Bank of Cyprus Group

Group Financial Results
For the year ended 31 December 2020
DISCLAIMER

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

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

Forward Looking Statements
This document contains certain forward-looking statements which can usually be identified by terms used such as "expect", "should be", "will be" and similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Examples of forward-looking statements include, but are not limited to, statements relating to the Group's near term, medium term and longer term future capital requirements and ratios, intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, expected impairment charges, the level of the Group's assets, liquidity, performance, prospects, anticipated growth, provisions, impairments, business strategies and opportunities. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend upon circumstances, that will or may occur in the future. Factors that could cause actual business, strategy and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Group include, but are not limited to: general economic and political conditions in Cyprus and other European Union (EU) Member States, interest rate and foreign exchange fluctuations, legislative, fiscal and regulatory developments, information technology, litigation and other operational risks, adverse economic conditions, the impact of outbreaks, epidemics or pandemics, such as the COVID-19 pandemic and ongoing challenges and uncertainties posed by the COVID-19 pandemic for businesses and governments around the world. Should any one or more of these or other factors materialise, or should any underlying assumptions prove to be incorrect, the actual results or events could differ materially from those currently being anticipated as reflected in such forward looking statements. The forward-looking statements made in this document are only applicable as from the date of publication of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statement contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any statement is based.

Important Notice Regarding Additional Information Contained in the Investor Presentation
The presentation for the Group Financial Results for the year ended 31 December 2020 (the "Presentation"), available on https://www.bankofcyprus.com/en-GB/investor-relations-new/reports-presentations/financial-results/, includes additional financial information not presented within the Group Financial Results Press Release (the "Press Release"), primarily relating to (i) NPE analysis (movements by segments and customer type), (ii) rescheduled loans analysis, (iii) details of historic restructuring activity including REMU activity, (iv) analysis of new lending, (v) Income statement by business line, (vi) NIM and interest income analysis and (vii) Loan portfolio analysis in accordance with the three-stages model for impairment of IFRS 9. Moreover, the Investor Presentation includes additional financial information not presented in the Results Announcement of current and expected medium term levels for (i) NPE coverage, (ii) growth of performing loan book, (iii) ratio of revenue over total assets, (iv) ratio of fee and commission over total assets, (v) ratio of total revenues over RWAs, (vi) market shares and total regular income or gross written premiums of insurance companies, (vii) restructuring expenses, (viii) cost to income ratio (excluding special levy and contributions to Single Resolution Fund and Deposit Guarantee Fund), and (ix) ESG performance metrics. Except in relation to any non-IFRS measure, the financial information contained in the Investor Presentation has been prepared in accordance with the Group’s significant accounting policies as described in the Group’s Annual Financial Report 2019 and updated in the Interim Financial Report 2020. The Investor Presentation should be read in conjunction with the information contained in the Press Release and neither the financial information in the Press Release nor in the Investor Presentation constitutes statutory financial statements prepared in accordance with International Financial Reporting Standards.
Highlights
2020 Achievements

Successful navigation through the pandemic with clear priorities

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

Significant progress on balance sheet de-risking despite challenging environment

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

Asset quality management throughout the pandemic

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

Careful cost management

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

Launch of New Strategic Plan and Medium Term Targets

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

1) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction
2) Excluding Special Levy and contributions to SRF and DGF
## 4Q2020 - Highlights

### Positive Organic Performance in 4Q2020

<table>
<thead>
<tr>
<th>€45 mn Operating Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New lending of €374 mn in 4Q2020, up 30% qoq, reflecting early recovery post 1H2020 lockdown</td>
</tr>
<tr>
<td>• Total income of €142 mn up 3% qoq</td>
</tr>
<tr>
<td>• Cost of risk of 99 bps</td>
</tr>
<tr>
<td>• Organic profit after tax of €2 mn</td>
</tr>
<tr>
<td>• Exceptional items of €51 mn, including provisions/net loss relating to NPE sales(^1) of €42 mn</td>
</tr>
<tr>
<td>• Loss after tax of €49 mn for 4Q2020 and €171 mn for FY2020, post exceptional items</td>
</tr>
</tbody>
</table>

### Operating Efficiency

<table>
<thead>
<tr>
<th>64% Cost/Income(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Total operating expenses(^2) of €91 mn for 4Q2020, up 7% qoq</td>
</tr>
<tr>
<td>• Cost to income ratio(^2) at 64% for 4Q2020</td>
</tr>
</tbody>
</table>

### Good Capital Strong Liquidity

<table>
<thead>
<tr>
<th>15.2% CET1 ratio(^3,4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CET1 ratio of 15.2%(^3,4) and Total Capital ratio of 18.7%(^3,4)</td>
</tr>
<tr>
<td>• Deposits at €16.5 bn, broadly flat yoy and qoq</td>
</tr>
<tr>
<td>• Significant surplus liquidity of €4.2 bn (LCR at 254%)</td>
</tr>
</tbody>
</table>

### Significant Progress in Balance Sheet Repair

<table>
<thead>
<tr>
<th>7% Net NPE ratio(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• €0.5 bn NPE sale (Helix 2 Portfolio B) signed in January 2021; €1.5 bn NPE sales since December 2019</td>
</tr>
<tr>
<td>• NPEs reduced by €2.1 bn(^3) to €1.8 bn(^3) (€0.7 bn net)(^3) in FY2020</td>
</tr>
<tr>
<td>• Gross NPE ratio reduced to 16%(^3) (7% net(^3)) and coverage maintained at 59%(^3)</td>
</tr>
</tbody>
</table>

---

1) Including restructuring expenses
2) Excluding Special Levy and contributions to SRF and DGF
3) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction
4) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements
Our journey

Where we were...
Shrinkage to core strength

2014-2019

2020

✓ Significant balance sheet de-risking
✓ Managing pandemic asset quality
✓ Acceleration of NPE reduction
✓ Address costs
✓ Supporting the recovery of Cypriot economy
✓ Normalised funding stack
✓ Exited non core operations

What we have achieved in 2020...
Normalisation of balance sheet

Where we want to be...
Business turnaround for sustainable growth

2021-2022
Medium-term

Priorities
- Complete de-risking while managing the post-pandemic NPE inflow
- Position the Bank on the path for sustainable profitability
- Modernise the BOC franchise, including IT and digital investment
- Address challenges from low rates and surplus liquidity
- Refinancing of Tier 2¹ and initiate MREL issuance¹

Priorities
- Deliver sustainable profitability and shareholder returns
- Enhance revenues by capitalising on market leading positions across business divisions
- Enhance operating efficiency, through sustained focus on cost base
- Optimise capital management

1) Subject to market conditions
On-going support to customers and society through COVID-19

- Payment holidays expired in December 2020 (capital & interest)
  - €5.9 bn (>25k customers)
    - €2.1 bn private individuals
    - €3.8 bn businesses
- #SupportCY network initiative contributing:
  - €302k towards education
  - €116k towards health
  - €191k towards social services
- Grants covering cost of repatriation flights
- €1.4 bn new lending in FY2020
- Participation in the government’s schemes for interest rate subsidy to private individuals and businesses
- Strong pipeline of over €130 mn for new housing loans, as at mid Feb 2021
- All branches operating as usual
- Increased usage of digital channels sustained post 1H2020 lockdown
- 84% of total transactions are performed through digital channels (vs 77% in 2019)
- 75% of customers currently digitally engaged (vs 69% in 2019)

1) #SupportCY is a network of 93 companies and NGOs, initiated by Bank of Cyprus, during March 2020, with the aim to support the public services performing frontline duties during the Pandemic and wider Society
2) This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs
3) This is the ratio of digitally engaged individual customers to the total number of individual customers. Digitally engaged customers are the individuals who use the digital channels of the Bank (mobile banking app, browser and ATMs) to perform banking transactions, as well as digital enablers such as a bank-issued card to perform online card purchases
Timely and strong response by the Government of Cyprus

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

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

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

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

---
1) Estimation of Bank of Cyprus’ Economic Research Department
GDP contraction of 5.1% in 2020, significantly outperforming Euro area

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

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

Tourist arrivals in 2020 impacted by COVID-19

Source: Cyprus Statistical Service
1) GDP projections under the updated base scenario of Ministry of Finance, Central Bank of Cyprus, European Commission, the Economics Research centre of the University of Cyprus
2) Lowy Institute https://interactives.lowyinstitute.org/features/covid-performance/
New lending\(^1\) continued to grow in 4Q2020, driven by corporate and retail housing

New lending\(^1\) of €374 mn in 4Q2020, up 30% qoq

<table>
<thead>
<tr>
<th>€ mn</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,045</td>
<td>356</td>
<td>1,351</td>
</tr>
<tr>
<td>912</td>
<td>211</td>
<td>596</td>
</tr>
<tr>
<td>366</td>
<td>42</td>
<td>144</td>
</tr>
<tr>
<td>200</td>
<td>96</td>
<td>363</td>
</tr>
</tbody>
</table>

\(^{-34}\%\)

Monthly new lending data show improving trend

<table>
<thead>
<tr>
<th>€ mn</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>206</td>
<td>122</td>
<td>123</td>
<td>62</td>
<td>78</td>
<td>98</td>
<td>95</td>
<td>90</td>
<td>103</td>
<td>118</td>
<td>126</td>
<td>130</td>
<td>179</td>
<td></td>
</tr>
</tbody>
</table>

\(^{-30}\%\)

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

---

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

\(1\)

New disbursements in the reporting period including the average YTD change (if positive) for overdraft facilities

\(2\)

Facilities/limits approved in the reporting period

\(3\)

As 31 December 2020
Encouraging trends as payment deferrals end

Expired Payment Deferrals: payment behaviour

€ bn

<table>
<thead>
<tr>
<th>Overdrafts</th>
<th>Instalment due by 15 Feb-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.9</td>
<td>3.6</td>
</tr>
</tbody>
</table>

95% of expired payment deferrals with instalment due by 15 Feb 2021, resumed payments

<table>
<thead>
<tr>
<th>15-Feb-21</th>
<th>15-Feb-21 - 31 Mar-21</th>
<th>2Q2021</th>
<th>2H2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.9</td>
<td>0.7</td>
<td>0.9</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Total gross loans portfolio (€12.3 bn in Dec-20)
Delinquency buckets show resilience

- 79.6% over 90 days
- 74.6% 31-90 days
- 79.0% 1-30 days
- 79.8% 0 days

• Cautiously optimistic based on customer behaviour by 15 Feb 2021

• €5.9 bn of loans under 2020 moratorium which expired on 31 Dec 2020:
  - €3.6 bn had an instalment due by 15 Feb 2021; 95% resumed payments
  - €0.7 bn have an instalment due between 15 Feb 2021 and end of Mar 2021

• Careful monitoring of arrears in 2021

• In close contact with customers with early arrears to offer solutions as necessary

• Second moratorium launched in Jan 2021 for customers impacted by second lockdown
  - Application period expired on 31 Jan 2021; applications received for €27 mn gross loans; c.€17 mn approved to date
  - Payment deferrals up to Jun 2021
  - Total months under moratorium, when including 2020 moratorium, cannot exceed 9 months
Private individuals loan portfolio, highly collateralised

Private Individuals: €4.09 bn

- Housing: €3.40 bn (83%)
- Other: €0.69 bn (17%)

Expired Payment Deferrals: €2.08 bn (51%)

- Overdrafts: €0.04 bn
- Instalment due by 15 Feb-21: €1.71 bn
- Instalment due after 15 Feb-21: €0.33 bn

82% private individuals loans under payment deferrals had an instalment due by 15 Feb 2021
93% of these, resumed payments

1) Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosure, LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date.

2) Overdrafts and current accounts have no instalment due.

