EBA)	<ul style="list-style-type: none"> 124 environmental and social studies on new lending to legal entities were conducted 4 Go Green lending products are now under approval 	4 Go Green lending products are planned to be activated before the end of 2021	
	Increase the use of the Bank's digital channels, products and features	<ul style="list-style-type: none"> 451,000 customers connected to 1bank (active subscriptions) Increase of use in relation to 2019: +28% Digital Channels (Internet Banking and Mobile app) Mobile banking application upgrade Apple Pay and BoC Wallet digital cards and customers increase Garmin Pay and Fitbit Pay launched 	Transfer of traditional transactions to electronic ones using a wide range of options offered by the Bank	


Our Society

Area	2020 Goal	2020 Main Achievement	2021 Goal	Relevant SDGs
Make a difference by elevating the Cyprus society and contributing to its continued socioeconomic development	Play an active and positive role in the community	<ul style="list-style-type: none"> • SupportCY was founded to generate Social Capital in Cyprus • 92 members in 2020 • SupportCY financial and in-kind donations exceeded €600 thousand 	Continue to create social value, and support initiatives, beyond COVID-19, through SupportCY	   
		€640k allocated in 2020 to support the Health and Education pillars of the Bank	Continue to create social value, and support initiatives in the Health and Education areas	
Contribute and support cancer patients and their families	Contribute and support cancer patients and their families	2,332 new patients treated in 2020 at the Bank of Cyprus Oncology Centre	Maintain goal	
	Increase fundraising for the Cyprus Anti-Cancer Society by 3%	In 2020 #stiMaxi raised €285,853 (€539,290 in 2019) a considerable success during the pandemic	Maintain goal, based on pandemic recovery	
Culture and Innovation	Contribute to elevating the level of cultural awareness, and creating an entrepreneurial culture in Cyprus (new goals)	<ul style="list-style-type: none"> • Digitalisation of Bank of Cyprus Cultural Foundation (BOCCF) Events Attendance: <ul style="list-style-type: none"> • Digital: 27,372 • Physical: 4,354 • Promotion and upgrading of the educational role of BOCCF • Emphasis on Cultural sustainability 	Bank of Cyprus Cultural Foundation <ul style="list-style-type: none"> • Continued emphasis on Cultural sustainability • Emphasis on digital actions • Expand strategic collaborations • Invest in outreach and engagement activities 	
		Key achievements <ul style="list-style-type: none"> • 11 start-ups joined • 7 new companies founded • €84,000 financial support allocated to 7 companies 	IDEA Innovation Center: <ul style="list-style-type: none"> • Create new SMEs and new job positions • Educate young talent and foster female entrepreneurship • Promote Cyprus abroad, • Facilitate digital transformation through its direct partnership with Bank of Cyprus 	

Our People

Area	2020 Goal	2020 Main Achievement	2021 Goal	Relevant SDGs
Training and development	Upgrade and modernise employees' skill-sets in order to remain relevant in a digital environment, work effectively in the future and stay in contention for in-demand and highly-specialised positions	Conducted 57,236.67 hours of training across all Bank's activities	<ul style="list-style-type: none"> • Maintain goal and increase training provision to pre-pandemic level • Modernize the learning experience and streamline content to Group Strategic Goals 	   
	Enhance employees' knowledge on Anti-Money Laundering procedures Expand seminars on AML procedures	Conducted 2,113.5 training hours on Anti-Money Laundering and Prevention of Terrorism Financing	Increase seminars on AML to pre-pandemic level	
Encourage volunteerism	Increase of our volunteers and employees' engagement in supporting our community initiatives	<ul style="list-style-type: none"> • The Bank did not actively encourage corporate volunteering activities during the pandemic • 907 employees, the "Darewinners", volunteered as opinion multipliers and spokespersons of change 	Increase to pre-pandemic level	
Commitment to gender diversity	Target for 40% representation of the underrepresented gender on the Board by 2020	Not achieved	Goal moved to 2021	
Internal communication	Introduce Yammer, a corporate social collaboration tool to enhance internal communication across all Bank's operations	<ul style="list-style-type: none"> • Launched Yammer in 2020 and achieved 53% employees' engagement • Total users joined: 1,768 	Improve adoption and engagement	
	Internal Customer Satisfaction Survey continuation	63% of employees participated	Repeat survey annually	
	Engagement activities	<ul style="list-style-type: none"> • Direct engagement with the CEO, including 2 "Book a Seat with the CEO" • 20 Open Days • Additional 297 one-to-one meetings across all Divisions 	Continue and enhance engagement activities	
Health & Safety	Maintain and improve Health and Safety rating	<ul style="list-style-type: none"> • Performed 22 evacuation drills nationwide • All buildings inspected for Health and Safety • Completed Risk Assessments Reports for all premises and identifying all high risks • Installed 8 new defibrillators (78 in total) 	<ul style="list-style-type: none"> • Maintain and improve Health and Safety rating • Resolve all high risks at Premises according to plan by 1st quarter of 2021 	
	COVID-19 protective measures	COVID-19 action plan Formed the Pandemic Incident Management Team and the Crisis Management Committee	Take all measures necessary to avoid COVID-19 related health incidents	
	Organise training seminars on Health and Safety topics	Organised 112.5 hours of training on Health and Safety topics	Maintain goal	
Employee Wellbeing	Enhancement of "Well at Work" programme	Approx. 800 participants attended webinars on physical, mental, social, and financial health topics	Maintain goal	

