Annual Financial Report 2024

Bank of Cyprus

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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 Bank of Cyprus Group's (the 'Group') near 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, the level of the Group's assets, liquidity, performance, return of tangible equity, projected levels of growth, capital distributions (including policy on dividends and share buybacks) prospects, anticipated growth, provisions, impairments, business strategies and opportunities, any commitments and targets (including environmental, social and governance (ESG) commitments and targets). 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 rate fluctuations, legislative, fiscal and regulatory developments and information technology, litigation and other operational risks, adverse market conditions, the impact of outbreaks, epidemics or pandemics, and geopolitical developments as well as uncertainty over the scope of actions that may be required by us, governments and other to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations. This creates significantly greater uncertainty about forward-looking statements. 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. Further, forward-looking statements may be affected by changes in reporting frameworks and accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards. The forward-looking statements made in this document are only applicable as at 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.

Non-IFRS performance measures

Bank of Cyprus Public Company Limited's (the Company) management believes that the non-IFRS Accounting Standards performance measures included in this document provide valuable information to the readers of the Annual Financial Report as they enable the readers to identify a more consistent basis for comparing the Group's performance between financial periods and provide more detail concerning the elements of performance which management are directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which the operating targets are defined and performance is monitored by the Group's management. However, any non-IFRS Accounting Standards performance measures in this document are not a substitute for IFRS Accounting Standards measures and readers should consider the IFRS Accounting Standards measures as the key measures of the 31 December position. Refer to 'Alternative Performance Measures Disclosures' on pages 596 to 612 of the Annual Financial Report for the year ended 31 December 2024 for further information and calculations of non-IFRS Accounting Standards performance measures included throughout this document and their reconciliation to the most directly comparable IFRS Accounting Standards measures included in the Consolidated Financial Statements.

The Annual Financial Report for the year ended 31 December 2024 is available on the Group's website www.bankofcyprus.com (Group/Investor Relations) (the Group's website).

MANAGEMENT REPORT FOR THE YEAR 2024

The Board of Directors submits to the shareholders of Bank of Cyprus Public Company Limited (the 'Company' or 'BOC PCL' or 'the Bank') their Management Report together with the audited Consolidated Financial Statements ('Consolidated Financial Statements') and Financial Statements of the Company for the year ended 31 December 2024.

The Annual Financial Report relates to the Company and together with its subsidiaries the Group.

Activities

The principal activities of BOC PCL and its subsidiary companies involve the provision of banking, financial, and insurance services and the management and disposal of property predominately acquired in exchange of debt.

All Group companies and branches are set out in Note 50 to the Consolidated Financial Statements. The Group has established branches in Greece. There were no acquisitions of subsidiaries and no material disposals of subsidiaries during the year ended 31 December 2024. Information on Group companies and acquisitions and disposals during the year are detailed in Note 50 to the Consolidated Financial Statements.

Group financial results on the underlying basis

Commentary on underlying basis
The financial information presented in this section provides an overview of the Group financial results for the year ended 31 December 2024 on the 'underlying basis', which management believes best fits the true measurement of the performance and position of the Group, as this presents separately any non-recurring items and also includes certain reclassifications of items, other than non-recurring items, which are done for presentational purposes under the underlying basis for aligning their presentation with items of a similar nature.

Reconciliations between the statutory basis and the underlying basis to facilitate the comparability of the underlying basis to the statutory information, are included in section 'Reconciliation of the Consolidated Income Statement for the year ended 31 December 2024 between the statutory basis and the underlying basis' and 'Alternative Performance Measures Disclosures' of the Annual Financial Report 2024.

The main financial highlights for the year ended 31 December 2024 are set out below:

Consolidated Income Statement on the underlying basis

€ million	**2024[1]**	2023[1]
Net interest income	**822**	793
Net fee and commission income	**177**	181
Net foreign exchange gains and net gains/(losses) on financial instruments	**36**	37
Net insurance result	**46**	54
Net (losses)/gains from revaluation and disposal of investment properties and on disposal of stock of property	**(1)**	10
Other income	**14**	18
Total income	**1,094**	1,093
Staff costs	**(203)**	(192)
Other operating expenses	**(161)**	(156)
Special levy on deposits and other levies/contributions	**(39)**	(43)
Total expenses	**(403)**	(391)
Operating profit	**691**	702
Loan credit losses	**(30)**	(63)
Impairments of other financial and non-financial assets	**(56)**	(53)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	**(12)**	(28)
Total loan credit losses, impairments and provisions	**(98)**	(144)
Profit before tax and non-recurring items	**593**	558
Tax	**(81)**	(73)
Profit attributable to non-controlling interests	**(1)**	(2)
Profit after tax and before non-recurring items (attributable to the owners of the Company)	**511**	483
Advisory and other transformation costs - organic	**-**	(2)
Profit after tax (attributable to the owners of the Company)	**511**	481

1. The financial information is derived from and should be read in conjunction with the accompanied Consolidated Financial Statements.

Group financial results on the underlying basis (continued)

Consolidated Income Statement on the underlying basis (continued)

Key Performance Ratios	2024	2023
Net interest margin	**3.53%**	3.42%
Net interest margin excluding TLTRO III	**3.61%**	3.74%
Cost to income ratio	**37%**	36%
Cost to income ratio excluding special levy on deposits and other levies/contributions	**33%**	32%
Operating profit return on average assets	**2.7%**	2.7%
Basic earnings per share attributable to the owners of the Company (€)[1]	**0.05**	0.05
Return on tangible equity (ROTE)	**21.5%**	24.5%
Return on tangible equity (ROTE) on 15% CET1 ratio[2]	**27.8%**	27.04%
Tangible book value per share[3] (€)	**0.27**	0.23
Tangible book value per share excluding the cash dividend (€)	**0.24**	0.22

1. The diluted earnings per share attributable to the owners of the Company as at 31 December 2024 amounted to €0.05.
2. Calculated as Profit after tax (attributable to the owners of the Company), divided by the quarterly average of Shareholders' equity minus intangible assets and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible shareholders' equity and the amount approved/recommended for distribution in respect of earnings of the relevant year the distribution relates to.
3. Tangible book value per share is calculated based on number of shares in issue at the end of the period, excluding treasury shares.

Consolidated Balance Sheet on the underlying basis

€ million	2024[1]	2023[1]
Cash and balances with central banks	**7,601**	9,615
Loans and advances to banks	**821**	385
Reverse repurchase agreements	**1,010**	403
Debt securities, treasury bills and equity investments	**4,358**	3,695
Net loans and advances to customers	**10,114**	9,822
Net loans and advances to Group companies[2]	**3**	1
Stock of property	**649**	826
Investment properties	**36**	62
Other assets	**1,871**	1,821
Non-current assets and disposal groups held for sale	**23**	-
Total assets	**26,486**	26,630
Deposits by banks	**364**	472
Funding from central banks	**-**	2,044
Customer deposits	**20,529**	19,339
Debt securities in issue	**989**	672
Subordinated liabilities	**308**	308
Other liabilities	**1,463**	1,306
Total liabilities	**23,653**	24,141
Shareholders' equity	**2,593**	2,248
Other equity instruments	**220**	220
Total equity excluding non-controlling interests	**2,813**	2,468
Non-controlling interests	**20**	21
Total equity	**2,833**	2,489
Total liabilities and equity	**26,486**	26,630

1. The financial information is derived from and should be read in conjunction with the accompanied Consolidated Financial Statements.
2. Net loans and advances to Group companies of €3 million as at 31 December 2024 (2023: €1 million) have been separately presented on the Consolidated Balance Sheet on the underlying basis since they relate to balances with Group companies and thus are not taken into consideration in the calculation of the relevant key ratios and metrics referring to loans and advances with customers throughout this Management Report.

Group financial results on the underlying basis (continued)

Consolidated Balance Sheet on the underlying basis (continued)

Key Balance Sheet figures and ratios	**2024 Pro forma[1]**	**2024**	2023
Gross loans (€ million)	**10,320**	**10,374**	10,070
Allowance for expected loan credit losses (€ million)	**223**	**254**	267
Customer deposits (€ million)	**20,529**	**20,529**	19,339
Loans to deposits ratio (net)	**49%**	**49%**	51%
NPE ratio	**1.9%**	**2.5%**	3.6%
NPE coverage ratio	**111%**	**100%**	73%
Leverage ratio	**10.4%**	**10.4%**	9.1%

Capital ratios and risk weighted assets	**2024 (Regulatory)[2]**	2023 (Regulatory)[3]
Common Equity Tier 1 (CET1) ratio (transitional)	19.2%	17.4%
Total capital ratio (transitional)	24.1%	22.4%
Risk weighted assets (RWAs) (€ million)	10,836	10,343

1. References to pro forma figures as at 31 December 2024 refer to the agreement for the sale of two non-performing loan portfolios, which is expected to be completed in the first half of 2025 subject to necessary approvals. The portfolios are classified as non-current assets held for sale with a net book value of €23 million as at 31 December 2024. Numbers on a pro forma basis are based on 31 December 2024 underlying basis figures and assume completion of the sale.
2. Includes profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million.
3. Includes profits for the year ended 31 December 2023 net of a deduction for the distribution in respect of 2023 earnings following approval received by the ECB in March 2024 and relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €137 million.

Group financial results on the underlying basis (continued)

Reconciliation of the Consolidated Income Statement for the year ended 31 December 2024 between the statutory basis and the underlying basis

€ million	**Underlying basis**	**Other**	**Statutory basis**
Net interest income	822	-	822
Net fee and commission income	177	-	177
Net foreign exchange gains and net gains on financial instruments	36	2	38
Net gains on derecognition of financial assets measured at amortised cost	-	-	-
Net insurance result*	46	-	46
Net loss from revaluation and disposal of investment properties and on disposal of stock of properties	(1)	-	(1)
Other income	14	-	14
Total income	**1,094**	**2**	**1,096**
Total expenses	**(403)**	**(12)**	**(415)**
Operating profit	**691**	**(10)**	**681**
Loan credit losses	(30)	30	-
Impairment of other financial and non-financial assets	(56)	56	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	(12)	12	-
Credit losses on financial assets and impairment net of reversals of non-financial assets	-	(88)	(88)
Profit before tax and non-recurring items	**593**	**-**	**593**
Tax	(81)	-	(81)
Profit attributable to non-controlling interests	(1)	-	(1)
Profit after tax (attributable to the owners of the Company)	**511**	**-**	**511**

* Net insurance result per underlying basis comprises the aggregate of captions *'Net insurance finance income/(expense) and net reinsurance finance income/(expense)', 'Net insurance service result'* and *'Net reinsurance service result'* per the statutory basis.

The reclassification differences between the statutory basis and the underlying basis are explained below:

- Net gains on loans and advances to customers at FVPL of €1 million included in *'Loan credit losses'* under the underlying basis are included in *'Net gains on financial instruments'* under the statutory basis. Their classification under the underlying basis is done to align their presentation with the loan credit losses on loans and advances to customers at amortised cost.
- *'Net gains on derecognition of financial assets measured at amortised cost'* is nil under the statutory basis and comprises the below items which are reclassified accordingly under the underlying basis as follows:
  - €0.3 million net gains on derecognition of loans and advances to customers included in *'Loan credit losses'* under the underlying basis as to align their presentation with the loan credit losses arising from loans and advances to customers.
  - Net losses on derecognition of debt securities measured at amortised cost of approximately €0.3 million included in *'Net foreign exchange gains and net gains on financial instruments'* under the underlying basis in order to align their presentation with the net gains on financial instruments.
- *'Provisions for pending litigation, claims, regulatory and other matters (net of reversals)'* amounting to €12 million presented within '*Operating profit before credit losses and impairment*' under the statutory basis, are presented under the underlying basis in conjunction with loan credit losses and impairments.
- '*Credit losses on financial assets*' and *'Impairment net of reversals on non-financial assets*' under the statutory basis include: i) credit losses to cover credit risk on loans and advances to customers of €32 million, which are included in '*Loan credit losses*' under the underlying basis, and ii) net reversal of credit losses of other financial assets of a €0.1 million and impairment net of reversals on non-financial assets of €56 million, which are included in '*Impairment of other financial and non-financial assets*' under the underlying basis, as to be presented separately from loan credit losses.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis

Capital Base

Total equity excluding non-controlling interests totalled €2,813 million as at 31 December 2024 compared to €2,468 million as at 31 December 2023. Shareholders' equity totalled to €2,593 million as at 31 December 2024 compared to €2,248 million as at 31 December 2023.

The regulatory Common Equity Tier 1 capital (CET1) ratio on a transitional basis stood at 19.2% as at 31 December 2024 compared to 17.4% as at 31 December 2023. Throughout the Management Report, the capital ratios as at 31 December 2024 include profits for the year ended 31 December 2024, net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million. During the year ended 31 December 2024, the CET1 ratio was positively affected by profit after tax and partially decreased by the distribution accrual at 50% payout ratio, as well as the increase in operational RWAs primarily driven by the inclusion of higher 2024 income compared to 2021. Since September 2023, a charge is deducted from own funds in relation to the ECB prudential expectations for NPEs, which amounted to 26 basis points as at 31 December 2024, compared to 32 basis points as at 31 December 2023. A prudential charge in relation to an onsite inspection on the value of the Group's foreclosed assets is being deducted from own funds since June 2021, the impact of which was 3 basis points on Group's CET1 ratio as at 31 December 2024 (compared to 12 basis points on Group's CET1 ratio as at 31 December 2023). In addition, the Group is subject to increased capital requirements in relation to its real estate repossessed portfolio which follow a SREP provision to ensure minimum capital levels retained on long-term holdings of real estate assets, with such requirements being dynamic by reference to the in-scope REMU assets remaining on the balance sheet of the Group and the value of such assets. As at 31 December 2024, the impact of these requirements was 51 basis points on Group's CET1 ratio, compared to 24 basis points as at 31 December 2023. The above-mentioned requirements are within the capital plans of the Group and incorporated within its capital projections.

The regulatory Total Capital ratio on a transitional basis stood at 24.1% as at 31 December 2024 compared to 22.4% as at 31 December 2023.

The Group's capital ratios are above the Supervisory Review and Evaluation Process (SREP) requirements.

As at 31 December 2024, the Group's minimum phased-in CET1 capital ratio requirement was set at 11.34%, comprising a 4.50% Pillar I requirement, a 1.55% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.875% and CcyB of approximately 0.92%. Likewise, the Group's minimum phased-in Total Capital ratio requirement was set at 16.05%, comprising an 8.00% Pillar I requirement, of which up to 1.50% can be in the form of AT1 capital and up to 2.00% in the form of T2 capital, a 2.75% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.875% and the CcyB of approximately 0.92%. For the year ended 31 December 2024, the ECB had also provided revised lower non-public guidance for an additional Pillar II CET1 buffer (P2G) compared to 2023.

The Central Bank of Cyprus ('CBC'), following the revised methodology described in its macroprudential policy, decided to set the CcyB to 1.00% of the total risk exposure in Cyprus for each licensed credit institution incorporated in Cyprus, effective from June 2024. As a result, the CcyB for the Group as at 31 December 2024 amounted to approximately 0.92%. In January 2025, CBC, based on its macroprudential policy, decided to increase the CCyB from 1.00% to 1.50% of the total risk exposure amount in Cyprus, for each licensed credit institution incorporated in Cyprus, effective from January 2026.

The Bank has been designated as an Other Systemically Important Institution (O-SII) by CBC in accordance with the provisions of the Macroprudential Oversight of Institutions Law of 2015 and the relevant buffer stood at 1.875% on 1 January 2024. In April 2024, following a revision by the CBC of its policy for the designation of credit institutions that meet the definition of O-SII institutions and the setting of O-SII buffer to be observed, the Group's O-SII buffer has been reduced to 2.00% on 1 January 2026 (from the previous assessment of 2.25% on 1 January 2025) to be phased by 6.25 basis points annually, to 1.9375% on 1 January 2025 and 2.00% as of 1 January 2026.

Own funds held for the purposes of P2G cannot be used to meet any other capital requirements (Pillar I, Pillar II requirements or the combined buffer requirement), and therefore cannot be used twice.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Capital Base (continued)

Following the annual SREP performed by the ECB in 2024 and based on the final SREP decision received in December 2024, effective from 1 January 2025, the Group's minimum phased-in CET1 capital ratio and Total Capital ratio requirements remain unchanged from prior year, when disregarding the phasing in of the O-SII buffer. On 1 January 2025 the Group's minimum phased-in CET1 capital ratio is set at 11.40%, comprising a 4.50% Pillar I requirement, a 1.55% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.9375% and CcyB of approximately 0.92%. Likewise, on 1 January 2025 the Group's minimum phased-in Total Capital ratio requirement is set at 16.11%, comprising an 8.00% Pillar I requirement, of which up to 1.50% can be in the form of AT1 capital and up to 2.00% in the form of T2 capital, a 2.75% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.9375% and CcyB of approximately 0.92%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) remains unchanged compared to 2024. Based on the final SREP decision, the requirement for prior regulatory approval for the declaration of dividends has been lifted, effective from 1 January 2025.

Other equity instruments

At 31 December 2024, the Group's other equity instruments relate to Additional Tier 1 Capital Securities (the 'AT1 securities') and amounted to €220 million, at the same levels as at 31 December 2023.

The Fixed Rate Reset Perpetual Additional Tier 1 Capital Securities constitute unsecured and subordinated obligations of the Company, are perpetual and are issued at par. They carry an initial coupon of 11.875% per annum, payable semi-annually and resettable on 21 December 2028 and every 5 years thereafter.

The Company will have the option to redeem these capital securities from, and including, 21 June 2028 to, and including, 21 December 2028 and on each interest payment date thereafter, subject to applicable regulatory consents and the relevant conditions to redemption.

Legislative amendments for the conversion of DTA to DTC

Legislative amendments allowing for the conversion of specific deferred tax assets (DTA) into deferred tax credits (DTC) became effective in March 2019. The legislative amendments cover the utilisation of income tax losses transferred from Laiki Bank to the Bank in March 2013. The introduction of the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) IV in January 2014 and its subsequent phasing-in led to a more capital-intensive treatment of the DTA arising from tax losses. With this legislation, institutions are allowed to treat such DTAs as 'not relying on future profitability', according to CRR/CRD IV and as a result not deducted from CET1, hence improving a credit institution's capital position. They also provide that a guarantee fee on annual tax credit is payable annually by the credit institution to the Government.

Following certain modifications to the relevant law in May 2022, the annual guarantee fee is to be determined by the Cyprus Government on an annual basis, providing however that such fee to be charged is set at a minimum fee of 1.5% of the annual instalment and can range up to a maximum amount of €10 million per year.

The Group estimates that such fees could range to approximately €5 million per year (for each tax year in scope i.e., since 2018), although the Group understands that such fee may fluctuate annually as to be determined by the Ministry of Finance. An amount of €5.4 million was recorded as an expense in the year ended 31 December 2024.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Regulations and Directives

The 2021 Banking Package (CRR III and CRD VI and BRRD)

In October 2021, the European Commission adopted legislative proposals for further amendments to the Capital Requirements Regulation (CRR), CRD and the BRRD (the '2021 Banking Package'). Amongst other things, the 2021 Banking Package would implement certain elements of Basel III that have not yet been transposed into EU law. In the case of the proposed amendments to CRD and the BRRD, their terms and effect will depend, in part, on how they are transposed in each member state. In December 2023, the preparatory bodies of the Council and European Parliament endorsed the amendments to the CRR and the CRD and the legal texts were published on the Council and the Parliament websites. In April 2024, the European Parliament voted to adopt the amendments to the CRR and the CRD; Regulation (EU) 2024/1623 (known as CRR III) and Directive (EU) 2024/1619 (known as CRD VI) were published in the EU's official journal in June 2024, with entry into force 20 days from the date of the publication. Most amended provisions of the CRR III have become effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased-in over time. Member states shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and shall apply most of those measures by 11 January 2026. The implementation of CRR III is estimated to have a positive impact of approximately 1% on the CET1 ratio (transitional) of the Group on initial application on 1 January 2025. However, during 2025 the publication of ECB guidelines on options and discretions and EBA mandates could result in additional impacts on CET1 ratios across the industry.

Bank Recovery and Resolution Directive (BRRD)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Bank Recovery and Resolution Directive (BRRD) requires that from January 2016, EU member states shall apply the BRRD's provisions requiring EU credit institutions and certain investment firms to maintain a minimum requirement for own funds and eligible liabilities (MREL), subject to the provisions of the Commission Delegated Regulation (EU) 2016/1450. On 27 June 2019, as part of the reform package for strengthening the resilience and resolvability of European banks, the BRRD II came into effect and was required to be transposed into national law. BRRD II was transposed and implemented in Cyprus law in May 2021. In addition, certain provisions on MREL have been introduced in CRR II which also came into force on 27 June 2019 as part of the reform package and were immediately effective.

In January 2024, the Bank received final notification from the SRB regarding the 2024 MREL decision, by which the MREL requirement was set at 25.00% of risk weighted assets (or 30.30% of risk weighted assets taking into account the prevailing CBR as at 31 December 2024 which needs to be met with own funds on top of the MREL) and 5.91% of Leverage Ratio Exposure ('LRE' as defined in the CRR) and had to be met by 31 December 2024.

In January 2025, the Bank received final notification from the SRB regarding the 2025 MREL decision, by which the MREL requirement is now set at 23.85% of risk weighted assets (or 29.21% of risk weighted assets taking into account the prevailing CBR as at 1 January 2025 which needs to be met with own funds on top of the MREL) and 5.91% of LRE. The revised MREL requirements became binding with immediate effect.

The Bank must comply with the MREL requirement at the consolidated level, comprising the Bank and its subsidiaries.

The regulatory MREL ratio as at 31 December 2024, calculated according to the SRB's eligibility criteria currently in effect, stood at 33.7% of RWAs (including capital used to meet the CBR) and at 13.9% of LRE (based on the regulatory Total Capital as at 31 December 2024), demonstrating that the Bank finalized its MREL build-up and created a comfortable buffer over the MREL requirements.

The CBR stood at 5.30% as at 31 December 2024, higher compared to 4.48% as at 31 December 2023, reflecting the increase of the CcyB and O-SII buffer by approximately 50 basis points and 37.5 basis points respectively. The CBR is expected to increase further as a result of the phasing in of O-SII buffer from 1.875% to 1.9375% on 1 January 2025 and to 2.00% on 1 January 2026 as well as of the expected increase of CcyB from 1.00% to 1.50% in January 2026.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Regulations and Directives (continued)

Bank Recovery and Resolution Directive (BRRD) (continued)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL) (continued)

Throughout the Management Report, the MREL ratios as at 31 December 2024 include profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million.

Funding and Liquidity

Funding

Funding from Central Banks

Following the repayment of €1.7 billion under the seventh TLTRO III operation in March 2024 and €0.3 billion under the eighth TLTRO III operation in June 2024, the funding from Central Banks was nil as at 31 December 2024, compared to €2,044 million as at 31 December 2023.

Deposits

Customer deposits totalled €20,529 million at 31 December 2024, compared to €19,339 million at 31 December 2023. Customer deposits are mainly retail-funded and approximately 55% of deposits are protected under the deposit guarantee scheme as at 31 December 2024.

The Bank's deposit market share in Cyprus reached 37.2% as at 31 December 2024, compared to 37.7% as at 31 December 2023. Customer deposits accounted for 77% of total assets and 87% of total liabilities at 31 December 2024, compared to 73% of total assets and 80% of total liabilities as at 31 December 2023. The increase in the share of total assets and liabilities since the beginning of the year relates mainly to the repayment of €2.0 billion TLTRO.

The net loans to deposits (L/D) ratio stood at 49% as at 31 December 2024, compared to 51% as at 31 December 2023 on the same basis.

Subordinated liabilities

At 31 December 2024, the carrying amount of the Group's subordinated liabilities amounted to €308 million, compared to €308 million at 31 December 2023, and relate to unsecured subordinated Tier 2 Capital Notes ('T2 Notes').

The T2 Notes were priced at par with a fixed coupon of 6.625% per annum, payable annually in arrears and resettable on 23 October 2026. The maturity date of the T2 Notes is 23 October 2031. The Company will have the option to redeem the T2 Notes early on any day during the six-month period from 23 April 2026 to 23 October 2026, subject to applicable regulatory approvals.

Debt securities in issue

At 31 December 2024, the carrying value of the Group's debt securities in issue amounted to €989 million, compared to €672 million at 31 December 2023 and relate to senior preferred notes. The increase of 47% since the beginning of the year relates to the issuance of €300 million green senior preferred notes ('Green Notes') in April 2024.

In April 2024, the Bank successfully launched and priced an issuance of €300 million green senior preferred notes. The Green Notes were priced at par with a fixed coupon of 5% per annum, payable in arrear, until the Option redemption date, i.e., 2 May 2028. The maturity date of the Green Notes is 2 May 2029; however, the Bank may, at its discretion, redeem the Green Notes on the Optional Redemption Date subject to meeting certain conditions (including applicable regulatory consents) as specified in the Terms and Conditions.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Funding and Liquidity (continued)

Funding (continued)

Debt securities in issue (continued)

If the Green Notes are not redeemed by the Bank, the coupon payable from the Optional Redemption Date until the Maturity Date will convert from a fixed rate to a floating rate and will be equal to 3-month Euribor plus 197.1 basis points, payable quarterly in arrear. The transaction represents the Bank's inaugural green bond issuance in line with the Group's Beyond Banking approach, aimed at creating a stronger, safer and future-focused Bank and leading the transition of Cyprus to a sustainable future. An amount equivalent to the net proceeds of the Green Notes will be allocated to Eligible Green Projects as described in the Bank's Sustainable Finance Framework, which include Green Buildings, Energy Efficiency, Clean Transport and Renewable Energy.

In July 2023, the Bank successfully launched and priced an issuance of €350 million of senior preferred notes (the 'Notes'). The Notes were priced at par with a fixed coupon of 7.375% per annum, payable annually in arrear, until the Optional Redemption Date, i.e., 25 July 2027. The maturity date of the Notes is 25 July 2028; however, the Bank may, at its discretion, redeem the Notes on the Optional Redemption Date subject to meeting certain conditions (including applicable regulatory consents) as specified in the Terms and Conditions. If the Notes are not redeemed by the Bank, the coupon payable from the Optional Redemption Date until the Maturity Date will convert from a fixed rate to a floating rate and will be equal to 3-month Euribor plus 409.5 basis points, payable quarterly in arrear.

In June 2021, the Bank executed its inaugural MREL transaction issuing €300 million of senior preferred notes (the 'SP Notes'). The SP Notes were priced at par with a fixed coupon of 2.50% per annum, payable annually in arrears and resettable on 24 June 2026. The maturity date of the SP Notes is 24 June 2027, and the Bank may, at its discretion, redeem the SP Notes on 24 June 2026, subject to meeting certain conditions as specified in the Terms and Conditions, including applicable regulatory consents.

All issuances of senior preferred notes comply with the criteria for the Minimum Requirement for Own Funds and Eligible Liabilities ('MREL') and contribute towards the Bank's MREL requirements.

Liquidity

At 31 December 2024, the Group Liquidity Coverage Ratio (LCR) stood at 309%, compared to 359% at 31 December 2023, well above the minimum regulatory requirement of 100%. The LCR surplus as at 31 December 2024 amounted to €8.1 billion, compared to €9.1 billion at 31 December 2023.