- Housing performing loans: €3.40 bn
  - Low LTV\(^1\) housing portfolio
  - 63% of portfolio with LTV\(^1\)<60%
  - Only 8% of portfolio with LTV\(^1\)>100%

- Other: €0.69 bn
  - 62% secured portfolio
  - of which 60% with property
  - of which 40% with other type of collateral

\(^{1}\) LTV
\(^{2}\) LTV
Business portfolio well diversified, with high quality collateral

- **High Impact: (22%)**
  - Tourism (Hotels & Catering)

- **Medium Impact: (24%)**
  - Trade
  - Manufacturing

- **Moderate Impact: (29%)**
  - Construction
  - Transportation and storage

- **Low: (25%)**
  - Real Estate
  - Education
  - Health

### Business gross loans (excluding Legacy)

- **Total: €5.11 bn**

### Breakdown, by Covid-19 impact

- **High Impact:** 22%
- **Medium Impact:** 24%
- **Moderate Impact:** 29%
- **Low:** 25%

### Payment deferrals that expired on 31 December 2020

- **Total: €3.79 bn**
- **Overdrafts:** €0.32
- **Instalment due by 15 Feb-21:** €1.94
- **Instalment due after 15 Feb-21:** €1.53

51% of business loans under payment deferrals had an instalment due by 15 Feb 2021
97% of these, resumed payments

- **97% of expired payment deferrals with an instalment due by 15 Feb 2021 resumed payments**

- **High quality origination via prudent underwriting standards**
  - Strong assessment of repayment capability
  - Strict origination standards
  - Effective foreclosure law in place, following the amendments in recent years

- **99% of new exposures since 2016 were performing at the start of the moratorium**

- **90% of portfolio secured**
  - of which 80% with property
  - of which 20% other type of collateral

- **Low LTV³ business portfolio; 73% of the portfolio with LTV³<80%**

### LTV³ Distribution

<table>
<thead>
<tr>
<th>LTV³</th>
<th>High</th>
<th>Medium</th>
<th>Moderate</th>
<th>Low</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 80%</td>
<td>92%</td>
<td>57%</td>
<td>64%</td>
<td>83%</td>
<td>73%</td>
</tr>
<tr>
<td>&gt;80%</td>
<td>8%</td>
<td>43%</td>
<td>36%</td>
<td>17%</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

1) Gross loans as at 31 December 2020 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail and H/O
2) Facilities/limits approved
3) Loan to Value (LTV) is calculated as Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosures LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date
4) Overdrafts and current accounts have no instalment due

- 51% of business loans under payment deferrals had an instalment due by 15 Feb 2021
- 97% of these, resumed payments
## Portfolio exposure to businesses most impacted by COVID-19

### Tourism: €1.12 bn

<table>
<thead>
<tr>
<th>Hotels &amp; Catering</th>
<th>30 Sep 2020 € bn</th>
<th>31 Dec 2020 € bn</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food services</td>
<td>0.06</td>
<td>0.06</td>
<td>5%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>1.01</td>
<td>1.06</td>
<td>95%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.07</strong></td>
<td><strong>1.12</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Unutilised Liquidity
- of which deposits | 0.34 | 0.32 | 23% |
- **of which deposits** | 0.27 | 0.26 |

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

### Trade: €0.89 bn

<table>
<thead>
<tr>
<th>Trade</th>
<th>30 Sep 2020 € bn</th>
<th>31 Dec 2020 € bn</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarkets, pharmacies and other essential retail businesses</td>
<td>0.28</td>
<td>0.26</td>
<td>30%</td>
</tr>
<tr>
<td>All other</td>
<td>0.67</td>
<td>0.63</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.95</strong></td>
<td><strong>0.89</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Unutilised Liquidity
- of which deposits | 0.93 | 0.95 | 68% |
- **of which deposits** | 0.62 | 0.60 | 68% |

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

---

1) Unutilised overdraft amounts and deposits
Profitability
Positive Performance before exceptional items in 4Q2020

Positive Organic Performance in 4Q2020

Net Interest Income down 2% qoq

Net Fee and Commission up 8% qoq

Total Operating Expenses\(^1\) up 7% qoq

Provisions and Impairments up 6% qoq

1) Excluding Special Levy and contributions to SRF and DGF
2) Impairments of financial and non-financial assets
Group Financial Results for the year ended 31 December 2020

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

2) Including restructuring expenses

3) Excluding Special Levy and contributions to SRF and DGF

**Income Statement**

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

**Key Ratios**

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

- **NII for 4Q2020 at €80 mn as pressure on lending yields continues**
- **Non interest income for 4Q2020 increased to €62 mn, positively impacted by higher fee and commission income, as transactional volumes gradually recover post 1H2020 lockdown and higher REMU revaluation gains; non interest income for FY2020 reduced to €237 mn driven mainly by lower REMU gains, revaluation gains on financial instruments and other income, negatively impacted by COVID-19**
- **Total operating expenses of €91 mn for 4Q2020, up 7% qoq driven mainly by higher operating expenses mainly due to seasonality; total operating expenses of €340 mn for FY2020, down 12% yoy, following the successful completion of a Voluntary Staff Exit Plan in 4Q2019 and lower operating expenses**
- **Provisions and impairments for 4Q2020 at €40 mn, including loan credit losses of €31 mn, driven mainly by the increase in provisions for litigations and other financial instruments**
- **Exceptional items for 4Q2020 of €51 mn relate to provisions/net loss of NPE sales of €42 mn, cost for targeted Voluntary Exit Plan of €6 mn and DTC levy of €3 mn**
- **Loss after tax of €49 mn for 4Q2020**
- **Loss after tax of €171 mn for FY2020**
Drivers of NIM

NII for 4Q2020 at €80 mn

<table>
<thead>
<tr>
<th>NII (€ mn)</th>
<th>84</th>
<th>85</th>
<th>83</th>
<th>82</th>
<th>80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquids</td>
<td>102</td>
<td>100</td>
<td>95</td>
<td>95</td>
<td>91</td>
</tr>
<tr>
<td>Legacy</td>
<td>23</td>
<td>24</td>
<td>18</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Non-Legacy</td>
<td>75</td>
<td>72</td>
<td>75</td>
<td>74</td>
<td>71</td>
</tr>
</tbody>
</table>

Net derivative

<table>
<thead>
<tr>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>-2</td>
<td>-3</td>
<td>-2</td>
<td>-3</td>
<td>-2</td>
</tr>
</tbody>
</table>

Other

<table>
<thead>
<tr>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>-6</td>
<td>-6</td>
<td>-6</td>
<td>-6</td>
<td>-6</td>
</tr>
</tbody>
</table>

Subordinated loan stock

<table>
<thead>
<tr>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>-8</td>
<td>-5</td>
<td>-12</td>
<td>-3</td>
<td>-11</td>
</tr>
</tbody>
</table>

Customer deposits

<table>
<thead>
<tr>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>-18</td>
<td>-15</td>
<td>-12</td>
<td>-13</td>
<td>-11</td>
</tr>
</tbody>
</table>

Effective yield on assets & cost of funding

<table>
<thead>
<tr>
<th>NIM (bps)</th>
<th>187</th>
<th>195</th>
<th>188</th>
<th>179</th>
<th>175</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Legacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquids</td>
<td>3</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

1) Cash, placements with banks, balances with central banks and bonds
2) Other includes funding from central banks and deposits by banks and repurchase agreements. For further details, please see slide 66
3) Effective yield of liquid assets: Interest income on liquids after hedging, over average liquids (Cash and balances with central banks, placements with banks and bonds)
4) Effective yield of cost of funding: Interest expense of all interest bearing liabilities after hedging, over average interest bearing liabilities (customer deposits, funding from the central bank, interbank funding, subordinated liabilities)
5) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income
Non interest income increased to €62 mn, up 11% qoq

- Non interest income for FY2020 reduced to €237 mn driven mainly by lower REMU gains, revaluation gains on financial instruments and other income, negatively impacted by COVID-19
- Net fee and commission income increased to €38 mn due to seasonality, higher non-transactional fees and increased economic activity post 1H2020 lockdown
- Net insurance income at €14 mn broadly flat qoq
- REMU gains\(^2\) increased to €5 mn in 4Q2020 driven mainly by higher net revaluation gains relating to specific properties in Greece; REMU sales remain volatile
- Net FX and other income\(^1\) at €5 mn flat qoq
Revenue outlook: short-term stabilisation, while building a less capital intensive revenue growth model

- Revenue remains under pressure in the near term following acceleration of balance sheet de-risking; Helix 2 reduces NII by €7 mn per quarter (slide 57); Interest on Net NPEs not received in cash, fully provided

- Multiple initiatives put in place to deliver NII and less capital intensive non interest income with focus on fees, insurance and non-banking business

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

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

![Performing book to grow by c.10%](image)

<table>
<thead>
<tr>
<th>Performing book to grow by c.10%</th>
<th>Dec 2018</th>
<th>Dec 2019</th>
<th>Dec 2020</th>
<th>Medium-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy</td>
<td>3.4</td>
<td>1.8</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>Performing</td>
<td>8.7</td>
<td>8.9</td>
<td>9.0</td>
<td>c.+10%</td>
</tr>
</tbody>
</table>

Fee and commission income / Total Assets
- FY2020: c.70 bps  
  - Medium term: c.100 bps

Total Revenues / RWAs
- FY2020: c.5%  
  - Medium term: c.6%

Revenues/Total Assets
- FY2020: c.260 bps  
  - Medium term: c.280bps

1) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction
Group Financial Results for the year ended 31 December 2020

Profitable Life Insurance business with further opportunities to grow

Sustainable healthy profitability in FY2020

<table>
<thead>
<tr>
<th>€ mn</th>
<th>FY2020</th>
<th>FY2019</th>
<th>yoy%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total regular income(^1)</td>
<td>129</td>
<td>120</td>
<td>7%</td>
</tr>
<tr>
<td>(of which GWP(^2))</td>
<td>126</td>
<td>119</td>
<td>6%</td>
</tr>
<tr>
<td>Costs and claims</td>
<td>(70)</td>
<td>(73)</td>
<td>-4%</td>
</tr>
<tr>
<td>Net insurance income</td>
<td>33</td>
<td>35</td>
<td>-6%</td>
</tr>
</tbody>
</table>

- GWP\(^2\) up 6% yoy, despite challenging environment
- Increased agency force by 17% yoy
- Increased market shares across major products
  - Life & Health Regular Premium Income 24.9% (+1.3% yoy)\(^3\)
  - Life Regular (individual) New Business 29.5% (+1.6% yoy)\(^4\)
  - AUM 39.0% (+0.6% yoy)\(^3\)

Initiatives underway…

- **Widen target market** by offering more basic and appealing products/services to extend customer base

- **New distribution philosophy** through enhanced agency force to accelerate new business

- **Leverage on Bank’s strong franchise and customer base**

- **Improve cost efficiency** through digitalisation capabilities

… aiming to improve total regular income\(^1\)

![Graph showing market share over time]

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

Market leader\(^3\) in Life insurance

- **Market share (Life & Health regular)**
  - Eurolife Peer 2: 25%
  - Peer 3: 23%
  - Other market players: 19%
  - Medium-term target: c.27%

14% contribution to non interest income
Profitable Non-Life Insurance business with further opportunities to grow

Sustainable healthy profitability in FY2020

<table>
<thead>
<tr>
<th>€ mn</th>
<th>FY2020</th>
<th>FY2019</th>
<th>yoy%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance income</td>
<td>56</td>
<td>57</td>
<td>-1%</td>
</tr>
<tr>
<td>(of which GWP(^2))</td>
<td>49</td>
<td>50</td>
<td>-1%</td>
</tr>
<tr>
<td>Costs and claims</td>
<td>(33)</td>
<td>(35)</td>
<td>-3%</td>
</tr>
<tr>
<td>Net insurance income</td>
<td>23</td>
<td>22</td>
<td>2%</td>
</tr>
</tbody>
</table>

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

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

...aiming to further grow GWP\(^2\) by capturing fair share based on bank customer base

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ins. Inc.</td>
<td>49</td>
<td>50</td>
<td>49</td>
</tr>
<tr>
<td>Costs</td>
<td>&gt;50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Inc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Medium-term target

Opportunities for further market penetration

<table>
<thead>
<tr>
<th>Market share(^1) : (GWP(^2))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer 1</td>
</tr>
<tr>
<td>14%</td>
</tr>
</tbody>
</table>

1) As at 31 December 2020 (based on preliminary market statistics)
2) Gross written premium
Total Operating Expenses down 12% yoy

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

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

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

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

Initiatives

- Exit solutions to release FTEs
- Further branch footprint rationalisation
- Contain restructuring costs following completion of balance sheet de-risking
- Enhance procurement control
- Reduction of total operating expenses\(^1\) by c.10% over the medium term despite inflation

2021 Outlook

- C/I ratio\(^1\) expected to rise in the near term as revenues remain under pressure and operating expenses increase due to higher IT/digitisation investment costs
- C/I ratio\(^1\) to reduce to mid 50s% in the medium term