Our Environment

Area	2020 Goal	2020 Main Achievement	2021 Goal	Relevant SDGs
Reduce environmental footprint	<ul style="list-style-type: none"> Continue the installation of LED lightings for the remaining buildings and branches Implement the Bank's new strategy on Digitisation across all Divisions Enhance "Paperless" programme across all Divisions 	<ul style="list-style-type: none"> Continued the installation of LED lightings 10% paper usage reduction 548,488 kWh of energy savings 	<ul style="list-style-type: none"> Further reduce energy consumption Further reduce paper consumption 	 
	Reduction of CO ₂ emissions	14.96% reduction achieved compared to 2017 baseline	<ul style="list-style-type: none"> Further reduce CO₂ emissions Develop a new system for emissions measurement and management 	
	Boost recycling across Bank's operations	<ul style="list-style-type: none"> Launched an internal communication campaign and an e-learning seminar on recycling A total of 2,020,000 kg of paper was recycled 	Maintain goal	
	Renew ISO50001 certification on Energy management system for the two Data Centres	Renewed ISO50001 on Energy management system	Renew certification	
Integrate environmental awareness in Bank culture	Educate staff on environmental issues and run activities to enhance this	Conducted 6 trainings on environmental issues	Maintain goal	

SupportCY Network Members

(as in April 2021)

1	Bank of Cyprus	38	European University Cyprus -The School of Medicine
2	Reaction	39	Pancyprean Thalassaemia Association
3	Public	40	Arnold's Digital Printers Ltd
4	Zorbas Bakeries	41	Stephanis Electronics
5	Bionic Electronics	42	EuroLife
6	ORB Marketing & Communications	43	General Insurances of Cyprus
7	Cyprus Mathematical Society	44	Hellenic Tzilalis
8	Cyprus Symphony Orchestra	45	Burger King
9	Kids Alternativities	46	"Solon" Lefkosias Masonic Foundation
10	McDonald's Cyprus	47	Gima Caffè
11	Unicars Ltd	48	KEAN Soft Drinks Ltd
12	Petrolina (Holdings) Public Ltd	49	KEPAKY Social Services Provision Centre Andreas Sofocleous
13	Polignosi.com	50	Riverland
14	Papaellinas Group	51	European Youth Parliament Cyprus
15	Cyprus Cycling Federation	52	University of Cyprus
16	3CX	53	Cyprus Anti-Cancer Society
17	Olitech Ltd	54	Mall of Cyprus
18	DHL	55	Starbucks Coffee Company
19	Wood N' Fire Art Bakery	56	Sklavenites Supermarket
20	Cyprus Computer Society	57	Mesimvria TV Cyprus
21	Politis Newspaper	58	FROTCOM Cyprus
22	EPITEUGMA Training Center	59	Cyprus Sports Writers Union
23	G4S	60	G.C. School of Careers
24	The Three Bakers Ltd	61	SPP Media
25	Pizza Hut	62	Kathimerini Newspaper
26	EPIC	63	Deejay Radio
27	Dickran Ouzounian & Co. Ltd	64	Love FM
28	Isavella Kids	65	Spor FM
29	Leroy Merlin	66	Achnagal
30	The Body Shop (Cyprus)	67	Homeways Ltd
31	Kafes Pantou	68	SGM Professional Secretarial Services Ltd, Typing & Copy Center
32	Goal in Life	69	Floralink Suppliers Ltd
33	Pandora Bakeries	70	Yiasoumi Bros Butcheries Ltd
34	5nostimo	71	Emergency Rescue Unit Cyprus
35	Medical Equipment Services International (Mesi) Ltd	72	Mindy Fine Fashionwear Ltd
36	Partners VMLY&R	73	Mork Designs Distributions Ltd
37	CERIDES - Excellence in Innovation and Technology		