At 31 December 2024, the Group Net Stable Funding Ratio (NSFR) stood at 162%, compared to 158% at 31 December 2023, well above the minimum regulatory requirement of 100%.

Loans

Group gross loans totalled €10,374 million at 31 December 2024, compared to €10,070 million at 31 December 2023.

New lending in the year ended 31 December 2024 reached €2,435 million, compared to €2,025 million in the year ended 31 December 2023, driven mainly by business demand.

At 31 December 2024, the Group net loans and advances to customers totalled €10,114 million, compared to €9,822 million at 31 December 2023.

The Bank is the largest credit provider in Cyprus with a market share of 43.0% at 31 December 2024, compared to 42.2% at 31 December 2023.

In December 2023, the Bank entered into an agreement with Cyprus Asset Management Company ('KEDIPES') to acquire a portfolio of performing and restructured loans with gross book value of approximately €58 million with reference date 31 December 2022 (the 'Transaction'). The Transaction was broadly neutral to the Group's income statement and capital position. The Transaction was completed in March 2024.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Loan portfolio quality

The Group has continued to make steady progress across all asset quality metrics. The Group's priorities focus mainly on maintaining high quality new lending with strict underwriting standards and preventing asset quality deterioration.

The loan credit losses totalled €30 million for the year ended 31 December 2024. Further details regarding loan credit losses are provided in Section 'Profit before tax and non-recurring items'.

Non-performing exposures

Non-performing exposures (NPEs) as defined by the European Banking Authority (EBA) were reduced to €255 million at 31 December 2024, compared to €365 million at 31 December 2023. As a result, the NPEs reduced to 2.5% of gross loans as at 31 December 2024, compared to 3.6% of gross loans as at 31 December 2023.

The NPE coverage ratio stands at 100% at 31 December 2024, compared to 73% at 31 December 2023.

Agreement for the sale of NPEs

In September 2024, the Bank entered into an agreement with funds associated with Cerberus Global Investments B.V. to sell a non-performing loan portfolio of mainly corporate secured exposures. In December 2024 the Bank entered into an additional agreement with funds associated with Cerberus Global Investments B.V. for the sale of a non-performing loan portfolio of mainly retail and SME exposures.

Both transactions are expected to be broadly neutral to both the income statement and to capital on completion, are subject to the necessary approvals and completion is expected during the first half of 2025. The portfolios are classified as non-current assets held for sale and as at 31 December 2024 the gross book value and net book value amounted to €55 million and €23 million respectively. Pro forma for the NPE sale agreements, the NPE ratio is reduced further to 1.9%, whilst the NPE coverage increased to 111%.

Mortgage-To-Rent Scheme ('MTR')

In July 2023, the Mortgage-to-Rent Scheme ('MTR') was approved by the Council of Ministers and aims for the reduction of NPEs backed by primary residence and simultaneously protect the primary residence of vulnerable borrowers. The eligible criteria include:

- Borrowers that were non-performing as at 31 December 2021, remained non-performing as at 31 December 2022 and who also received government allowances during the period January 2021 to December 2022, with facilities backed by primary residence with Open Market Value up to €250k;
- Borrowers that had a fully completed application to Estia Scheme and were assessed as eligible but not viable with a primary residence of up to €350k Open Market Value; and
- all applicants that were approved under Estia Scheme but their inclusion was terminated.

Under the MTR, eligible property owners will voluntarily surrender ownership of their residence to Cyprus Asset Management Company ('KEDIPES') which has been approved by the Government to provide and manage social housing and will be exempted from their mortgage loan, as the state will be covering fully the required rent on their behalf. KEDIPES will carry out a new valuation and a technical due diligence for the eligible applicants' property and if satisfied will approve the application and pay to the banks an amount equal to 65% of the Open Market Value of the primary residence in exchange for the mortgage release, the write off of the NPE loan and the transfer of the property title deeds.

The eligible applicants will be able to acquire the primary residence after 5 years at a favourable price, below the Open Market Value.

The scheme has been launched in December 2023; it is expected to act as another tool to address NPEs in the Retail sector.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Fixed income portfolio

Fixed income portfolio amounts to €4,212 million as at 31 December 2024, compared to €3,548 million as at 31 December 2023, increased by 19% on prior year. As at 31 December 2024, the portfolio represents 16% of total assets and comprises €3,806 million (90%) measured at amortised cost and €406 million (10%) at fair value through other comprehensive income ('FVOCI').

The fixed income portfolio measured at amortised cost is held to maturity and therefore no fair value gains/losses are recognised in the Group's income statement or equity. This fixed income portfolio has high average rating at Aa2. The amortised cost fixed income portfolio as at 31 December 2024 has an unrealised fair value gain of €32 million.

Reverse repurchase agreements

Reverse repurchase agreements amount to €1,010 million as at 31 December 2024, compared to €403 million as at 31 December 2023. The increase since the beginning of the year related to the hedging activities the Group is carrying out in order to reduce its net interest income sensitivity. The average yield of reverse repurchase agreements is approximately 3.0% p.a. and the remaining average duration is estimated at approximately 2.1 years.

Real Estate Management Unit (REMU)

The Real Estate Management Unit (REMU) is focused on the disposal of on-boarded properties resulting from debt for asset swaps.

REMU completed disposals of €175 million in the year ended 31 December 2024, resulting in a gain on disposal of €1 million, compared to €172 million disposals in the year ended 31 December 2023 at a profit of approximately €11 million. Asset disposals are across all property classes, with 44% of sales in gross sale value in the year ended 31 December 2024 relating to land.

REMU on-boarded €30 million of assets in the year ended 31 December 2024, compared to additions of €21 million in the year ended 31 December 2023, via the execution of debt for asset swaps and repossessed properties.

As at 31 December 2024, repossessed properties held by REMU had a carrying value of €660 million, compared to €862 million as at 31 December 2023 and remain on track to achieve its target of reducing this portfolio to approximately €0.5 billion by end-2025.

Income Statement Analysis

Total income

Net interest income (NII) for the year ended 31 December 2024 amounted to €822 million, compared to €793 million for the year ended 31 December 2023. The annual increase is mainly attributed to higher interest rates on liquid assets and loans and higher liquidity compared to prior year, partially offset by a moderate increase in the deposit and funding costs as well as the cost of hedging.

Quarterly average interest earning assets (AIEA) for the year ended 31 December 2024 amounted to €23,273 million, compared to €23,217 for the year ended 31 December 2023.

Net interest margin (NIM) for the year ended 31 December 2024 amounted to 3.53% (compared to 3.42% for the year ended 31 December 2023), up 11 basis points year-on-year, supported by the higher interest rates compared to prior year.

Group financial results on the underlying basis (continued)

Income Statement Analysis (continued)

Total income (continued)

Non-interest income for the year ended 31 December 2024 amounted to €272 million, compared to €300 million for the year ended 31 December 2023. Non-interest income for the year ended 31 December 2024 comprises net fee and commission income of €177 million, net foreign exchange gains and net gains/(losses) on financial instruments of €36 million, net insurance result of €46 million, net loss from revaluation and disposal of investment properties and on disposal of stock of properties of €1 million and other income of €14 million. The year-on-year reduction is mainly due to lower net insurance result as well as net losses from revaluation and disposal of investment properties and on disposal of stock of properties.

Net fee and commission income for the year ended 31 December 2024 amounted to €177 million compared to €181 million in prior year, primarily due to lower transactional fees.

Net foreign exchange gains and net gains/(losses) on financial instruments amounted to €36 million for the year ended 31 December 2024, compared to €37 million for the year ended 31 December 2023, and comprise of net foreign exchange gains of €27 million and net gains on financial instruments of €9 million. The year-on-year reduction is mainly due to lower net foreign exchange income through FX swaps. Net foreign exchange gains and net gains/(losses) on financial instruments are considered volatile profit contributors.

Net insurance result amounted to €46 million for the year ended 31 December 2024, compared to €54 million for the year ended 31 December 2023, impacted partially by negative claim experience in the non-life insurance business, arising from the severe weather-related events that occurred in 2024, as well as models' recalibration in the life insurance business.

Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties amounted to a net loss of €1 million for the year ended 31 December 2024, compared to a net profit €10 million for the year ended 31 December 2023, and comprise of €1.2 million gain on disposal of stock of properties and investment properties, and net loss from revaluation of investment properties of approximately €2.4 million. REMU profits remain volatile.

Total income amounted to €1,094 million for the year ended 31 December 2024, compared to €1,093 million for the year ended 31 December 2023.

Total expenses

Total expenses for the year ended 31 December 2024 were €403 million, compared to €391 million for the year ended 31 December 2023, of which 50% related to staff costs (€203 million), 40% to other operating expenses (€161 million) and 10% to special levy on deposits and other levies/contributions (€39 million).

Total operating expenses amounted to €364 million for the year ended 31 December 2024, compared to €348 million for the year ended 31 December 2023, reflecting both higher staff costs and other operating expenses.

Staff costs for the year ended 31 December 2024 were €203 million, compared to €192 million for the year ended 31 December 2023, and include €11 million performance-related pay cost and approximately €9.5 million termination cost (compared to €12 million performance-related pay cost and approximately €7.5 million termination cost in the year ended 31 December 2023). Net of the performance-related pay cost and termination cost, staff costs increased by 6% year-on-year, reflecting salary increments and higher cost of living adjustments (COLA) as well as higher employer's contributions. During the year ended 31 December 2024 a small-scale, targeted Voluntary Exit Plan ('VEP') took place, by which 57 full-time employees were approved to leave the Group at a total cost of approximately €9.5 million.

The performance-related pay cost relates to the Short-Term Incentive Plan ('STIP') and the Long-Term Incentive Plan ('LTIP'). The Short-Term Incentive Plan involves variable remuneration to selected employees and driven by both, delivery of the Group's strategy as well as individual performance. The LTIP is a share-based compensation plan and provides for an award in the form of ordinary shares of Bank of Cyprus Holding Public Limited Company ('BOCH') based on certain non-market performance and service vesting conditions. Additional information on the LTIP is provided in section 'Share based payments – share awards' further below.

Group financial results on the underlying basis (continued)

Income Statement Analysis (continued)

Total expenses (continued)

As at 31 December 2024, the Group employed 2,880 persons compared to 2,830 persons as at 31 December 2023.

Other operating expenses for the year ended 31 December 2024 amounted to €161 million, compared to €156 million for the year ended 31 December 2023, impacted by inflationary pressures, higher marketing expenses due to various campaigns carried out in the year ended 31 December 2024, higher technology and system costs and higher professional fees for ATHEX listing.

Special levy on deposits and other levies/contributions for the year ended 31 December 2024 amounted to €39 million compared to €43 million for the year ended 31 December 2023. The year-on-year decrease reflects mainly lower contribution of the Bank to paying contributions to the Deposit Guarantee Fund ('DGF'). As from 2020 to end-June 2024 the Bank was subject to DGF contributions on a semi-annual basis and calculated on the covered deposits of all authorised institutions with the target level expected to reach at least 0.8% of the covered deposits by 3 July 2024. The management committee of the Deposit Guarantee and Resolution of Credit and Other Institutions Schemes can decide to collect additional ex-ante contributions to achieve a higher return.

The cost to income ratio excluding special levy on deposits and other levies/contributions for the year ended 31 December 2024 was 33% compared to 32% for the year ended 31 December 2023.

Profit before tax and non-recurring items

Operating profit for the year ended 31 December 2024 amounted to €691 million, compared to €702 million for the year ended 31 December 2023, down by 3% year-on-year due to the higher total operating expenses.

Loan credit losses for the year ended 31 December 2024 were €30 million compared to €63 million for the year ended 31 December 2023, down by 52% year-on-year, supported by the continued robust performance of the credit portfolio and improved macroeconomic assumptions, partially offset by charges on IFRS9 model calibrations.

Cost of risk for the year ended 31 December 2024 is equivalent to 30 basis points, compared to a cost of risk of 62 basis points for the year ended 31 December 2023, as in prior year there were higher credit losses on specific customers with idiosyncratic characteristics assessed as 'Unlikely to pay' ('UTPs').

At 31 December 2024, the allowance for expected loan credit losses, including residual fair value adjustment on initial recognition and credit losses on off-balance sheet exposures (please refer to 'Alternative Performance Measures Disclosures' of the Annual Financial Report 2024 for definition) amounted to €254 million, including the portfolio held for sale, compared to €267 million at 31 December 2023, and accounted for 2.5% of gross loans (compared to 2.7% as at 31 December 2023, calculated on the same basis). Pro forma for the held for sale, the allowance for expected loan credit losses, including residual fair value adjustment on initial recognition and credit losses on off-balance sheet exposures, amounted to €223 million and accounted for 2.2%.

Impairments of other financial and non-financial assets for the year ended 31 December 2024 amounted to €56 million, compared to €53 million for the year ended 31 December 2023 and relate mainly to REMU stock of property.

Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for the year ended 31 December 2024 amounted to €12 million, compared to €28 million for the year ended 31 December 2023. The charge for the year mainly relates to the resolution of cases on existing litigation and claims arising from legacy matters, thereby further reducing the exposure from such legacy matters, which was partially offset by the progress and conclusion of other items relating to other matters.

Profit before tax and non-recurring items for the year ended 31 December 2024 totalled to €593 million, compared to €558 million for the year ended 31 December 2023 and was positively impacted by lower loan credit losses and provisions for pending litigation, claims and other matters (net of reversals).

Group financial results on the underlying basis (continued)

Income Statement Analysis (continued)

Profit after tax (attributable to the owners of the Company)

The tax charge for the year ended 31 December 2024 amounted to €81 million compared to €73 million for the year ended 31 December 2023.

On 22 December 2022, the European Commission approved Directive 2022/2523 which provides for a minimum effective tax rate of 15% for the global activities of large multinational groups (Pillar Two tax). The Directive follows closely the OECD Inclusive Framework on Base Erosion and Profit Shifting. In December 2024, the Cyprus Parliament voted to transpose the Directive (EU) 2022/2523 into Law 151(I)/2024 (the 'Cyprus Pillar Two Law'), which introduces an Income Inclusion Rule (IIR), effective for financial years starting from 31 December 2023. The Group is in scope of the Cyprus Pillar Two Law for the year ended 31 December 2024. The BOCH Group is eligible for the transitional provision under Article 55 of the Cyprus Pillar Two Law which results in zeroing any top-up tax computed in accordance with the rules laid out in the Cyprus Pillar Two Law for the year ended 31 December 2024.

Profit after tax and before non-recurring items (attributable to the owners of the Company) for the year ended 31 December 2024 is €511 million, compared to €483 million for the year ended 31 December 2023.

Advisory and other transformation costs – organic for the year ended 31 December 2024 are nil, compared to €2 million for the year ended 31 December 2023.

Profit after tax attributable to the owners of the Company for the year ended 31 December 2024 amounts to €511 million corresponding to a ROTE of 21.5%, compared to €481 million for the year ended 31 December 2023 (and a ROTE of 24.5%). ROTE on 15% CET1 ratio for the year ended 31 December 2024 increases to 27.8%, compared to 27.04% for the year ended 31 December 2023, calculated on the same basis. The adjusted recurring profitability used for the Group's distribution policy (i.e. defined as the Group's profit after tax before non-recurring items (attributable to the owners of the Company) taking into account distributions under other equity instruments such as the annual AT1 coupon which is paid semi-annually) amounted to €484 million for the year ended 31 December 2024, compared to €449 million for the year ended 31 December 2023.

Operating Environment

The Cypriot economy has demonstrated remarkable resilience and growth in recent years, navigating through global uncertainties and regional challenges. In 2024, the economy achieved an estimated growth rate of 3.4%, in line with the projections by the Ministry of Finance. Growth in 2024 was driven by rising exports and strong economic activity in key sectors, primarily the information and communications sector, business and professional services, tourism and construction. The growth of the information and communications services was driven by computer software and consulting services, thus increasing economic diversification. In 2025 GDP is forecasted to continue to grow by 3.3% in real terms, outpacing the Eurozone average.

The recent sovereign rating upgrades by the major rating agencies to 'A-' or equivalent, 3 notches above investment grade are the recognition of the robust growth performance, the strong fiscal dynamics and declining public debt, and the improved stability in the financial system.

Employment growth averaged 2.0% and labour productivity growth averaged 1.4% in 2024. Labour productivity growth remains a strong contributor to overall growth in the economy with efficiency improving, demonstrated by the increased ability to generate output per worker. The unemployment rate, after rising in 2020 and the first half of 2021, has been declining in the period since, dropping to 5.8% in 2023 and to 4.9% in 2024, on average, and to 4.6% in the fourth quarter, seasonally adjusted. The unemployment rate in Cyprus is expected to average 4.8% for 2025 as per latest projections by the Ministry of Finance.

Inflation measured by the Harmonised Index of Consumer Prices, has been declining since the peak in July-August 2022 – 10.6% for headline and 7.2% for core inflation. Harmonised inflation dropped to 3.9% in 2023 and dropped further to 2.3% in 2024 and is expected to remain broadly flat at 2.0% for 2025. Core inflation, which is headline inflation excluding energy and food, was a little stickier at 2.8% in the year. Services inflation – all items excluding goods – was up 4.2% in the year, compared with 3.6% in 2023.

Cyprus' fiscal performance remains robust. Following a general government budget surplus of 2% of GDP in 2023 and 4.5% of GDP in 2024, fiscal developments have continued to be favourable, with government revenues increasing at a higher rate than public spending. Total general government revenues rose by 7.8% year-on-year in 2024 and by 15.3% in 2023. Over the next few years, government accounts are likely to continue benefiting from strong, albeit decelerating revenue growth due to the favourable economic outlook. This will help manage moderate budgetary pressures.

General government debt metrics have significantly improved. The government debt-to-GDP ratio decreased to 65.4% in December 2024 from 73.6% in 2023 and 113.6% at the end of 2020. Looking ahead, continued budgetary surpluses and favourable debt dynamics are expected to further reduce the debt ratio, potentially dropping below 60% by 2026.

Reduction in financial system risks is reflected in the continuous improvement of the private and banking sectors' financial position. Private sector debt in active banks' balance sheets has more than halved over the past decade and is now among the lowest in Europe.

Total domestic loans excluding the government were €20.2 billion at the end of December 2024 or 60% of GDP. Loans to non-financial companies were about 26% of GDP and loans to households about 32%, where housing loans were about 25% of GDP.

The non-performing exposures ratio in the Cyprus banking sector dropped to 6.6% of gross loans or €1.6 billion, at the end of November 2024, while the coverage ratio of provisions, accounted for 61.6% of the non-performing loans. At the same time about 44% of non-performing loans consisted of restructured facilities. This steady progress in the banking sector continues to strengthen the sector's shock absorption capacity.

The Cypriot economy is largely constrained by structurally large current account deficits, reflecting high imports and low savings relative to domestic investment. The large current account deficits are driven by primary income imbalances, reflecting high repatriation of profits by foreign-owned enterprises.

Short-term risks are mostly external and skewed to the downside, including a downturn in key tourism markets, an escalation of regional conflicts, and delays in the implementation of the Recovery and Resilience Plan. Medium-term risks stem from climate change and a possible further deterioration in the global geopolitical outlook. The digital and green transitions remain key challenges in the medium term. The implementation of the Recovery and Resilience Plan requires structural reforms to further strengthen governance and economic resilience.

Operating Environment (continued)

Sovereign ratings

The sovereign risk ratings of the Cypriot government have improved significantly in recent years, reflecting reduced banking sector risks, improved economic resilience and consistent fiscal outperformance. Cyprus has demonstrated policy commitment to correcting fiscal imbalances through reform and restructuring of its banking system.

In December 2024, S&P Global Ratings upgraded Cyprus' long-term local and foreign currency sovereign credit ratings to A- from BBB+ and revised its outlook in Cyprus to stable. This one-notch upgrade of Cyprus' rating reflects the third consecutive solid annual fiscal surplus as well as the capital and labour inflows from nearby conflict zones amid rising geopolitical developments.

Additionally, in December 2024, Fitch Ratings upgraded Cyprus' long-term foreign currency issuer default rating to A- from BBB+ and revised its outlook on Cyprus to stable. The one notch upgrade relates mainly to the rapid decline in public debt, strong fiscal surpluses and strong growth momentum.

In November 2024, Moody's Investors Service upgraded the long-term issuer and senior unsecured ratings of the Government of Cyprus to A3 from Baa2. The outlook was revised to stable from positive. The upgrade of Cyprus ratings reflects the material improvement in fiscal and debt metrics, the reduced government debt ratio and the solid medium-term economic outlook driven by the steady expansion of high-productivity services sectors supported by headquartering of companies, significant foreign direct investments as well as reforms and investments related to Cyprus' National Recovery and Resilience Plan.

In October 2024, Scope Ratings GmbH upgraded the Cyprus' long-term issuer and senior unsecured debt ratings to A- from BBB+ in local and foreign currency and maintained the Stable Outlooks. The upgrade was driven by the strong fiscal outlook characterised by sustained primary surpluses and declining general government debt.

DBRS Ratings GmbH (DBRS Morningstar) confirmed Cyprus' Long-Term Foreign and Local Currency – Issuer Ratings at BBB (high) in September 2024. The trend was revised from stable to positive reflecting the view that public debt metrics are likely to continue to improve and that economic growth is likely to continue to benefit from robust private consumption, rising service exports and strong construction investment over the next few years.

Business Overview

Credit ratings

The Group's financial performance is highly correlated to the economic and operating conditions in Cyprus. In March 2025, Fitch Ratings upgraded the long-term issuer default rating to the investment grade BBB- from BB+, whilst maintaining the positive outlook. The one-notch upgrade reflects BOC PCL's strengthened capitalisation and reduced stock of legacy problem assets, as well as the structurally sound profitability which is expected to remain satisfactory despite the declining interest rate environment. In February 2025, S&P Global Ratings upgraded the long-term issuer credit rating of the Bank to the investment grade BBB- from BB+ and revised the outlook to stable from positive. The upgrade by one notch was driven on the improved funding profile of the banking sector in Cyprus and the supportive economic environment. Additionally, in December 2024, Moody's Investors Service affirmed the Bank's long-term deposit rating at Baa1 and revised the outlook to positive from stable. The affirmation reflects the Bank's strong domestic franchise and solid financial fundamentals, supported by the stable economic environment. The change in the outlook reflects the expectations of a solid medium-term economic outlook for Cyprus, which will support further reductions in the Bank's foreclosed assets, sustained asset quality improvements and solid profitability. This is the highest long-term deposit rating for the Bank since 2011.

Financial performance

The Group is the leading, financial and technology hub in Cyprus, with a diversified and sustainable business model. The Group's financial performance for the year ended 31 December 2024 remained strong, benefitting from the high-interest rate environment and recorded a profit after tax of €511 million, 6% higher compared to prior year. As a result, the Group has successfully exceeded its financial targets for 2024 across all metrics, generating a ROTE of 21.5% (compared to a ROTE of 24.5% for the year ended 31 December 2023). This strong financial performance in 2024 facilitated further the rapid build-up of equity base, with tangible book value per share growing by 17% on prior year.

Following the Group's ongoing commitment to providing sustainable returns to shareholders, the Group has proposed to make distributions out of 2024 earnings. The distribution comprises a cash dividend of €241 million.

Interest rate environment

The structure of the Group's balance sheet remains highly liquid. As at 31 December 2024, cash balances with ECB amounted to €7.6 billion and 43% of the Group's loan portfolio is Euribor based. Net interest income for the year ended 31 December 2024 amounted to €822 million, up 4% year-on-year due to higher interest income on loans and liquid assets, underpinned by high interest rates and increased liquidity, all of which served to more than offset the higher cost of deposits and funding costs and the continued hedging activity to reduce NII sensitivity.

The Group used hedging activities in the year ended 31 December 2024 in order to reduce the sensitivity of net interest income. The hedging tools include receive fixed interest rate swaps, further investment in fixed rate bonds, additional reverse repos and continuing offering of fixed rate loans.

During 2024, the Group carried out additional hedging activities of €4.5 billion, totaling €9.0 billion by year end, representing 37% of interest earning assets. The average yield of receive fixed interest rate swaps and reverse repos is 2.9%. Additionally, about a quarter of the Group's loan portfolio is linked with the Bank's base rate which provides a natural hedge against the cost of deposits of household time and notice deposit accounts. Overall, these actions have led to a reduction in the net interest income sensitivity (to a parallel shift in interest rates by 100 basis points) by €43 million since 31 December 2022.

Business Overview (continued)

Growing revenues in a more capital efficient way

The Group remains focused on growing revenues in a more capital efficient way through growth of high-quality new lending and the growth in areas, such as insurance and digital products that provide further market penetration and diversify through non-banking operations.

The Group has continued to provide high quality new lending in the year ended 31 December 2024. Growth in new lending in Cyprus has been focused on selected industries in line with the Bank's target risk profile. During the year ended 31 December 2024, the Group granted new lending of €2.4 billion, up 20% on prior year, driven mainly by business demand. Gross performing loan book increased by 4% since the beginning of the year to approximately €10.2 billion, in line with the 2024 target of low-single digit growth on an annual basis.

Fixed income portfolio continued to grow in the year ended 31 December 2024 to €4,212 million, and represents 16% of total assets. The portfolio is mostly measured at amortised cost and is highly rated with average rating at Aa2. The amortised cost fixed income portfolio as at 31 December 2024 has an unrealised fair value gain of €32 million.

Separately, the Group focuses to continue improving revenues through multiple less capital-intensive initiatives, with a focus on fees and commissions, insurance and non-banking opportunities, leveraging on the Group's digital capabilities.

During the year ended 31 December 2024, non-interest income stood at €272 million, down 9% on prior year, mainly due to higher claims and recalibration of models in insurance business as well as subdued transactional fees. Despite this, non-interest income remains an important profit contributor to the Group, covering almost 75% of the Group's total operating expenses.

In 2024, net fee and commission income amounted to €177 million and was down by 2% compared to the previous year, primarily due to lower transactional fees. Net fee and commission income is enhanced by transaction fees from the Group's subsidiary, JCC Payment Systems Ltd (JCC), a leading player in the card acquiring and processing business and payment solutions, 75% owned by the Bank. JCC's net fee and commission income contributed 10% of total non-interest income and amounted to €28 million for the year ended 31 December 2024, down 4% year-on-year, primarily reflecting increased fee and commission expense due to higher third-party commissions absorbed internally. Following a strategic review the Board of Directors concluded that in line with the Group's strategy and capital allocation policy, there is greater value to stakeholders through retaining JCC as part of the Group.

The Group's insurance companies, EuroLife and GI are respectively key market players in the life and general insurance business in Cyprus, and have been providing recurring income, and generate the highest profitability in the sector. The net insurance result for the year ended 31 December 2024 contributed 17% of non-interest income and amounted to €46 million for the year ended 31 December 2024, down 14% on prior year impacted by high claims and the recalibration of models. The insurance companies remain valuable and sustainable contributors to the Group's profitability.

Finally, the Group through the Digital Economy Platform (Jinius) ('the Platform') aims to support the national digital economy by optimising processes in a cost-efficient way, allow the Bank to strengthen its client relationships, create cross-selling opportunities as well as to generate new revenue sources over the medium term, leveraging on the Bank's market position, knowledge and digital infrastructure. Jinius is expected to contribute to the Group by enhancing further the Group's non-interest income through transaction and merchant fees and enhance the Group's digital footprint connecting e-commerce to financial services.