\(^1\) Excluding Special Levy and contributions to SRF and DGF

---

Reduction of total operating expenses\(^1\) by c.10%

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>Medium term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff cost</td>
<td>220</td>
<td>340</td>
<td>&lt;350</td>
</tr>
<tr>
<td>Other opex</td>
<td>165</td>
<td>195</td>
<td></td>
</tr>
</tbody>
</table>

€ mn

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

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>Medium-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>47</td>
<td>15</td>
<td>&lt;10</td>
</tr>
</tbody>
</table>

\(-80\%\)

C/I ratio\(^1\) expected to rise to mid 60s% before improving in the medium-term

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
<th>Medium-term target</th>
</tr>
</thead>
<tbody>
<tr>
<td>C/I ratio(^1)</td>
<td>59%</td>
<td>60%</td>
<td>mid 60s%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>mid 50s%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>C/I ratio(^1)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Balance Sheet
Balance sheet composition

### Total assets

**€ bn**

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2020</th>
<th>31 Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other assets (including HFS)</td>
<td>1.94</td>
<td>2.21</td>
</tr>
<tr>
<td>REMU properties</td>
<td>1.47</td>
<td>1.46</td>
</tr>
<tr>
<td>Legacy net loans</td>
<td>1.11</td>
<td>0.88</td>
</tr>
<tr>
<td>Non-legacy net loans</td>
<td>8.93</td>
<td>9.00</td>
</tr>
<tr>
<td>Securities</td>
<td>2.03</td>
<td>1.91</td>
</tr>
<tr>
<td>Due from banks</td>
<td>0.53</td>
<td>0.40</td>
</tr>
<tr>
<td>Cash and balances with Central Banks</td>
<td>5.51</td>
<td>5.65</td>
</tr>
</tbody>
</table>

### Total equity & liabilities

**€ bn**

<table>
<thead>
<tr>
<th></th>
<th>30 Sep 2020</th>
<th>31 Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>1.34</td>
<td>1.25</td>
</tr>
<tr>
<td>Equity</td>
<td>2.13</td>
<td>2.07</td>
</tr>
<tr>
<td>Wholesale Funding</td>
<td>0.27</td>
<td>0.27</td>
</tr>
<tr>
<td>Central Bank</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Deposits</td>
<td>16.38</td>
<td>16.53</td>
</tr>
</tbody>
</table>

### Notes

1) AIEA: Average Interest Earning Assets. Please refer to slide 74 for the definition
2) Debt securities, treasury bills and equity investments
3) Net loans of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and H/O
CET1 at 15.2% pro forma for Helix 2

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

### CET1 at 15.2% pro forma for Helix 2

#### CET1 31 Dec 2019

- CET1 30 Sep 2020: 14.6%
- Operating profit: 0.4% (0.3%)
- Provisions and impairments: 0.2% (0.1%)
- Other: 0.2% (0.2%)
- RWAs: -0.2%
- Amendments to capital regulations: -0.2%
- Helix 2: 14.8%
- CET1 31 Dec 2020: 14.8%
- Helix 2: 15.2%
- CET1 31 Dec 2020 pro forma for Helix 2: 15.2%
- AT1: 1.9%
- T2: 1.6%
- Total capital ratio 31 Dec 2020 pro forma for Helix 2: 18.7%
- CET1 ratio pro forma for Helix 2: 14.5%
- CET1 ratio: 14.7%

#### CET1 at 15.2% pro forma for Helix 2

**• CET1 ratio positively impacted by:**

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

**• CET1 ratio negatively impacted by:**

- c.30 bps from provisions and impairments

**• Onsite inspection and review by the SSM on the stock of REMU properties completed. Findings relating to a prudential charge of up to 46 bps, the majority of which is expected to be taken at 30 Jun 2021, depending on the Bank’s progress in disposing the properties impacted by the prudential charge**

**• The Group is currently evaluating opportunities for a potential Tier 2 capital transaction given the terms and maturity profile of the Bank’s existing €250 mn 10NC5 Tier 2 notes, subject to market conditions and applicable regulatory authorisations. Separately the Group continues to evaluate opportunities to initiate its MREL issuance as part of its overall capital and funding strategy**

---

1) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements
2) The CET1 ratio for 31 December 2020, including the full impact of IFRS 9 and the temporary treatment for certain FVOCI instruments amounted to 12.9% and 13.3% pro forma for Helix 2
3) Loan credit losses and other impairments include the net change of the prudential charges relating to specific credits and other items
4) OCR(SREP): Overall Capital Requirement comprises the Total SREP Capital Requirement (Pillar 1 and Pillar 2 Requirement) plus combined buffer requirements (capital conservation buffer, countercyclical buffer and systemic buffers)
5) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction
RWA intensity\(^1\) reduced to 53%\(^2\)

**RWAs reduced by €1.5 bn yoy**

<table>
<thead>
<tr>
<th>RWAs</th>
<th>Dec 15</th>
<th>Dec 16</th>
<th>Dec 17</th>
<th>Dec 18</th>
<th>Dec 19</th>
<th>Sep 20</th>
<th>Dec 20</th>
<th>Helix 2</th>
<th>Helix 2 DPP(^3)</th>
<th>Pro forma(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ bn</td>
<td>19,666</td>
<td>18,865</td>
<td>17,260</td>
<td>15,373</td>
<td>12,890</td>
<td>11,888</td>
<td>11,635</td>
<td>(636)</td>
<td>381</td>
<td>11,380</td>
</tr>
</tbody>
</table>

- **RWA is reduced by €250 mn reflecting mainly lower operational risk**
- **RWA intensity\(^1\) decreased to 53% pro forma for Helix 2\(^2\), down 8 p.p. yoy**
- **Release of RWA from Helix 2 is largely offset by the Deferred Purchase Price (DPP)**

---

\(^1\) Risk Weighted Assets over Total Assets
\(^2\) Pro forma for Helix 2 (Portfolio A and B). Calculations on a pro forma basis which assume legal completion of the transaction
\(^3\) Deferred Purchase Payment
Deposits at €16.5 bn broadly flat qoq

Significant surplus liquidity of €4.2 bn

<table>
<thead>
<tr>
<th>Liquidity ratio</th>
<th>Minimum required</th>
<th>30 Dec 2020</th>
<th>Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCR (Group)</td>
<td>100%</td>
<td>254%</td>
<td>€4,213 mn</td>
</tr>
<tr>
<td>NSFR²</td>
<td>100%</td>
<td>139%</td>
<td>€4,751 mn</td>
</tr>
</tbody>
</table>

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

1) Servicing exclusively international activity companies registered in Cyprus and abroad and not residents
2) The NSFR has not yet been introduced. The NSFR is calculated as the amount of "available stable funding" (ASF) relative to the amount of "required stable funding" (RSF), on the basis of Basel III standards. Its calculation is a SREP requirement. The EBA NSFR will be enforced as a regulatory ratio under CRRR II in June 2021
3) Origin is defined as the country of passport by the Ultimate Beneficiary Owner
Asset Quality
€1.4 bn NPE sales agreed since Dec 2019, reducing NPE ratio to 16%¹

**Helix 2 Portfolio B**

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

**Helix 2 Portfolio A**

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

---

*(1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B *(2) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments transitional arrangements *(3) As at 30 September 2019 *(4) Deferred Purchase Price*
NPE ratio reduced to 16% pro forma for Helix 2; Coverage maintained at 59%

€2.1 bn NPE reduction in FY2020 pro forma for Helix 2

Residual NPEs comprises mainly Retail

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

NPE coverage maintained at 59% post Helix 2

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
2) Restricted to Gross IFRS balance
3) In pipeline to exit NPEs subject to meet all exit criteria; the analysis is performed on a customer basis (formerly called Non-core NPEs)
€109 mn organic NPE outflows in 4Q2020, leading to €85 mn organic NPE reduction

### Net organic outflows (€ mn)

<table>
<thead>
<tr>
<th>Inflows (€ mn)</th>
<th>Outflows (€ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q2020</td>
<td>2Q2020</td>
</tr>
<tr>
<td>3Q2020</td>
<td>4Q2020</td>
</tr>
</tbody>
</table>

#### Inflows (€ mn)

- New inflows: 16
- Redefaults: 8
- Unlikely to pay: 6

#### Outflows (€ mn)

- Curing of restructuring: -59
- DFAs & DFEs: -71
- Write-offs: -23
- Other: -158

### Other inflows and outflows

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

1) Other includes interest, cash collections and changes in balances
De-risking: Clear path to reduce NPE ratio to single digit by 2022

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

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
### Gross loans and coverage by IFRS 9 staging

#### Gross loans by IFRS 9 stage (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>Dec 19</th>
<th>Sep 20</th>
<th>Dec 20</th>
<th>Dec 20 pro forma for Helix 2 ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>12,822</td>
<td>12,309</td>
<td>12,261</td>
<td>10,907</td>
</tr>
<tr>
<td>Stage 2</td>
<td>1,733</td>
<td>2,029</td>
<td>2,305</td>
<td>6,865</td>
</tr>
<tr>
<td>Stage 3</td>
<td>3,880</td>
<td>3,238</td>
<td>3,065</td>
<td>1,760</td>
</tr>
</tbody>
</table>

### Allowance for expected loan credit losses (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>Dec 19</th>
<th>Sep 20</th>
<th>Dec 20</th>
<th>Dec 20 pro forma for Helix 2 ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>2,096</td>
<td>1,933</td>
<td>1,902</td>
<td>1,033</td>
</tr>
<tr>
<td>Stage 2</td>
<td>1,962</td>
<td>1,771</td>
<td>1,731</td>
<td>641</td>
</tr>
<tr>
<td>Stage 3</td>
<td>44</td>
<td>55</td>
<td>76</td>
<td>878</td>
</tr>
</tbody>
</table>

### Coverage ratio

<table>
<thead>
<tr>
<th></th>
<th>Dec 19</th>
<th>Sep 20</th>
<th>Dec 20</th>
<th>Dec 20 pro forma for Helix 2 ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>1.2%</td>
<td>1.5%</td>
<td>1.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Stage 2</td>
<td>2.5%</td>
<td>2.7%</td>
<td>3.3%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Stage 3</td>
<td>50.6%</td>
<td>54.7%</td>
<td>56.1%</td>
<td>49.9%</td>
</tr>
</tbody>
</table>

#### Key Points

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

¹) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B.
Cost of risk\(^1\) of 118 bps for FY2020, as expected

Mainly impact of deterioration of macro-economic outlook in 1Q2020

<table>
<thead>
<tr>
<th>Base line</th>
<th>GDP rate</th>
<th>Unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-5.8%</td>
<td>7.1%</td>
</tr>
<tr>
<td>2021</td>
<td>4.0%</td>
<td>7.4%</td>
</tr>
<tr>
<td>2022</td>
<td>3.9%</td>
<td>6.3%</td>
</tr>
</tbody>
</table>

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

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

1. Loan credit losses on customer loans including off-balance sheet exposures, net of gains/(losses) on derecognition of loans and advances to customers and change in expected cash flows over average gross loans.
REMU: Asset disposal strategy tackles both value and volume of assets

**REMU stock broadly flat at c.€1.5 bn**

<table>
<thead>
<tr>
<th>Group BV (€ mn)</th>
<th>Dec 2017</th>
<th>Dec 2018</th>
<th>Dec 2019</th>
<th>Sep 2020</th>
<th>Dec 2020¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece &amp; Romania</td>
<td>1,641</td>
<td>1,530</td>
<td>1,490</td>
<td>1,467</td>
<td>1,457</td>
</tr>
<tr>
<td>Residential</td>
<td>117</td>
<td>177</td>
<td>192</td>
<td>177</td>
<td>158</td>
</tr>
<tr>
<td>Commercial</td>
<td>293</td>
<td>314</td>
<td>262</td>
<td>262</td>
<td>24</td>
</tr>
<tr>
<td>Properties</td>
<td>619</td>
<td>606</td>
<td>262</td>
<td>158</td>
<td>24</td>
</tr>
<tr>
<td>Hotels</td>
<td>92</td>
<td>92</td>
<td>262</td>
<td>262</td>
<td>177</td>
</tr>
<tr>
<td>Land &amp; plots</td>
<td>92</td>
<td>177</td>
<td>262</td>
<td>262</td>
<td>177</td>
</tr>
<tr>
<td>Golf</td>
<td>24</td>
<td>293</td>
<td>314</td>
<td>24</td>
<td>92</td>
</tr>
</tbody>
</table>