74	Mangas Home Improvement
75	Oxygono
76	Eco Wash
77	Nicosia Regional Committee for the Organisation of Large Families
78	Cyprus Paraplegic Organisation
79	UCLan Cyprus
80	St. Loucas Community
81	Procopiou Medishop Ltd
82	The Smile of the Child (Greece)
83	United Bikers Cyprus
84	Cyprus Institute of Marketing
85	Cyprus Autistic Association
86	"One Dream One Wish" Cyprus Association for children with cancer and related diseases
87	Photos Photiades Group
88	Ronald McDonald House Charities of Cyprus
89	ABR-Alternative Brains Rule
90	Antenna Ltd
91	Ant1 Radio
92	A. P. S. Athienites Ltd
93	Nicosia Mall Management (NMM) Ltd
94	PASCAL Private English School Lefkosia
95	Top Kinisis Travel Public Ltd
96	Bank of Cyprus Sports Club
97	YourWebStep Online Services
98	Apollonion Private Hospital
99	FSTP Cyprus (Fire Safety Training Providers Cyprus)
100	To Baristro Tou Nicola Ltd
101	Pasta Strada Services Ltd
102	FX Sound Productions Ltd
103	Mind & Health
104	Strovolos Municipality
105	Cablenet Communication Systems Plc
106	Krypto Security Cyprus Ltd
107	Autotechnica (Cyprus) Ltd - Hertz
108	Cyprus Alliance For Rare Disorders

109	Bonsai Group
110	Marigeorgia Voskaridou Career Development Counselor
111	CYMEPA
112	United Pharmacies of Cyprus
113	Handy's Security Systems Ltd
114	ANCONart Ltd
115	Cyprus Society of Physicists
116	Cyprus Biological Society
117	IMH C.S.C Ltd
118	Media Studios
119	DeLeMa McCann

Our Approach to Reporting

About The Report

Bank of Cyprus is proud to present its 4th Annual Corporate Sustainability Report for the year 2020.

In 2020 the Bank decided to rename the Corporate Responsibility Report to Corporate Sustainability Report, to respond to the grown trends and requirements around the disclosure of corporate information around Sustainability and ESG performance. The 2020 Corporate Sustainability Report focuses on the Bank's strategy and framework, action plans, activities and outcomes. It presents the social, governance, economic and environmental performance of the Bank in a concise and consistent manner. The Report is an engagement tool that enhances the relationships between the Bank and its stakeholders. It focuses on agreed material topics and enables stakeholders to make informed decisions regarding the Bank's ability to create long term, sustainable value. For Bank of Cyprus, the Corporate Sustainability Report is a driver for transparency, accountability and value creation.

Scope and Boundary

The Report covers the period from 1/1/2020 to 31/12/2020. The previous Report was referring to year 2019 from 1/1/2019 till 31/12/2019. The Bank has committed to communicate its activities through its Corporate Sustainability Report on an annual basis. The Report covers

the activities of Bank of Cyprus in Cyprus and excludes any subsidiaries and connected parties in or outside Cyprus. References are made to the Bank of Cyprus Holdings Group throughout the Report where needed.

International Standards

This Report has been prepared in accordance with the GRI Standards: Core option.

This Report meets the requirements of the EU Non-Financial Reporting Directive (NFR Directive).