The first Business-to-Business services are already in use by clients and include invoice, remittance, tender, ecosystem management and advertising. Currently, approximately 2,450 companies are registered in the platform and approximately €1.1 billion cash were exchanged via the platform in 2024 and through invoicing and remittance services. In February 2024, the Business-to-Consumer service was launched, a Product Marketplace aiming to increase the touch points with customers. Currently approximately 200 retailers were onboarded in fashion, technology, beauty, small appliances, personal care devices, home & garden, DIY, toys and bookstore sectors and around 270 thousand products were embedded in the Marketplace.

Business Overview (continued)

Lean operating model
Striving for a lean operating model is a key strategic pillar for the Group in order to deliver shareholder value, without constraining investment in the business and funding in its digital transformation.

In 2024, the Group completed a small-scale, targeted VEP through which 57 full-time employees were approved to leave at a total cost of approximately €9.5 million, recorded in staff costs in the year ended 31 December 2024. Since the beginning of the year, there was further branch footprint rationalization as the Group reduced the number of branches by 5 to 55, a reduction of 8%.

The Group's total operating expenses for the year ended 31 December 2024 amounted to €364 million, up 5% on prior year, impacted by inflationary pressures mainly on staff costs, as well as higher professional fees for ATHEX listing and higher marketing expenses on various campaigns. The cost to income ratio excluding special levy on deposits and other levies/contributions for the year ended 31 December 2024 remained low at 33%.

Transformation plan
The Group's focus continues on deepening the relationship with its customers as a customer centric organisation. The Group aims to enable the shift to modern banking by digitally transforming customer service, as well as internal operations. The holistic transformation aims to (i) shift to a more customer-centric operating model by defining customer segment strategies, (ii) redefine distribution model across existing and new channels, (iii) digitally transform the way the Group serves its customers and operates internally, and (iv) improve employee engagement through a robust set of organisational health initiatives.

Digital transformation
In the dynamic world of banking, the Group is a key player in digital banking innovation in Cyprus, reshaping the banking experience into something more intuitive, more responsive, and more aligned with the contemporary needs of its customers, consistently pushing the boundaries to offer unparalleled banking services. The Group aims to continue to innovate, and simplify the banking journey, providing a unique and personalised experience to each of its customers.

The Group's digital channels continue to grow. As at 31 December 2024, the Group's digital community has increased to 480 thousand active subscribers, across Internet Banking and the BoC Mobile App, improving by 7% year-on-year. Likewise, the BoC Mobile App, had 447 thousand active subscribers as at 31 December 2024, an increase of 9% year-on-year.

During the year ended 31 December 2024, the Group continued to enrich and improve its digital portfolio with new innovative services to its customers. During the first quarter of 2024, two new QuickPay features 'Split the Bill' and 'Request Payments' were launched in the BoC Mobile App, empowering users to share the cost with others or request payments by adding just the contact number and the relevant amount. Additionally, the ability to get a Car Loan for used cars has been added in QuickCar Loans. In the second quarter of 2024, the Bank's loyalty scheme 'Pronomia' was launched rewarding customers with several benefits, such as additional Antamivi points, lower interest rates and no initial bank fees on new loans, and discounts on new insurance policies. Furthermore, the ability to provide the beneficiary details for dividend payments was given to the Bank's shareholders. In July 2024, Bank of Cyprus was the first bank in Cyprus that enabled instant payments via digital channels, providing the ability to the customer to make credit transfers in Euros, making the funds available in the beneficiary customer's account within ten seconds within Cyprus and outside Cyprus (to 36 countries in the SEPA Zone) (limits for amounts for instant transfers apply). During the third quarter of 2024, the Bank's Junior App 'Joey' was launched, a banking app for kids and teens from 9-17 years old, providing autonomy in a secure environment that enables them to develop money management skills and guardians to maintain control and oversight. During the fourth quarter of 2024, the new QuickAccount Foreign currency was launched available in Pound Sterling (GBP) and US Dollar (USD), offering customers a preferential FX pricing with live rates and without any FX commission through BoC eFX Convert. A new innovative micro lending product 'Fleksy' was launched to selected customer segments in BoC Mobile App enabling customers to apply for up to €3 thousand in credit to use for online and in-store purchases, allowing them to repay in 3, 6 or 9 month instalments. Finally, the Digital Housing Loan was launched to selected customer segments in Internet Banking, providing customers the ability to apply for a Housing Loan digitally, recommending repayment options based on customers credit profile and getting an instant decision. Both lending digital initiatives will be widely available in the first quarter of 2025.

Business Overview (continued)

Lean operating model (continued)

One of the Group's digital innovations, Quickloans, accessible through both the BoC Mobile App and Internet Banking, has transformed the traditional loan process, enabling customers to obtain a credit facility instantly, without the need to visit a branch. Since the beginning of the year 2024, over 15.3 thousand applications were disbursed, granting €107 million new digital loans and quick loans in the year ended 31 December 2024.

In collaboration with Genikes Insurance, the ability to purchase insurance policies is integrated into the BoC Mobile App and was also made available via Internet Banking during the fourth quarter of 2024, enabling customers to access car or home insurance plans through digital channels at preferential rates. Digital insurance sales for the year ended 31 December 2024 amounted to €613 thousand, compared to €415 thousand for the year ended 31 December 2023, reflecting 1,969 policies in the year ended 31 December 2024, compared to 1,410 policies for the year ended 31 December 2023.

Lastly, digital account openings increased by 68% in the year ended 31 December 2024 to 21,500 from 12,780 in the year ended 31 December 2023 and new debit cards more than doubled year-on-year to 23,380 in the year ended 31 December 2024, compared to 11,530 in 2023.

Asset quality

As at 31 December 2024 the Group's NPE ratio stood at 1.9% (pro-forma for held for sale) achieving its 2024 NPE ratio target early. This incorporates two agreements the Group entered into with a third party, in September and December 2024, for the sale of NPEs with total net book value of approximately €23 million as at 31 December 2024. Completion is expected within the first half of 2025, subject to necessary approvals. The Group's priorities remain intact, maintaining high quality new lending with strict underwriting standards and preventing asset quality deterioration.

Strategy and Outlook

As the Group navigates through the cycle of widening of the monetary policy, it has established key priorities going forward to maintain a strongly capitalised and highly profitable organisation delivering attractive returns to shareholders, while simultaneously supporting the Group's stakeholders and the broader economic environment.

These priorities are set below:

- Driving new growth initiatives in both banking and non-banking areas (such as international and digital respectively) to complement the strength of the domestic franchise whilst managing the current interest rate headwinds
- Maintaining a lean operating model via ongoing cost management discipline while continuing to re-invest in the business
- Protecting the quality of the balance sheet with continuous meticulous underwriting standards to ensure asset quality in line with European sector
- Providing attractive shareholder returns in line with European sector with focus on prudent management of surplus capital and value creation
- Leading the transition of Cyprus to a sustainable future and building a forward-looking organisation embracing ESG in all aspects

During the year ended 31 December 2024 the Group continued to deliver compelling financial results, generating a ROTE of over 20% for the second consecutive year, underpinned mainly by interest rate tailwinds. Embarking into the cycle of interest rate normalisation towards 2%, the Group reiterates its target for the year ending 31 December 2025 of delivering high-teens ROTE on 15% CET1 ratio and mid-teens ROTE on reported equity, corresponding to organic capital generation of approximately 300 basis points, which will support attractive shareholder remunerations in the future.

This ROTE target factors in the current market expectations of the evolution of interest rates with ECB deposit facility rate and six-month Euribor averaging to 2.3% each for the year ending 31 December 2025, compared to 3.7% and 3.5% respectively for the year ended 31 December 2024. As a result, the net interest income guidance is updated and is expected to be below €700 million for the year ending 31 December 2025, reflecting mainly the current forward curves. Other main assumptions incorporated to net interest income target for the year ending 31 December 2025 include:

- Loan book to grow by approximately 4% in 2025 supported by domestic economic growth and expansion of international lending
- Deposit volumes to remain broadly stable at current levels (i.e. approximately €20 billion)
- Cost of deposits to remain broadly flat on an annual basis, reflecting the time lag in deposit repricing
- Fixed income portfolio to grow to approximately 18% of total assets by end-2025 and approximately 20% in the medium-term, subject to market conditions
- Hedging activity to continue to reduce further NII sensitivity
- Higher wholesale funding costs in 2025, reflecting the full year impact of the 2024 senior preferred issuance (coupon of €15 million p.a.)

Based on the average market forward rates for January 2025, interest rates are expected to reduce to approximately 2% by June 2025 and remain broadly stable during 2026. Therefore, the net interest income for 2026 is expected to stabilise above €650 million.

Going forward, the Group aims to improve its net interest income through the growth of performing loan book by approximately 4% per annum in the medium-term. The Group places emphasis on expanding its international loan book; a portfolio comprising international, shipping and syndicated loans, by approximately 50% in the medium-term to approximately €1.5 billion (from approximately €1.0 billion as at 31 December 2024), capitalising on the customer base of IBU overseas and targeting selective industries in line with the Bank's target risk profile. Simultaneously, domestic loan portfolio is expected to grow supported by economic growth as well as the gradual slowdown of loan repayments in a normalised interest rate environment.

Separately the Group aims to grow its non-interest income through less capital-intensive initiatives, with a focus on fees and commission income and insurance. In the year ended 31 December 2024 the Group's non-interest income experienced a moderate drop of 9% on a yearly basis, mainly due to the high claims, recalibrations of models of the insurance business and subdued transactional fees. Despite this, non-interest income remains an important contributor to the Group profitability and covered almost 75% of its total operating expenses during 2024.

Strategy and Outlook (continued)

For 2025 and beyond the Group targets net fees and commission income to grow by approximately 4% per annum. The growth in net fee and commission income is expected to be supported by economic growth and increased volume of transactions, whilst there are initiatives underway to enhance and diversify further this revenue stream, mainly via Jinius, the customer-centric digital platform, leveraging mainly on the Group's strong digital capabilities and strong customer base. The Group aims to improve further the visibility of Marketplace, enhance user experience, introduce new lifestyle products and facilitate in streamlining business operations further. As a result of these actions, it is expected to enhance its Marketplace fees. Additionally, the Group aims to offer high-quality, financial solutions to high-net worth customers with investible capital with the aim of growing the assets under management of Private and Affluent Banking to €1.2 billion in the medium-term (from the current €0.5 billion level).

Growth in the insurance income is expected to be driven by continuing strengthening the agency force, leveraging on the bancassurance model potential, enhancing digital sales further and optimizing synergies between the life and non-life insurance business. In this respect, total regular income for the life insurance business is expected to rise by over 6% in the medium-term, whilst premium income for the non-life insurance business is expected to rise by approximately 6% for the same period.

Maintaining cost discipline remains an ongoing focus for the Group. The cost to income ratio excluding special levy on deposits or other levies/contributions is expected at approximately 40% for the year ending 31 December 2025, as the Group navigates to approximately 2% normalised interest rate environment. This will be facilitated via ongoing staff optimisation to mitigate payroll cost inflation and staff reward schemes aiming to incentivize individual performance. Simultaneously, the Group will continue reinvesting in the business and digital transformation to support expansion of digital offering, improve customer experience and acceleration of sales. Lastly, the use of AI technology aims to improve efficiency and enhance customer experience further.

In terms of asset quality, given the fact that the balance sheet de-risking is completed with the NPE ratio reduced to below 2%, the cost of risk is expected towards the lower-end of the normalised levels of 40-50 basis points for 2025.

Since 2019, the Real Estate Management Unit (REMU) repossessed stock has been consistently reducing, with properties sold exceeding the book value of properties acquired, while inflows remain substantially reduced following balance sheet derisking. Going forward, REMU sales are expected to continue, with expected inflows to remain at limited levels. Therefore, the target of REMU portfolio to reduce to approximately €0.5 billion by end-2025 is reiterated and the Group is well on track to achieve this target.

The Group aims to provide a sustainable return to shareholders. The distribution policy is upgraded in order to reflect the steady sustained progress achieved over the last years, the profitability profile and medium-term outlook of the Group. Ordinary distributions are expected to be in the range of 50-70% payout ratio of the BOCH Group's adjusted recurring profitability through a combination of cash dividends and share buybacks. Additionally, the Board of Directors will also consider the introduction of interim distributions if it considers it appropriate to do so.

Overall, the Group reiterates its confidence of delivering high-teens ROTE on 15% CET1 ratio for 2026 and beyond.

Targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change.

Going concern

The Directors have made an assessment of the ability of the Group and the Company to continue as a going concern for a period of 12 months (the period of assessment) from the date of approval of the Consolidated Financial Statements.

The Directors have concluded that there are no material uncertainties which would cast a significant doubt over the ability of the Group and the Company to continue to operate as a going concern for a period of 12 months from the date of approval of the Consolidated Financial Statements and the Financial Statements of the Company.

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, capital requirements and capital resources, liquidity and funding position, taking also into consideration the Group's Financial Plan 2025-2028 approved by the Board in February 2025 (the 'Plan') and the operating environment (as set out in section 'Operating Environment' in the Management Report'). The Group has sensitised its projection to cater for a downside scenario and has used reasonable economic inputs to develop its medium-term strategy.

Capital
The Directors and Management have considered the Group's forecasted capital position, including the potential impact of a deterioration in economic conditions. The Group has developed capital projections under a base and an adverse scenario and the Directors believe that the Group has sufficient capital to meet its regulatory capital requirements throughout the period of assessment.

Funding and liquidity
The Directors and Management have considered the Group's funding and liquidity position and are satisfied that the Group has sufficient funding and liquidity throughout the period of assessment. The Group continues to hold a significant liquidity buffer at 31 December 2024 that can be easily and readily monetised in a period of stress.

Principal risks and uncertainties - Risk management and mitigation

As part of its business activities, the Group faces a variety of risks. The Group identifies, monitors, manages and mitigates these risks through various control mechanisms. Credit risk, liquidity and funding risk, market risk (arising from adverse movements in interest rates, foreign currency exchange rates, security prices and property prices), insurance and re-insurance risk and operational risk, are some of the principal risks the Group faces. In addition, principal risks facing the Group include geopolitical risk, legal risk, regulatory compliance risk, information security and cyber risk, digital transformation and technology risks, climate related and environmental risks, and business model and strategic risk.

Information relating to the principal risks the Group faces and risk management is set out in Notes 44 to 47 of the Consolidated Financial Statements and in the 'Risk and Capital Management Report', both of which form part of the Annual Financial Report for the year ended 31 December 2024. In addition, in relation to legal risk arising from litigation, investigations, claims and other matters, further information is disclosed in Note 38 of the Consolidated Financial Statements.

Additionally, the Group is exposed to the risk of changes in the value of property which is held either for own use or as stock of property or as investment property. Stock of property is predominately acquired in exchange for debt and is intended to be disposed of in line with the Group's strategy. Further information is disclosed in Note 27 of the Consolidated Financial Statements.

As the war in Ukraine and the military conflict in the Middle east continue, considerable uncertainly is added to the outlook for the global economy and the impact will largely depend on how these conflicts evolve. The Group has limited direct exposure to both Ukraine and Russia as well as to Israel, and is continuously monitoring the current affairs and remains vigilant to take precautionary measures as required.

The risk factors discussed above and in the reports referenced above should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. There may be risks and uncertainties of which the Group is not aware of, or which the Group does not consider significant, but which may become significant. There are challenging conditions in global markets due to the high interest rate environment, inflationary pressures, the geopolitical developments, the growing threat from cyberattacks and other unknown risks. As a result the precise nature of all risks and uncertainties that the Group faces cannot be predicted with accuracy as many of these risks are outside of the Group's control.

Events after the reporting date

Distribution in respect of 2024 earnings
The Board of Directors of the Company has resolved to propose to the AGM that will be held on 16 May 2025 for approval, a final cash dividend of €0.03 per ordinary share in respect of earnings for the year ended 31 December 2024 which amounts to an aggregate distribution of €241 million.

No other significant non-adjusting events have taken place since 31 December 2024.

Capital base

Total equity excluding non-controlling interests totalled €2,813 million at 31 December 2024, compared to €2,468 million at 31 December 2023. The regulatory CET1 ratio on a transitional basis stood at 19.2% at 31 December 2024 and at 17.4% at 31 December 2023. The regulatory Total Capital ratio on a transitional basis at 31 December 2024 stood at 24.1%, compared to 22.4% at 31 December 2023.

Additional information on the regulatory capital is disclosed in the 'Risk and Capital Management Report' which forms part of this Annual Financial Report and in the Pillar III Disclosures Report, which is published on the Group's website.

Share capital

As at 31 December 2024, there were 9,597,944,533 ordinary shares in issue, of a nominal value of €0.10 each. Additional information about the authorised and issued share capital during 2024 and 2023 is disclosed in Note 34 of the Consolidated Financial Statements.

Share-based payments - share awards

Long-term incentive award
During BOCH's AGM which took place on 20 May 2022, a special resolution was approved for the establishment and implementation of the share-based Long-Term Incentive Plan of Bank of Cyprus Holdings Public Limited Company (the 'LTIP'), which is effective for ten years from the date of its adoption.

The LTIP is a share-based compensation plan for executive directors and senior management of the Group. The LTIP provides for an award in the form of ordinary shares of BOCH based on certain non-market performance and service vesting conditions. Performance will be measured over a 3-year period. The performance conditions are set by the Human Resources & Remuneration Committee (HRRC) each year and may be differentiated to reflect the Group's strategic targets and employee's personal performance, at its discretion. Performance will be assessed against an evaluation scorecard consistent with the Group's Medium Term Strategic Targets containing both financial and non-financial objectives, and including targets in the areas of: (i) Profitability; (ii) Asset quality; (iii) Capital adequacy; (iv) Risk control & compliance; and (v) Environmental, Social and Governance ('ESG') targets and (iv) Customer Experience (targets in the area of Customer Experience have been introduced for non-control functions from 2024). The awards ordinarily vest in six tranches, with 40% vesting in the year following the year the performance period ends and the remaining 60% vesting in five equal tranches (12%), on each annual anniversary following the first vesting date. For any award to vest the employee must be in employment of the Group up until the date of the vesting of such an award. Awards are subject to potential forfeiture under certain leaver scenarios. Under certain circumstances the HRRC has the discretion to determine whether the award will lapse and/or the extent to which the award will be vested.

The maximum number of shares that may be issued pursuant to the LTIP until the tenth anniversary of the relevant resolution shall not exceed 5% of the issued ordinary share capital of BOCH, as at the date of the resolution (being 22,309,996 ordinary shares of €0.10 each), as adjusted for any issuance or cancellation of shares subsequently to the date of the resolution (excluding any issuances of shares pursuant to the LTIP). The awards are not entitled to dividend equivalents in accordance with regulatory requirements.

Share-based payments - share awards (continued)

Under the LTIP, share awards were granted by BOCH in December 2022 (subject to a three-year performance period 2022-2024), in October 2023 (subject to a three-year performance period 2023-2025) and in April 2024 (subject to a three-year performance period 2024-2026). Each award vests in six tranches and vesting is subject to service conditions. At 31 December 2024 the performance period for 2022 LTIP (performance period 2022-2024) was concluded and the Board of Directors has approved in early 2025 the amounts of shares to be awarded under the 2022 LTIP to eligible participants including the Executive Directors. The award will vest in accordance to the vesting schedule set out above and is subject to continued service employment. The award is also subject to malus and claw back conditions. Information on number of shares awarded is included in Note 49 of the Consolidated Financial Statements.

Short-term incentive award
Short-term incentive award refers to a Short-Term Incentive Plan established by BOCH in 2023. This is an annual incentive which involves variable remuneration in the form of cash to selected employees and is driven by both delivery of the Group's Strategy, as well as individual performance, in the relevant year. Executive Management are also eligible to be considered for the short-term incentive award. The short-term incentive award is generally paid in cash and is non-deferred. However, in cases where the total variable remuneration amount for an employee in a year (i.e., including amounts under both STIP and LTIP) exceeds a specified threshold as per regulatory guidelines, at least 50% of the total variable remuneration for this employee is awarded in shares and is deferred. In such cases, the award vests similarly to LTIP vesting, i.e. 40% vests in the year of the grant i.e. following the performance year to which the incentive award relates to and the remaining 60% vests in tranches (12%) over five years.

Shares vesting as part of the short-term incentive award are subject to one year retention period and 100% of the award is subject to clawback provisions.

Further information on the long-term incentive and short-term incentive awards for the performance year 2024 in disclosed in Note 14 of the Consolidated Financial Statements and information for awards to Executive Directors and Other Key Management personnel is disclosed in Note 49 of the Consolidated Financial Statements. The Short-Term Incentive Plan award for the performance year 2024 will be in the form of cash.

Change of control

There are no significant agreements to which the Company is a party and which take effect following a change of control of the Company following a bid, but the Company is a party to a number of funding agreements that may allow the counterparties to alter or terminate the agreements following a change of control. As at 31 December 2024, these agreements were not deemed to be significant in terms of their potential effect on the Group as a whole given the liquidity position of the Group at the time, but the extent of their significance could vary depending on the liquidity position at the time of the change of control.

The Group also has agreements which provide for termination if, upon a change of control of the Company, the Company’s creditworthiness is materially worsened.

Other information

During 2024 and 2023 there were no restrictions on the transfer of the Company’s ordinary shares or securities and no restrictions on voting rights other than the provisions of the Banking Law of Cyprus which requires regulatory approval prior to acquiring shares of the Company in excess of certain thresholds, and the generally applicable provisions including those of the Market Abuse Regulation and applicable takeover legislation. From time to time, specific shareholders may have their rights in shares restricted in accordance with sanctions, anti-corruption, anti-money laundering and/or anti-terrorism compliance, including sanctions relating to events in Ukraine as applicable. The Group’s policy is to comply with all applicable laws, including sanctions and other restrictive measures that apply at all times, and the Group may from time to time request individual shareholders to refrain from exercising certain rights to facilitate compliance with such measures or related compliance issues.

Shares of BOCH held by the life insurance subsidiary of the Group as part of its financial assets which are invested for the benefit of insurance policyholders carry no voting rights, pursuant to the insurance law. The Company does not have any shares in issue which carry special control rights.

Distributions

Based on the relevant SREP decisions in the years 2023 and 2024, any equity dividend distribution was subject to regulatory approval, both for the Company and BOCH. The requirement for approval did not apply if the distributions were made via the issuance of new ordinary shares to the shareholders which were eligible as Common Equity Tier 1 Capital nor to the payment of coupons on any AT1 capital instruments issued by the Company or BOCH. Based on the SREP decision for 2024, effective from 1 January 2025, the requirement for prior regulatory approval for the declaration of dividends is no longer required.

Distribution in respect of 2024 earnings
The Board of Directors of the Company has resolved to propose to the AGM that will be held on 16 May 2025 for approval, a final cash dividend of €0.03 per ordinary share in respect of earnings for the year ended 31 December 2024 which amounts to an aggregate distribution of €241 million. The financial statements for the year ended 31 December 2024 do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

Distributions in respect of 2023 and 2022 earnings
In March 2024, the Company obtained the approval of the ECB to pay a cash dividend in respect of earnings for the year ended 31 December 2023. The Distribution amounted to €137 million in total, comprising a cash dividend of €0.01 per ordinary share (approved at the Company's AGM held on 17 May 2024).

In April 2023, the Company obtained the approval of the ECB to pay a dividend in respect of earnings for the year ended 31 December 2022. The shareholders at the Company's AGM, held on 26 May 2023 declared a final cash dividend of €0.002 per ordinary share in respect of earnings for the year ended 31 December 2022. The dividend amounted to €22 million in total.

Dividends are funded out of distributable reserves.

Research and development

In the ordinary course of business, the Group develops new products and services within its business lines. Additional information is disclosed in the 'Business Overview' section of this Management Report.

Preparation of periodic reporting

The Board is responsible for ensuring that management maintains an appropriate system of internal controls which provides assurance of effective operations, internal financial controls and compliance with rules and regulations. It has the overall responsibility for the Group and approves and oversees the implementation of the Group's strategic objectives, ESG and risk strategy and internal governance.

The Group has appropriate internal control mechanisms, including sound administrative and accounting procedures, Information Technology (IT) systems and controls. The governance framework is subject to review at least once a year.

Policies and procedures have been designed in accordance with the nature, scale and complexity of the Group's operations in order to provide reasonable but not absolute assurance against material misstatements, errors, losses, fraud or breaches of laws and regulations.

The Board, through the Audit Committee and the Risk Committee, conducts reviews on a frequent basis, regarding the effectiveness of the Group's internal controls and information systems, as well as in relation to the procedures used to ensure the accuracy, completeness and validity of the information provided to investors. The reviews cover all systems of internal controls, including financial, operational and compliance controls, as well as risk management systems. The role of the Audit Committee is inter alia to ensure the financial integrity and accuracy of the Company's financial reporting.

The Group's financial reporting process is controlled using documented accounting policies and procedures supported by instructions and guidance on reporting requirements, issued to all reporting entities within the Group in advance of each reporting period. The submission of financial information from each reporting entity is subject to sign off by the responsible financial officer.

Preparation of periodic reporting (continued)

Further analytical review procedures are performed at Group level. The internal control system also ensures that the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with legal and regulatory requirements and relevant standards, is adequate.

Where occasionally areas of improvement are identified these become the focus of management's attention in order to resolve them and thus strengthen the procedures that are in place. Areas of improvement may include the formalisation of existing controls and the introduction of new information technology controls, as dependency on information technology is ever increasing.

The Annual Financial Report in advance of its submission to the Board is reviewed and approved by the Executive Committee. The Board, through the Audit Committee, scrutinises and approves the financial statements, results announcements and the Annual Financial Report and ensures that appropriate disclosures have been made. This governance process ensures that both management and the Board are given sufficient opportunity to challenge the Group's financial statements and other significant disclosures before their publication.

Service agreements termination

The service contract of one of the Executive Directors in office as at 31 December 2024 includes a clause for termination, by service of six months' notice to that effect by the Executive Director but provided there is a change of control of BOC PCL as this is defined in the service agreement. In such an event, the Executive Director will be entitled to compensation as this is determined in the service contract. The terms of employment of the other Executive Director are mainly based on the provisions of the collective agreement in place, which provides for notice or compensation by BOC PCL based on years of service and for a four-month prior written notice by the Executive Director, in the event of a voluntary resignation.

Board of Directors

The members of the Board of Directors of the Company as at the date of this Management Report are listed on page 1. All Directors were members of the Board throughout the year and up to the date of this Management Report except as disclosed below.

On 26 September 2023 the Board of Directors nominated Mr William Stuart Birrell as a new member to the Board of Directors. On 29 April 2024 ECB approved the appointment of Mr William Stuart Birrell as a member of the Board of Directors and during the AGM on 17 May 2024, he was appointed to the Board of Directors.

On 30 August 2023 the Board of Directors nominated Mr Christian Philipp Hansmeyer as a new member to the Board of Directors. On 29 April 2024 ECB approved the appointment of Mr Christian Philipp Hansmeyer as a member of the Board of Directors and during the AGM on 17 May 2024, he was appointed to the Board of Directors.