**€91 mn sales in FY2020, comfortably above Book Value**

Sales contract prices² – Organic (€ mn)

- **111%** Total Sales FY2020
- **106%** Commercial
- **113%** Residential
- **110%** Land

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

<table>
<thead>
<tr>
<th>Group BV (€ mn)</th>
<th>1 Jan 2017</th>
<th>Additions³</th>
<th>Sales</th>
<th>Impairment loss &amp; FV loss</th>
<th>Transfer to HFS ⁴</th>
<th>31 Dec 2020¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece &amp; Romania</td>
<td>1,427</td>
<td>1,289</td>
<td>-1,073</td>
<td>-127</td>
<td>-59</td>
<td>1,457</td>
</tr>
</tbody>
</table>

**Key Points**

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

¹ In addition to assets held by REMU, properties classified as “Investment properties” with carrying value of €21 mn as at 31 December 2020 relate to legacy properties
² Amounts as per Sales purchase Agreements (SPAs)
³ Additions include €21 mn transfer from own properties
⁴ Stock of property with a carrying value of €59 mn as at 31 December 2020 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)
Organizational resilience & ESG agenda: ESG Performance

Environmental
- 1.35 mn kWh of energy savings
- €0.6 mn investment in energy-saving
- 1,929 tones paper recycled

Social
- 2,332 cancer patients treated at the Bank of Cyprus Oncology Centre
- €285k raised for the Cyprus Anti-Cancer Society
- c. €70 mn cumulative investment for the Bank of Cyprus Oncology Centre

Governance
- 33% of the board of directors are female
- 48 internal audits finalised
- 3,813 customer relationships suspended for compliance reasons

People
- >3,500 employees
- >57 ths hours of training conducted
- 95% of employees received feedback during interim performance assessments

Responsible services
- €5.9 bn loans (>25k customers) under payment holiday expired
- c. €1.4 bn new lending for FY2020
- 84% of total transactions are through digital channels
- 75% of customers are digitally engaged

#SupportCy Network Initiative
- €302k contributions to education
- €116k contributions to health services
- €191k contributions to welfare

Data for the period 1 January 2020 to 31 December 2020

Bank of Cyprus Holdings

1) #SupportCy is a network of 93 companies and NGOs, initiated by Bank of Cyprus, during March 2020, with the aim to support the public services performing frontline duties during the Pandemic and the Society, in general
Leverage leading Digital Capabilities to serve customers and the economy

**Vision**

- Leverage technology to sustain a competitive advantage through digital banking
- Serve customer needs anywhere and at any time, through an agile technology ecosystem
- Be the driver of digital economy, in support of national efforts for structural economic reform

**Creating shareholder value**

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

**Digital Transactions ratio**

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>77.4%</td>
<td>84.4%</td>
</tr>
</tbody>
</table>

**Digitally Engaged Customers**

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>68.6%</td>
<td>74.7%</td>
</tr>
</tbody>
</table>

**Average mobile logins per month**

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16.8x</td>
<td>20.2x</td>
</tr>
</tbody>
</table>

**Active users of Internet and/or Mobile Banking**

<table>
<thead>
<tr>
<th></th>
<th>Dec 2019</th>
<th>Dec 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>249k</td>
<td>292k</td>
</tr>
</tbody>
</table>

1) This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs
2) This is the ratio of digitally engaged individual customers to the total number of individual customers. Digitally engaged customers are the individuals who use the digital channels of the Bank (mobile banking app, browser and ATMs) to perform banking transactions, as well as digital enablers such as a bank-issued card to perform online card purchases
Medium Term Outlook
Our journey

Where we were…
Shrinkage to core strength

- Significant balance sheet de-risking
- Managing pandemic asset quality
- Acceleration of NPE reduction
- Address costs
- Normalised funding stack
- Exited non core operations

What we have achieved in 2020…
Normalisation of balance sheet

- Supporting the recovery of Cypriot economy
- Position the Bank on the path for sustainable profitability
- Modernise the BOC franchise, including IT and digital investment
- Address challenges from low rates and surplus liquidity
- Refinancing of Tier 2 and initiate MREL issuance

Where we want to be…
Business turnaround for sustainable growth

Priorities
- Complete de-risking while managing the post-pandemic NPE inflow
- Position the Bank on the path for sustainable profitability
- Modernise the BOC franchise, including IT and digital investment
- Address challenges from low rates and surplus liquidity
- Refinancing of Tier 2 and initiate MREL issuance

Priorities
- Deliver sustainable profitability and shareholder returns
- Enhance revenues by capitalising on market leading positions across business divisions
- Enhance operating efficiency, through sustained focus on cost base
- Optimise capital management

1) Subject to market conditions
### Medium-term strategic targets

<table>
<thead>
<tr>
<th><strong>Profitability</strong></th>
<th><strong>2022</strong></th>
<th><strong>Medium Term</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Tangible Equity (ROTE)¹</td>
<td></td>
<td>c.7%</td>
</tr>
<tr>
<td>Total Operating Expenses²</td>
<td></td>
<td>&lt;€350 mn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Asset Quality</strong></th>
<th><strong>2022</strong></th>
<th><strong>Medium Term</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPE Ratio</td>
<td>&lt;10%</td>
<td>c.5%</td>
</tr>
<tr>
<td>Cost of risk</td>
<td></td>
<td>c.70-80 bps</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Capital</strong></th>
<th><strong>2022</strong></th>
<th><strong>Medium Term</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supported by CET1 ratio of</td>
<td>at least 13%</td>
<td></td>
</tr>
</tbody>
</table>

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

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

Contacts

**Investor Relations**
Tel: +35722122239, Email: investors@bankofcyprus.com
Annita Pavlou Investor Relations Manager
Tel: +357 22 127240, Email: annita.pavlou@bankofcyprus.com
Elena Hadjikyriacou (elena.hadjikyriacou@bankofcyprus.com),
Marina Ioannou (marina.ioannou@bankofcyprus.com)
Andri Rousou (andri.rousou@bankofcyprus.com),
Stephanie Koumera (stephanie.koumera@bankofcyprus.com)

**Executive Director Finance**
Eliza Livadiotou, Tel: +35722 122128, Email: eliza.livadiotou@bankofcyprus.com

Credit Ratings

**Standard & Poor’s Global Ratings:**
Long-term issuer credit rating: Affirmed at “B+” on 16 July 2020 (stable outlook)
Short-term issuer credit rating: Affirmed at “B” 16 July 2020

**Fitch Ratings:**
Long-term Issuer Default Rating: Affirmed at “B-” on 29 January 2021 (negative outlook)
Short-term Issuer Default Rating: Affirmed at “B” on 29 January 2021
Viability Rating: Affirmed at “b-” on 29 January 2021

**Moody’s Investors Service:**
Baseline Credit Assessment: Affirmed at “caa1” on 10 November 2020
Short-term deposit rating: Affirmed at “Not Prime” on 10 November 2020
Long-term deposit rating: Affirmed to “B3” on 10 November 2020 (positive outlook)
Counterparty Risk Assessment: Affirmed at B1(cr) / Not-Prime (cr) on 10 November 2020

**Listing:**
LSE – BOCH, CSE – BOCH/TPKH, ISIN IE00BD5B1Y92

Visit our website at: www.bankofcyprus.com
APPENDIX

Macroeconomic overview
**Cypriot economy more resilient than anticipated earlier in the year**

Economic sentiment remains volatile and reflects COVID-19 uncertainty

Unemployment rate increased to 8.5% in 4Q2020

**Tightening of spreads as market confidence improves**

Cyprus maintains investment grade

SOURCE: Statistical Service of Republic of Cyprus; Bloomberg, Economics Research Centre of University of Cyprus and Eurostat

1) Normalised against Germany Government bond with maturity 15/8/2025 except Greece

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

Retail sales stabilising
Retail trade volume % change -3m average

Card spending rebounded, having hit low in April 2020
# ths

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

Motor vehicles registrations improved post 1H2020 lockdown
Motor vehicles registrations % change -3m average

Source: Cyprus Statistical Service
APPENDIX

Additional asset quality slides
€0.5 bn NPE Trade Delivers Accelerated Risk Reduction

- Contractual balance\(^1\) of €783 mn as at 30 Sep 2019
- Portfolio comprises c.16,000 loans, mainly to Retail and SME clients, secured over c.4,000 real estate collaterals
- Completion remains subject to a number of customary regulatory and other approvals, currently estimated to occur in early 2H2021

---

1) The difference between the contractual balance and the GBV relates to IFRS adjustments/unrecognised income and non-contractual write-offs
2) DFAs and cash already received by 31 December 2020
Foreclosures for Primary residence <€350k suspended until March 2021

<table>
<thead>
<tr>
<th>Cumulative 2016 – 2018¹</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosures commenced²</td>
<td>1,437</td>
<td>1,829</td>
</tr>
<tr>
<td>Auctions held</td>
<td>470</td>
<td>807</td>
</tr>
</tbody>
</table>

2,134 properties were resolved since 2016

- Sold at auction
- Consensual deals ⁴
- Repossessed²

<table>
<thead>
<tr>
<th></th>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreclosures commenced²</td>
<td>536</td>
<td>593²</td>
<td>-</td>
<td>227</td>
<td>733</td>
</tr>
<tr>
<td>Auctions held</td>
<td>373</td>
<td>164²</td>
<td>-</td>
<td>-</td>
<td>468</td>
</tr>
</tbody>
</table>

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

1) Excluding Helix 1
2) Foreclosures suspended between 18 March and 31 August as per the Cyprus Bank Association
3) Properties that have been auctioned unsuccessfully at least once
4) Includes DFAs, restructurings and settlements
5) As defined by the legislation
Well diversified loan portfolio; close monitoring and set up of strategies to prevent further asset quality deterioration

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

<table>
<thead>
<tr>
<th>Business Sector</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Individuals</td>
<td>4.09</td>
</tr>
<tr>
<td>Hotels &amp; Catering</td>
<td>1.12</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1.02</td>
</tr>
<tr>
<td>Trade</td>
<td>0.89</td>
</tr>
<tr>
<td>Professional &amp; Other services</td>
<td>0.65</td>
</tr>
<tr>
<td>Other sectors</td>
<td>0.58</td>
</tr>
<tr>
<td>Construction</td>
<td>0.52</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.33</td>
</tr>
</tbody>
</table>

Breakdown by COVID-19 impact assessment on business sectors

- **High Impact: (12%)**
  - Tourism (Hotels & Catering)

- **Medium Impact: (14%)**
  - Trade
  - Manufacturing

- **Moderate Impact: (16%)**
  - Construction
  - Transportation and storage

- **Low: (14%)**
  - Real Estate
  - Education
  - Health

- **Private individuals (44%)**
  - Refer to slide 12

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

Non-legacy gross loans of €9.2 bn

Private Individuals

<table>
<thead>
<tr>
<th>Private individuals</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>€4.09 bn</td>
<td></td>
</tr>
<tr>
<td>Expired Payment Deferrals: €2.08 bn (51%)</td>
<td></td>
</tr>
</tbody>
</table>

Businesses

<table>
<thead>
<tr>
<th>Businesses</th>
<th>€ bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>€5.11 bn</td>
<td></td>
</tr>
<tr>
<td>Expired Payment Deferrals: €3.79 bn (74%)</td>
<td></td>
</tr>
</tbody>
</table>

IFRS 9 staging for expired loan payment deferrals

<table>
<thead>
<tr>
<th>Stage</th>
<th>Loans under payment deferrals with instalment due by 15 Feb-21</th>
<th>Loans under payment deferrals with instalment due by 15 Feb-21</th>
<th>Dec 2020</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td>1.71</td>
<td>1.31</td>
<td>0.37</td>
<td></td>
</tr>
<tr>
<td>Stage 2</td>
<td>3.3%</td>
<td>0.63</td>
<td>0.32</td>
<td></td>
</tr>
<tr>
<td>Stage 3</td>
<td>28.3%</td>
<td>0.14</td>
<td>0.0%</td>
<td></td>
</tr>
</tbody>
</table>