Bank of Cyprus is reporting against the SASB, Financials Sector, Commercial Banks Industry Standard (version 2018-10) for the first time in its 2020 Sustainability Report.

The Bank recognizes the growing interest of investor community, for shareholders and rating agencies for industry-specific sustainability issues and on the financial impacts of sustainability. The SASB index presents the Bank's disclosures against the SASB Standards. The Bank is committed to provide investors with accurate, valuable and meaningful sustainability insights and evolve its disclosures on GRI and SASB over time.

In preparing the content and the structure of the Report, the Bank has been guided by:

- The Social Responsibility ISO 26000 standard
- The United Nations Sustainable Development Goals
- The Ten Principles of the United Nations Global Compact

- The UNEPFI Principles for Responsible Banking
- GRI G4 Sector Disclosures: Financial Services
- The Task Force on Climate related Financial Disclosures (TCFD) by the Financial Stability Board
- The EU sustainable finance framework
- Best practices of the sector at national and international level

Information about the Corporate Governance, Policies and Annual Reports

- Policies are available online at: <https://www.bankofcyprus.com/en-GB/who-we-are-our-governance/corporate-governance-policies-and-other-group-policies/>
- Vision, mission and values are available online at: <https://www.bankofcyprus.com/en-GB/who-we-are/our-bank/our-culture/>
- Information on the Annual Corporate Governance Reports can be found here: <https://www.bankofcyprus.com/en-GB/who-we-are/our-governance-governance-reports/>
- Information on the Annual Reports can be found here: <https://www.bankofcyprus.com/en-GB/investor-relations-new-reports-presentations/annual-report/>
- Information on credit rating can be found here: <https://www.bankofcyprus.com/en-GB/investor-relations-new/credit-ratings--analyst-coverage-credit-rating1/>

External Assurance

Bank of Cyprus has adopted a combined framework for the Annual Financial Report and the Annual Corporate Sustainability Report, in order to improve the reliability of the information and the systems in place, and thus add value to its stakeholders.

- The Annual Financial Statements have been validated by the Bank's responsible management, approved by the Audit Committee and Board of Directors and have been audited by the Bank's independent external auditors.
- The Annual Sustainability Report has been reviewed and approved by the Sustainability Committee, the Executive Committee, the

Ethics, Conduct and Culture Committee and the Nominations and Corporate Governance Committee. Specific disclosures within the Corporate Responsibility Report have been externally assured by an independent body, The CSR Agency, who carried out a limited level assurance of specific data, in accordance with the international standard AA1000. The Assurance statement can be found at the last section of this Report.

Support

The structure, content and analysis contained in the 2020 Corporate Sustainability Report was developed with the guidance and scientific support of Sustainability

Knowledge Group (www.sustainabilityknowledgegroup.com).

Contribution

The 2020 Corporate Sustainability Report wouldn't have been possible without the valuable input of Directors, CSR Liaisons and all employees of the Bank who have contributed with comments, recommendations and data for development of this Report.

Coordination

The Sustainability & CSR Unit, under the Corporate Affairs Division of Bank of Cyprus is entrusted with the coordination of the process for the development of the Corporate Responsibility Report.

Your feedback is important to us.

We welcome your input and suggestions on our Corporate Sustainability Report through a number of channels:



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Instagram:

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Letter:

Sustainability & CSR Unit
Corporate Affairs Division
Bank of Cyprus Headquarters
51 Stasinou Street,
2002 Nicosia, Cyprus

GRI Content Index

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	102-8 Information on employees and other workers	95-98	
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
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GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No incidents	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 21, 35-39, 43-46, 95, 102	
	103-2 The management approach and its components	15, 17, 21-23, 95, 120-124	
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
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	103-3 Evaluation of the management approach	17-20, 46, 102, 107, 120-124	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents	
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	103-2 The management approach and its components	15, 17, 21-23, 79-92, 120-124	
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	79-92	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 35-39, 43-46	
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	103-3 Evaluation of the management approach	17-20, 46, 76, 120-124	
GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	No incidents	
	417-3 Incidents of non-compliance concerning marketing communications	No incidents	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 35-39, 43-46	
	103-2 The management approach and its components	15, 17, 21-23, 28, 29, 120-124	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 35-39, 43-46	
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	103-3 Evaluation of the management approach	17-20, 27, 28, 29, 46, 120-124	
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No incidents	
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	103-2 The management approach and its components	15, 17-23, 25, 27-32, 50, 92, 120-124	
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GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 35-39, 43-46	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 35-39, 43-46, 79, 80	
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	103-3 Evaluation of the management approach	17-20, 46, 79-84, 92, 109, 120-124	
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	103-2 The management approach and its components	15, 17, 21-23, 91, 120-124	
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GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	15, 17, 35-39, 43-46	
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SASB Index