On 17 June 2024 the Board of Directors announced the death of Mr Constantine (Dinos) Iordanou, who had served as a member of the Board of Directors since 29 November 2021 and also served as Senior Independent Director.

In accordance with the Articles of Association, the Directors are subject to re-election at the AGM of the Company every three years from the date of their appointment.

The remuneration of the Board of Directors is disclosed in Note 49 of the Consolidated Financial Statements.

Auditors

The Auditors, PricewaterhouseCoopers ('PwC') Chartered Accountants and Statutory Audit Firm, were re-appointed as Auditors at the last AGM of the Company held on 17 May 2024.

The Group commenced an external tender process for the Group's statutory auditor. This process is being led by the Audit Committee, and supported by management who will have an advisory role only. The Audit Committee will make its recommendation to the Board for selection of the preferred firm. The successful firm will commence the provision of services for the financial year ending 31 December 2027.

ESG Disclosures - Non-financial information statement

The Sustainability Statement of the Group for the year ended 31 December 2024 has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) pursuant to the provisions of section 151B of the Companies Law, Cap. 113. As the EU regulation on sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD) had not been transposed into Cypriot Law as of 31 December 2024 or the date of this report, the Group complies with the Non-financial Reporting Directive (NFRD), requiring reporting on topics such as the environment, social and employee matters, respect for human rights, bribery and corruption by publishing its Non-financial information statement based on the European Sustainability Reporting Standards (ESRS), included in the 'Sustainability Statement' section set out on pages 69 to 246 of the Annual Financial Report 2024.

In addition, the Sustainability Statement complies with the disclosure requirements under Article 8 of Regulation (EU) 2020/852.

Efstratios-Georgios Arapoglou
Chairman

Panicos Nicolaou
Chief Executive Officer

26 March 2025

Risk and Capital Management Report 2024

The Group's approach to risk management

One of the Group's main priorities is to continually improve its risk management framework to be able to respond to the everchanging environment in an appropriate manner. Effective risk management is critical to the success of the Group, and as such the Group maintains a risk management framework designed to ensure the safety and soundness of the institution, protect the interests of depositors and shareholders and comply with regulatory requirements. Clearly defined lines of authority and accountability are in place as well as the necessary infrastructure and analytics to allow the Group to identify, assess, monitor and control risk.

1. Risk Management Framework (RMF)

The Board of Directors, through the Risk Committee (RC), is responsible to ensure that a coherent and comprehensive Risk Management Framework (the 'Framework' or 'RMF') is in place, for the identification, assessment, monitoring and controlling of all risks. The Framework ensures that there is proper governance and process for the identification of material and emerging risks, including, but not limited to, risks that might threaten the Group's business model, future performance, liquidity and solvency. Such risks are taken into consideration in defining the Group's risk appetite, ensuring that the Group's overall business strategy aligns with the Group's risk appetite and remains within the Group's risk bearing capacity, always maintaining appropriate capital and liquidity levels.

The RMF is supported by a strong governance structure and is comprised of several components that are analysed in the sections below. The RMF is reviewed, updated and approved by the Board at least annually to reflect any changes to the Group's business or to take into consideration external regulations, corporate governance requirements and industry best practices.

1.1 Risk Governance

The responsibility for the governance of risk at the Group lies with the Board of Directors (the 'Board') which is ultimately accountable for the effective management of risks and for the system of internal controls in the Group. The Board is assisted in its risk governance responsibilities by the Board Risk and Board Audit Committees (RC and AC respectively) and at executive management level by the Executive Committee (EXCO), Asset and Liability Committee (ALCO), Asset Disposal Committee (ADC), Technology Committee (TC), Sustainability Committee (SC), Data Quality & Governance committee and the Credit Committee.

The RC supports the Board on risk oversight matters including the monitoring of the Group's risk profile and of all risk management activities whilst the AC supports the Board in relation to the effectiveness of the system of internal controls. In addition, discussion and escalation processes are in place through both the Board Committees and executive level committees that provide for a consistent approach to risk management and decision-making.

Discussion around risk management is supported by the appropriate risk information submitted by the Risk Management Division (RMD) and Executive Management. The Chief Risk Officer (CRO) or his representatives participate in all such key committees to ensure that the information is appropriately presented, and that RMD's position is clearly articulated.

Furthermore, the roles of the CEO and the Group CRO are critical as they carry specific responsibilities with respect to risk management. These include:

1. Risk Management Framework (RMF) (continued)

1.1 Risk Governance (continued)

Chief Executive Officer (CEO)
The CEO is accountable for leading the development of the Group's strategy and business plans in a manner that is consistent with the approved risk appetite and for managing and organising executive management to ensure these are executed. It is the CEO's responsibility to manage the Group's financial and operational performance within the approved risk appetite.

Chief Risk Officer (CRO)
The CRO leads an independent RMD across the Group including its subsidiaries. The CRO is responsible for the execution of the Risk Management Framework and the development of risk management strategies. The CRO is expected to challenge business strategy and overall risk taking and risk governance within the Group and independently submit his findings, as necessary, to the RC. The CRO reports to the RC and for administrative purposes has a dotted line to the CEO, as presented in the organizational diagram below.

1.2 Organisational Model

The RMD is responsible for the risk identification and risk management of the Group on a day-to-day basis. The risk management process is integrated into the Group's internal control system. The RMD is organized into several departments, each of which is specialized in one or several categories of risks. The organization of RMD reflects the types of risks inherent in the Group.

*The Data Quality and Governance Unit of the Data Office & Risk Analytics Department directly reports through its manager to the Data Quality & Governance committee chaired by the Executive Director People & Change.

RMD organisational model

The RMD operates independently through:
- Organisational independence from the controlled activities;
- Unrestricted and direct access to executive management and the Board, either through the RC or directly;
- Direct and unconditional access to all business lines that have the potential to generate material risk to the Group. Front line managers are required to cooperate with the RMD managers and provide access to all records and files of the Group, as well as any other information necessary;
- A separate and independent budgeting process whereby the RMD's budget is submitted to the RC for approval;
- The CRO is a member of the EXCO and holds voting as well as veto rights in key executive and operational committees.

Furthermore, this independence is also ensured as:
- The CRO is assessed annually by the RC that is jointly responsible with the Human Resources & Remuneration Committee;
- The CRO maintains a close working relationship with both the RC and its Chairperson which includes regular and frequent direct communication both during official RC meetings, as well as unofficial meetings and discussions.

1. Risk Management Framework (RMF) (continued)

1.2 Organisational Model (continued)

The RMD organisational model is structured so as to:

- Define risk appetite and report regularly on the status of the risk profile;
- Ensure that all material and emerging risks have proper ownership, management, monitoring and clear reporting;
- Promote proper empowerment in key risk areas that will assist in the creation of a robust risk culture;
- Provide tools and methodologies for risk management to the business units;
- Report losses from risks identified to the EXCO, the RC and the Board and, where necessary, to the Regulatory Authorities;
- Collect and monitor Key Risk Indicators (KRIs).

1.3 Risk Identification

The risk identification process is comprised of two simultaneous but complementary approaches, namely, the top-down and the bottom-up approaches. The top-down process is led by Senior Management and focuses on identifying the Group's material risks, whilst in the bottom-up approach risks are identified and captured through several methods such as the Risk and Control Self-Assessment (RCSA) process, incident capture, fraud events capture, regulatory audits, direct engagement with specialized units and other. The risks captured by these processes are compiled during the annual ICAAP process and its quarterly updates and form the Groups' material risks.

To ensure a complete and comprehensive identification of risks the Group has integrated several key processes into its risk identification process, including the:

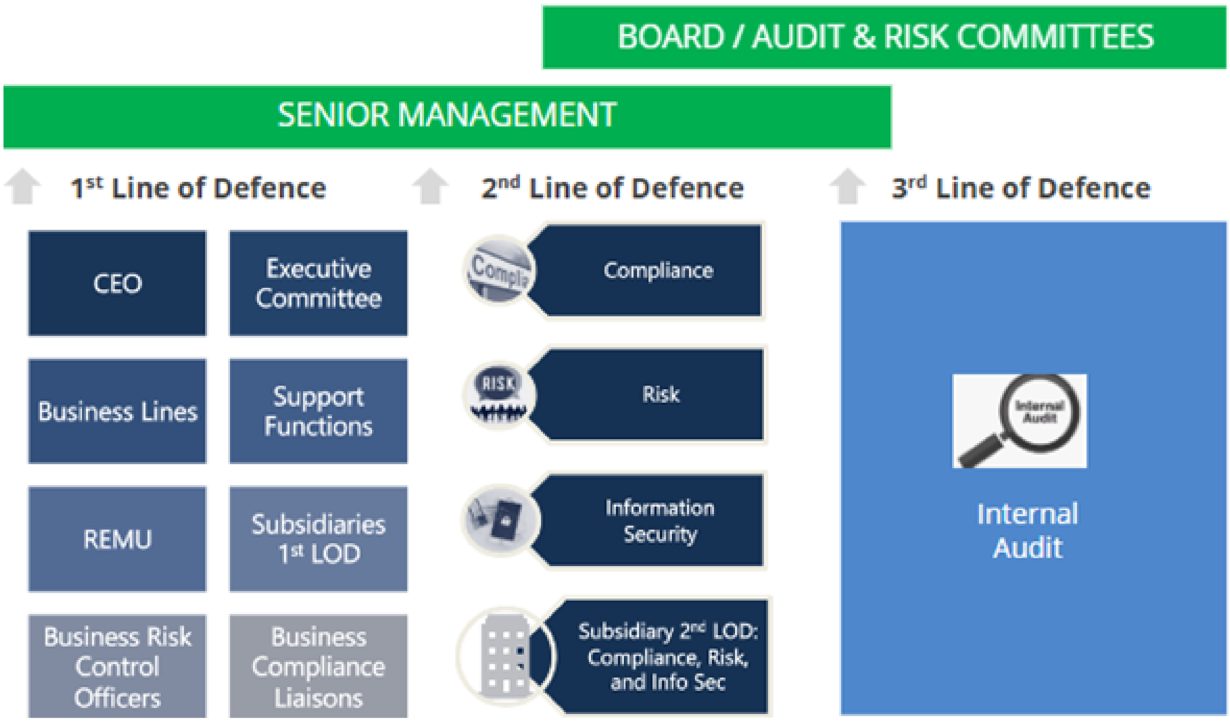
- Internal Capital Adequacy Assessment Process (ICAAP);
- Internal Liquidity Adequacy Assessment Process (ILAAP);
- Stress testing;
- Group Financial Plan compilation process;
- Regulatory, internal and external reviews and audits.

1.4 Three Lines of Defence

The Group complies with the regulatory guidelines for corporate governance and has established the "Three Lines of Defence" model as a framework for effective risk and compliance management and control. The three lines of defence model defines the responsibilities in the risk management process ensuring adequate segregation in the oversight and assurance of risk.

1. Risk Management Framework (RMF) (continued)

1.4 Three Lines of Defence (continued)



First Line of Defence
The first line of defence includes functions that own and manage risks as part of their responsibility for achieving objectives and are responsible for implementing corrective actions to address, process and control deficiencies identified in their processes. It comprises of the management and staff of business lines and support functions who are directly responsible for the delivery of products and/or services. Support functions include but are not limited to the human resources, legal services, information technology, central operations, etc. The first line of defence ensures that controls are designed into systems and processes under the guidance of the second line of defence.

Second Line of Defence
The second line of defence includes functions that oversee the compliance of the first line management and staff with the regulatory framework and risk management principles. It comprises of the RMD, Information Security and Compliance functions. The second line of defence sets the corporate governance framework of the Group and establishes policies and guidelines that the business lines and support functions, Group entities and staff should operate within. The second line of defence also provides support, as well as independent oversight of the risk profile and risk framework.

1. Risk Management Framework (RMF) (continued)

1.4 Three Lines of Defence (continued)

Third Line of Defence
The third line of defence is the Internal Audit Division (IA) which provides independent assurance to the Board and the EXCO on the design adequacy and operating effectiveness of the Group's internal control framework, corporate governance and risk management processes, including the manner in which the first and second lines of defence achieve risk management and control objectives. Findings are communicated to the Board through the committees and senior management and other key stakeholders, with remediation plans monitored for progress against agreed completion dates.

1.5 Risk Appetite Framework (RAF)

The objective of the Risk Appetite Framework (RAF) is to set out the level of risk that the Group is willing to take in pursuit of its strategic objectives, outlying the key principles and rules that govern the risk appetite setting. It comprises the Risk Appetite Statement (RAS), the associated policies and limits where appropriate, as well as the roles and responsibilities for the implementation and monitoring of the RAF.

The RAF has been developed in order to be used as a key management tool to better align business strategy (financial and non-financial targets) with risk management, and it should be perceived as the focal point for all relevant stakeholders within the Group, as well as the supervisory bodies, for the assessment of whether the undertaken business activities are consistent with the set risk appetite.

The RAF is one of the main elements of the Risk Management Framework which includes, among others, a number of frameworks, policies and circulars that address the principal risks of the Group.

Risk Appetite Statement (RAS)

The RAS is the articulation, in written form, of the aggregate level and types of risk that the Group is willing to accept in the course of executing its business objectives and strategy. It includes qualitative statements as well as quantitative measures expressed relative to Financial, Non-Financial and Strategic risks. As part of the overall framework for risk governance, it forms a boundary condition to strategy and guides the Group in its risk-taking and related business activities.

Risk appetite and Financial Plan interaction

The Group's Financial Plan is integral to how the Group and the Company manages its business and monitors performance. It informs the delivery of the Group's strategy and is aligned to the Risk Appetite Statement. The RAS is subject to an annual review process during the period in which the Group Financial Plan as well as the divisional strategic plans are being formulated. The interplay between these processes provides for a cycle of feedback during which certain RAS indicators (such as the ones related to minimum regulatory requirements) act as a backstop to the Group's Financial Plan, while for other indicators the Group Financial Plan provides input for risk tolerance setting. Furthermore, the Group Financial Plan is tested against the RAS indicators to ensure it is within the Group's risk appetite.

Risk Appetite monitoring

To ensure that the risk profile of the Group is within the approved risk appetite, a consolidated risk report and a risk appetite profile report are regularly reviewed and discussed by the Board and the RC.

Where a breach of a RAS indicator occurs, the Risk Appetite Framework provides the necessary escalation process to analyse the materiality and nature of the breach, notify the appropriate authorities and decide the necessary remediation actions.

1. Risk Management Framework (RMF) (continued)

1.6 Risk Taxonomy

In order to ensure that all risks the Group may face are identified and managed, a risk taxonomy is in place which is a key component of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP). The taxonomy ensures that the coverage of risks is comprehensive and identifies potential linkages between risks.

The risk taxonomy provides a categorisation of different risk types/factors enabling the Group to assess, aggregate and manage risks in a consistent way through a common risk language and mapping. It comprises of several levels of risks in increasing granularity and supports a multi-level tree categorization to enhance the overall risk classification. This risk categorization is also used to accommodate additional regulatory compliance requirements and internal risk analysis and reporting needs.

1.7 Risk measurement and reporting

The RMD uses several systems and models to support key business processes and operations, including stress testing, credit approvals, fraud risk and financial reporting. The RMD has established a model governance and validation framework to help address risks arising from model use.

Additionally, the RMD:
- Maintains a categorization and definitions of risks and terminologies used throughout the Group;
- Collates reports of Key Risk Indicators (KRIs) and other relevant risk information. When limit violations occur, escalation and reporting procedures are in place;
- Checks that risk information provided by management is complete and accurate and management has made all reasonable endeavour to identify and assess all key risks;
- Ensures that the risk information submitted to the RC and the Board by RMD and management is appropriate and enables monitoring and control of all the risks faced by the Group;
- Discloses risk information externally and prepares reports on significant risks in line with internal and external regulatory requirements.

Stress testing

Stress testing is a key risk management tool used by the Group to provide insights on the behaviour of different elements of the Group in a crisis scenario and to assess the Group's resilience and capital and liquidity adequacy. To make this assessment, a range of scenarios is used, based on variations of market, economic and other operating environment conditions. Stress tests are performed for both internal and regulatory purposes and serve an important role in:
- Understanding the risk profile of the Group;
- Evaluating whether there is sufficient capital or adequate liquidity under stressed conditions (ICAAP and ILAAP) so as to put in place appropriate mitigants;
- Evaluating of the Group's strategy;
- Establishing or revising limits;
- Assisting the Group to understand the events that might push the Group outside its risk appetite.

The Group carries out the stress testing process through a combination of bottom-up and top-down approaches. Scenario and sensitivity analysis follows a bottom-up approach, whereas reverse stress testing follows a top-down approach.

1. Risk Management Framework (RMF) (continued)

1.7 Risk measurement and reporting (continued)

If the stress testing scenarios reveal vulnerability to a given set of risks, management makes recommendations to the Board, through the RC, for remedial measures or actions.

The Group's stress testing programme embraces a range of forward-looking stress tests and takes all the Group's material risks into account. These key internal exercises include:

- Stress testing undertaken in support of the Internal Capital Adequacy Assessment Process (ICAAP);
- Stress testing applied to the funding and liquidity plan in support of the Internal Liquidity Adequacy Assessment Process (ILAAP) to formally assess the Group's liquidity risks;
- Annual recovery stress tests which use scenarios to assess the adequacy of recovery indicators of both capital and liquidity in identifying the recovery plan options used to exit that stress;
- Ad hoc stress testing as and if required, including in response to regulatory requests.

Other business and specific risk type stress tests

The Market and Liquidity Risk Department performs additional stress tests, which include the following:

- Monthly stress testing for interest rate risk (2% shock on Economic Value (EV));
- Quarterly stress testing for interest rate risk (2% shock on Net Interest Income (NII));
- Quarterly stress testing for interest rate risk (based on the six predefined Basel interest rate scenarios which involve flattening, steepening, short up, short down, parallel up, parallel down shocks);
- Quarterly stress testing on items that are marked to market: impact on profit/loss and reserves is indicated from changes in interest rates and prices of bonds and equities.

ICAAP

The ICAAP is a process whose main objective is to assess the Group's capital adequacy in relation to the level of underlying material risks that may arise from pursuing the Group's strategy or from changes in its operating environment. More specifically, the ICAAP analyses, assesses and quantifies the Group's material risks, establishes the current and future capital needs for the material risks identified, and assesses the Group's capital adequacy under both the baseline scenario and stress testing conditions, aiming to assess whether the Group has sufficient capital, under both the base and stress scenarios, to support its business and achieve its strategic objectives as per the Board approved Risk Appetite and Strategy.

The Group undertakes quarterly reviews of its ICAAP results as well as on an ad-hoc basis if needed, which are submitted to the ALCO and the RC, taking into consideration the latest actual and forecasted information. During the quarterly review, the Group's risk profile is reviewed and any material changes/developments since the annual ICAAP exercise are assessed in terms of capital adequacy.

The 2024 annual ICAAP package will be submitted to the ECB on 31 March 2025, indicating that the Group has sufficient capital and available mitigants to support its risk profile and its business and to enable it to meet its regulatory requirements, both under baseline and stressed conditions.

ILAAP

The ILAAP is a process whose main objective is to assess whether the volume and capacity of liquidity resources available to the Group are adequate to support its business model, to achieve its strategic objectives under both the base and severe stress scenarios, and to meet regulatory requirements, including the LCR and the NSFR.

The Group undertakes quarterly reviews of its ILAAP results through quarterly liquidity stress tests which are submitted to the ALCO and the RC, where actual and forecasted information is considered. Any material changes since the annual ILAAP exercise are assessed in terms of liquidity and funding.

The 2024 annual ILAAP package will be submitted to the ECB on 31 March 2025, indicating that the Group maintains liquidity resources which are adequate to ensure its ability to meet obligations as they fall due under ordinary and stressed conditions.

1. Risk Management Framework (RMF) (continued)

1.8 The Group participated in the Fit-for-55 exercise.

During 2024, the Group participated in the European Banking Authority ("EBA") "Fit-for-55" climate risk scenario analysis exercise. The exercise was part of the new mandates received by the EBA in the scope of the European Commission's Renewed Sustainable Finance Strategy. Under the European Green Deal, all 27 EU Member States committed to turning the EU into the first climate-neutral continent by 2050 and pledged to reduce emissions by at least 55% by 2030, compared to 1990 levels. The one-off Fit-for-55 climate risk scenario analysis aimed at assessing the resilience of the financial sector in line with the Fit-for-55 package and to gain insights into the capacity of the financial system to support the transition to a lower carbon economy under conditions of stress.

1.9 The Group participated in the ECB Cyber Resilience Stress Test

The Group participated in the cyber resilience stress test exercise conducted by the ECB in the first half of 2024. The aim was to assess the cyber-resilience posture for all SSM Significant Institutions. In more detail, the objective of the exercise was to assess how banks respond to and recover from a cyberattack, rather than their ability to prevent it. The findings and lessons learned were discussed as part of the 2024 Supervisory Review and Evaluation Process.

1.10 2025 EU wide stress test

The Group is participating in the 2025 EU-wide stress test exercise. Balance sheets are assumed to remain constant with reference date 31 December 2024, with the primary focus being the evaluation of the impact of adverse shocks on solvency. The exercise is designed to provide valuable input for assessing the resilience of the European banking sector in a hypothetical adverse macroeconomic scenario. The exercise was launched in January 2025 and the results will be published in August 2025. The stress test results will be used to update each bank's Pillar 2 guidance in the context of the Supervisory Review and Evaluation Process (SREP). Qualitative findings on weaknesses in banks' stress testing practices could also affect banks' scores related to risk data aggregation capabilities and thus their Pillar 2 requirements.

2. Recovery and resolution planning

The Group's recovery plan sets out the arrangements and measures that the Group could adopt in the event of severe financial stress to restore the Group to long term viability. A suite of indicators and options are included in the Group's recovery plan, which together present the identification of stress events and the tangible mitigating actions available to the Group to restore viability. The Group's recovery plan is approved by the Board on the recommendation of the RC and ALCO.

The Group resolution plan is prepared by the Single Resolution Board in cooperation with the National Resolution Authority (Central Bank of Cyprus). The resolution plan describes the Preferred Resolution Strategy (PRS), in addition to ensuring the continuity of the Group's critical functions and the identification and addressing of any impediments to the Group's resolvability. The PRS for the Group is a single point of entry bail-in via BOC PCL. The resolution authorities also determine the Minimum Requirements for own funds and Eligible Liabilities (MREL) corresponding to the loss absorbing capacity necessary to execute the resolution.

3. Risk Culture

A robust risk culture is a substantial determinant of whether the Group will be able to successfully execute its strategy within its defined risk appetite. The RMD is committed to fostering a robust governance and risk culture that aligns with the Group's strategic objectives and risk appetite. This includes ensuring that risk management practices are integrated into all aspects of the business, promoting a culture of risk awareness, and maintaining effective communication and accountability across the Group.

An action plan towards the implementation of a firm-wide risk culture is in place across the Group involving various stakeholders including all the control functions, human resources, legal services, Company's secretary office and other. The action plan is under the auspices of the Chief Risk Officer and the Executive Director People and Change and the Board retains close oversight through Mr Adrian John Lewis, Senior Independent Director.

The RMD has a leading role in the action plan which includes, among other actions, the measurement of risk culture, both at Bank wide and divisional level, through a specific Risk Culture Dashboard, the communication of a series of topics aiming at re-enforcing risk culture and the provision of specific training for areas such as credit underwriting and other risk management related topics.

Other actions include the introduction and formalisation of the role of the 'Business Risk and Control Officers', dedicated control functions liaisons for non-financial risks, within the business lines.

4. Principal Risks

As part of its business activities, the Group faces a variety of risks. The principal and other risks faced by the Group are described below as well as the way these are identified, assessed, managed and monitored by the Group, including the available mitigants. The risks described below, should not be regarded as a complete and comprehensive statement of all potential risks, uncertainties or mitigants as other factors either not yet identified or not currently material, may also adversely affect the Group.

4.1 Credit Risk

Credit risk is defined as the current or prospective risk to earnings and capital arising from an obligor's failure to meet the terms of any contract with the Group (actual, contingent or potential claims both on and off balance sheet) or failure to perform as agreed. Within the general definition of credit risk, the Group identifies and manages the following types of risk:

- Counterparty credit risk (CCR): the Group's credit exposure with other counterparties. The risk of losses arising as a result of the counterparty not meeting their contractual obligations in full and on time.
- Settlement risk: the risk that a counterparty fails to deliver the terms of a contract with the Group.
- Issuer risk: the risk of losses arising from a credit deterioration of an issuer of instruments in which the Group has invested.
- Concentration risk: the risk that arises from the uneven distribution of exposures (i.e. credit concentration) to individual borrowers or by industry, collateral, product, currency, economic sector or geographical region.
- Country risk: the Group's credit exposure arising from lending and/or investments or the presence of the Group in a specific country.

4. Principal Risks (continued)

4.1 Credit Risk (continued)

In order to manage these risks, the Group has a Credit Risk Management function within RMD that:

- Develops policies, guidelines and approval limits necessary to manage and control or mitigate the credit and concentration risk in the Group. These documents are reviewed and updated at least annually, or more frequent if deemed necessary, to reflect any changes in the Group's risk appetite and strategy and consider the market environment or any other major changes from external or internal factors that come into effect;
- Evaluates credit applications from an independent credit risk perspective before submission for approval to Credit Committee 3, the RC, or the Board. This ensures compliance with the Group's risk appetite, policies, and guidelines, supporting the role of the observer who holds veto rights;
- Participates as an observer in the Credit Committee 3 and in specific cases that fall under the approving authority of Corporate Sanctioning as delegated by the CRO;
- Sets KRIs for monitoring the loan portfolio quality and adopts a proactive monitoring approach for such risks;
- Measures the expected credit losses in an appropriate way in order to have a fair representation of the loan book in the financial statements of the Group.

The Group sets and monitors risk appetite limits relating to credit risk. Furthermore, a limits framework is in place in relation to the credit granting process and also the general rules are documented in the Group's Lending Policy. Relevant circulars and guidelines are in place that provide parameters for the approval of credit applications and related credit limits. The Group has established credit approving authorities, which are authorised to approve the granting, review and restructuring of credit facilities in the Bank, including the Credit Sanctioning Department and the Credit Committee 3. Credit Committee 3 is comprised of members from various Group divisions outside RMD to ensure independence of opinion. Applications falling outside the approval limits of Credit Committee 3 are submitted to the RC or the Board, depending on the total exposure of the customer group.

The Group has adopted methodologies and techniques for credit risk identification. These methodologies are revised and modified whenever deemed necessary to reflect changes in the financial environment and adjusted to be in line with the Group's overall strategy and its short-term and long-term objectives.

The Group dedicates considerable resources to assess credit risk and to correctly reflect the value of its on-balance and off-balance sheet exposures in accordance with regulatory and accounting guidelines. This process can be summarised in the following stages:

- Analysing performance and asset quality
- Measuring exposures and concentrations
- Raising allowances for impairment

Furthermore, post-approval monitoring is in place to ensure adherence to both terms and conditions set in the approval process and credit risk policies and procedures. A key aspect of credit risk is credit risk concentration which is defined as the risk that arises from the uneven distribution of exposures to individual borrowers, specific industry or economic sectors, geographical regions, product types or currencies. The monitoring and control of concentration risk is achieved by limit setting (e.g. sector and name limits) and reporting them to senior management.