Private Individuals

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

Businesses

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

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

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

Focus shifts to Retail and SME after intense Corporate attention

<table>
<thead>
<tr>
<th></th>
<th>Dec 2020 Pro forma¹</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NPE ratio</td>
</tr>
<tr>
<td>Corporate</td>
<td>9%</td>
</tr>
<tr>
<td>Terminated Corporate</td>
<td>€1,180 mn</td>
</tr>
<tr>
<td>Terminated SMEs</td>
<td>€157 mn</td>
</tr>
<tr>
<td>Retail</td>
<td>€319 mn</td>
</tr>
<tr>
<td>Terminated Retail</td>
<td>€423 mn</td>
</tr>
<tr>
<td></td>
<td>NPE coverage</td>
</tr>
<tr>
<td>Corporate</td>
<td>62%</td>
</tr>
<tr>
<td>Terminated Corporate</td>
<td>9%</td>
</tr>
<tr>
<td>Terminated SMEs</td>
<td>118%</td>
</tr>
<tr>
<td>Retail</td>
<td>52%</td>
</tr>
<tr>
<td>Terminated Retail</td>
<td>65%</td>
</tr>
</tbody>
</table>

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

NPE total coverage

- Corporate: 118%
- Terminated Corporate: 118%
- Terminated SMEs: 118%
- Retail: 128%
- Terminated Retail: 132%

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
### Gross Loans and NPEs by Customer Type

#### Gross Loans by Customer Type (€ mn)

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Dec 19</th>
<th>Mar 20</th>
<th>Sep 20</th>
<th>Dec 20 pro forma for Helix 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>1,875</td>
<td>1,922</td>
<td>2,209</td>
<td>2,739</td>
</tr>
<tr>
<td>Retail other</td>
<td>4,077</td>
<td>4,068</td>
<td>4,044</td>
<td>3,640</td>
</tr>
<tr>
<td>Corporate</td>
<td>1,914</td>
<td>1,798</td>
<td>2,117</td>
<td>2,512</td>
</tr>
<tr>
<td>Retail Housing</td>
<td>2,671</td>
<td>2,654</td>
<td>2,126</td>
<td>2,126</td>
</tr>
<tr>
<td>Global Corporate</td>
<td>2,209</td>
<td>2,117</td>
<td>2,126</td>
<td>2,126</td>
</tr>
<tr>
<td>Retail other</td>
<td>2,671</td>
<td>2,654</td>
<td>2,126</td>
<td>2,126</td>
</tr>
<tr>
<td>Corporate</td>
<td>2,209</td>
<td>2,117</td>
<td>2,126</td>
<td>2,126</td>
</tr>
<tr>
<td>Total</td>
<td>12,822</td>
<td>12,309</td>
<td>12,261</td>
<td>10,907</td>
</tr>
</tbody>
</table>

#### NPEs by Customer Type (€ mn)

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Dec 19</th>
<th>Mar 20</th>
<th>Sep 20</th>
<th>Dec 20 pro forma for Helix 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>1,043</td>
<td>1,026</td>
<td>1,170</td>
<td>1,760</td>
</tr>
<tr>
<td>Retail other</td>
<td>1,388</td>
<td>1,326</td>
<td>1,056</td>
<td>474</td>
</tr>
<tr>
<td>Corporate</td>
<td>1,337</td>
<td>1,292</td>
<td>1,056</td>
<td>318</td>
</tr>
<tr>
<td>Retail Housing</td>
<td>727</td>
<td>724</td>
<td>639</td>
<td>1,043</td>
</tr>
<tr>
<td>Global Corporate</td>
<td>558</td>
<td>503</td>
<td>643</td>
<td>4,077</td>
</tr>
<tr>
<td>Retail other</td>
<td>164</td>
<td>503</td>
<td>643</td>
<td>3,640</td>
</tr>
<tr>
<td>Corporate</td>
<td>1,164</td>
<td>1,503</td>
<td>1,056</td>
<td>706</td>
</tr>
<tr>
<td>Total</td>
<td>3,880</td>
<td>3,738</td>
<td>3,238</td>
<td>1,760</td>
</tr>
</tbody>
</table>

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B.
NPE Coverage and Total coverage by segment

Coverage and collateral maintained post Helix 2

<table>
<thead>
<tr>
<th>Corporate  €318 mn</th>
<th>Global Corporate: €105 mn</th>
<th>SME €157 mn</th>
<th>Retail-Housing €706 mn</th>
<th>Retail-Other €474 mn</th>
<th>Total €1,760 mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>104%</td>
<td>63%</td>
<td>127%</td>
<td>131%</td>
<td>118%</td>
<td>122%</td>
</tr>
<tr>
<td>108%</td>
<td>64%</td>
<td>128%</td>
<td>131%</td>
<td>126%</td>
<td>130%</td>
</tr>
<tr>
<td>111%</td>
<td>65%</td>
<td>133%</td>
<td>139%</td>
<td>137%</td>
<td>131%</td>
</tr>
<tr>
<td>101%</td>
<td>66%</td>
<td>128%</td>
<td>140%</td>
<td>138%</td>
<td>127%</td>
</tr>
</tbody>
</table>

1) Restricted to Gross IFRS balance
2) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
## Asset quality - NPE analysis

### A. Gross Loans after Residual Fair value adjustment on initial recognition

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Sep-20</th>
<th>Jun-20</th>
<th>Mar-20</th>
<th>Dec-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual Fair value adjustment on initial recognition</td>
<td>230</td>
<td>243</td>
<td>248</td>
<td>252</td>
<td>271</td>
<td>462</td>
</tr>
<tr>
<td>A. Gross Loans</td>
<td>12,031</td>
<td>12,066</td>
<td>12,243</td>
<td>12,457</td>
<td>12,551</td>
<td>15,438</td>
</tr>
</tbody>
</table>

### B. Gross Loans

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Sep-20</th>
<th>Jun-20</th>
<th>Mar-20</th>
<th>Dec-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Gross Loans</td>
<td>12,261</td>
<td>12,309</td>
<td>12,491</td>
<td>12,709</td>
<td>12,822</td>
<td>15,900</td>
</tr>
<tr>
<td>B1. Loans with no arrears</td>
<td>9,149</td>
<td>9,028</td>
<td>8,954</td>
<td>8,706</td>
<td>8,820</td>
<td>8,260</td>
</tr>
<tr>
<td>B2. Loans with arrears but not NPEs</td>
<td>26</td>
<td>43</td>
<td>69</td>
<td>265</td>
<td>122</td>
<td>221</td>
</tr>
<tr>
<td>1-30 DPD</td>
<td>21</td>
<td>34</td>
<td>54</td>
<td>209</td>
<td>88</td>
<td>166</td>
</tr>
<tr>
<td>31-90 DPD</td>
<td>5</td>
<td>9</td>
<td>15</td>
<td>56</td>
<td>34</td>
<td>55</td>
</tr>
<tr>
<td>B3. NPEs</td>
<td>3,086</td>
<td>3,238</td>
<td>3,468</td>
<td>3,738</td>
<td>3,880</td>
<td>7,419</td>
</tr>
<tr>
<td>With no arrears</td>
<td>548</td>
<td>533</td>
<td>603</td>
<td>601</td>
<td>722</td>
<td>1,482</td>
</tr>
<tr>
<td>Up to 30 DPD</td>
<td>16</td>
<td>19</td>
<td>28</td>
<td>52</td>
<td>54</td>
<td>136</td>
</tr>
<tr>
<td>31-90 DPD</td>
<td>26</td>
<td>29</td>
<td>39</td>
<td>72</td>
<td>76</td>
<td>231</td>
</tr>
<tr>
<td>91-180 DPD</td>
<td>18</td>
<td>35</td>
<td>48</td>
<td>79</td>
<td>121</td>
<td>178</td>
</tr>
<tr>
<td>181-365 DPD</td>
<td>81</td>
<td>101</td>
<td>178</td>
<td>255</td>
<td>263</td>
<td>393</td>
</tr>
<tr>
<td>Over 1 year DPD</td>
<td>2,397</td>
<td>2,521</td>
<td>2,572</td>
<td>2,679</td>
<td>2,644</td>
<td>4,999</td>
</tr>
<tr>
<td>NPE ratio (NPEs / Gross Loans)</td>
<td>25%</td>
<td>26%</td>
<td>28%</td>
<td>29%</td>
<td>30%</td>
<td>47%</td>
</tr>
</tbody>
</table>

### Allowance for expected loan credit losses (including residual fair value adjustment on initial recognition)\(^{1}\)

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Sep-20</th>
<th>Jun-20</th>
<th>Mar-20</th>
<th>Dec-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for expected loan credit losses</td>
<td>1,902</td>
<td>1,933</td>
<td>2,043</td>
<td>2,109</td>
<td>2,096</td>
<td>3,852</td>
</tr>
</tbody>
</table>

### Gross loans coverage

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Sep-20</th>
<th>Jun-20</th>
<th>Mar-20</th>
<th>Dec-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross loans coverage</td>
<td>16%</td>
<td>16%</td>
<td>16%</td>
<td>17%</td>
<td>16%</td>
<td>24%</td>
</tr>
</tbody>
</table>

### NPEs coverage

<table>
<thead>
<tr>
<th></th>
<th>Dec-20</th>
<th>Sep-20</th>
<th>Jun-20</th>
<th>Mar-20</th>
<th>Dec-19</th>
<th>Dec-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPEs coverage</td>
<td>62%</td>
<td>60%</td>
<td>59%</td>
<td>56%</td>
<td>54%</td>
<td>52%</td>
</tr>
</tbody>
</table>

---

\(^{1}\) Comprise (i) loan credit losses for impairment of customer loans and advances, (ii) the residual fair value adjustment on initial recognition of loans acquired from Laiki Bank and on loans classified at FVPL, and (iii) loan credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities.
### Analysis of gross loans and NPE ratio by Economic activity

#### Gross loans by economic activity (€ bn)

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Dec 18</th>
<th>Dec 19</th>
<th>Sep 20</th>
<th>Dec 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>1.85</td>
<td>1.36</td>
<td>1.18</td>
<td>1.25</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0.64</td>
<td>0.47</td>
<td>0.44</td>
<td>0.44</td>
</tr>
<tr>
<td>Hotels &amp; Restaurant</td>
<td>1.27</td>
<td>1.08</td>
<td>1.14</td>
<td>1.19</td>
</tr>
<tr>
<td>Construction</td>
<td>0.85</td>
<td>0.81</td>
<td>0.79</td>
<td>1.29</td>
</tr>
<tr>
<td>Real Estate</td>
<td>1.61</td>
<td>1.29</td>
<td>1.27</td>
<td>1.61</td>
</tr>
<tr>
<td>Private Individuals</td>
<td>6.47</td>
<td>6.02</td>
<td>6.85</td>
<td>5.83</td>
</tr>
<tr>
<td>Professional and other services</td>
<td>1.20</td>
<td>1.00</td>
<td>0.83</td>
<td>0.91</td>
</tr>
<tr>
<td>Other sectors</td>
<td>0.67</td>
<td>0.70</td>
<td>0.70</td>
<td>0.67</td>
</tr>
</tbody>
</table>

#### NPE ratio by economic activity

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>48%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>31%</td>
</tr>
<tr>
<td>Hotels and Catering</td>
<td>29%</td>
</tr>
<tr>
<td>Construction</td>
<td>34%</td>
</tr>
<tr>
<td>Real estate</td>
<td>22%</td>
</tr>
<tr>
<td>Private individuals</td>
<td>43%</td>
</tr>
<tr>
<td>Professional and other services</td>
<td>34%</td>
</tr>
<tr>
<td>Other sectors</td>
<td>17%</td>
</tr>
</tbody>
</table>
Balance sheet de-risking results in a smaller but safer loan book

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

1) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
2) Gross loans as at 31 December 2020 of Corporate (incl. IB and W&M and Global Corporate), SME, Retail, and HO
3) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income
# Risk adjusted yield will rise as Legacy book reduces

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Income on loans (€ mn) (pre FTP)</strong></td>
<td>292</td>
<td>77</td>
<td>369</td>
</tr>
<tr>
<td><strong>Loan credit losses (€ mn)</strong></td>
<td>(27)</td>
<td>(122)</td>
<td>(149)</td>
</tr>
<tr>
<td><strong>Interest Income net of loan credit losses (€ mn)</strong></td>
<td>265</td>
<td>(45)</td>
<td>220</td>
</tr>
<tr>
<td><strong>Cost of Risk</strong></td>
<td>0.30%</td>
<td>3.61%</td>
<td>1.18%</td>
</tr>
<tr>
<td><strong>Effective Yield</strong></td>
<td>3.26%</td>
<td>4.93%</td>
<td>3.51%</td>
</tr>
<tr>
<td><strong>Risk adjusted Yield¹</strong></td>
<td>2.96%</td>
<td>(2.87%)</td>
<td>2.10%</td>
</tr>
<tr>
<td><strong>Average Net Loans (€ mn)</strong></td>
<td>8,945</td>
<td>1,557</td>
<td>10,502</td>
</tr>
<tr>
<td><strong>RWA Intensity²</strong></td>
<td>48%</td>
<td>106%</td>
<td>54%</td>
</tr>
</tbody>
</table>