SASB Financials Sector Commercial Banks Industry Standard Disclosures

Topic	Accounting Metric	Code	Page number(s) and/or URL(s)
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	FN-CB-230a.1	28
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	19, 20, 28, 29, 50, 70, 120
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	FN-CB-240a.1	63
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	FN-CB-240a.4	69, 91
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	FN-CB-410a.1	25, 63
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	FN-CB-410a.2	67, 68
Business Ethics	Description of whistleblower policies and procedures	FN-CB-510a.2	28, 104, 105, 108
Systemic Risk Management	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	https://www.bankofcyprus.com/en-GB/investor-relations-new/reports-presentations/annual-report/

Independent External Assurance Statement

Engagement agreement

Responsabilitate Socială SRL ("The CSR Agency") has been engaged by the management of Bank of Cyprus Public Company Limited ("Bank of Cyprus" or "the Bank") to conduct an Independent Assurance for the 2020 Corporate Sustainability Report ("the Report"), covering specific performance indicators ("disclosures") that describe the Bank's activity from 1/1/2020 to 31/12/2020.

The process is intended to provide Bank of Cyprus stakeholders, as identified and presented in the Report, assurance on the accuracy, reliability and plausibility for a number of 14 disclosures included in the Report.

Competencies and independence of the assurance provider

The External Assurance Process was conducted by a multidisciplinary team of experts from the assurance division of The CSR Agency, an independent, international consultancy company, providing sustainability services including training, reporting, assurance and strategy development.

We, The CSR Agency, as part of the United Nations Global Compact Network, we have built our entire business model incorporating the 10 Principles of the UN Global Compact into our strategy, policies, procedures and partnerships. The CSR Agency is part of the Sustainable Romania Coalition, the first apolitical and collaborative platform for Romania's sustainable development. The Coalition is part of the action plan framework of Romania's National Sustainable Development Strategy 2030. It is officially recognized by the Romanian Government through its partnership with the Department for Sustainable Development.

Other than this current agreement and the External Assurance conducted for the Bank's 2019 Corporate Responsibility Report, there was not, nor there is any other business relationship between Bank of Cyprus and The CSR Agency, or between Bank of Cyprus and any employee of The CSR Agency. Therefore, the entire process of External Assurance was conducted independently, with no potential risks of conflicts of interest.

Responsibilities

Bank of Cyprus

The 2020 Corporate Sustainability Report of Bank of Cyprus has been prepared by Bank of Cyprus' team, in partnership with Sustainability Knowledge Group, an external sustainability consultancy.

All the information, data, assertions, disclosures and statements, as well as the processes of gathering information, maintaining records, implementing appropriate internal controls and other mechanisms that support and improve the sustainability reporting process presented in the Report, are solely the responsibility of Bank of Cyprus.

The CSR Agency

Our main responsibilities were to plan and conduct the External Assurance Process based on the AccountAbility standards, to provide key findings and conclusions concerning the accuracy and reliability of the selected sustainability information presented in the Report, as well as to check the Bank's adherence to the AccountAbility Principles.

Scope of the Assurance

The External Assurance Process was conducted based on the AA1000 Assurance Standard (AA1000AS v3)¹ and the AA1000 Principles Standard (AA1000AP, 2018)².

A Moderate, Type 2 External Assurance of the Report was performed, evaluating the nature and extent of the Bank's adherence to the AccountAbility Principles, as well as the reliability of a set of 14 selected disclosures, detailed in the Methodology section.

Procedures to gather sufficient evidence to support statements, values and figures for a balanced number of selected topics, were undertaken. The process conducted and the evidence obtained should reduce the risk of possible errors. However, it should be noted that this risk is not as low as in the case of a High Assurance level process.

