

**Bank of Cyprus Holdings**



Announcement

Renewal of collective agreement

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Nicosia, 23 July 2021

**Group Profile**

*The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Bank of Cyprus Group operates through a total of 91 branches in Cyprus, of which 11 operate as cash offices. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 3,557 staff worldwide. At 31 March 2021, the Group's Total Assets amounted to €23.0 bn and Total Equity was €2.1 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.*

Bank of Cyprus Holdings Public Limited Company (“BOC Holdings” and, together with its subsidiary, Bank of Cyprus Public Company Limited (the “Bank”), and the Bank’s subsidiaries, the “Group”) announces today that the Bank has reached agreement with the Cyprus Union of Bank Employees for the renewal of the collective agreement in respect of 2021 and 2022.

The Group is making good progress on implementing a number of initiatives to improve the efficiency of its operating model, enabled by digital transformation. In this context, the Bank has agreed upon certain changes to the collective agreement, including the introduction of a new pay grading structure linked to the value of each position of employment, and of a performance-related pay component as part of the annual salary increase, both of which have been long-standing objectives of the Bank and are in line with market best-practice.

The renewal of the collective agreement is expected to increase staff costs for 2021 and 2022 by 3-4% per annum, in line with the impact of renewals in previous years. However, when taking into consideration the impact from the various efficiency initiatives, the Group’s medium-term guidance, which includes maintaining annual total operating expenses<sup>1</sup> below €350 mn, remains unchanged.

For further information, please contact Investor Relations at [investors@bankofcyprus.com](mailto:investors@bankofcyprus.com).

<sup>1</sup> ‘Total operating expenses’ comprise staff costs and other operating expenses. ‘Total operating expenses’ exclude the ‘special levy and contributions to the Single Resolution Fund (SRF) or Deposit Guarantee Fund (DGF)’ and do not include any advisory or other restructuring costs.