1) Interest Income on loans net of allowance for expected loan credit losses / Average Net Loans
2) Risk Weighted Assets over Total Assets
3) A reclassification of €12 mn between legacy and non legacy loan credit losses for the 9M2020 was performed to align with the presentation on slide 78 of the 9M2020 FR presentation hence bringing the total credit losses for the FY2020 of the non-legacy book to €18 mn and the legacy book to €100 mn

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

Rescheduled loans by customer type (€ bn)

<table>
<thead>
<tr>
<th></th>
<th>Dec 18</th>
<th>Dec 19</th>
<th>Mar 20</th>
<th>Jun 20</th>
<th>Sep 20</th>
<th>Dec 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail housing</td>
<td>4.89</td>
<td>2.73</td>
<td>2.58</td>
<td>2.35</td>
<td>2.23</td>
<td>2.09</td>
</tr>
<tr>
<td>Retail other</td>
<td>1.17</td>
<td>0.97</td>
<td>0.94</td>
<td>0.88</td>
<td>0.83</td>
<td>0.64</td>
</tr>
<tr>
<td>SMEs</td>
<td>0.47</td>
<td>0.53</td>
<td>0.52</td>
<td>0.50</td>
<td>0.46</td>
<td>0.55</td>
</tr>
<tr>
<td>Global Corporate</td>
<td>1.01</td>
<td>0.34</td>
<td>0.27</td>
<td>0.16</td>
<td>0.15</td>
<td>0.15</td>
</tr>
<tr>
<td>Corporate</td>
<td>2.24</td>
<td>0.45</td>
<td>0.43</td>
<td>0.43</td>
<td>0.41</td>
<td>0.38</td>
</tr>
</tbody>
</table>

Rescheduled loans % gross loans by customer type

Rescheduled loans-Asset Quality

<table>
<thead>
<tr>
<th></th>
<th>31 December 2020</th>
<th>€ '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage 1</td>
<td></td>
<td>203,388</td>
</tr>
<tr>
<td>Stage 2</td>
<td></td>
<td>260,728</td>
</tr>
<tr>
<td>Stage 3</td>
<td></td>
<td>1,337,698</td>
</tr>
<tr>
<td>POCI</td>
<td></td>
<td>180,011</td>
</tr>
<tr>
<td>FVPL</td>
<td></td>
<td>110,805</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>2,092,630</td>
</tr>
</tbody>
</table>
REM U - the engine for dealing with foreclosed assets

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

Sales contract prices¹ (€ mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th># Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>179</td>
<td># 99</td>
</tr>
<tr>
<td>2017</td>
<td>330</td>
<td># 331</td>
</tr>
<tr>
<td>2018</td>
<td>238</td>
<td># 575</td>
</tr>
<tr>
<td>2019</td>
<td>345</td>
<td># 579²</td>
</tr>
<tr>
<td>FY2020</td>
<td>91</td>
<td># 492</td>
</tr>
</tbody>
</table>

Breakdown of cumulative sales¹

by on-boarding year (€ mn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Legacy³</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>304</td>
<td>576</td>
<td>336</td>
<td>112</td>
<td>14</td>
<td>1,343</td>
</tr>
</tbody>
</table>

% Sales of vintage stock (BV)⁴

- 58% of Legacy³ and 49% of 2016 book assets now sold
- 36% of sales (by value) relate to land

1) Amounts as per Sales purchase Agreements (SPAs)
2) Number of properties sold include 21 properties from the disposal of Cyreit and 23 properties from NPE sale (Helix)
3) Legacy properties relate to properties that were on-boarded before REMU set-up in January 2016
4) The BV of the properties disposed at the date of disposal as a proportion of the: BV of the properties disposed at the time of the disposal plus the BV of the residual properties managed by REMU as at 31 December 2020

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

Bank of Cyprus Holdings
REMU – the engine for dealing with foreclosed assets

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

<table>
<thead>
<tr>
<th>BV € mn</th>
<th>Legacy</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>198</td>
<td>527</td>
<td>270</td>
<td>207</td>
<td>169</td>
<td>86</td>
</tr>
<tr>
<td>74%</td>
<td>71%</td>
<td>72%</td>
<td>71%</td>
<td>72%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

avg on-boarded value as a % of OMV¹

Evolution of properties managed by REMU

<table>
<thead>
<tr>
<th>BV € mn</th>
<th>01 Jan 2020</th>
<th>Additions²</th>
<th>Sales</th>
<th>Impairment loss &amp; fair value losses</th>
<th>Transfer to non-current assets and disposal groups held for sale ³</th>
<th>31 Dec 2020⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,490</td>
<td>146</td>
<td>(80)</td>
<td>(40)</td>
<td>(59)</td>
<td>107</td>
<td>1,350</td>
</tr>
</tbody>
</table>

Real Estate Market property prices up 1.2% in 3Q2020⁵

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

---

1) Open market value at on-boarding date
2) Additions include €21 mn transfer from own properties
3) Stock of property with a carrying value of €59 mn as at 31 December 2020 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)
4) In addition to assets held by REMU, properties classified as “Investment properties” with carrying value of €21 mn as at 31 December 2020 relate to legacy properties
5) Based on Residential price index published by Central Bank, dated 22 January 2020
6) Based on data from Land of Registry - Sales contracts

---

2) 4.952 | 7.063 | 8.734 | 9.242 | 10.366 | 7.968
3) 3.603 | 5.250 | 6.328 | 4.875 | 5.885 | 4.983
4) 1.349 | 1.813 | 2.406 | 4.367 | 4.481 | 2.985
5) Q32018 | Q42018 | Q12019 | Q22019 | Q32019 | Q42019 | Q12020 | Q22020 | Q32020
6) 78.6 | 2.2 | 79.1 | 1.2 | 1.349 | 1.813 | 2.406 | 4.367 | 4.481 | 2.985
7) Open market value at on-boarding date
8) Additions include €21 mn transfer from own properties
9) Stock of property with a carrying value of €59 mn as at 31 December 2020 was transferred to non-current assets and disposal groups held for sale as it was included in the Helix 2 (both portfolios A & B)
10) In addition to assets held by REMU, properties classified as “Investment properties” with carrying value of €21 mn as at 31 December 2020 relate to legacy properties
11) Based on Residential price index published by Central Bank, dated 22 January 2020
12) Based on data from Land of Registry - Sales contracts

---
APPENDIX
Additional financial information
### Consolidated Balance Sheet

#### Assets (€ mn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and balances with Central Banks</td>
<td>5,653</td>
<td>5,060</td>
<td>12%</td>
</tr>
<tr>
<td>Loans and advances to banks</td>
<td>403</td>
<td>321</td>
<td>26%</td>
</tr>
<tr>
<td>Debt securities, treasury bills and equity investments</td>
<td>1,913</td>
<td>1,906</td>
<td>0%</td>
</tr>
<tr>
<td>Net loans and advances to customers</td>
<td>9,886</td>
<td>10,722</td>
<td>-8%</td>
</tr>
<tr>
<td>Stock of property</td>
<td>1,350</td>
<td>1,378</td>
<td>-2%</td>
</tr>
<tr>
<td>Investment properties</td>
<td>128</td>
<td>136</td>
<td>-6%</td>
</tr>
<tr>
<td>Other assets</td>
<td>1,550</td>
<td>1,574</td>
<td>-2%</td>
</tr>
<tr>
<td>Non current assets and disposal groups held for sale</td>
<td>631</td>
<td>26</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>21,514</td>
<td>21,123</td>
<td>2%</td>
</tr>
</tbody>
</table>

#### Liability and Equity (€ mn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits by banks</td>
<td>392</td>
<td>533</td>
<td>-27%</td>
</tr>
<tr>
<td>Funding from Central Bank</td>
<td>995</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>-</td>
<td>168</td>
<td>-100%</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>16,533</td>
<td>16,692</td>
<td>-1%</td>
</tr>
<tr>
<td>Subordinated loan stock</td>
<td>272</td>
<td>272</td>
<td>0%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,247</td>
<td>1,169</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>19,439</td>
<td>18,834</td>
<td>3%</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>1,831</td>
<td>2,040</td>
<td>-10%</td>
</tr>
<tr>
<td>Other equity instruments</td>
<td>220</td>
<td>220</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total equity excluding non-controlling interests</strong></td>
<td>2,051</td>
<td>2,260</td>
<td>-9%</td>
</tr>
<tr>
<td>Non controlling interests</td>
<td>24</td>
<td>29</td>
<td>-15%</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>2,075</td>
<td>2,289</td>
<td>-9%</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>21,514</td>
<td>21,123</td>
<td>2%</td>
</tr>
</tbody>
</table>
Cypriot business

Market shares¹

Average contractual interest rates (bps) (Cy)

Strong market shares in resident and non-resident deposits

Customer deposit rates decline further (bps) (Cy)

---

¹) The market share on loans was affected as from 30 September 2018 following a decrease in total loans in the banking sector, mainly attributed to €6 bn non-performing loans of Cyprus Cooperative Bank (CyCB) which remained to SEDIPES (a legal entity without license to operate as a credit institution) as a result of the agreement between CyCB and Hellenic Bank.
## Income Statement bridge¹ for FY2020

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

¹ Please refer to section B1 "Unaudited Reconciliation of income statement for the year ended 31 December 2020" between statutory and underlying basis of the Group Financial Results
## Analysis of Interest Income and Interest Expense

### Analysis of Interest Income (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans and advances to customers</td>
<td>98</td>
<td>96</td>
<td>93</td>
<td>91</td>
<td>89</td>
</tr>
<tr>
<td>Loans and advances to banks and central banks</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Investment at amortised costs</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Investments FVOCI</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Investments classified as loans and receivables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Interest Income</strong></td>
<td>107</td>
<td>104</td>
<td>99</td>
<td>100</td>
<td>97</td>
</tr>
</tbody>
</table>

### Analysis of Interest Expense (€ mn)

<table>
<thead>
<tr>
<th></th>
<th>4Q2019</th>
<th>1Q2020</th>
<th>2Q2020</th>
<th>3Q2020</th>
<th>4Q2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer deposits</td>
<td>(8)</td>
<td>(5)</td>
<td>(3)</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Funding from central banks and deposits by banks</td>
<td>(0)</td>
<td>(0)</td>
<td>(0)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Subordinated loan stock</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
<td>(6)</td>
</tr>
<tr>
<td>Repurchase agreements</td>
<td>(2)</td>
<td>(1)</td>
<td>(1)</td>
<td>(1)</td>
<td>0</td>
</tr>
<tr>
<td>Negative interest on loans and advances to banks and central banks</td>
<td>(5)</td>
<td>(4)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Total Interest Expense</strong></td>
<td>(33)</td>
<td>(28)</td>
<td>(25)</td>
<td>(26)</td>
<td>(25)</td>
</tr>
</tbody>
</table>

---

1) Interest income of non-legacy book for 3Q2020 increased from €73 mn to €74 mn since previously disclosed on 27 November 2020, following a transfer of €1 mn from liquids to non-legacy interest income.
### Income Statement by business line for FY2020

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

1) Profit/(loss) after tax-organic (attributable to the owners of the Company) does not include provisions/net loss relating to NPE sales, including restructuring expenses (attributable to owners of the Company).
## Risk Weighted Assets– Regulatory Capital

### Risk Weighted Assets by Geography (€ mn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyprus</td>
<td>15,070</td>
<td>12,678</td>
<td>11,704</td>
<td>11,476</td>
<td>(255)</td>
<td>11,221</td>
</tr>
<tr>
<td>Russia</td>
<td>24</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>84</td>
<td>48</td>
<td>48</td>
<td>23</td>
<td>-</td>
<td>23</td>
</tr>
<tr>
<td>Romania</td>
<td>38</td>
<td>29</td>
<td>22</td>
<td>26</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Greece</td>
<td>144</td>
<td>121</td>
<td>108</td>
<td>105</td>
<td>-</td>
<td>105</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td><strong>RWAs</strong></td>
<td>15,373</td>
<td>12,890</td>
<td>11,888</td>
<td>11,635</td>
<td>(255)</td>
<td>11,380</td>
</tr>
<tr>
<td><strong>RWA intensity</strong></td>
<td>70%</td>
<td>61%</td>
<td>55%</td>
<td>54%</td>
<td>53%</td>
<td></td>
</tr>
</tbody>
</table>