Approved policies and procedures are in place for the approval of credit and settlement limits per counterparty based on the business needs, current exposures and investment plans. Counterparty credit and settlement limits for Treasury transactions are monitored real-time through the Treasury front to back system.

With the aim of identifying credit risk at an early stage, a number of key reports are prepared for the EXCO and/or the Board. Indicatively, these include a credit quality dashboard which analyses, among others, the overall loan book performance, forborne facilities, the performance of new lending, specific products or portfolios, new forbearances and modifications and other portfolio quality KPIs.

4. Principal Risks (continued)

4.1 Credit Risk (continued)

Country Risk

Country Risk refers to the possibility that borrowers of a particular country may be unable or unwilling to fulfil their foreign obligations for reasons beyond the usual risks which arise in relation to all lenders. Country risk affects the Group via its operation in other countries and also via investments in other countries (Money Market (MM) placements, bonds, shares, derivatives, etc.). In addition, the Group is indirectly affected by credit facilities provided to customers for their international operations or due to collateral in other countries. In this respect, country risk is considered in the risk assessment of all exposures, both on-balance sheet and off-balance sheet. Country risk exposures are the aggregation of the various on-balance sheet and off-balance sheet exposures including investments in bonds, money market placements, loans or guarantees to residents of a country/companies incorporated in a country, letters of credit, properties etc.

The Group monitors country risk and on a quarterly basis reports to ALCO exposures by country and compares these against approved country limits. The Board, through the RC is also informed on a regular basis and at least annually. Any limit breaches are included in the regular reporting to ALCO, EXCO and RC. The country limits are allocated based on the CET1 capital of the Group, the country's credit rating and internal scoring.

Credit Risk Mitigation

The fundamental lending principle of the Group is to approve applications and provide credit facilities only when the applicant has the ability to pay and where the terms of these facilities are consistent with the customers' income and financial position, independent of any collateral that may be assigned as security and in full compliance with all external laws, regulations, guidelines, internal codes of conduct and other internal policies and procedures. The value of collateral is not a decisive factor in the Group's assessment and approval of any credit facility, since collaterals may only serve as a secondary source of repayment in case of default.

Collaterals are used for risk mitigation. Collaterals are considered as an alternative means of debt recovery in case of default. Collateral by itself is not a predominant criterion for approving a loan, except when the loan agreement envisages that the repayment of the loan is based on the sale of the property pledged as collateral or liquid collateral provided (e.g. cash). The Group's requirements around completion, valuation and management of collateral are set out in appropriate Group policies.

Credit risk mitigation is also implemented through a number of policies, procedures, guidelines circulars and limits. Policies are approved by the RC/Board and include the:
- Lending Policy
- Write-off policy
- Concentration Risk Policy
- Valuation Policy
- Credit Risk Monitoring Policy
- Environmental & Social Policy
- Asset Acquisition and Disposal Policy for Debt Settlement
- Loan Syndication Policy
- Green Lending Policy
- Shipping Finance Policy
- Early Warning Policy

4. Principal Risks (continued)

4.1 Credit Risk (continued)

Systems

The effective management of the Group's credit risk is achieved through a combination of training and specialisation as well as appropriate credit risk assessment (risk rating) systems. The Group continuously upgrades the systems and models used in assessing the creditworthiness of Group customers. Additionally, the Group continuously upgrades the systems and models for the assessment of credit risk so as to correctly reflect the value of its on-balance and off-balance sheet exposures in accordance with regulatory and accounting guidelines.

The analysis of loans and advances to customers in accordance with the EBA standards is presented below.

4. Principal Risks (continued)

4.1 Credit Risk (continued)

The tables below present the analysis of loans and advances to customers in accordance with the EBA standards.

	Gross loans and advances to customers				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
			Of which exposures with forbearance measures				Of which exposures with forbearance measures	
31 December 2024	**Group gross customer loans and advances[1,2]**	**Of which: NPEs**	**Total exposures with forbearance measures**	**Of which: NPEs**	**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**	**Of which: NPEs**	**Total exposures with forbearance measures**	**Of which: NPEs**
	€000	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Loans and advances to customers								
General governments	**68,892**	-	-	-	**3**	-	-	-
Other financial corporations	**296,345**	545	34,871	475	**3,904**	377	1,297	308
Non-financial corporations	**5,033,827**	75,589	209,835	57,040	**58,681**	36,952	33,041	29,324
Of which: Small and Medium sized Enterprises[3] (SMEs)	***2,900,947***	*62,950*	*113,932*	*46,764*	***35,447***	*26,482*	*20,551*	*19,208*
Of which: Commercial real estate[3]	***3,463,617***	*66,202*	*188,182*	*54,506*	***46,462***	*30,978*	*31,142*	*27,954*
Non-financial corporations by sector								
Construction	**483,832**	1,862			**9,069**			
Wholesale and retail trade	**891,437**	16,086			**8,565**			
Accommodation and food service activities	**1,149,973**	1,614			**3,002**			
Real estate activities	**892,563**	21,252			**12,666**			
Transport and storage	**551,168**	194			**1,131**			
Other sectors	**1,064,854**	34,581			**24,248**			
Households	**4,862,349**	125,955	122,133	52,747	**84,431**	57,501	24,152	19,055
Of which: Residential mortgage loans[3]	***3,761,702***	*94,107*	*107,516*	*44,065*	***53,360***	*36,164*	*19,172*	*14,554*
Of which: Credit for consumption[3]	***638,798***	*24,218*	*13,526*	*7,304*	***20,278***	*14,643*	*3,967*	*3,404*
	10,261,413	**202,089**	**366,839**	**110,262**	**147,019**	**94,830**	**58,490**	**48,687**
Loans and advances to customers classified as held for sale	**54,921**	**54,921**	**15,221**	**15,221**	**31,778**	**31,778**	**7,562**	**7,562**
Total on-balance sheet	**10,316,334**	**257,010**	**382,060**	**125,483**	**178,797**	**126,608**	**66,052**	**56,249**

[1]Excluding loans and advances to central banks and credit institutions and reverse repurchase agreements (including an amount of €6.865 thousand cash collateral placed).
[2]The residual fair value adjustment on initial recognition (which relates mainly to loans acquired from Laiki Bank and is calculated as the difference between the outstanding contractual amount and the fair value of loans acquired and bears a negative balance) is considered as part of the gross loans, therefore decreases the gross balance of loans and advances to customers.
[3]The analysis shown in lines 'non-financial corporations' and 'households' is non-additive across all categories as certain customers could be in both categories.

4. Principal Risks (continued)

4.1 Credit Risk (continued)

31 December 2023	Gross loans and advances to customers				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
	Group gross customer loans and advances[1,2]	Of which: NPEs	Of which exposures with forbearance measures: Total exposures with forbearance measures	Of which exposures with forbearance measures: Of which: NPEs	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions	Of which: NPEs	Of which exposures with forbearance measures: Total exposures with forbearance measures	Of which exposures with forbearance measures: Of which: NPEs
	€000	€000	€000	€000	€000	€000	€000	€000
Loans and advances to customers								
General governments	**35,249**	-	-	-	**6**	-	-	-
Other financial corporations	**253,077**	805	1,201	448	**4,247**	378	308	305
Non-financial corporations	**4,931,801**	155,212	258,469	95,156	**91,640**	61,097	37,355	33,472
Of which: Small and Medium sized Enterprises[3] (SMEs)	***3,017,909***	*125,600*	*161,086*	*69,551*	***66,104***	*48,370*	*25,743*	*22,814*
Of which: Commercial real estate[3]	***3,567,684***	*136,152*	*228,516*	*90,842*	***66,458***	*50,862*	*33,774*	*31,716*
Non-financial corporations by sector								
Construction	**484,893**	24,873			**8,585**			
Wholesale and retail trade	**869,753**	37,739			**22,936**			
Accommodation and food service activities	**1,169,399**	14,310			**9,657**			
Real estate activities	**1,019,544**	40,296			**23,461**			
Manufacturing	**359,874**	3,852			**4,589**			
Other sectors	**1,028,338**	34,142			**22,412**			
Households	**4,781,114**	207,883	196,070	96,019	**83,560**	58,962	30,330	25,227
Of which: Residential mortgage loans[3]	***3,726,056***	*169,734*	*173,407*	*83,445*	***52,863***	*39,732*	*25,119*	*20,849*
Of which: Credit for consumption[3]	***590,945***	*29,347*	*21,312*	*12,704*	***21,108***	*13,357*	*4,897*	*4,157*
Total on-balance sheet	**10,001,241**	**363,900**	**455,740**	**191,623**	**179,453**	**120,437**	**67,993**	**59,004**

[1]Excluding loans and advances to central banks and credit institutions.
[2]The residual fair value adjustment on initial recognition (which relates mainly to loans acquired from Laiki Bank and is calculated as the difference between the outstanding contractual amount and the fair value of loans acquired and bears a negative balance) is considered as part of the gross loans, therefore decreases the gross balance of loans and advances to customers.
[3]The analysis shown in lines 'non-financial corporations' and 'households' is non-additive across all categories as certain customers could be in both categories.

4. Principal Risks (continued)

4.2 Market Risk

Market Risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in interest rates, currency/foreign exchange rates and from any other changes in market prices. The main types of market risk to which the Group is exposed, are listed below:

a. Interest Rate Risk in the Banking Book (IRRBB);
b. Currency/foreign exchange rates risk;
c. Securities price risk (bonds, equities);
d. Properties price risk.

Each of the risks above is defined and further analysed in the subsections below. Furthermore, additional information relating to Market risk is set out in Note 45 of the Consolidated Financial Statements.

The management of market risk in the Group is governed by the Group's Risk Appetite Statement and by the Market Risk Policy, approved by the Board. These are supplemented by a range of approved limits and controls also approved by the Board. The Group has an established governance structure for market risk. Market risk is measured using portfolio sensitivity analysis, Value at Risk (VaR'), scenario analysis and stress testing measures. Measurement and reporting to the committees is performed on a frequent basis.

Interest Rate Risk in the Banking Book

Interest rate risk in the banking book ('IRRBB') is the current or prospective risk to both the earnings and capital of the Group as a result of adverse movements in interest rates. The four components of interest rate risk are: repricing risk, yield curve risk, basis risk and option risk. Repricing risk is the risk of loss of net interest income or economic value as a result of timing mismatch in the repricing of assets, liabilities and off-balance sheet items. Yield curve risk arises from changes in the slope and the shape of the yield curve. Basis risk is the risk of loss of net interest income or economic value as a result of imperfect correlation between different reference rates. Option risk arises from options, including embedded options, e.g. consumers redeeming fixed rate products when market rates change.

The Group does not operate a trading book and thus all interest rate exposure arises from the banking book.

In order to manage interest rate risk, the Group sets a one-year limit on the maximum reduction of the net interest income. Limits are set as a percentage of Group Tier 1 capital and as a percentage of Group annual net interest income (when positive). Whilst limit breaches must be avoided at all times, any such occurrence is reported to the relevant authorities (ALCO and/or the RC) following relevant escalation process and mitigating actions are put in place. Regular update is provided to the ALCO/ the EXCO/ the RC.

Treasury Division is responsible for managing the interest rate exposure of the Group. Corrective actions are taken by Treasury Division to minimize the risk exposure and in any event to restrict exposure within limits.

Currency/Foreign Exchange Rates Risk

Currency/foreign exchange rates risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

4. Principal Risks (continued)

4.2 Market Risk (continued)

Currency/Foreign Exchange Rates Risk (continued)

In order to limit the risk of loss from adverse fluctuations in foreign exchange rates, overall Intraday and Overnight open currency position limits have been set. These internal limits are lower compared to the maximum permissible by the regulator. Internal limits serve as a trigger to management for avoiding regulatory limit breaches. Due to the fact that there is no Foreign Exchange Trading Book, VaR (Value at Risk) is calculated on a quarterly basis on the position reported to the CBC. Intraday and overnight FX position limits are monitored daily and the open foreign currency position or any breaches follow the escalation process and are reported to the ALCO and to the RC through regular reporting.

Treasury Division is responsible for managing the foreign currency open position of the Group emanating from its balance sheet. The foreign currency position emanating from customer transactions is managed by the Global Markets & Treasury Sales Department. Treasury Division is also responsible for hedging the foreign currency open positions of the foreign non-banking units of the Group.

Equities Price Risk

Equities Price Risk is the risk of loss from changes in the price of equity securities when there is an unfavorable change in the prices of equity securities held by the Group as investments.

The Group holds equity and fund investments on its balance sheet. The equity portfolio mainly relates to certain legacy positions acquired through loan restructuring activity and specifically through debt for equity swaps, whereas the fund portfolio mainly relates to investments held by the insurance operations of the Group. The policy is to manage the current equity portfolio with the intention to reduce it by selling positions for which there is a market. No new purchases of equities are allowed without ALCO approval. Analysis of equity and fund holdings are reported to ALCO on a quarterly basis. Analysis of the positions the Group maintains as at 31 December 2024 is presented in Note 20 of the Consolidated Financial Statements.

Debt Securities Price Risk

Debt securities price risk is the risk of loss as a result of adverse changes in the prices of debt securities held by the Group. Debt security prices change as the credit risk of the issuers changes and/or as the interest rates of fixed rate securities change.

The Group invests a significant part of its liquid assets in debt securities. Changes in the prices of debt securities classified as investments at FVPL, affect the profit or loss of the Group, whereas changes in the value of debt securities classified as FVOCI affect directly the equity of the Group. Debt securities classified as HTC are measured at amortised cost.

Debt security investment limits exist at RAS level governing the level of riskiness of the overall portfolio. Credit limits per issuer as well as concentration limits are also in place. Limit monitoring is performed on a daily basis by the Market & Liquidity Risk Unit. Any breaches are reported following an established escalation process by reference to the limit breach.

The debt security portfolio is managed by the Treasury Division and governed by the Bond Investment Policy. The annual bond investment strategy is proposed by Treasury and approved by ALCO and ultimately by the Board as part of the approval of the Group Financial Plan. Treasury proceeds with the approved bond investments which are within the Bond Investment Policy and within limits and parameters set in the various policies and frameworks. Analysis of the positions the Group maintains as at 31 December 2024 is presented in Note 20 of the Consolidated Financial Statements.

4. Principal Risks (continued)

4.2 Market Risk (continued)

Property Price Risk

Property price risk is the risk that the value of property will decrease, either as a result of:
- Changes in the demand for, and prices of, real estate; or
- Regulatory requests which may increase the capital requirements for stock of property.

The Group is exposed to the risk of negative changes in the fair value of property which is held either for own use, as stock of property or as investment property. Stock of property has been predominately acquired in exchange of debt with a strategy and intention to be disposed of in line with the Group's strategy.

The Group has in place a number of actions to manage and monitor the exposure to property price risk as indicated below:
- It has an established Real Estate Management Unit (REMU), a specialised division to manage, promote and monetise the repossessed portfolio, including other non-core assets, through appropriate real estate disposal initiatives;
- It has placed great emphasis on the efficient and quick disposal of on-boarded properties and in their close monitoring and regular reporting. RAS indicators and other KPIs are in place monitoring REMU properties in terms of value, aging, and sales levels;
- It assesses and quantifies property price risk as one of the material risks for ICAAP purposes under both the normative and economic perspective;
- It monitors the changes in the market value of the collateral and, where necessary, requests the pledging of additional collateral in accordance with the relevant agreement;
- As part of the valuation process, assumptions are made about the future changes in property values, as well as the timing for the realisation of collateral, taxes and expenses on the repossession and subsequent sale of the collateral as well as any other applicable haircuts;
- For the valuation of properties owned by the Group, judgement is exercised which takes into account available reference points, such as comparable market data, expert valuation reports, current market conditions and application of appropriate illiquidity haircuts where relevant.

4.3 Liquidity and Funding Risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its commitments as they fall due. This risk includes the possibility that the Group may have to raise funding at high cost or sell assets at a discount to fully and promptly satisfy its obligations.

Funding risk is the risk that the Group does not have sufficiently stable sources of funding or access to sources of funding may not always be available at a reasonable cost and thus the Group may fail to meet its obligations, including regulatory requirements (e.g. MREL).

Further information relating to Group risk management in relation to liquidity and funding risk is set out in Note 46 of the Consolidated Financial Statements. Additionally, information on encumbrance and liquidity reserves is provided below.

4.3.1 Encumbered and unencumbered assets

Asset encumbrance arises from collateral pledged against secured funding and other collateralised obligations.

An asset is classified as encumbered if it has been pledged as collateral against secured funding and other collateralised obligations and, as a result, it is no longer available to the Group for further collateral or liquidity requirements. The total encumbered assets of the Group amounted to €3,566,251 thousand as at 31 December 2024 (2023: €3,681,929 thousand).

4. Principal Risks (continued)

4.3 Liquidity and Funding Risk (continued)

4.3.1 Encumbered and unencumbered assets (continued)

An asset is classified as unencumbered if it has not been pledged as collateral against secured funding and other collateralised obligations. Unencumbered assets are further analysed into those that are available and can potentially be pledged and those that are not readily available to be pledged. As at 31 December 2024, the Group held €20,119,123 thousand (2023: €20,640,651 thousand) of unencumbered assets that can potentially be pledged and can be used to support potential liquidity funding needs and €1,167,169 thousand (2023: €717,575 thousand) of unencumbered assets that are not readily available to be pledged for funding requirements in their current form.

The table below presents an analysis of the Group's encumbered and unencumbered assets and the extent to which the unencumbered assets can be potentially pledged for funding or other purposes. The carrying amount of such assets is disclosed below:

	Encumbered	**Unencumbered**		
31 December 2024	**Pledged as collateral**	**Which can potentially be pledged**	**Which are not readily available to be pledged**	**Total**
	€000	**€000**	**€000**	**€000**
Cash and other liquid assets	55,434	8,373,595	1,002,441	9,431,470
Investments	39,958	4,298,155	20,230	4,358,343
Loans and advances to customers	3,470,859	6,536,252	107,283	10,114,394
Non-current assets and disposed groups held for sale	-	-	23,143	23,143
Property	-	911,121	14,072	925,193
Total on-balance sheet	**3,566,251**	**20,119,123**	**1,167,169**	**24,852,543**
31 December 2023				
Cash and other liquid assets	72,800	9,890,350	439,353	10,402,503
Investments	260,011	3,419,445	15,953	3,695,409
Loans and advances to customers	3,349,118	6,229,383	243,287	9,821,788
Property	-	1,101,473	18,982	1,120,455
Total on-balance sheet	**3,681,929**	**20,640,651**	**717,575**	**25,040,155**

Encumbered assets primarily consist of loans and advances to customers and investments in debt securities. These are mainly pledged for any potential use of the funding facilities of the European Central Bank (ECB) and for the covered bond (Notes 29 and 46 of the Consolidated Financial Statements for the year ended 31 December 2024 respectively). Encumbered assets include cash and other liquid assets placed with banks as collateral under ISDA agreements which are not immediately available for use by the Group but are released once the transactions are terminated. Cash is mainly used to cover collateral required for (i) derivatives and (ii) trade finance transactions and guarantees issued. It may also be used as part of the supplementary assets for the covered bond.

4. Principal Risks (continued)

4.3 Liquidity and Funding Risk (continued)

4.3.1 Encumbered and unencumbered assets (continued)

BOC PCL maintains a Covered Bond Programme set up under the Cyprus Covered Bonds legislation and the Covered Bonds Directive of the Central Bank of Cyprus (CBC). Under the Covered Bond Programme, BOC PCL has in issue covered bonds of €650 million secured by residential mortgages originated in Cyprus. The covered bonds have a maturity date on 12 December 2026 and interest rate of 3-months Euribor plus 1.25% payable on a quarterly basis. On 9 August 2022, BOC PCL proceeded with an amendment to the terms and conditions of the covered bonds following the implementation of Directive (EU) 2019/2162 in Cyprus. The covered bonds are listed on the Luxemburg Bourse and have a conditional Pass-Through structure. All the bonds are held by BOC PCL. The covered bonds are eligible collateral for the Eurosystem credit operations and are placed in the ECB pool providing access to funding from the ECB.

Unencumbered assets which can potentially be pledged include debt securities and Cyprus loans and advances which are less than 90 days past due. Balances with central banks are reported as unencumbered and can be pledged, to the extent that there is excess available over the minimum reserve requirement. The minimum reserve requirement is reported as unencumbered not readily available to be pledged.

Unencumbered assets that are not readily available to be pledged primarily consist of loans and advances which are prohibited by contract or law to be encumbered or which are more than 90 days past due or for which there are pending litigations or other legal actions against the customer, a proportion of which would be suitable for use in secured funding structures but are conservatively classified as not readily available to be pledged as collateral. Properties whose legal title has not been transferred to the Company or a subsidiary are not considered to be readily available to be pledged as collateral.

Insurance assets held by Group insurance subsidiaries are not included in the table above or below as they are primarily due to the insurance policyholders.

The carrying and fair value of the encumbered and unencumbered investments of the Group as at 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	**Carrying value of encumbered investments**	**Fair value of encumbered investments**	**Carrying value of unencumbered investments**	**Fair value of unencumbered investments**
	€000	**€000**	**€000**	**€000**
Equity securities	-	-	135,464	135,464
Debt securities	39,958	40,870	4,182,921	4,214,146
Total investments	**39,958**	**40,870**	**4,318,385**	**4,349,610**

31 December 2023				
Equity securities	-	-	144,016	144,016
Debt securities	260,011	250,480	3,291,383	3,303,818
Total investments	**260,011**	**250,480**	**3,435,399**	**3,447,834**

4. Principal Risks (continued)

4.3 Liquidity and Funding Risk (continued)

4.3.2 Liquidity regulation

The Group is required to comply with provisions on the Liquidity Coverage Ratio (LCR) under CRD IV/CRR (as supplemented by Delegated Regulations (EU) 2015/61), with the limit set at 100%. The Group must also comply with the Net Stable Funding Ratio (NSFR) calculated as per the Capital Requirements Regulation II (CRR II), with the limit set at 100%.

The LCR is designed to promote the short-term resilience of a Group's liquidity risk profile by ensuring that it has sufficient high-quality liquid resources to survive an acute stress scenario lasting for 30 days. The NSFR has been developed to promote a sustainable maturity structure of assets and liabilities.

As at 31 December 2024, the Group was in compliance with all regulatory liquidity requirements. As at 31 December 2024, the Group's LCR stood at 309% (compared to 359% at 31 December 2023) and the Group's NSFR stood at 162% (compared to 159% at 31 December 2023).

4.3.3 Liquidity reserves

The below table sets out the Group's liquidity reserves:

Composition of the liquidity reserves	**31 December 2024**			31 December 2023		
	Internal Liquidity Reserves	**Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 LCR eligible**		Internal Liquidity Reserves	Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 LCR eligible	
		Level 1	**Level 2A & 2B**		Level 1	Level 2A & 2B
	€000	**€000**	**€000**	€000	€000	€000
Cash and balances with central banks	**7,341,141**	**7,341,141**	**-**	9,428,052	9,428,052	-
Placements with banks	**658,154**	**-**	**-**	214,588	-	-
Liquid investments	**4,787,396**	**4,206,223**	**377,572**	3,299,967	2,801,667	354,128
Available ECB Buffer	**1,999,540**	**-**	**-**	92,088	-	-
Total	**14,786,231**	**11,547,364**	**377,572**	13,034,695	12,229,719	354,128

Internal Liquidity Reserves present the internally defined liquid buffer of the Bank. Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 present the liquid assets as per the definition of the aforementioned regulation i.e., High-Quality Liquid Assets (HQLA).

Balances in Nostro accounts and placements with banks are not included in Liquidity reserves as per LCR, as they are not considered HQLA (they are part of the LCR Inflows).

Liquid investments under the Liquidity reserves as per LCR are shown at market values reduced by standard weights as prescribed by the LCR regulation. Liquid investments under Internal Liquidity Reserves include additional unencumbered liquid bonds which are shown at market values net of haircuts based on the ECB methodology and haircuts for the ECB eligible bonds, while for the non-ECB eligible bonds, a more conservative internally developed haircut methodology is used.

Currently available ECB buffer is not part of the Liquidity reserves as per LCR.

4. Principal Risks (continued)

4.4 Operational Risk

Operational risk is defined as the risk of direct or indirect impact/loss resulting from inadequate or failed internal processes, people, systems or from external events. The Group includes in this definition compliance, legal and reputational risk.

The Group recognises that the control of operational risk is directly related to effective and efficient management practices and high standards of corporate governance. To that effect, the management of operational risk is geared towards maintaining a strong internal control governance framework and managing operational risk exposures through a consistent set of management processes that drive risk identification, assessment, control and monitoring.

The Group also maintains adequate insurance policies to cover for unexpected material operational losses.

Operational Risk Management (ORM) Framework

The Group has established an Operational Risk Management Framework which addresses the following objectives:

- Raising operational risk awareness and building the appropriate risk culture;
- Providing effective risk monitoring and reporting to the Group's management at all levels in relation to the operational risk profile, so as to facilitate decision making for risk control activities;
- Mitigating operational risk to ensure that operational losses do not cause material damage to the Group's franchise and that the impact on the Group's profitability and corporate objectives is contained; and
- Maintaining a strong system of internal controls to ensure that operational incidents do not cause material damage to the Group's franchise and have a minimal impact on the Group's profitability and reputation.

Operational risks can arise from all business lines and from all activities carried out by the Group and are thus diverse in nature.

To enable effective management of all material operational risks, the operational risk management framework adopted by the Group is based on the three lines of defence model, through which risk ownership is dispersed throughout the organisation.

The key components of the Operational Risk Management Framework include the following:

Operational Risk Appetite
A defined Operational RAS is in place, which forms part of the Group RAS. Thresholds are applied for conduct and other operational risk related losses.

Risk Control Self-Assessment (RCSA)
An RCSA methodology is established across the Group. According to the RCSA methodology, business owners are requested to identify risks that arise primarily from the risk areas under the Group's Risk Taxonomy. Updating/enriching the risk register in terms of existing and potential new risks identified and their mitigation is an on-going process, sourced from RCSA, but also from other Risk and Control Assessments (RCAs) performed.

4. Principal Risks (continued)

4.4 Operational Risk (continued)

Operational Risk Management (ORM) Framework (continued)

Incident recording and analysis
An operational risk event is defined as any incident where through the failure or lack of a control, the Group has incurred an actual or potential loss/gain, or could have had a negative reputational or regulatory impact.

Operational risk loss events are classified and recorded in the Group's Risk and Compliance Management System (RCMS), which serves as an enterprise tool integrating all risk-control data (e.g. risks, loss incidents, KRIs) to provide a holistic view with regards to risk identification, corrective action and statistical analysis.

Key Risk Indicators (KRIs)
These are operational or financial variables, which track the likelihood and/or impact of a particular operational risk. KRIs serve as a metric, which may be used to monitor the level of particular operational risks.

Operational Risk Capital Requirements and ICAAP
Regulatory and economic capital requirements for operational risk are calculated using the Standardised Approach. Additional Pillar II Regulatory capital is calculated for operational risk on a scenario-based approach. Scenarios are built after taking into consideration the Key Risk Drivers, which are identified using a combination of methods and sources, through top-down and bottom-up approaches.

Training and awareness
The Group strives to continuously enhance its risk control culture and increase the awareness of its employees on operational risk issues through ongoing staff training (both through physical workshops and through e-learning).