A sample of 14 disclosures were selected for evaluation, in order to cover different material topics, relevant for all pillars of the Report and therefore provide balanced conclusions on the disclosed information regarding:

- Market Presence
- Diversity and Equal Opportunity
- Employment
- Indirect Economic Impacts
- Customer Privacy
- Occupational Health and Safety
- Anti-corruption
- Procurement Practices
- Energy
- Employee Development, Training and Education
- Cyber Security & Data Protection

- Innovation, Technology & Digital Transition
- Societal Contribution
- Financial Inclusion

Methodology

As the travelling restrictions caused by the Coronavirus pandemic were still in place at the moment we began the current External Assurance Process, all communications between The CSR Agency and Bank of Cyprus teams were conducted via e-mail, conference calls and over the phone.

For the scope of the Assurance Process, we performed the following:

1. Interviews with Bank of Cyprus representatives to understand the reporting process, the different methodologies followed, and approach towards data collection, monitoring and calculations procedures.
2. Interviews with Bank of Cyprus representatives to review the steps followed for extracting and collecting data.
3. Interviews with the Sustainability Knowledge Group representatives to understand the processes behind the Materiality Assessment and Stakeholder Engagement process, conducted for the purpose of this Report.
4. Review of the Materiality Process and Results.
5. Assessment of the sustainability reporting procedures, to check for consistency with the Global Reporting Initiative (GRI) Standards reporting requirements.
6. Review of public documents, press releases, statements, and communications both from the Bank, as well as from different stakeholders to verify the reliability of certain claims made in the Report.
7. Review of public reports and policies mentioned in the Report to check for consistency with the statements and assumptions made.
8. Recalculating a sample of disclosures, based on the evidence reports and documents received, to check for consistency and accuracy of the calculations performed.
9. Feedback and review of the final content of the selected 14 disclosures included in the Report, as per the scope of the Assurance Process.
10. Examination of internal systems, in order to validate the integrity of the statements made in the Report.
11. Collection and review of internal and external evidence received for each topic-specific disclosure, in order to check for accuracy and consistency with the information disclosed in the Report.

Considering the Bank's sector of activity, the following GRI Standards topic-specific disclosures were selected for review:

- GRI 202-2: Proportion of senior management hired from the local community
- GRI 405-1: Diversity of governance bodies and employees
- GRI 401-1: New employee hires and employee turnover
- GRI 203-2: Significant indirect economic impacts
- GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data
- GRI 403-5: Worker training on occupational health and safety
- GRI 205-2: Communication and training about anti-corruption policies and procedures
- GRI 204-1: Proportion of spending on local suppliers
- GRI 302-4: Reduction of energy consumption
- GRI 404-3: Percentage of employees receiving regular performance and career development reviews
- Number of security awareness training programmes participants
- Increase of internet banking and mobile application use
- Value of SupportCY initiative financial donations
- Number of branches (including lockers) with accessibility for people with disabilities

The activities performed for the scope of the Assurance Process included specific evaluation criteria as stated in the AA1000AP and AA1000AS Standards, as well as the GRI Standards Principles for defining report quality and report content.

Limitations of the Assurance Process conducted

- Any information, statements, assumptions, or data covering previous reporting cycles included in the Report, were not the subject of this Assurance Process.
- Any statements, goals, targets, and other claims included in the Report, that describe the Bank's future plans, intentions, opinions or beliefs do not fall under the scope of the Assurance Process.
- All the procedures we conducted in accordance with the scope of the Assurance Process, included a moderate evaluation and analysis of the accuracy, reliability and plausibility of the information and topic-specific disclosures presented in the Report.
- The sampling, testing and review of the evidence documents provided by the Bank was conducted remotely, via e-mail, conference calls and telephone, due to the travelling restrictions in place at the moment.
- No other topics and disclosures, except those described in the Scope of the Assurance & Methodology sections of this statement, were assessed.