### Reconciliation of Group Equity to CET1

<table>
<thead>
<tr>
<th></th>
<th>31.12.20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Equity per financial statements</td>
<td>2,075</td>
</tr>
<tr>
<td>Less: Intangibles 2</td>
<td>(27)</td>
</tr>
<tr>
<td>Less: Deconsolidation of insurance and other entities</td>
<td>(190)</td>
</tr>
<tr>
<td>Add: Regulatory adjustments (IFRS 9 and other items)</td>
<td>116</td>
</tr>
<tr>
<td>Less: Revaluation reserves and other unrealised items</td>
<td>(251)</td>
</tr>
<tr>
<td>CET1 1</td>
<td>1,723</td>
</tr>
<tr>
<td>Risk Weighted Assets</td>
<td>11,635</td>
</tr>
<tr>
<td>CET1 ratio 1</td>
<td>14.8%</td>
</tr>
<tr>
<td>CET1 ratio pro forma for Helix 2 3</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

### Risk Weighted Assets by type of risk (€ mn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>13,833</td>
<td>11,547</td>
<td>10,545</td>
<td>10,503</td>
<td>(255)</td>
<td>10,248</td>
</tr>
<tr>
<td>Market risk</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operational risk</td>
<td>1,538</td>
<td>1,343</td>
<td>1,343</td>
<td>1,132</td>
<td>-</td>
<td>1,132</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>15,373</td>
<td>12,890</td>
<td>11,888</td>
<td>11,635</td>
<td>(255)</td>
<td>11,380</td>
</tr>
</tbody>
</table>

### Equity and Regulatory Capital (€ mn)

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

1) Allowing for IFRS 9 and temporary treatment for certain FVOCI instruments
2) As per amendments introduced with Regulation 2020/873
3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
SREP and MREL requirements

SREP requirements for 2020: CET1 ratio at 9.7%

MREL requirements

- In Feb 2021, the Bank received notification from the Single Resolution Board (SRB) of the draft decision for the binding minimum requirement for own funds and eligible liabilities (MREL) for the Bank, determined as the preferred resolution point of entry. As per the draft decision, the minimum MREL requirement is set at 23.32% of RWAs and 5.91% of leverage ratio exposure (LRE) and must be met by 31 Dec 2025. Furthermore, the Bank must comply by 1 Jan 2022 with an interim requirement of 14.94% of RWAs and 5.91% of LRE. The own funds used by the Bank to meet the combined buffer requirement (CBR) will not be eligible to meet its MREL requirements expressed in terms of RWAs. Once the above-mentioned decision becomes final (expected within Mar 2021), these requirements will replace those that were previously applicable

- The MREL ratio of the Bank as at 31 Dec 2020, calculated according to SRB's eligibility criteria currently in effect and based on the Bank's internal estimate, stood at 15.36% of RWAs (and at 14.92% of RWAs as at 1 Jan 2021) and at c.10% of LRE (and at c.10% of LRE as at 1 Jan 2021). Pro forma for NPE sales, the MREL ratio of the Bank as at 31 Dec 2020, calculated on the same basis, stood at 15.81% of RWAs (and at 15.36% of RWAs as at 1 Jan 2021). The MREL ratio expressed as % of RWAs does not include the capital used to meet the CBR amount, currently at 3.5% and expected to increase to 4% on 1 Jan 2022

- The MREL requirement is in line with the Bank’s expectations and funding plans

- The Group is currently evaluating opportunities for a potential Tier 2 capital transaction given the terms and maturity profile of the Bank’s existing €250 mn 10NC5 Tier 2 notes, subject to market conditions and applicable regulatory authorisations. Separately the Group continues to evaluate opportunities to initiate its MREL issuance as part of its overall capital and funding strategy

---

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

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

3) Calculations on a pro forma basis assume legal completion of both Helix 2 Portfolio A and Helix 2 Portfolio B
Buffer to MDA Restrictions Level & Distributable Items

Maximum Distributable Amount for BOCH

- The Bank and BOCH having obtained approval by their shareholders, the ECB and the Court of Cyprus and Irish High Court respectively, implemented a capital reduction process in Oct 2020, which resulted in the reclassification of c.€619 mn and €700 mn of share premium to distributable reserves respectively.

- No prohibition applies to the payment of coupons on any AT1 capital instruments issued by the Company and the Bank.

- Significant CET1 MDA buffer (31 Dec 2020): c.385 bps (c.€448 mn)

1) Distributable Items definition per CRR
2) Based on the SREP decisions of prior years, the Company and the Bank were under a regulatory prohibition for equity dividend distribution and therefore no dividends were declared or paid during years 2019 and 2018. Following the 2019 SREP decision, which will continue to be in effect in 2021, the Company and the Bank are still under equity dividend distribution prohibition. This prohibition does not apply if the distributions are made via the issuance of new ordinary shares to the shareholders which are eligible as CET1 capital.
3) Including phasing in of O-SII buffer (+50 bps). The Central Bank of Cyprus (CBC) set the O-SII buffer for the Group at 2%. This buffer will be phased in gradually, having started from 1 January 2019 at 0.5% and increased by 0.5% every year thereafter, until being fully implemented on 1 January 2022. In April 2020 the CBC, as part of the COVID measures, decided to delay the phasing-in by 12 months (1 January 2023). As a result, the phasing in of 0.5% on 1 January 2021 has been delayed for 12 months.
Analysis of Deposits

**Deposits by Currency** (€ bn)

- **Dec 19**: 15.01
- **Mar 20**: 14.58
- **Jun 20**: 14.62
- **Sep 20**: 14.74
- **Dec 20**: 14.93

**Deposits by Type** (€ bn)

- **Dec 19**: 7.59
- **Mar 20**: 7.44
- **Jun 20**: 7.62
- **Sep 20**: 7.91
- **Dec 20**: 8.15

**Deposits by customer Sector** (€ bn)

- **Dec 19**: 10.15
- **Mar 20**: 9.98
- **Jun 20**: 10.15
- **Sep 20**: 10.22
- **Dec 20**: 10.54
## Reduction in Overseas Non-Core Exposures

Overseas non-core exposures (€ mn)

<table>
<thead>
<tr>
<th>Year/Quarter</th>
<th>Greece</th>
<th>Serbia</th>
<th>Romania</th>
<th>Russia</th>
<th>UK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 17</td>
<td>312</td>
<td>31</td>
<td>79</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Dec 18</td>
<td>240</td>
<td>23</td>
<td>35</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Dec 19</td>
<td>183</td>
<td>25</td>
<td>19</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Jun 20</td>
<td>174</td>
<td>23</td>
<td>16</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Sep 20</td>
<td>160</td>
<td>20</td>
<td>12</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Dec 20</td>
<td>152</td>
<td>21</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

- The Group continues its efforts for further deleveraging and disposal of non-essential assets and operations in Greece, Romania and Russia.

- In addition as at 31 Dec 2020, there were €270 mn of overseas exposures in Greece (€270 mn at 30 September 2020) not identified as non-core exposures.
APPENDIX
Glossary & Definitions
## Glossary & Definitions

<table>
<thead>
<tr>
<th>Allowance for expected loan credit losses (previously ‘Accumulated provisions’)</th>
<th>Comprises (i) allowance for expected credit losses (ECL) on loans and advances to customers (including allowance for expected credit losses on loans and advances to customers held for sale), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers, (iii) allowance for expected credit losses for off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities, and (iv) the aggregate fair value adjustment on loans and advances to customers classified and measured at FVPL.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advisory and other restructuring costs</td>
<td>Comprise mainly: fees of external advisors in relation to: (i) disposal of operations and non-core assets, and (ii) customer loan restructuring activities.</td>
</tr>
<tr>
<td>AIEA</td>
<td>This relates to the average of ‘interest earning assets’ as at the beginning and end of the relevant quarter. Average interest earning assets exclude interest earning assets of any discontinued operations at each quarter end, if applicable. Interest earning assets include: cash balances with central banks, plus loans and advances to banks, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus investments (excluding equities and mutual funds).</td>
</tr>
<tr>
<td>AT1</td>
<td>AT1 (Additional Tier 1) is defined in accordance with Articles 51 and 52 of the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.</td>
</tr>
<tr>
<td>Average contractual interest rates</td>
<td>Interest rates on cost of deposits were previously calculated as the Interest Expense over Average Balance. The current calculation which the Bank considers more appropriate is based on the weighted average of the contractual rate times the balance at the end of the month. The rates are calculated based on the month end contractual interest rates. The quarterly rates are the average of the three quarter month end contractual rates.</td>
</tr>
<tr>
<td>Book Value</td>
<td>BV= book value – Carrying value prior to the sale of property.</td>
</tr>
<tr>
<td>CET1 capital ratio (transitional basis)</td>
<td>CET1 capital ratio (transitional basis) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.</td>
</tr>
<tr>
<td>CET1 fully loaded (FL)</td>
<td>The CET1 fully loaded (FL) ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.</td>
</tr>
<tr>
<td>Cost of Funding</td>
<td>Effective yield of cost of funding: Interest expense of all interest bearing liabilities after hedging, over average interest bearing liabilities (customer deposits, funding from the central bank, interbank funding, subordinated liabilities). Historical information has been adjusted to take into account hedging.</td>
</tr>
<tr>
<td>Contribution to DGF</td>
<td>Relates to the contribution made to the Deposit Guarantee Fund.</td>
</tr>
<tr>
<td>Contribution to SRF</td>
<td>Relates to the contribution made to the Single Resolution Fund.</td>
</tr>
<tr>
<td>Cost to Income ratio</td>
<td>Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).</td>
</tr>
<tr>
<td>Cost of Risk</td>
<td>Loan credit losses charge (cost of risk) (year to date) is calculated as the annualised ‘loan credit losses’ (as defined) divided by average gross loans (the average balance is calculated as the average of the opening balance and the closing balance).</td>
</tr>
<tr>
<td>CRR DD</td>
<td>Default Definition.</td>
</tr>
<tr>
<td>DFAs</td>
<td>Debt for Asset Swaps.</td>
</tr>
<tr>
<td>DFEs</td>
<td>Debt for Equity Swaps.</td>
</tr>
<tr>
<td>DTA</td>
<td>Deferred Tax Assets.</td>
</tr>
</tbody>
</table>
### Glossary & Definitions

