



Announcement

Payout ratio of 30% for FY2023 Distribution to shareholders

Proposed cash dividend and intention to commence share buyback

Nicosia, 20 March 2024

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. At 31 December 2023, the Bank of Cyprus Group operated through a total of 64 branches in Cyprus, of which 4 operated as cash offices. The Bank of Cyprus Group employed 2,830 staff worldwide. At 31 December 2023, the Group's Total Assets amounted to €26.6 bn and Total Equity was €2.5 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', or the 'Company' and together with its subsidiaries, the 'Group') is pleased to announce that it has obtained approval from the European Central Bank ('ECB') to pay a cash dividend and to conduct a share buyback programme (together, the 'Distribution'), demonstrating the Group's strong financial performance and strategic progress.

The Distribution corresponds to a 30% payout ratio¹ for FY2023 and amounts to €137 mn in total, comprising a cash dividend of €112 mn and a share buyback of up to €25 mn. The payout ratio¹ for FY2023 of 30% is in line with the Distribution Policy and represents a material increase compared to the previous year (14% payout ratio¹ for FY2022).

The Distribution reflects the Group's robust capital position, ample liquidity and continuation in the delivery of sustainable shareholder value.

Overall, the CET1 ratio on a transitional basis stands at 17.4%² as at 31 December 2023 reflecting the 30% payout ratio¹ for the year ended 31 December 2023.

Distribution Policy

The Group aims to provide a sustainable return to shareholders. The Group's Distribution is expected to build prudently and progressively over time, towards a payout ratio¹ of 30-50% including cash dividends and buybacks, taking into consideration market conditions as well as the outcome of capital and liquidity planning.

Cash Dividend

The Board of Directors of BOC Holdings has resolved to propose to the Annual General Meeting ('AGM') that will be held on 17 May 2024 for approval, a final cash dividend of €0.25 per ordinary share in respect of earnings for the year ended 31 December 2023, a five-fold increase compared to €0.05 in prior year.

Subject to approval at the AGM, the cash dividend is expected to be paid on 14 June 2024 to those shareholders on the Company's share register on 26 April 2024 ('Record date'³) with an Ex-Dividend date⁴ on 25 April 2024. Further details will be provided in the AGM Notice that will be published on or around 12 April 2024.

Intention of Commencement of a Share Buyback Programme

Furthermore, the Group announces today that following the ECB's approval, it intends to commence a programme to buy back ordinary shares in the Company for an aggregate consideration of up to €25 mn. It is expected that, once launched, the programme will take place on both the London Stock Exchange and the Cyprus Stock Exchange.

The launch and implementation of the share buyback programme will comply with the Company's general authority to repurchase the Company's ordinary shares as approved by shareholders at the Company's AGM on 26 May 2023, which is subject to renewal at the AGM scheduled to take place on 17 May 2024, and with the terms of the approval received from the ECB.

Further details concerning the proposed share buyback programme will be announced in due course.

Mr. Takis Arapoglou, Chairman of the Group commented:

‘Our ongoing commitment to delivering sustainable value to shareholders is demonstrated by our intended distribution comprising a significant cash dividend and our inaugural planned share buyback.

The total quantum of cash dividend is around five times higher than last year’s dividend and reflects the Group’s strong financial and operational performance in 2023 which resulted in a rapid organic capital build-up.

We are proud that the Bank, now in its 125th year, is well-capitalised, diversified and generates sustainable profitability. We remain focused on delivering shareholder value whilst continuing to support our customers, Cypriot society and the growth of the Cypriot economy.’

For further information, please contact Investor Relations at investors@bankofcyprus.com.

1. The payout ratio is calculated on Group’s adjusted recurring profitability, defined as profit after tax before non-recurring items (attributable to the owners of the Group) taking into account distributions under other equity instruments such as the annual AT1 coupon.
2. Compared to the previously reported CET1 of 16.5% that included a dividend accrual at the top end of the Group’s dividend policy in line with Commission Delegated Regulation (EU) No 241/2014 principles.
3. Record date refers to the date of the share register where shareholders are eligible for the proposed dividend.
4. Ex-dividend date refers to the day where the Company’s stock begins to trade without the value of the subsequent dividend.