1 The AA1000 Assurance Standard (AA1000AS v3) is the leading methodology used by sustainability professionals worldwide for sustainability-related assurance engagements, to assess the nature and extent to which an organization adheres to the AccountAbility Principles. The document can be consulted here: <https://www.accountability.org/standards/>

2 AA1000 Accountability Principles (AccountAbility, 2018) describes a framework for applying the four Principles of accountability when measuring sustainability performance. The four Principles are detailed below.

- We did not review any activities and performance of third-parties, entities or stakeholders mentioned in the Report.
- Our engagement was limited to the English version of the Report. Therefore, in the event of any inconsistency in translation between the Greek and English versions, as far as our conclusions are concerned, the English version of the Report prevails.

Adherence to the AA1000 AccountAbility Principles: findings and conclusions

Inclusivity³

The Bank maps and presents twelve stakeholder groups in the Report: Employees, Shareholders, Credit and ESG Rating Agencies, Media, Customers, Suppliers/Business Associates, Bank of Cyprus Group and Subsidiaries of the Bank, Government and Local Government, Business Associations, Financial Sector and Peers, Regulators, Society and Local Communities. A description of the stakeholders needs, expectations, frequency of communication and engagement channels is provided for six of the twelve categories, providing information regarding the formalised stakeholder engagement processes in place, both for the purpose of the Corporate Sustainability Report, and for continuous communication.

The materiality assessment undertaken for the purpose of sustainability reporting took place in the previous reporting cycle (2019), with the Bank conducting workshops and surveys for employees and surveys for external stakeholders including customers, media representatives, suppliers/business associates, non-governmental organisations. Stakeholder needs and expectations were identified through the materiality assessment.

To validate the results of the materiality assessment, to ensure sustainability integration, as well as to identify and discuss new areas of action and highlight changes in the material topics, the Bank embarked in 2020, on a series of internal meetings with representatives from all internal divisions.

Materiality⁴

The 2020 Corporate Sustainability Report is based on the assessment conducted in 2019, as part of the 2019 Corporate Responsibility Report. For this purpose, Bank of Cyprus performed an extensive assessment for the identification, prioritisation, and validation of key material topics, using a four-step process. The assessment included market research, review of best practices of the sector at national and international level, analysis of international standards (The Social Responsibility ISO 26000 standard, The United Nations Sustainable Development Goals, The Ten Principles of the United Nations Global Compact, The UNEPFI Principles for Responsible Banking, GRI G4 Sector Disclosures: Financial Services, The Task Force on Climate-related Financial Disclosures by the Financial Stability Board and The EU sustainable finance framework), benchmarking and understanding the internal and external environment of Bank of Cyprus, to determine the extended list of topics to be submitted for prioritisation to top-management and stakeholders.

For the first time in its 2020 Corporate Sustainability Report, the Bank is reporting against SASB. The SASB index presents the Bank's disclosures against the SASB Financials Sector, Commercial Banks Industry Standard (FN-CB) Disclosures.

The impact boundary for each topic is presented in the Report together with the Bank's contribution to the Sustainable Development Goals for each pillar, considering key stakeholder needs and expectations.

The most important topics are presented in the materiality matrix, in a user-friendly format, based on the GRI Standards recommendations.

For the purpose of the 2020 Corporate Sustainability Report, the Bank organized and conducted a series of internal meetings with representatives from all divisions. The meetings included in depth discussions which resulted in the update of the environmental topics ranking and the validation of the rest of the topics included in the materiality matrix.

Responsiveness⁵

All the material topics identified during the materiality assessment process were addressed in the 2020 Corporate Sustainability Report, based on the GRI Standards. This allows stakeholders to access recent information related to the Bank's sustainability strategy and performance, compare data from previous years and make informed decisions based on the outcomes and results presented in the Report.

The Bank also presents in a separate section in the Report, its key measures taken in the context of the COVID-19 pandemic, highlighting key figures and actions implemented, as well as how the Bank responded to stakeholders needs and expectations.

Impact⁶

Through its 2020 Corporate Sustainability Report, the Bank discloses information regarding the economic, social and environmental impacts of its activities. The material topics included in the report are presented together with a chart of their impact boundaries, across six stakeholder categories in the company's value chain. For each material topic, the Bank describes its management approach, supporting its statements with qualitative and quantitative information and the main outcomes of specific initiatives, measures taken and projects implemented.