<table>
<thead>
<tr>
<th><strong>Digitally engaged customers ratio</strong></th>
<th>This is the ratio of digitally engaged individual customers to the total number of individual customers. Digitally engaged customers are the individuals who use the digital channels of the Bank (mobile banking app, browser and ATMs) to perform banking transactions, as well as digital enablers such as a bank-issued card to perform online card purchases, based on an internally developed scorecard.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Digital transactions ratio</strong></td>
<td>This is the ratio of the number of digital transactions performed by individuals and legal entity customers to the total number of transactions. Transactions include deposits, withdrawals, internal and external transfers. Digital channels include mobile, browser and ATMs.</td>
</tr>
<tr>
<td><strong>DTC</strong></td>
<td>Deferred Tax Credit</td>
</tr>
<tr>
<td><strong>EBA</strong></td>
<td>European Banking Authority</td>
</tr>
<tr>
<td><strong>ECB</strong></td>
<td>European Central Bank</td>
</tr>
<tr>
<td><strong>Effective yield</strong></td>
<td>Interest Income on Loans/Average Net Loans</td>
</tr>
<tr>
<td><strong>Effective yield of liquid assets</strong></td>
<td>Interest Income on liquids after hedging, over average liquids (Cash and balances with central banks, placements with banks and bonds). Historical information has been adjusted to take into account hedging</td>
</tr>
<tr>
<td><strong>ESMA</strong></td>
<td>European Securities and Markets Authority</td>
</tr>
<tr>
<td><strong>Foreclosures</strong></td>
<td>Value of on-boarded assets is set at a conservative 25%-30% discount from open market valuations, by two independent sources; Includes consensual and non consensual DFAs and DFEs</td>
</tr>
<tr>
<td><strong>FTP</strong></td>
<td>Fund transfer pricing methodologies applied between the business lines to present their results on an arm’s length basis</td>
</tr>
<tr>
<td><strong>GBV</strong></td>
<td>Gross Book Value</td>
</tr>
<tr>
<td><strong>Gross Loans</strong></td>
<td>Gross loans comprise: (i) gross loans and advances to customers measured at amortised cost before the residual fair value adjustment on initial recognition (including loans and advances to customers classified as non-current assets held for sale) and (ii) loans and advances to customers classified and measured at FVPL adjusted for the aggregate fair value adjustment</td>
</tr>
<tr>
<td></td>
<td>Gross loans are reported before the residual fair value adjustment on initial recognition relating to loans acquired from Laiki Bank (calculated as the difference between the outstanding contractual amount and the fair value of loans acquired) amounting to €230 mn at 31 December 2020 (compared to €243 mn at 30 September 2020 and €271 mn at 31 December 2019). Additionally, gross loans include loans and advances to customers classified and measured at fair value through profit and loss adjusted for the aggregate fair value adjustment of €326 mn at 31 December 2020 (compared to €334 mn at 30 September 2020 and €427 mn at 31 December 2019).</td>
</tr>
<tr>
<td><strong>Gross Sales Proceeds</strong></td>
<td>Proceeds before selling charge and other leakages</td>
</tr>
<tr>
<td><strong>GVA</strong></td>
<td>Gross Value Added</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>The Group consists of Bank of Cyprus Holdings Public Limited Company, “BOC Holdings” or the “Company”, its subsidiary Bank of Cyprus Public Company Limited, the “Bank” and the Bank’s subsidiaries.</td>
</tr>
<tr>
<td><strong>H/O</strong></td>
<td>Head Office</td>
</tr>
</tbody>
</table>
### Glossary & Definitions

<table>
<thead>
<tr>
<th>Glossary &amp; Definitions</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International Banking, Wealth and Markets</strong></td>
<td>IB, W&amp;M</td>
</tr>
<tr>
<td><strong>Servicing exclusively international activity companies registered in Cyprus and abroad and not residents</strong></td>
<td>IBU</td>
</tr>
<tr>
<td><strong>Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.</strong></td>
<td>Legacy exposures</td>
</tr>
<tr>
<td><strong>Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers, (ii) net gains on derecognition of financial assets measured at amortised cost and (iii) net gains on loans and advances to customers at FVPL.</strong></td>
<td>Loan credit losses (PL) (previously ‘Provision charge’)</td>
</tr>
<tr>
<td><strong>Loan to Value (LTV) is calculated as the Gross IFRS Balance to the indexed market value of the property. Under Pillar 3 disclosures LTV is calculated as the Gross IFRS Balance to the indexed market value of collateral. Collateral takes into consideration the mortgage amount registered in the land registry plus legal interest from registration date to the reference date.</strong></td>
<td>Loan to Value ratio (LTV)</td>
</tr>
<tr>
<td><strong>Both deposit and loan market shares are based on data from the CBC.</strong></td>
<td>Market shares</td>
</tr>
<tr>
<td><strong>The Bank is the single largest credit provider in Cyprus with a market share of 41.9% at 31 December 2020, compared to 41.5% at 30 September 2020, 41.7% at 30 June 2020, 41.0% at 31 March 2020, 41.1% at 31 December 2019, 40.8% at 30 September 2019, 41.3% at 30 June 2019, 46.7% at 31 March 2019, 45.4% at 31 December 2018 and as at 30 September 2018, 38.6% at 30 June 2018 and 37.4% at 31 March 2018.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>The market share on loans was affected as at 30 June 2019 following the derecognition of the Helix portfolio upon the completion of Project Helix announced on 28 June 2019.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>The market share on loans was affected during the quarter ended 31 March 2019 following a decrease in total loans in the banking sector of €1 bn, mainly attributed to reclassification, revaluation, exchange rate and other adjustments (CBC).</strong></td>
<td></td>
</tr>
<tr>
<td><strong>The market share on loans was affected as at 30 September 2018 following a decrease in total loans in the banking sector, mainly attributed to €6 bn non-performing loans of Cyprus Cooperative Bank (CyCB) which remained to SEDIPES as a result of the agreement between CyCB and Hellenic Bank.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>The market share on loans was affected as at 30 June 2018 following a decrease in total loans in the banking sector of €2.1 bn, due to loan reclassifications, revaluations, exchange rate or other adjustments (CBC).</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Proceeds after selling charges and other leakages</strong></td>
<td>Net Proceeds</td>
</tr>
<tr>
<td><strong>Fee and commission income less fee and commission expense divided by total income (as defined).</strong></td>
<td>Net fee and commission income over total income</td>
</tr>
<tr>
<td><strong>Net interest margin is calculated as the net interest income (annualised) divided by the ‘quarterly average interest earning assets’ (as defined).</strong></td>
<td>Net interest margin (NIM)</td>
</tr>
<tr>
<td><strong>Comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined, but excluding credit losses on off-balance sheet exposures).</strong></td>
<td>Net loans and advances to customers</td>
</tr>
<tr>
<td><strong>Net loan to deposit ratio is calculated as gross loans (as defined) net of allowance for expected loan credit losses (as defined) divided by customer deposits.</strong></td>
<td>Net loan to deposit ratio</td>
</tr>
<tr>
<td><strong>New lending includes the average YTD change (if positive) for overdraft facilities.</strong></td>
<td>New lending</td>
</tr>
</tbody>
</table>
**Glossary & Definitions**

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

| NPEs (continued) | As a result of the above, the following changes will come into effect:  
1. New Days-past-Due (DPD) counter: The new counter will begin counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than the first day of presenting any amount of arrears in excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality thresholds. Payments to the exposure that do not impact the materiality of the remaining arrears / excesses will not impact the counter.  
New default definition effective from 1 January 2021  
1. The NPE exit criteria will change and will now include:  
   (i) a 3 month probation period for non-forborne exposures  
   (ii) the exit of non-performing forborne accounts will become aligned with the distressed restructuring exit criteria i.e. a period of one year has passed since the latest of the following events:  
   a. The restructuring date  
   b. The date the exposure is classified as non-performing  
   c. The payment of interest and capital for at least 12 months  
2. As per the new definition of default, the 20% materiality threshold and the NPE due to >90 DPD will no longer apply for non-retail exposures i.e. any non-performing exposure of the customer, for any reason, will result in a non-performing classification at customer level. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NPE coverage ratio (previously ‘NPE Provisioning coverage ratio’)</td>
<td>The NPE coverage ratio is calculated as the allowance for expected loan credit losses (as defined) over NPEs (as defined).</td>
</tr>
<tr>
<td>NPE ratio</td>
<td>NPEs ratio is calculated as the NPEs as per EBA (as defined) divided by gross loans (as defined).</td>
</tr>
<tr>
<td>NPEs sales</td>
<td>NPE sales refer to sales of NPE portfolios completed in each period and contemplated sale transactions, as well as potential further NPE sales, at each reporting date, irrespective of whether or not they met the held for sale classification criteria at the reporting dates. They include both Project Helix and Project Helix 2, as well as other portfolios.</td>
</tr>
<tr>
<td>Non-legacy</td>
<td>Relates to all business lines excluding Restructuring and Recoveries Division (“RRD”), REMU and non-core overseas exposures</td>
</tr>
<tr>
<td>Phased-in Capital Conservation Buffer (CCB)</td>
<td>In accordance with the legislation in Cyprus which has been set for all credit institutions, the applicable rate of the CCB is 1.25% for 2017, 1.875% for 2018 and 2.5% for 2019 (fully phased-in).</td>
</tr>
<tr>
<td>NSFR</td>
<td>The NSFR is calculated as the amount of “available stable funding” (ASF) relative to the amount of “required stable funding” (RSF), on the basis of Basel III standards. Its calculation is a SREP requirement. The EBA NSFR will be enforced as a regulatory ratio under CRR II in June 2021.</td>
</tr>
<tr>
<td>OMV</td>
<td>Open Market Value</td>
</tr>
<tr>
<td>Operating profit</td>
<td>Comprises profit before Total loan credit losses, impairments and provisions (as defined), tax, (profit)/loss attributable to non-controlling interests and non-recurring items (as defined).</td>
</tr>
<tr>
<td>p.p.</td>
<td>percentage points</td>
</tr>
<tr>
<td>Glossary &amp; Definitions</td>
<td></td>
</tr>
<tr>
<td>------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)</strong></td>
<td>This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined).</td>
</tr>
<tr>
<td><strong>Profit/(loss) after tax – organic (attributable to the owners of the Company)</strong></td>
<td>This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any ‘non-recurring items’ (as defined, except for the ‘advisory and other restructuring costs – organic’).</td>
</tr>
<tr>
<td><strong>Project Helix 2</strong></td>
<td>Project Helix 2 refers to the portfolio of loans with a gross book value of €898 mn as at 30 June 2020 for which an agreement for sale was reached in August 2020 (Portfolio A) and to the portfolio of loans with a gross book value of €545 mn as at 30 September 2020 for which an agreement for sale was reached in January 2021 (Portfolio B). For further information please refer to section B.2.5 Loan portfolio quality of the press release.</td>
</tr>
<tr>
<td><strong>Ooq</strong></td>
<td>Quarter on quarter change</td>
</tr>
<tr>
<td><strong>Restructured loans</strong></td>
<td>Restructuring activity within quarter as recorded at each quarter end and includes restructurings of NPEs, performing loans and re-restructurings.</td>
</tr>
<tr>
<td><strong>Risk adjusted yield</strong></td>
<td>Interest Income on Loans net of allowance for expected loan credit losses/Net Loans.</td>
</tr>
<tr>
<td><strong>RRD</strong></td>
<td>Restructuring and Recoveries Division.</td>
</tr>
<tr>
<td><strong>RWAs</strong></td>
<td>Risk Weighted Assets.</td>
</tr>
<tr>
<td><strong>RWA Intensity</strong></td>
<td>Risk Weighted Assets over Total Assets.</td>
</tr>
<tr>
<td><strong>Special levy</strong></td>
<td>Relates to the special levy on deposits of credit institutions in Cyprus.</td>
</tr>
<tr>
<td><strong>Stage 2 &amp; Stage 3 Loans</strong></td>
<td>Include purchased or originated credit-impaired.</td>
</tr>
<tr>
<td><strong>Tangible Collateral</strong></td>
<td>Restricted to Gross IFRS balance.</td>
</tr>
<tr>
<td><strong>Total Capital ratio</strong></td>
<td>Total capital ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>Total expenses comprise staff costs, other operating expenses and the special levy and contributions to the Single Resolution Fund (SRF) and Deposit Guarantee Fund (DGF). It does not include ‘advisory and other restructuring costs-organic’, or any restructuring costs relating to the Voluntary Staff Exit Plan, or any restructuring costs relating to NPE sales. ‘Advisory and other restructuring costs-organic’ amounted to €1 mn for 4Q2020 (compared to €3 mn for 3Q2020, €3 mn for 2Q2020, €3 mn for 1Q2020 and €8 mn for 4Q2019). Restructuring costs relating to NPE sales amounted to c.€1.5 mn for 4Q2020 (compared to Nil for 3Q2020, €1 mn for 2Q2020, €3 mn for 1Q2020 and €10 mn for 4Q2019). Restructuring costs relating to the Voluntary Staff Exit Plan amounted to €6 mn for 4Q2020 and FY2020 (compared to €81 mn for 4Q2019 and FY2019).</td>
</tr>
</tbody>
</table>
## Glossary & Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total income</strong></td>
<td>Total income comprises net interest income and non-interest income (as defined).</td>
</tr>
<tr>
<td><strong>Total loan credit losses, impairments and provisions</strong></td>
<td>Total loan credit losses, impairments and provisions comprises loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for litigation, claims, regulatory and other matters.</td>
</tr>
<tr>
<td><strong>T2</strong></td>
<td>Tier 2 Capital</td>
</tr>
<tr>
<td><strong>Underlying basis</strong></td>
<td>This refers to the statutory basis after being adjusted for certain items as explained in the Basis of Presentation.</td>
</tr>
<tr>
<td><strong>Write offs</strong></td>
<td>Loans together with the associated loan credit losses are written off when there is no realistic prospect of future recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.</td>
</tr>
<tr>
<td><strong>Yoy</strong></td>
<td>Year on year change</td>
</tr>
</tbody>
</table>