Reporting
Important operational risks identified and assessed through the various tools/methodologies of the Operational Risk Management Framework, are regularly reported to top management, as part of overall risk reporting. Specifically, the CRO reports on risk to the EXCO and the RC on a monthly basis, while annual risk reports are submitted to the Regulators. Ad-hoc reports are also submitted to management, as needed.

4.4.1 Fraud Risk Management

The Group has a dedicated unit under the ORM Function, the Fraud Risk Management (FRM) unit, which is responsible for the oversight of internal and external fraud by:

- Developing and maintaining a framework and supporting policies for the management of internal and external fraud risks;
- Undertaking Specialised Fraud Risk Assessments and ensuring that divisions and business departments have a sound process for identifying new and emerging fraud risks;
- Promoting and adopting automated/alert-based systems and controls for the prevention and early detection of external and internal fraud;
- Establishing structured fraud incident response management processes and plans;
- Analysing data and emerging fraud trends for the proactive management of emerged fraud;
- Providing direction through policy, education, tools and training;
- Ensuring compliance with relevant regulations and assessing new regulations or amendments to existing ones with regards to fraud related issues, by performing regulatory gap analysis in cooperation with other related stakeholders.

4. Principal Risks (continued)

4.4 Operational Risk (continued)

4.4.1 Fraud Risk Management (continued)

Ongoing activities/initiatives towards further enhancements of FRM involved inter alia, the provision of fraud risks and emerged frauds awareness seminar to Group's staff and top-management, and the further strengthening of external fraud prevention controls and framework, as a result of the customers' accelerated shift towards digital channels and digital banking.

4.4.2 Third-Party Risk Management

Third-party risk is defined as the risk brought on to the organisation by external parties in its ecosystem or supply chain. Such parties include vendors, suppliers, partners, contractors or service providers who have access to internal company or customer data, systems, processes or other privileged information. Third Party Risk, remains of significant importance, and this is primarily due to the existence of outsourcing engagements and the risks identified through the Third-Party risk assessments.

To mitigate this risk, a number of controls are in place which include regular third-party risk assessments on outsourcing/intragroup and strategic contracts, third-party performance assessments, and established third party risk trainings to ensure third-party risk awareness by the Group's staff. The outsourcing contracts of the Group should be fully aligned with the EBA Guidelines on Outsourcing Arrangements and/or the Third-Party & Outsourcing Risk Management Policy. In cases where the arrangements in scope are not aligned with the EBA Guidelines and/or policies of the Group, risks are identified, and mitigating controls are put in place. Examples of potential risks include inadequate contract clauses, third-party resilience/inadequate due diligence, and over-reliance on third parties.

4.4.3 Business Continuity Risk Management (BCRM)

The Group has a dedicated unit under the ORM Function, the Business Continuity Risk Management unit, which provides direction and sets the overall framework to individual business units to mitigate business continuity risks and minimize the impact of severe disruptive incidents such as natural disasters, loss of Information Technology Center, loss of electricity, pandemics etc.

5. Other principal risks and uncertainties

In addition to the risks described in section 4 above, further principal risks are also faced by the Group. These risks are described below as well as the way these are identified, assessed, managed and monitored by the Group, including the available mitigants.

Emerging risks are defined as new risks or existing risks that may escalate in a different way, with the potential to threaten the execution of the Group's strategy or operations over a medium-term horizon. The Group is forward-looking in its risk identification processes to ensure emerging risks are identified. The internal and external risk environment of the Group as well as macro-themes are assessed to identify such emerging risks that may require escalation and implementation of suitable mitigation actions. Reporting of emerging risks to the RC and the EXCO is performed on a bi-annual basis to ensure all significant risks are escalated effectively for discussion and action. The main emerging risks currently considered by the Group are Geopolitical, Digital Transformation and Climate and Environment Risks all of which are also principal risks and are further described below.

The risks described, should not be regarded as a complete and comprehensive statement of all potential risks, uncertainties or mitigants, as other factors either not yet identified or not currently material, may also adversely affect the Group.

5. Other principal risks and uncertainties (continued)

5.1 Business Model and Strategic Risks

Business model and strategic risks refer to the uncertainty in implementing the Group's strategy and achieving its business targets. Such risks can arise from changes in the external environment, including economic trends, competition, geopolitics, and regulatory changes, or due to operational factors, such as inadequate planning or implementation. The Group faces competition from banks, financial institutions, insurance and financial technology companies operating locally or abroad. Also, deterioration of the macroeconomic environment can lead to adverse impacts in the financial performance impacting the Group's profitability, asset quality or capital resources.

Furthermore, the Group's business environment and operational performance are heavily dependent on the current and future economic conditions and prospects in Cyprus, where the Group's operations are based, and earnings are predominantly generated. The Group is also dependent on the economic conditions and prospects in the countries of the main counterparties it conducts business with.

The Group has a clear strategy with key objectives to enable delivery and operates within defined risk appetite limits which are calibrated considering the Group's risk bearing capacity. The strategy is closely monitored on a regular basis. Furthermore, the Group remains ready to explore opportunities that complement its strategy including diversification of income.

The Group monitors and manages business model risk within its Risk Appetite Framework, by setting limits in respect of measures such as financial performance, portfolio performance, concentration and capital levels. At a more operational level, the risk is mitigated by monitoring deviations from the Group Financial Plan, while during the year, periodic reforecast updates of the financial plan are prepared. The frequency of reforecast updates during each year is determined by the prevailing business and economic conditions. Performance against the plan is monitored on a monthly basis, both at Group and Business Line levels, and reported to the EXCO and the Board.

The Group also closely monitors the risks and impact of changing macroeconomic conditions on its lending portfolio, strategy and objectives, considering mitigating actions where necessary. An internal stress testing framework as part of the Group's ICAAP is in place to provide insights and to assess capital resilience to shocks.

5.2 Geopolitical Risk

Cyprus is a small, open, services-based economy, with a large external sector and high reliance on tourism and international business services. As a result, external factors such as economic and geopolitical events that are beyond the control of the Group can have a significant impact on domestic economic activity. A number of macro and market related risks, including weaker economic activity, a volatile interest rate environment for longer, and higher competition in the financial services industry, could negatively affect the Group's business environment, results, and operations.

Geopolitical tensions remain high because of the continuing war in Ukraine and the military conflict in the Middle East. The continuation of these conflicts adds considerable uncertainty to the outlook for the global economy with the impact dependent on how these conflicts are resolved.

A change in the US approach may drive changes in global trade. The potential for the introduction of a higher tariff regime by the US administration may result in inflationary and monetary policy reactions with the trading partners of the US.

5. Other principal risks and uncertainties (continued)

5.2 Geopolitical Risk (continued)

Up until now, the Cyprus economy has proved robust and flexible to withstand external shocks and has displayed the ability to sufficiently diversify income in order to maintain GDP growth and suppress unemployment.

These factors, as well as the current political context in the United States and Europe, increase the uncertainty about the evolution of the global economy. The Group closely monitors these events and their impact on the economy and the business and remains vigilant to take any precautionary measures as required.

Although, there have been distinct improvements in Cyprus' risk profile after the banking crisis, risks do remain given the open structure of the Cypriot economy.

The Group continuously monitors current affairs, the impact of forecasted macroeconomic conditions and geopolitical developments on the Group's strategy to proactively manage emerging risks. Where necessary, bespoke solutions are offered to affected exposures and close monitoring on those is maintained. Furthermore, the Group includes related events in its stress testing scenarios in order to gain a better understanding of the potential impact.

5.3 Legal Risk

The Group may, from time to time, become involved in legal or arbitration proceedings which may affect its operations and results. Litigation risk arises from pending or potential legal proceedings and regulatory investigations against the Group. In the event that legal issues are not properly dealt with by the Group, this may result in financial and/or reputational loss to the Group. Information on pending litigation, claims, regulatory and other matters is disclosed in Note 38 of the Consolidated Financial Statements.

The Group has procedures in place to ensure effective and prompt management of legal risk including, among others, the risk arising from regulatory developments, new products and internal policies.

The Legal Services Department (LSD) monitors the pending litigation against the Group and assesses the probability of loss for each legal action against the Group based on IFRS Accounting Standards. It also estimates the amount of potential loss where it is deemed as probable. Additionally, it reports pending litigation and latest developments to the Board.

5.4 Technology Risk

Technology risk arises from system downtimes impacting business operations and/or customer service. Downtimes may be caused by hardware or software failures due to malfunctions, failed processes, human error, or cyber incidents. The use of outdated, obsolete and unsupported systems increases this risk.

The Group has in place a Technology Strategy designed to support business strategy and a customer centric view. The strategy includes investments in skills and technology to minimize system downtimes and security risks, modernization of legacy applications, a risk-based approach to leverage the benefits of Cloud technologies and investments in new and innovative applications to support business requirements. The Group implements a collaborative operating model to implement the technology initiatives that support business strategy and its digital agenda. The Operating Model involves setting up cross-functional teams that combine technical, business and risk skills for accelerated results. Where necessary, the Group engages with appropriate external experts to augment capacity and meet peak demand for technical initiatives while always maintaining good levels of internal skills and capacity.

5. Other principal risks and uncertainties (continued)

5.4 Technology Risk (continued)

The Group's policies, standards, governance and controls undergo ongoing review to ensure continued alignment with the Group's Technology Strategy, compliance with regulation and effective management of the associated risks.

5.5 Digital Transformation Risk

Digital transformation risk continues to be a principal and emerging risk, as banking models are rapidly evolving both locally and globally as available technologies have resulted in the customers' accelerated shift towards digital channels. Money transmission, data driven integrated services and Digital Product Sales are rapidly evolving. How the Group adapts to these emerging developments could impact the realisation of its market strategies and financial plans.

In the context of the overall business strategy, the Group assesses and develops its Digital Strategy and maintains a clear roadmap that provides for migration of transactions to the Digital Channels, full Digital and Digital Assisted Product Sales, embedded banking and self-service banking support services. The Group's emphasis on the Digital Strategy is reflected in the operating model with a designated Chief Digital Officer supported by staff with the appropriate skills that work closely with Technology and Control functions to execute the strategy.

The Group's policies, standards, governance and controls undergo ongoing review to ensure continued alignment with the Group's strategy for digital transformation and effective management of the associated risk.

5.6 Information Security and Cyber Risk

Information security and cyber-risk is a significant inherent risk, which could cause a material disruption to the operations of the Group. The Group's information systems have been and will continue to be exposed to an increasing threat of continually evolving cybercrime and data security attacks. Customers and other third parties to which the Group is significantly exposed, including the Group's service providers (such as data processing companies to which the Group has outsourced certain services), face similar threats.

Current geopolitical tensions have also led to increased risk of cyber-attack from foreign state actors.

The Group has an internal specialized Information Security team which constantly monitors current and future cyber security threats (either internal or external, malicious or accidental) and invests in enhanced cyber security measures and controls to protect, prevent, and appropriately respond against such threats to Group systems and information. The Group maintains an approved Group Information Security Policy that provides a set of standards, guidelines, controls, measures designed to achieve a desired level of information security.

The Group also collaborates with industry bodies, the National Computer Security Incident Response Team (CSIRT) and intelligence-sharing working groups to be better equipped to face the growing threat from cyber criminals. In addition, the Group maintains insurance coverage which covers certain aspects of cyber risks.

5. Other principal risks and uncertainties (continued)

5.7 Regulatory Compliance Risk

The Group conducts its business subject to on-going regulations and the associated regulatory risks, including the effects of changes in laws, regulations, policies, codes of conduct etc. Regulatory compliance risk is the risk of impairment to the organization's business model, reputation and financial condition from failure to meet laws and regulations, internal standards and policies, and expectations of key stakeholders such as shareholders, regulators, customers, employees and society. Failure to comply with regulatory framework requirements or identify and plan for emerging requirements could lead to, amongst other things, increased costs for the Group, regulatory fines, limitation on BOC PCL's capacity to lend and could have a material adverse effect on the business, financial condition and results, operations and prospects of the Group.

The Group's management maintains continuous and transparent communication with its Regulators (including the ECB, the CBC, and others, such as the CySec, the CSE and the LSE/ATHEX). The Regulatory Steering Group, led by the CEO and composed of executive management, receives regular updates on Regulatory Compliance Risk issues via the Regulatory Affairs Department. The Group Compliance monitors the status of upcoming new laws and amendments to existing laws, to ensure that all regulatory developments and requirements are promptly addressed by the Group.

Regulatory compliance risks are identified and assessed using diverse methods as outlined in the Group Compliance Policy. This policy details the compliance framework for the Group, covering their business and legal environment, and assigning compliance responsibilities at both Group and entity levels. Additionally, it ensures BOC PCL adheres to CBC Internal Governance Directive and EBA Guidelines on Internal Governance.

The Compliance Risk Assessment Methodology outlines how to evaluate compliance risks. The Compliance team identifies and informs business areas about new or updated regulations, enabling them to conduct impact assessments or regulatory gap analyses, while the Compliance function reviews and challenges as the second line of defence.

Tools and mechanisms are in place for identifying, assessing, monitoring, escalating and reporting compliance risks which, inter alia, include:

- The assessment of periodic reports submitted by the network of compliance liaisons;
- The use of aggregated risk measurements such as compliance risk indicators;
- Overseeing and challenging regulatory risks identified by compliance liaisons and subsidiary officers through gap analysis of new or amended regulations, processes, procedures, projects, products/services, and other assessments, to ensure effective management of compliance risks within the Group and recommending additional controls and corrective actions as necessary;
- Supervising the compliance risk assessment procedures conducted by the compliance liaisons and subsidiary compliance officers, as well as overseeing the implementation of mitigation efforts to manage identified risks;
- Overseeing the complaints process and utilising customer complaints as a source of relevant information in the context of its general monitoring responsibilities;
- Collaborating and sharing information with other internal control and risk management teams on compliance issues, evaluating regulatory incidents, monitoring mitigating actions to avoid recurrence, managing the risk, and reporting non-compliance incidents to competent authorities in accordance with relevant regulations;
- Conducting periodic onsite/offsite reviews with applicable laws, rules, regulations and standards and providing recommendations/advice to management on measures to be taken to ensure compliance;
- Investigating potential breaches of compliance policy and regulations, and conducting these investigations as requested by relevant authorities, with the assistance of internal experts like those from Internal Audit, Legal Services, Information Security, or Fraud Risk Management if needed.

5. Other principal risks and uncertainties (continued)

5.7 Regulatory Compliance Risk (continued)

Regulatory compliance risks are reported promptly to senior management and the Board in accordance with the guidelines of the CBC Internal Governance Directive.

5.8 Insurance risk and re-insurance risk

The Group, through its subsidiaries, EuroLife Ltd ('EuroLife') and General Insurance of Cyprus Ltd ('Genikes Insurance'), provides life insurance and non-life insurance services, respectively, and is exposed to certain risks specific to these businesses. Insurance events are unpredictable and the actual number and amount of claims and benefits will vary from year to year from the estimate established using actuarial and statistical techniques. Insurance risk therefore is the risk that an insured event under an insurance contract occurs and uncertainty over the amount and the timing of the resulting claim exists.

The above risk exposure is mitigated by the Group through the diversification across a large portfolio of insurance contracts. The variability of risks is also reduced by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. Although the Group has reinsurance coverage, it is not relieved of its direct obligations to policyholders and is thus exposed to credit risk with respect to ceded insurance, to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance arrangements.

The creditworthiness of reinsurers is evaluated by considering their solvency and credit rating and reinsurance arrangements are monitored and reviewed to ensure their adequacy as per the reinsurance policy. In addition, counterparty risk assessment is performed on a frequent basis.

Both EuroLife and Genikes Insurance perform their annual stress tests (ORSA) which aim to ensure, among others, the appropriate identification and measurement of risks, an appropriate level of internal capital in relation to each company's risk profile, and the application and further development of suitable risk management and internal control systems.

5.9 Climate Related & Environmental Risks

Climate and environmental matters is a growing agenda for financial institutions given the increasing effects of climate change globally and the sharp regulatory focus on addressing the resultant risks. The Group's businesses, operations and assets could be affected by climate-related and environmental (C&E) risks over the short, medium and long term. The Group is committed to integrate C&E risk considerations into all relevant aspects of the decision-making, governance, strategy and risk management and has taken the necessary steps to achieve this.

The Group applies the definition used in the Task Force on Climate-related Financial Disclosures (TCFD) for C&E risks whereby climate-related risks are divided into two major categories: (1) risks related to the transition to a lower-carbon economy (transition risks) and (2) risks related to the physical impacts of climate change (physical risks).

- **Physical risk** refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Physical risk is categorised as "acute" when it arises from extreme events, such as droughts, floods and storms, and "chronic" when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. Physical risk can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.

5. Other Principal Risks and uncertainties (continued)

5.9 Climate Related & Environmental Risks (continued)

- **Transition risk** refers to an institution's financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

Accelerating climate change could lead to sooner than anticipated physical risk impacts to the Group and the wider economy and there is uncertainty in the scale and timing of technology, commercial and regulatory changes associated with the transition to a low carbon economy.

The Group has put in place targets which set transparent ambitions on its climate strategy and decarbonization of its operations and portfolio. An overall ESG strategy and working plan is thus in place to facilitate these ambitions and address ECB expectations.

The Group also acknowledges the growing importance of environmental / nature-related risks which, as per the Task Force for Nature-related Financial Disclosures (TNFD), are defined as those potential threats posed to an organization arising from its own and the wider society's dependencies and impacts on nature.

Dedicated teams both within Risk Management and Investor Relations & ESG Department, as well as other resources, have been mobilised across the Group and are engaged in various streams of work such as the measuring of own and financed emissions, the integration of C&E risk in the risk management framework and the enhancement of green products offering.

Further information on C&E risks and their risk management is provided in the Sustainability Statement, prepared in accordance with the European Sustainability Reporting Standards, that form part of the Group's 20 24 Annual Financial Report.

6. Capital management

The primary objective of the Group's capital management is to ensure compliance with the relevant regulatory capital requirements and to maintain healthy capital adequacy ratios to cover the risks of its business, support its strategy and maximise shareholders' value.

The capital adequacy framework, as in force, was incorporated through the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) which came into effect on 1 January 2014 with certain specified provisions implemented gradually. The CRR and CRD transposed the new capital, liquidity and leverage standards of Basel III into the European Union's legal framework. CRR establishes the prudential requirements for capital, liquidity and leverage for credit institutions. It is directly applicable in all EU member states. CRD governs access to deposit-taking activities and internal governance arrangements including remuneration, board composition and transparency. Unlike the CRR, member states were required to transpose the CRD into national law and national regulators were allowed to impose additional capital buffer requirements.

On 27 June 2019, the revised rules on capital and liquidity (Regulation (EU) 2019/876 (CRR II) and Directive (EU) 2019/878 (CRD V)) came into force. As an amending regulation, the existing provisions of CRR apply, unless they are amended by CRR II. Certain provisions took immediate effect (primarily relating to Minimum Requirement for Own Funds and Eligible Liabilities (MREL)), but most changes became effective as of June 2021. The key changes introduced consist of, among others, changes to qualifying criteria for Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) instruments, introduction of requirements for MREL and a binding Leverage Ratio requirement (as defined in the CRR) and a Net Stable Funding Ratio (NSFR).

6. Capital management (continued)

The amendments that came into effect on 28 June 2021 are in addition to those introduced in June 2020 through Regulation (EU) 2020/873, which among others, brought forward certain CRR II changes in light of the COVID-19 pandemic. The main adjustments of Regulation (EU) 2020/873 that had an impact on the Group's capital ratio relate to the acceleration of the implementation of the new SME discount factor (lower RWAs), extending the IFRS 9 transitional arrangements and introducing further relief measures to CET1 allowing to fully add back to CET1 any increase in ECL recognised in 2020 and 2021 for non-credit impaired financial assets and phasing-in this starting from 2022 (phasing-in at 25% in 2022, 50% in 2023 and 75% in 2024) and advancing the application of prudential treatment of software assets as amended by CRR II (which came into force in December 2020).

In October 2021, the European Commission adopted legislative proposals for further amendments to the CRR, CRD and the BRRD (the '2021 Banking Package'). Amongst other things, the 2021 Banking Package would implement certain elements of Basel III that had not yet been transposed into EU law. The 2021 Banking Package included:

- a proposal for a Regulation ('CRR III') to make amendments to CRR with regard to (amongst other things) requirements on credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor;
- a proposal for a Directive ('CRD VI') to make amendments to CRD with regard to (amongst other things) requirements on supervisory powers, sanctions, third-country branches and ESG risks; and
- a proposal for a Regulation to make amendments to CRR and the BRRD with regard to (amongst other things) requirements on the prudential treatment of G-SII groups with a multiple point of entry resolution strategy and a methodology for the indirect subscription of instruments eligible for meeting the MREL requirements.

In December 2023 the preparatory bodies of the Council and European Parliament endorsed the amendments to the CRR and the CRD and the legal texts were published on the Council and the Parliament websites. In April 2024, the European Parliament voted to adopt the amendments to the CRR and the CRD; Regulation (EU) 2024/1623 (the 'CRR III') and Directive (EU) 2024/1619 (the 'CRD VI') were published in the EU's official journal in June 2024, with entry into force 20 days from the date of the publication. Most provisions of the CRR III have become effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased-in over time. Member states shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and shall apply most of those measures by 11 January 2026. The implementation of CRR III is estimated to have a positive impact of approximately 1% on the CET1 ratio (transitional) of the Group on initial application on 1 January 2025. However, during 2025 the publication of ECB guidelines on options and discretions and EBA mandates could result in additional impacts on CET1 ratios across the industry.

The Regulatory CET1 ratio of the Group as at 31 December 2024 stands at 19.2% and the Total Capital ratio at 24.1%. The ratios as at 31 December 2024 include profits for the year ended 31 December 2024 and a deduction for the distribution in respect of 2024 earnings as described in Section 'Distributions' in the Directors Report included within the Annual Financial Report.

6. Capital management (continued)

The Group's minimum capital requirements are presented below:

Minimum CET1 Regulatory Capital Requirements	**2024**	**2023**
Pillar I – CET1 Requirement	**4.50%**	4.50%
Pillar II – CET1 Requirement	**1.55%**	1.73%
Capital Conservation Buffer (CCB)*	**2.50%**	2.50%
Other Systematically Important Institutions (O-SII) Buffer**	**1.875%**	1.50%
Countercyclical Buffer (CcyB)	**0.92%**	0.48%
Minimum CET1 Regulatory Capital Requirements	**11.34%**	10.72%

** Fully phased in as of 1 January 2019*
*** Increasing by 0.0625% every year thereafter, until being fully implemented on 1 January 2026 at 2.00%.*

Minimum Total Capital Regulatory Requirements	**2024**	**2023**
Pillar I – Total Capital Requirement	**8.00%**	8.00%
Pillar II – Total Capital Requirement	**2.75%**	3.08%
Capital Conservation Buffer (CCB)*	**2.50%**	2.50%
Other Systematically Important Institutions (O-SII) Buffer**	**1.875%**	1.50%
Countercyclical Buffer (CcyB)	**0.92%**	0.48%
Minimum Total Capital Regulatory Requirements	**16.05%**	15.56%

** Fully phased in as of 1 January 2019*
*** Increasing by 0.0625% every year thereafter, until being fully implemented on 1 January 2026 at 2.00%.*

The minimum Pillar I total capital requirement ratio of 8.00% may be met, in addition to the 4.50% CET1 requirement, with up to 1.50% by AT1 capital and with up to 2.00% by T2 capital.

The Group is also subject to additional capital requirements for risks which are not covered by the Pillar I capital requirements (Pillar II add-ons). Applicable Regulation allows a part of the said Pillar II Requirements (P2R) to be met also with AT1 and T2 capital and does not require solely the use of CET1.

The capital position of the Group and BOC PCL as at 31 December 2024 exceeds both their Pillar I and their Pillar II add-on capital requirements. However, the Pillar II add-on capital requirements are a point-in-time assessment and therefore are subject to change over time.

The CBC, in accordance with the Macroprudential Oversight of Institutions Law of 2015, sets, on a quarterly basis, the CcyB rates in accordance with the methodology described in this law.

On 30 November 2022, the CBC, following the revised methodology described in its macroprudential policy, decided to increase the CcyB rate from 0.00% to 0.50% of the total risk exposure amount in Cyprus of each licensed credit institution incorporated in Cyprus effective from 30 November 2023. Moreover, on 2 June 2023, the CBC, announced its decision to raise the CcyB rate to 1.00% of the total risk exposure amount in Cyprus, effective from 2 June 2024. The CcyB for the Group as at 31 December 2024 has been calculated at approximately 0.92% (2023: 0.48%). In January 2025, the CBC, based on its macroprudential policy, decided to increase the CcyB rate from 1.00% to 1.50% of the total risk exposure amount in Cyprus effective from January 2026. Based on the above, the CcyB for the Group is expected to increase further.

6. Capital management (continued)

In accordance with the provisions of this law, the CBC is also the responsible authority for the designation of banks that are Other Systemically Important Institutions (O-SIIs) and for the setting of the O-SII Buffer requirement for these systemically important banks. BOC PCL has been designated as an O-SII. The O-SII Buffer as at 31 December 2023 stood at 1.50% and increased by 37.5 bps to 1.875% on 1 January 2024, following a revision of the O-SII buffer by the CBC in October 2023. In April 2024, following a revision by the CBC of its policy for the designation of credit institutions that meet the definition of O-SII institutions and the setting of an O-SII buffer to be observed, the Group's O-SII buffer has been set to 2.00% from 1 January 2026 (from the previous assessment carried out in October 2023 of 2.25% from 1 January 2025) to be phased-in by 6.25 bps annually to 1.9375% on 1 January 2025 and 2.00% as of 1 January 2026.

The ECB also provides non-public guidance for an additional Pillar II CET1 buffer (P2G) to be maintained.

Following the annual SREP performed by the ECB in 2024 and based on the final SREP decision received in December 2024, effective from 1 January 2025, the Group's minimum phased-in CET1 capital ratio and Total Capital ratio requirements are expected to remain unchanged, when disregarding the phasing-in of the O-SII buffer. The non-public guidance P2G is also expected to remain unchanged compared to 2024. Furthermore, based on the final SREP decision, the requirement for prior regulatory approval for the declaration of dividends is lifted, effective from 1 January 2025.

The Group is subject to a 3% Pillar I Leverage Ratio requirement.

The above minimum ratios apply for both BOC PCL and the Group.

The EBA final guidelines on SREP and supervisory stress testing and the Single Supervisory Mechanism's (SSM) 2018 SREP methodology provide that the own funds held for the purposes of Pillar II Guidance (P2G) cannot be used to meet any other capital requirements (Pillar I requirement, P2R or the Combined Buffer Requirement (CBR)), and therefore cannot be used twice.