³ Inclusivity is actively identifying stakeholders and enabling their participation in establishing an organisation's material sustainability topics and developing a strategic response to them.

⁴ Materiality relates to identifying and prioritising the most relevant sustainability topics, taking into account the effect each topic has on an organisation and its stakeholders.

⁵ Responsiveness is an organisation's timely and relevant reaction to material sustainability topics and their related impacts.

⁶ Impact is the effect of behaviour, performance and/or outcomes, on the part of individuals or an organisation, on the economy, the environment, society, stakeholders or the organisation itself. For further information on the AccountAbility Principles, access: <https://www.accountability.org/standards/>

Given the assessment and evaluation of internal processes, policies and procedures, as per the Assurance Engagement, it can be stated that Bank of Cyprus reasonably meets the required adherence criteria of the AccountAbility Principles.

Key observations

- The Bank continued to strengthen its internal structures and mechanisms to manage sustainability topics, setting up the Sustainability Committee at the end of 2020, under the Investor Relations & ESG Department.
- The Sustainability Committee is responsible for monitoring external ESG trends, guide and review the formulation of the Group's ESG strategy and policies, monitor the development and implementation of ESG objectives, monitor ESG risks to ensure their effective oversight and review the Bank's annual ESG Report and other ESG related disclosures.
- There is a "CSR Liaisons" structure inside the Bank, whose purpose is to contribute to decentralising the Corporate Responsibility concept and enhance a responsibility culture. The CSR Liaisons comprise of a group of employees appointed by each Division Director, that among other responsibilities, contribute to the development of the Report.
- Throughout the Report, at the beginning of each chapter the Bank includes a reference to the Sustainable Development Goals.
- The materiality assessment that stood at the basis of the 2020 Corporate Sustainability Report was updated in 2020, with internal meetings held with all the Bank's Divisions for improving and ensuring a better understanding of sustainability topics. The meetings also led to a higher ranking attributed to the environmental topics.
- As part of the reporting process, the Report was reviewed and approved by the Sustainability Committee, the Executive Committee, the Ethics, Conduct and Culture Committee and the Nominations and Corporate Governance Committee.
- The Bank of Cyprus 2020 Corporate Sustainability Report is developed based on the GRI Standards (Core option) and includes for the first time, reporting against SASB, Financials Sector, Commercial Banks Industry Standard (version 2018-10).

Recommendations

The following recommendations have been issued by The CSR Agency for improving future sustainability reporting:

- Given the current changing context that has great implications on the sustainable development policies, regulations, and public interest, and following the COVID-19 pandemic impact across all sectors, for the next reporting cycle, we recommend Bank of Cyprus to conduct a new materiality assessment to evaluate its impact and gain updated insights on the stakeholders needs and expectations.
- Bank of Cyprus to further improve its disclosures on sustainable finance.
- Bank of Cyprus to continue improving the quantitative information disclosed.
- Bank of Cyprus to improve the accuracy of the environmental disclosures and place a greater focus on the data monitoring and collection systems. This will allow the Bank to better define, describe and present its direct and indirect impact.
- Bank of Cyprus to continue measuring its contribution to the Sustainable Development Goals, adding more in-depth and specific explanations of the positive impact it generates towards reaching the SDGs targets.
- For a better understanding of the positive impact created by SupportCY initiative, the Bank could consider adopting a formal measurement system of its social impact.
- Bank of Cyprus to strengthen its commitment to sustainable development, by adopting specific and measurable goals and communicate on its progress towards achieving them.
- Bank of Cyprus to continue applying the GRI Standards reporting Principles.
- Bank of Cyprus to continue reporting in accordance with the GRI Standards and SASB, and to include specific sector disclosures from other relevant international standards and recognized initiatives.

A comprehensive feedback report with specific findings and recommendations for improving the sustainability reporting process was developed by The CSR Agency and submitted to Bank of Cyprus management.

Based on the review of the Bank of Cyprus 2020 Corporate Sustainability Report, it can be concluded that a fair representation of data and information has been included in the Report. The selected sustainability performance and data statements are accurate, reliable and materially correct.

Andreea Ghiocel

on behalf of the Assurance Division

Responsabilitate Socială SRL (The CSR Agency)

May 31st, 2021



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