The regulatory capital position of the Group and BOC PCL as at the reporting date (after applying the transitional arrangements) is presented below:

6. Capital management (continued)

Regulatory capital	Group		BOC PCL	
	31 December 2024[1]	31 December 2023[2]	**31 December 2024**[1]	31 December 2023[2]
	€000	€000	**€000**	€000
Common Equity Tier 1 (CET1)[3]	**2,079,320**	1,799,068	**2,015,685**	1,766,707
Additional Tier 1 capital (AT1)	**220,000**	220,000	**220,000**	220,000
Tier 2 capital (T2)	**307,955**	300,000	**307,955**	300,000
Transitional total regulatory capital	**2,607,275**	2,319,068	**2,543,640**	2,286,707
Risk weighted assets – credit risk[4]	**9,172,706**	9,013,412	**9,228,404**	9,005,552
Risk weighted assets – market risk	**-**	-	**-**	-
Risk weighted assets – operational risk	**1,663,258**	1,329,223	**1,601,470**	1,292,350
Total risk weighted assets	**10,835,964**	10,342,635	**10,829,874**	10,297,902
Transitional	**%**	%	**%**	%
Common Equity Tier 1 (CET1) ratio	**19.2**	17.4	**18.6**	17.2
Total capital ratio	**24.1**	22.4	**23.5**	22.2
Leverage ratio	**8.8**	7.7	**8.5**	7.5

1. Includes profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million.
2. Includes profits for the year ended 31 December 2023 net of a deduction for the distribution in respect of 2023 earnings following approval received by the ECB in March 2024 and relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €137 million.
3. CET1 includes regulatory deductions, comprising, amongst others, intangible assets amounting to €25,231 thousand for the Group and €16,039 thousand for BOC PCL as at 31 December 2024 (31 December 2023: €24,337 thousand for the Group and €16,861 thousand for BOC PCL).
4. Includes Credit Valuation Adjustments (CVA).

6. Capital management (continued)

The capital ratios of the Group and BOC PCL as at the reporting date on a fully loaded basis are presented below:

Fully loaded	**Group**		**BOC PCL**	
	31 December 2024[1,3]	31 December 2023[2,3]	**31 December 2024[1,3]**	31 December 2023[2,3]
	%	%	**%**	%
Common Equity Tier 1 ratio	**19.2**	17.3	**18.6**	17.1
Total capital ratio	**24.0**	22.4	**23.5**	22.2
Leverage ratio	**8.8**	7.6	**8.5**	7.5

1. Includes profits for the year ended 31 December 2024 net of a deduction for the distribution in respect of 2024 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €241 million.
2. Includes profits for the year ended 31 December 2023 net of a deduction for the distribution in respect of 2023 earnings following approval received by the ECB in March 2024 and relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €137 million.
3. IFRS 9 fully loaded as applicable.

During the year ended 31 December 2024, the regulatory CET1 ratio was mainly affected by pre-provision income, provisions and impairments, the payment of AT1 coupon, other movements and the movement in risk-weighted assets. The CET1 ratio is also impacted by the deductions for distribution in respect of 2024 earnings and charges in line with the applicable framework as set out above. As a result, the CET1 ratio (on a transitional and on a fully loaded basis) has increased by approximately 180 bps during the year ended 31 December 2024.

A charge, which amounted to 26 bps as at 31 December 2024, is deducted from own funds in relation to ECB expectations for NPEs. In addition, a prudential charge in relation to the onsite inspection on the value of the Group's foreclosed assets is being deducted from own funds since June 2021, the impact of which is 3 bps on the Group's CET1 ratio as at 31 December 2024. Furthermore, the Group is subject to increased capital requirements in relation to its real estate repossessed portfolio which follow a SREP provision to ensure minimum capital levels retained on long-term holdings of real estate assets, with such requirements being dynamic by reference to the in-scope REMU assets remaining on the balance sheet of the Group and the value of such assets. As at 31 December 2024 the impact of these requirements was 51 bps on the Group's CET1 ratio compared to 24 bps as at 31 December 2023. The above-mentioned requirements are within the capital plans of the Group and incorporated within its capital projections.

6. Capital management (continued)

Capital requirements of subsidiaries

The insurance subsidiaries of the Group, the General Insurance of Cyprus Ltd and Eurolife Ltd, comply with the requirements of the Superintendent of Insurance including the minimum solvency ratio. The regulated Cyprus Investment Firm (CIF) of the Group, The Cyprus Investment and Securities Corporation Ltd (CISCO), complies with the minimum capital adequacy ratio requirements. In 2021 the new prudential regime for Investment Firms ('IFs') as per the Investment Firm Regulation (EU) 2019/2033 ('IFR') on the prudential requirements of IFs and the Investment Firm Directive (EU) 2019/2034 ('IFD') on the prudential supervision of IFs came into effect. Under the new regime CISCO has been classified as a Non-Systemic 'Class 2' company and is subject to the new IFR/IFD regime in full. The payment services subsidiary of the Group, JCC Payment Systems Ltd, complies with the regulatory capital requirements under the Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 to 2023.

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Bank Recovery and Resolution Directive (BRRD) requires that from January 2016 EU member states shall apply the BRRD's provisions requiring EU credit institutions and certain investment firms to maintain a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), subject to the provisions of the Commission Delegated Regulation (EU) 2016/1450. On 27 June 2019, as part of the reform package for strengthening the resilience and resolvability of European banks, the BRRD II came into effect and was required to be transposed into national law. BRRD II was transposed and implemented in Cyprus law in May 2021. In addition, certain provisions on MREL have been introduced in CRR II which also came into force on 27 June 2019 as part of the reform package and were immediately effective.

In January 2024, BOC PCL received final notification from the SRB regarding the 2024 MREL decision, by which the final MREL requirement was set at 25.00% of risk weighted assets (30.30% of risk-weighted assets when taking into account the prevailing CBR as at 31 December 2024 which needs to be met with own funds on top of the MREL) and 5.91% of Leverage Ratio Exposure (LRE) (as defined in the CRR) and must be met by 31 December 2024.

In January 2025, BOC PCL, received final notification from the SRB regarding the 2025 MREL decision, by which the final MREL requirement is now set at 23.85% of risk weighted assets (or 29.21% of risk weighted assets taking into account the prevailing CBR as at 1 January 2025 which needs to be met with own funds on top of the MREL) and 5.91% of Leverage Ratio Exposure. The revised MREL requirements became binding with immediate effect.

BOC PCL must comply with the MREL requirement at the consolidated level, comprising BOC PCL and its subsidiaries.

The MREL ratio as at 31 December 2024, calculated according to the SRB's eligibility criteria currently in effect and based on internal estimate, stood at 33.7% of RWAs (including capital used to meet the CBR) and at 13.9% of LRE (based on the regulatory Total Capital as at 31 December 2024) demonstrating that the Bank finalized its MREL build-up and created a comfortable buffer over the final requirements. The CBR stood at 5.30% as at 31 December 2024, compared to 4.48% as at 31 December 2023, reflecting the increase of the CcyB and O-SII buffer by approximately 50 bps and 37.5 bps respectively. The CBR is expected to increase further as a result of the phasing-in of O-SII buffer from 1.875% to 1.9375% on 1 January 2025 and to 2.00% on 1 January 2026 as well as the expected increase of the CcyB rate as of January 2026 as aforementioned.

Sustainability Statement 2024

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Sustainability Statement – Summary

As part of its vision to be the leading financial hub in Cyprus, the Group is determined to be a leader in Cyprus towards sustainable future. The Group systematically moves forward to the alignment with sustainable banking and continues to embed Environmental, Social and Governance (ESG) in its infrastructure, strategies, risk management practises, governance arrangements and policies. Corporate Sustainability Reporting Directive (CSRD), coming into force in 2024, acts as a turning point in the sustainability reporting landscape in the European Union (EU). This is the first Sustainability Statement, based on CSRD, published by the Group, representing a step change in corporate reporting reflecting disclosures on impacts, risks and opportunities that are of material importance to our stakeholders on sustainability matters.

Environment

Climate change is one of the biggest challenges that humanity faces. The World Meteorological Organization (WMO) declared that 2024 is the warmest year on record, with the global average surface temperature being approximately 1.55°C above the pre-industrial level, breaching the 1.5 °C global warming level for the first time. Global Greenhouse Gas (GHG) emissions continue to increase, and extreme climate events are more frequent than ever. This means GHG emissions need to decline now. Consequently, the Group continues to be committed, through its ESG Strategy, to lead the transition of Cyprus to a sustainable future by aligning its own operations, supply chain and portfolios with the transition to a sustainable economy. Group's commitment is enforced through the Group's ESG primary ambitions:

1. Reduction by 42% of GHG emissions from own operations by 2030;
2. Become Net Zero by 2050;
3. Steadily increase Green Asset Ratio (GAR);
4. Steadily increase Green Mortgage Ratio.

The Group leads by example by decarbonizing its own operations. The Group has developed a decarbonisation plan to reduce its own carbon footprint relating to Scope 1 and Scope 2 GHG emissions, and ultimately achieve the interim target to decrease emissions from own operations by 42% (absolute target) by 2030, compared to the baseline of 2021. The Group managed to reduce its Scope 1 and Scope 2 GHG emissions by 25% between the start of 2022 and the end of 2024.

In line with its Net Zero ambition by 2050, the Group, in 2023, set its first decarbonisation target on its loan portfolio, aiming to reduce the carbon intensity metric of its mortgage portfolio by 43% by 2030 compared to the baseline of 2022, by directing its new lending towards more energy efficient residential properties. In that respect, the Group launched a Green Housing product to support the green transition and ensure reaching the decarbonisation target set. The Group managed to reduce the carbon intensity metric of Mortgage portfolio by 12% as at 31 December 2024 compared to 31 December 2022.

Additionally, by taking into account the regulatory, policy and macroeconomic developments in the climate and environmental area, the Group has set green new lending internal KPIs on Business Lines so as to mobilise and incentivise the green transition of its customers and effectively help to manage the risks to which its customers might be exposed. The Group's Gross environmentally friendly loans as at 31 December 2024 reached €355mn, 90% higher compared to 31 December 2023. In line with Beyond Banking approach, the Group proceeded, in 2024, with the issuance of its inaugural €300mn green bond, the proceeds of which will be allocated to green eligible projects under the Sustainable Finance Framework.

During 2024, the Group made progress in integrating climate-related and environmental (C&E) risks into risk management approach and risk culture. The Group established and enhanced the C&E risks identification and materiality assessment process (RIMA). The Group carried out a comprehensive identification and assessment of C&E risks as drivers of existing financial and non-financial risks considering its business profile, loan portfolio composition and other. In addition, the Group through a combination of sensitivity analysis and stress testing approaches, including scenario analysis, ensures the Group has the adaptive capacity to respond to the material C&E physical and transition risks. The Group established policies to support its ESG strategy, manage material C&E risks and impacts and grasp material opportunities.

Key Highlights

25% reduction in Group's Scope 1 and Scope 2 GHG emissions, in 2024 compared to 2021 baseline

12% reduction in $kgCO_2/m^2$ of Mortgage portfolio between December 2022 to December 2024

2,893,635 (tCO_2eq) GHG emission inventory in 2024

355mn Gross environmentally friendly loans as at 31 December 2024 (90% increase compared to 31 December 2023)

3.9% Gross loans exposures to coal, oil and gas related economic activities

300mn inaugural green bond issuance in 2024

0.6% GAR as at 31 December 2024 compared to 0% as at 31 December 2023

Sustainability Statement – Summary (continued)

Social

The Group embraces a broad approach to sustainability, from how we take care of our employees, to how we advise and work together with our customers and partners on sustainable choices. The Group respects human rights and integrates them into operational policies and procedures. The Group's Code of Ethics and Code of Conduct outline defined standards for behaviour, responsibilities, and ethical practices applicable to all employees. These frameworks are supported by reporting mechanisms and investigation procedures to address issues and ensure equitable treatment. The Group engages with its workforce and customers through channels designed to promote accountability and inclusion, supporting a culture aligned with these principles.

The health and safety (H&S) of our own workforce and other stakeholders remains a top priority, reflecting Group's dedication to a culture that puts people first. The Group implements a Health and Safety management system (HSMS) designed to identify and address hazards across all operations. 94.65% of Group's own workforce is covered by the Group's HSMS. The Group implements actions such as incident investigation, emergency response, H&S inspections and H&S risk assessment studies to manage the H&S risks associated with own workforce. The Group recorded 3 work related injuries, in 2024, and the rate of recordable work-related injuries remains low at 0.65. The HSMS covers customers, suppliers and visitors.

The Group prioritises the protection of data and personal data. The Group has implemented measures to mitigate the negative impact on privacy as well as the identified risks associated with cyber-attacks and data breaches, reflecting its compliance with applicable data protection regulations and its commitment to the secure handling of employee and customer information. The Group maintains a strict no-tolerance policy for any non-compliance with GDPR and expects full adherence to legal and regulatory requirements across all operations. The Group has zero tolerance towards data leakage.

The Group constantly strives to become an even more client-centric organization supporting the accessibility to products and services. A targeted digital transformation program is already underway, with the goal of facilitating the shift to a more modern way of conducting business, enhancing the digitisation of services provided to our clients, as well as the digitisation of our internal operations. The percentage of the Group's digital transactions in its total portfolio was 95.54% in 2024 with key digital features such as digital deposits, QuickLoans, QuickCards, digital accounts and digital housing being introduced. In addition, the Group through the implementation of Business Continuity Management system manages the risk of system downtimes impacting customers accessibility to products and services and customer service.

The Group, though its Digital Economy Platform (Jinius), is leading the efforts underway to digitise and technologically upgrade the Cypriot economy and to facilitate entrepreneurship. Jinius platform shapes the digital ecosystem of the Cypriot economy, bringing together businesses, organisations, suppliers, and customers in a single digital environment. Jinius through Business-to-Business Services offer tender management, ecosystem management, invoice management and remittance management services.

At the centre of positive impact lies our contribution to the Bank of Cyprus Oncology Centre which represents a partnership between the public and the private sector in Cyprus serving cancer patients and the society at large. Around €2mn was contributed to the Centre in 2024.

Key Highlights

58.8% of own workforce **is female**

98.7% of own workforce **is permanent**

94.65% of own workforce is covered by the undertaking's HSMS

3 work-related injuries

95.54% Digital transaction ratio (total portfolio)

€491mn new lending on retail housing

2mn contribution to the BOC Oncology Center in 2024

Sustainability Statement – Summary (continued)

Governance

The Group recognises that responsible business conduct is the cornerstone to sustainability and ethical business practices. Group's approach to business conduct is guided by its core values of integrity, reliability, collaboration, professionalism and innovation, ensuring that every decision reached aligns with our ethical standards and stakeholder expectations.

The Group believes that a culture of ethical behaviour and strong governance is essential for long-term success and trust-building with our customers, partners, and communities. Our business conduct framework encompasses comprehensive policies, procedures, and training programs designed to promote responsible practices across all levels of our organization. The Board of Directors (Board) provides ethical leadership and promote the Group's vision, values, culture, and behaviour, within a framework of prudent and effective controls, which enables risk to be identified, assessed, measured, and managed. The Board sets the Group's corporate values and high ethical standards of business conduct for itself and all members of the Group and ensures that its obligations to its shareholders and others are understood and met. The Group implements a Whistleblowing system offering accessible, confidential channels for employees to report violations, unethical behaviour, or improper practices.

Expanding sustainable practices towards the supply chain, the Group implements Sourcing, Procurement & Vendor Management Policy which establishes clear expectations for suppliers to operate responsibly and sustainably, aligning with the Group's dedication to ethical and responsible business practices. The Group implements various actions and procedures to ensure long-term relationship with suppliers and adherence to ethical labor, human rights, working conditions and H&S principles. The Group is in the process to implement vendor ESG Due Diligence process, using structured ESG questionnaires, which will facilitate assessing vendors' performance towards ESG as well as their exposure to ESG risks.

The Group has no tolerance to facilitating any sort of Financial crime/ terrorism financing therefore, implements appropriate Due Diligence procedures to ensure that the Group's systems and processes are not used by money launderers or anyone involved in criminal and illegal activities. In addition, the Group is exposed to material risk of external fraud given the nature of its business model, therefore a set of actions, procedures and internal controls are implemented to identify, prevent, detect and respond to fraud.

Conflicts of interest and compliance with laws and regulations are fundamental to business conduct and sustainable business practices. The Group established a compliance framework that encompasses a set of policies, procedures, and controls designed to ensure that all our operations and activities align with applicable laws and regulations and conflicts of interest are identified and managed. The Group's conflict of interest registry reports zero conflict of interests assessed as High in 2024.

Key Highlights

Zero conflict of interests classified as High

1,576.5 training hours on Antibribery and Whistleblowing system

1,732.3 training hours on prevention of money laundering and terrorism financing

1,558.5 training hours on Fraud risk awareness

No tolerance to financial crime/terrorism financing

No tolerance to acts of bribery and corruption

No tolerance with regards to non-compliance with regulatory, legal and compliance requirements

ESRS 2 – General Disclosures

1. General Basis for Preparation

The Sustainability Statement of Bank of Cyprus Public Company Ltd ('BOC PCL' or 'the Bank') for the year ended 31 December 2024 has been prepared, on a consolidated basis, in accordance with the European Sustainability Reporting Standards (ESRS) as the reporting framework for the purpose of preparing Annual Non-Financial Results pursuant to the provisions of section 151B of the Companies Law, Cap. 113. The reporting period and the scope of consolidation of the Sustainability Statement is consistent with the consolidated financial statements of BOC PCL. The Sustainability Statement relates to the BOC PCL and together with its subsidiaries the Group.

In 2024, the Group conducted its first Double Materiality Assessment (DMA) to set the basis of the Sustainability Statement. This analysis identifies the Group's material impacts, risks and opportunities (IROs) across its operations, upstream and downstream value chain considering all time horizons; short, medium and long-term. The Group's policies, actions, targets, and metrics to address the material IROs identified as part of the DMA have been disclosed in the respective topical sections, including those associated with the broader value chain. The methodology and reporting criteria for the DMA process are outlined in 4. Impacts, Risks and Opportunities under ESRS 2 – General Disclosures in page 95. The results of the DMA are reflected in 4. Impacts, Risks and Opportunities under ESRS 2 – General Disclosures in page 99. The DMA supports to inform the Group's potential strategic choices and shapes its ESG data collection. The Group aims to support a deeper integration of sustainability across its operations and this includes influencing decision making at every level.

The Group has not omitted any specific information on the basis of intellectual property, know-how, or innovation results, or the basis of negotiation. Disclosures in the Sustainability Statement refer to the Group, except for disclosures associated with material impacts, risks and opportunities of banking activities of the Group in which reference to Bank of Cyprus Public Company Ltd ('BOC PCL' or 'the Bank') is made.

Key estimates and judgment

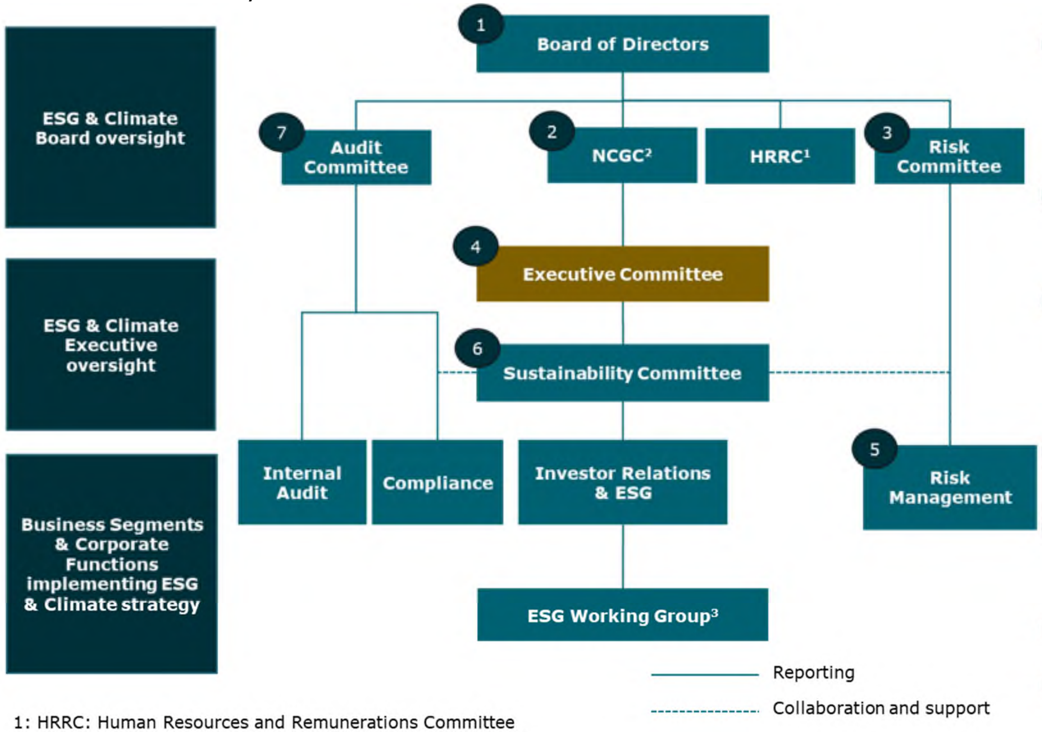
The Group's presentation of sustainability information may be subject to measurement uncertainty due to limitations in methodologies and data, including reliance on third-party data for GHG emissions estimation. The Group uses judgments and estimates for reporting towards Scope 3 GHG emissions. The Group has used estimates based on recognised frameworks available at this time. The Group will continue to monitor methodologies and data availability, and update as appropriate. Refer to Reporting Principles under the Sustainability Statement - Additional Information in page 239.

ESRS 2 – General Disclosures (continued)

2. Governance

The role of the administrative, management and supervisory bodies

The Board has ultimate oversight of the identification, assessment and integration of ESG impacts, risks and opportunities throughout the organisation. The Board has delegated authority to Board Committees to support the ESG oversight. These committees play a role in identifying, managing, and reporting material ESG impacts, risks, and opportunities as well as oversight the content, scope and reporting process of the CSRD Sustainability Statement. The Terms of Reference of each committee dictate the responsibilities regarding ESG matters. The following sustainability governance diagram illustrates how the Group's governance is currently structured towards sustainability.



1. The Board, through the NCGC[2] and Risk Committee, oversees the implementation of the Group's ESG and climate strategy. In order to adequately assess climate risks and opportunities, the Board draws on expertise both internally and externally. All ESG & Climate related matters are recommended for consideration and approval to the Board through the Risk Committee or NCGC.
2. NCGC[2] provides oversight to the Group's ESG, and climate strategy aimed at achieving present and future economic prosperity, environmental integrity, climate stability and social equity for the Group and its stakeholders.
3. Risk Committee identifies, assesses, controls and monitors financial / economic risks and non-financial risks (including operational, technological, tax, legal, reputational, and compliance, and ESG including climate-related & environmental risks (C&E)) which the Group faces in cooperation with the responsible Board Committees.
4. EXCO recommends to the Board all ESG and Climate related matters and policies (Excluding ESG and climate risks matters and policies) for consideration and approval through NCGC[2].
5. ESG and climate risks related policies and matters are reviewed and challenged by the Sustainability Committee and are subsequently submitted by Risk Management Division directly to the Board for consideration and approval through Risk Committee, also notifying EXCO.
6. Sustainability Committee reports to EXCO.
7. Audit Committee assesses the soundness of the methodologies, policies and governance of the internal control system of the Bank's ESG structure and framework

1: HRRC: Human Resources and Remunerations Committee
2: NCGC: Nominations and Corporate Governance Committee
3: ESG working group has been formed in order to support the implementation of the ESG agenda. ESG working group includes Legal, Finance, Business Lines, Operations & Cost Management, Treasury, Digital office, Strategy, Procurement, IT, HR, CAD and Insurance.

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability Oversight at Board Level

Group Board Committees	Role and Responsibilities
Risk Committee	The main purpose of the Risk Committee (RC) is to review, on behalf of the Board, the aggregate Risk Profile of the Group, including performance against Risk Appetite for all risk types and ensure both Risk Profile and Risk Appetite remain appropriate. The RC is responsible for the following: i. Oversee the identification, assessment, control and monitor of financial/economic risks and non-financial risks (including operational, technological, tax, legal, reputational, compliance, and ESG including C&E risks) which the Group faces in cooperation with the responsible Board Committees. ii. Ensure that the Group's overall Risk Profile and Risk Appetite remain appropriate given the evolving external environment, the Group's character and the internal control environment. iii. Ensure effective and on-going monitoring and review of the Group's management or mitigation of risk, including the Group's control processes, training and culture, information and communication systems and processes for monitoring and reviewing their continuing effectiveness. iv. Report to the Board any current or emerging topics relating to ESG risks and matters, including C&E risks and matters, that are expected to materially affect the business, operations, performance, or public image of the Group or are otherwise pertinent to it and its stakeholders and if appropriate, detail actions taken in relation to the same. v. Determine the principles that should govern the management of risks (including ESG and C&E risks), through the establishment of appropriate Risk Policies. vi. Review and monitor key enterprise wide ESG, including C&E, metrics, targets, Key Performance Indicators (KPIs), Key Risk Indicators (KRIs) and related goals and monitor the progress towards achieving targets and benchmarks. vii. Receive and review periodic reports from management on ESG and climate trends, issues, and risks, including developments in applicable regulations, as well as the corresponding mitigation initiatives and controls.
Nominations and Corporate Governance Committee	The Nominations and Corporate Governance Committee (NCGC) has been delegated authority by the Board to provide oversight to the Group's sustainability strategy aimed at achieving present and future economic prosperity, environmental integrity, climate stability and social equity for the Group and its stakeholders. The NCGC is responsible for the following: i. Oversight the development of the strategy for ESG including C&E matters focusing on Environmental, Climate, Ethical, Social, and Economic pillars and ensure it is embedded throughout the operations of the Group. ii. Advise, support and guide the Chief Executive Officer (CEO) and Executive Management Team in formulating and implementing a business strategy geared to the sustainable development of the Group taking into account ESG, including C&E impacts. iii. Oversee the Sustainability Committee's (SC) implementation and progress regarding the ESG working plan. iv. Review the institution's response and plan of action to the objectives set out under international agreements. v. Review and recommend to the Board for approval the ESG targets and KPIs, including C&E targets and KPIs, and monitor their performance. vi. Review and recommend to the Board for approval the non-financial disclosures presented by the SC, including CSRD Sustainability Statement in accordance with ESRS. vii. Review and recommend to the Board for approval the ESG and Environmental Policy and Sustainable Finance Framework which enables BOC PCL to issue Green/Social or Sustainable bonds.

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability Oversight at Board Level (continued)

Group Board Committees	Role and Responsibilities
Human Resources and Remuneration Committee	The Human Resources and Remuneration Committee (HRRC) has been delegated authority by the Board to oversee the implementation of Strategic HR initiatives which promote and are aligned with the Group's ESG ambition, strategy and objectives. The HRRC reviews at least annually the appropriate structure of the remuneration system and whether the total amount of variable compensation has been set in accordance with the Remuneration Framework of the Central Bank Directive on Governance. Any enhancements to the Remuneration Policy to incorporate ESG and climate criteria are recommended to the Board for approval by the HRRC.
Audit Committee	The Audit Committee (AC) has been delegated authority by the Board to assess the soundness of the methodologies and policies that the management of the Group uses to develop ESG, including C&E metrics and other disclosures and to assess the key vendors' plans about sustainability. The AC is responsible for the following: i. Ensure the ESG frameworks/standards, including C&E frameworks/standards, used are proper and relevant climate-related financial disclosures are investor grade. ii. Consider materiality in terms of how ESG issues, including C&E issues, impact the Group's financial performance and ability to create long-term value (Financial materiality) and how the Group's actions impact people and the planet (Impact materiality). iii. Review other material public disclosures with respect to ESG, including C&E matters and discuss with management the Group's engagement with stakeholders on key ESG matters, including C&E matters, including in response to any proposals or other concerns that have been submitted to BOC PCL or the Board. iv. Ensure that Internal audit incorporates ESG, including C&E risks, in its Risk and Audit Universe. v. Overseeing all matters relating to the relationship between the Group and the external auditors. This also includes overseeing the external audit activities in relation to the limited assurance over the Sustainability Statement.

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability Oversight at Management level

The Group has set certain roles and responsibilities for the Group's Management Committees to provide oversight related to ESG impacts, risks, opportunities, goals and disclosures. Refer below to the roles and responsibilities associated with the Group Executive Committee and Group Sustainability Committee.

Role and Responsibilities – Group Sustainability Committee
The Sustainability Committee (SC) is an executive level committee chaired by the CEO and has as a primary role the oversight of the ESG agenda of the Group aiming to lead the Group towards a cleaner, fairer, healthier, and safer world by helping its customers manage risks in a long term sustainable and equitable way, and to be the employer of choice. The SC is responsible for the following: i. Monitor and review the development of the Group's ESG strategy including the management of ESG risks, including C&E risks and recommend to EXCO for approval. Following EXCO approval then it is recommended to the Board for consideration and approval through NCGC. ii. Oversee the implementation of the Group's ESG & Climate strategy. iii. Review the institution's response and plan of action to the objectives set out under international agreements and makes recommendations for the plan of actions to the EXCO for approval. Following EXCO approval then is recommended to the Board for consideration and approval through NCGC. iv. Review the ESG including C&E targets and KPIs and recommends to EXCO for approval. Following EXCO approval then is recommended to the Board for consideration and approval through NCGC. Monitor the performance of the targets and KPIs set. v. Review the incorporation of ESG including C&E targets, KPIs and KRIs in the business strategy and risk appetite. vi. Monitor progress against the Group's ESG working plan on a quarterly basis including the implementation of the ECB Guide on C&E risks. vii. Monitor progress on KPIs set to manage C&E risks and the performance against wider ESG targets, on a quarterly basis, through the Sustainability Performance Report. The Sustainability performance report is monitored by the EXCO and NCGC on a quarterly basis. viii. Request from the relevant departments to submit proposals and recommendations of corrective actions whenever a KPI to manage C&E risks is not aligned with the thresholds set. ix. Monitor KRIs set to manage C&E risks, through the Climate Risk report, on a quarterly basis. The Climate Risk Report is also monitored by the EXCO and RC on a quarterly basis. x. Oversee the degree of the Group's alignment with regulatory ESG including C&E related guidance, rules (such as EU Taxonomy, SFDR and CSRD) and ECB expectations. xi. Oversee the establishment of environmentally friendly products and Sustainable Finance Framework. xii. Review policies relating to ESG matters, including C&E matters, to ensure that they are in line with the needs of the Group and the Group's ESG strategy and that they comply with applicable legal and regulatory requirements. Monitors the implementation of policies relating to ESG including C&E matters (excluding ESG and C&E risks related policies). xiii. Review and challenge Risk Management Division (RMD) regarding ESG matters and policies, including C&E risks related matters and policies, such as ESG and C&E risk identification, quantification, materiality assessment (MA) and establishment of ESG and C&E criteria in the loan origination process. RMD subsequently submits to the Board for consideration and approval through RC for approval of ESG and C&E risks related matters and policies, also notifying EXCO. xiv. Review non-financial disclosures and recommends to the Board for consideration and approval through NCGC and EXCO. xv. Monitor the external ESG and C&E trends affecting the formulation of ESG policies, strategies and objectives

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability Oversight at Management level (continued)

Role and Responsibilities – Group Executive Committee	
The EXCO is responsible for the following:	
i.	Consider the overall financial performance and progress of the Group per line of business, including, but not limited to, the Group's capital and liquidity position, the Group profitability, the Non-Performing Exposures (NPE) and the REMU portfolio.
ii.	Consider the market conditions and strategic initiatives.
iii.	Monitor the recovery and early warning indicators and assess the need to escalate for further action to the RC and the Board.
iv.	Consider the Risk Report.
v.	Consider and approve budgets, business strategies/risk strategy to be presented to the Board for approval.
vi.	Consider and approve the Group's Risk Appetite Statement to be presented to the RC and Board for approval.
vii.	vii. Consider and approve the Group's Capital Plan to be presented to the RC and the Board for approval.
viii.	Consider the Compliance Reports/Matters and progress.
ix.	Consider the Internal Audit Reports/Matters and progress.
x.	Consider the HR/People Management/Matters and progress.
xi.	Consider the Corporate Affairs Report/Matters and progress.
xii.	Approve all matters escalated to EXCO within its delegated authorities and/or recommend matters requiring escalation to the Board.
xiii.	Consider all other matters escalated for discussion by any member of the EXCO or any other Committee/Forum.
xiv.	Monitor the Board and Board Committees pending decision lists.
xv.	Note the minutes of the Acquisition & Disposal Committee (ADC), Group Asset & Liability Committee (ALCO), the Regulatory Steering Group (RSG) and the Business Development Committee (BDC).

Internal controls and procedures in place for Management Committees and Board to monitor the management of impacts, risks and opportunities are described in pages 76-79, 80, 83-84 and 96.

Following the compilation of the ESG strategy in 2021, and the ESG working plan in 2022 - 2024, specific accountabilities are assigned to the Group's Executives and Directors. The ESG responsibilities assigned to key Executives and Directors of the Group are summarised in the table below:

Chief Executive Officer	The CEO governs the sustainability performance of the Group, driving focus on ESG and climate stewardship and tracking progress made across the business to meet the Group's ESG and climate ambitions through the long-term ESG working plan. The CEO is involved in the identification of sustainable finance growth opportunities for the Group and promoting the development of these in tackling climate change.
Executive Director Finance	The Executive Director of Finance is responsible for the successful integration of ESG into the Group's core business operations, in cooperation with business lines Directors, and long-term business strategy as well as the oversight of the progress of the ESG working plan for the implementation of ESG and climate strategy and sustainability reporting including Sustainability Statement under CSRD. In addition, the Executive Director of Finance is responsible for the oversight of the estimation of Scope 1, Scope 2 and Scope 3 GHG emissions of the Group and the establishment of C&E decarbonisation targets and strategy, in cooperation with Deputy CEO and Chief Risk Officer.
Chief Risk Officer	The Chief Risk Officer (CRO) is responsible and accountable for the process of effectively managing ESG, including the C&E, risks of the Group. This includes the responsibility of overseeing the implementation of the ESG working plan which supports the C&E risk identification, measurement, assessment, stress-testing and limit setting, as well as the supporting governance. The role further encompasses the responsibility of reviewing risk appetite and C&E risk appetite metrics.

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability Oversight at Management level (continued)

The Group, in 2024, further enhanced the ESG working plan, compiled in 2022, which is monitored by Investor Relations & ESG Department (IR&ESG), RMD, the SC, the EXCO and ultimately by NCGC and RC. The ESG working plan is structured in workstreams which are designed to articulate delivery of Group's ESG strategic objectives and are aligned with ECB expectations and other regulatory disclosure requirements. Each workstream is associated with specific activities designed to meet relevant reporting and regulatory requirements and achieve the Group's targets and objectives. For the successful delivery of the Group's ESG strategic objectives the Group has formed an ESG working group comprising of experts from various departments assigned with specific activities under the ESG working plan. Each activity completed by the ESG working group, is reviewed by the IR&ESG and RMD. The progress, status and output of activities is following the relevant governance arrangements as described above. In addition, the Group has assigned roles and responsibilities on ESG to the Business Lines, Compliance Division (CD) and Internal Audit Division (IAD).

Sustainability related skills and expertise

At Board level, the NCGC assesses periodically, and at least annually, the structure, size, composition, and succession plan of the Board (including skills, knowledge, experience, independence and diversity) and recommends to the Board the skills and experience required to provide sound governance oversight. Following 2023 review of knowledge, experience and skills in the Board, the NCGC concluded that the Board's skills profile, both academic and professional, aligns with the diverse needs of the Group's business. However, it was identified that the area of ESG require further strengthening to align with the Group's strategic direction. The Group, on May 2024, appointed Mr. Christian Philipp Hansmeyer as an independent non – executive director with significant experience in sustainable finance, ESG and impact investing to enhance further the ESG expertise in the Board. NCGC, in 2024, concluded that the Board's skills profile, both academic and professional, aligns with the diverse needs of the Group's business. All members of the Board, as well as the Executive and Supervisory Committees, possess an appropriate level of understanding of sustainability matters. To ensure its administrative and supervisory bodies collectively maintain the necessary skills and expertise, the Group engages internal and external sustainability experts and provides dedicated training programs.

In support of the Group's sustainability strategy and to meet regulator, investor, customer and colleague expectations, the Group develops on an annual basis a Board training plan which includes trainings associated with sustainability. In addition, all employee training on climate concepts and processes as well as job specific training supports the development of skills and expertise across the Group.

2024 Sustainability Trainings			
Trainings	**No. of participants**	**Training attendance (Hours)**	**Relevance to IROs**
Board			
Embedding Climate Risk in Business Strategy & Execution	8	9	Climate Change - Climate Change Mitigation & Climate Change Adaptation & Energy
EXCO and SC			
Embedding Climate Risk in Business Strategy & Execution	22	30	Climate Change - Climate Change Mitigation & Climate Change Adaptation & Energy
All staff			
E-learning on Green Transition	2,561	1,280.5	Climate Change - Climate Change Mitigation & Climate Change Adaptation & Energy

The Board, during the Board offsite in 2024, received training associated with CSRD. For trainings conducted at Board, Senior Management level and individual contributors on Business Conduct IROs refer to 5. Training on Business Conduct under ESRS G1 – Business Conduct in page 208.

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Board's Composition

As at 31 December 2024, the Board comprised of eight (8) members (2023: nine (9)), the Group's Chairperson, who was independent at the time of appointment and remains independent, alongside two (2) executive directors (2023: two (2)) and five (5) non-executive directors (2023: six (6)). The Board comprises of six (6) non-executive directors (including the Chairperson) as at 31 December 2024 (2023: seven (7)). 75%[ii.] (2023: 66.7%[ii.]) of Board members have the status of independent as at 31 December 2024.

Board of Directors Composition – 31 December 2024		
Position in Board	**Name**	**Independence Status**
Chairperson	Efstratios-Georgios Arapoglou, (Non-Executive Member)	Independent
Vice-Chairperson	Lyn Grobler (Non-Executive Member)	Independent
Executive Members	Panicos Nicolaou	Non-independent
	Eliza Livadiotou	Non-independent
Non-Executive Members	Adrian John Lewis	Independent
	Monique Eugenie Hemerijck	Independent
	Christian Philipp Hansmeyer	Independent
	William Stuart Birrell	Independent

Note:

i. The Chairperson, Mr. Arapoglou, was independent on appointment and continues to operate in a manner that is independent in character and remains objective in his opinions having no other relationship or circumstances to affect his judgement. He commits the appropriate time for the Group's business, which is slightly more than the other non-executive directors, and it approximately amounts between 60-70 days per year. He has no other remuneration from the Group other than as Chairperson of the Board and chairperson of the NCGC, and member of the HRRC.

ii. The ratio includes the Chairperson both in the numerator and denominator.

Topical details on the role of Administrative, management and supervisory bodies are described in the following sections.

GOV – 1 – Topical ESRS	
ESRS	**Page**
G1 - Business conduct	206

ESRS 2 – General Disclosures (continued)

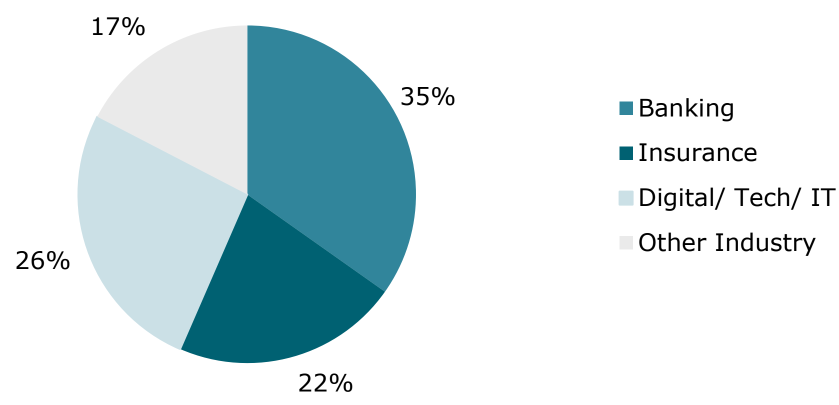
2. Governance (continued)

Board's Diversity

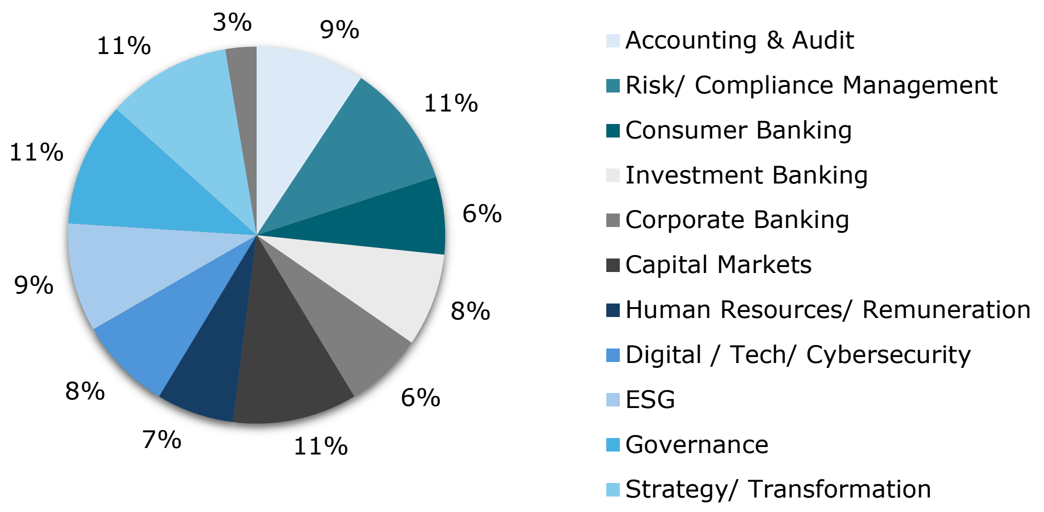
Female representation on the Board is a key aspect of diversity, with three (3) women and five (5) men, resulting in an average female-to-male ratio of 0.6:1 as at 31 December 2024 (2023: 0.8:1). The Group has a strategic objective to include diverse perspectives, and this is assessed through the at least annual assessment performed by the NCGC on structure, size, composition and succession plan of the Board. For further information on the Group's approach to Board diversity, refer to the Board Nominations and Diversity Policy which is available on the Group's website.

In the 2024 review of knowledge, experience, and skills, the NCGC concluded that the Board's skills profile, both academic and professional, aligns well with the diverse needs of the Group's business. This includes sectors such as banking, insurance, audit and accounting, risk management, interactions with competent authorities, strategy and business modelling, capital markets, information technology, ESG and human resource management.

Industry Skills/ Experience



Functional Skills/Experience/Knowledge



ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability matters addressed by the Board and Management Committees

All ESG matters that are submitted to the Board and Management Committees are in the form of formal documentation describing the purpose and scope of the paper, the methodology applied, any considerations conducted during the process, any assumptions made, and the conclusions/results reached. The papers are presented to the Board and Management Committees by the responsible Division/Department. The relevant Board and Management Committee enquires and challenges the responsible Division/Department in order to approve the relevant paper. The Group has introduced frequent reporting to administrative, management and supervisory bodies around sustainability matters, predominantly climate, as follows:

Reporting	Frequency	Committee	Material Impacts, Risks and Opportunities
Progress update to the ESG working plan	Quarterly	1. SC/EXCO 2. NCGC/RC	1. Progress update on the ESG Working plan designed to articulate delivery of Group's ESG strategic objectives and is aligned with ECB expectations and other regulatory disclosure requirements
Sustainability performance report	Quarterly	1. SC/EXCO 2. NCGC	1. Progress update on Climate change mitigation GHG emission reduction targets (42% reduction of Scope 1 and Scope 2 GHG emissions by 2030 compared to 2021 and 43% reduction in carbon intensity metric of mortgage portfolio by 2030 compared to 2022) 2. Progress update on Climate change mitigation new lending internal KPIs
Climate risk report	Quarterly	1. SC/EXCO 2. RC	1. Update on exposure to C&E risks 2. Progress on Climate change mitigation KRIs 3. Progress on Climate change adaptation KRIs 4. Update on implementation of ESG Due Diligence on loan Origination process 5. Update on Energy Performance Certificates (EPC)
Risk appetite framework (RAS) dashboard	Quarterly	1. EXCO 2. RC	1. Climate change mitigation and climate change adaptation update on KRIs
Business environment scan (BES) preliminary impact assessment on C&E updates and developments	Quarterly	1. SC/EXCO	1. Identification of C&E related updates and developments impacting Business Strategy and Risk assessment of the Group (Climate Change ROs).
BES final impact assessment on C&E updates and developments	Annually	1. SC/EXCO 2. NCGC/RC	1. Identification of C&E risk related updates and developments and integration to the Business Strategy and Risk assessment of the Group (Climate Change ROs).
Double materiality assessment	Annually	1. SC/EXCO 2. NCGC/AC	1. Approach towards DMA 2. Approach to the Group's Business segments on DMA 3. Impacts identified and threshold applied 4. Risks and opportunities identified and threshold applied 5. Key assumptions used in the DMA and procedures performed to support the assumptions 6. Material IROs identified and comparison of IROs with best practices 7. Results of stakeholder validation and consultation procedures
Green new lending internal KPIs	Monthly	1. BDC/EXCO	1. Progress update on energy, climate change mitigation and adaptation new lending internal KPIs

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Sustainability matters addressed by the Board and Management Committees (continued)

The Board, through Board committees engaged in a broad range of matters associated with sustainability IROs in 2024, including:

- Updates to Group's policies
- Corruption and bribery
- Financial crime and fraud
- Compliance with laws and regulations including occupational safety
- Information security
- Privacy matters
- Grievance mechanisms
- Double materiality assessment in accordance with ESRS
- Sustainability and C&E risks
- Green new lending internal KPIs embedded in Group's Financial Plan
- Strategic GHG emissions reduction targets
- Operational limits on C&E physical and transition risks
- Remuneration policy
- Digital transformation

Integration of sustainability in Business Strategy

The Group enhanced the Group Financial and Business Plan manual to ensure the incorporation of considerations on ESG including C&E impacts, risks and opportunities in the Business Strategy. Specifically, during the planning phase of new lending the RMD and IR&ESG provide the sectors associated with C&E risks, the preliminary impact assessment derived from BES process, science-based targets (GHG emission reduction targets aligned with a climate scenario) set and the direction of Green/Transition new lending based on BES. In addition, each Division, taking into account the preliminary impact assessment (performed by RMD, IR & ESG and Strategy) on risk profile and strategy arising from the BES on C&E risks as well as the MA on C&E risks, identifies which are the material C&E risks over the Financial plan period and defines the actions, strategies and products to mitigate the C&E risks identified. IR&ESG department is responsible for the adequacy, relevance and reasonableness of the business lines strategies to manage material C&E risks on the main portfolios.

Integration of sustainability-related performance in incentive schemes

The Group has taken necessary steps in embedding its ESG strategic goals within its remuneration policy, to connect the performance of its personnel to ESG and climate matters. The remuneration policy promotes sound and effective risk management, in line with the Group's ESG and climate strategy and does not encourage excessive risk taking that exceeds the level of risk tolerated by the Group. Remuneration structure of the Group typically consists of fixed plus variable pay. Fixed remuneration does not embed any ESG incentive considerations. Variable remuneration[1] is based on a combination of the performance of the employee, the overall performance of the business unit the individual belongs to, and the Group's consolidated financial results.

Regarding variable remuneration, performance criteria (financial and/or not financial), set to measure the performance of Senior Management, contain KPIs that relate to the implementation of the Group's ESG strategy, reflecting the Group's emphasis on achieving its sustainability related objectives, in accordance with the role and responsibility of each Senior Manager in relation to the ESG Strategy. These KPIs are used to evaluate the performance of Senior Management, when the distribution of a Short-Term Incentive Plan (STIP) is activated. Specifically, the percentage of the salary to be paid as STIP for Senior Management is adjusted in accordance with Group's performance and individual performance. The KPIs embedded in the performance criteria of Senior Management are primarily qualitative (Oversee the ESG Working Plan, effective implementation of decarbonisation activities on own operations etc.) but certain quantitative KPIs are included as well, such as annual Green new lending internal KPIs for Business Lines. The weight of ESG related KPIs on individual Senior Management's performance appraisal is between 3%-15%. Senior Management's KPIs for individual performance appraisal are approved annually by HRRC. The Board should annually approve a proposal for the implementation of a Short-Term Incentive Plan (STIP) across the organisation. The allocation criteria are to be decided on an annual basis by the HRRC.

[1] Additional discretionary remuneration paid to an individual as an incentive for increased productivity and competitiveness.

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Integration of sustainability-related performance in incentive schemes (continued)

The annual bonus pool will vary in accordance with the Group's performance/profitability for each financial year. Performance will typically be assessed based on a one-year performance period.

The Long-Term Incentive Plan (LTIP) was approved by the 2022 AGM, which took place on 20 May 2022. The LTIP involves the granting of share awards and is driven by scorecard achievement, with measures and targets set to align pay outcomes with the delivery of the Group's strategy. Currently, under the plan, the employees eligible for LTIP awards are the members of the Extended EXCO, including the executive directors. The LTIP stipulates that performance will be measured over a 3-year period and sets financial and non-financial objectives to be achieved. At the end of the performance period, the performance outcome will be used to assess the percentage of the awards that will vest. The AGM resolution, approved by the shareholders in May 2024, gave the Group the flexibility to increase the ratio of variable to fixed remuneration to up to a maximum of 100% for Material Risk Takers. Up to 100% of the awards will be subject to malus and clawback provisions in accordance with applicable legislation and regulations.

The applicable scorecard under the LTIP include a KPI on external ESG rating score with a target being an AA ESG rating for the Group, and this outcome has a 5% weight in the LTIP. Topical details on the integration of sustainability-related performance in incentive schemes is described in the ESRS E1 - Climate Change in page 110.

Statement on due diligence

The following table provides a mapping of how the Group applies the core elements of due diligence for people and the environment and where they are presented in this Sustainability Statement:

Core elements of Due Diligence	ESRS	Does the disclosure relate to people and/or the environment?	Page
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2	People and Environment	75
	ESRS 2 GOV-3	People and Environment	84
	ESRS 2 SBM-3	People and Environment	87
Engaging with affected stakeholders	ESRS 2 GOV-2	People and Environment	83
	ESRS 2 SBM-2	People and Environment	91
	ESRS 2 IRO-1	People and Environment	97
identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1	People and Environment	95
	ESRS 2 SBM-3	People and Environment	94
taking action to address negative impacts on people and the environment	ESRS – E1	People and Environment	124
	ESRS – E2	People and Environment	150
	ESRS – E3	People and Environment	156
	ESRS – E5	People and Environment	160
	ESRS – S1	People and Environment	168, 171, 176
	ESRS – S4	People and Environment	185, 187, 191,195, 197, 201, 202, 203, 205
	ESRS – G1	People	209, 210, 211, 214,216, 218, 219
tracking the effectiveness of these efforts	ESRS – E1	People and Environment	124
	ESRS – E2	People and Environment	153
	ESRS – E3	People and Environment	157
	ESRS – E5	People and Environment	158
	ESRS – S1	People and Environment	168, 172, 176, 179
	ESRS – S4	People and Environment	185, 187, 189, 192, 195, 197, 199,201, 202, 203, 205
	ESRS – G1	People	209, 211, 214, 215, 216, 218, 219

ESRS 2 – General Disclosures (continued)

2. Governance (continued)

Risk management and internal controls over sustainability reporting

The Group identified the operational risks in respect of sustainability reporting, which are similar to existing risks of the Group's Annual Report. This enabled the Group to leverage the existing suite of controls around the Annual Report and have applied those controls to the Sustainability Statement where appropriate. Key risks in sustainability reporting include inaccurate and/or incomplete reporting due to human error and failure to deliver the Sustainability Statement on time, due to system failure or manual processes.

Internal controls in place to mitigate those risks include:

- Responsible team comprises of properly qualified, well trained, experienced and competent staff.
- Automations to the extent possible are made (e.g. data automatically extracted from/uploaded in systems/files).
- Files are reconciled with Group’s systems and/or other financial information.
- Four eyes principle in place.

Monitoring arrangements towards Sustainability Statement:

- Development and monitoring of work plan and deliverables ensures adherence to deadlines.
- The Sustainability Statement is reviewed by the relevant content owners (Senior Management), the Manager of the IR&ESG Department, Group’s Deputy Chief Financial Officer and the Executive Director Finance.
- The Sustainability Statement is prepared with the support of external advisors.
- The Sustainability Statement is reviewed and recommended by the SC and EXCO to the Board for consideration and approval through NCGC, RC and AC. Detailed papers are prepared for review and approval by the Management and Board Committees covering all sustainability issues including presentations and disclosures.
- Monthly update performed to the AC regarding the Sustainability Statement in accordance with ESRS.

The Group has developed an Integrated Risk Identification Framework which provides for the identification, evaluation and management of the principal risks the Group faced. Risks on sustainability reporting are currently captured under the Key Risk Matrix, which is updated and is approved by the Board through RC, under the risk for Statutory reporting. The group will continue to enhance the procedures and controls as the reporting matures.

ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement

Strategy, business model and value chain

Strategy

The Group's strategy is guided by the mission statement "Our organisation exists to support our clients in their most important life events as well as in their daily needs. To achieve this, we invest capital and effort to ensure that our services are provided by top quality professionals and the usage of cutting-edge technology and uphold sound and ethical practices. We will continue to be not only a systemic bank driving growth and shareholder value but also a key driver of progress in our community."

The Group, as enforced by the ESG strategy, is determined to play a leading role in the transition of Cyprus into a sustainable future. During 2024, the Group has made significant progress in enhancing its ESG agenda in its portfolio and operations. The Group continues its "Beyond Banking" strategic approach to sustainability and established ESG as one of its four strategic pillars, with a special focus on the fight against climate change and its ambition to Net Zero by 2050. The Group's ESG strategy, formulated in 2021, is continuously expanding ensuring the Group maintains its leadership role in the Social and Governance pillars while accelerating efforts to address critical environmental challenges. In 2024, the Group continues to be committed towards its primary ESG ambition:

Own operations 42% GHG emission reduction by 2030	The Group aims to become carbon-neutral in own operations by 2050, by gradually eliminating its scope 1 and 2 GHG emissions. The Group has estimated the Scope 1 and Scope 2 GHG emissions of 2021 relating to own operations in order to set the baseline for carbon neutrality target in own operations by 2050. The Group has estimated Scope 1 and Scope 2 GHG emissions for 2024 to monitor the progress on carbon neutrality target in own operations. The Group has set an interim target in line with carbon-neutrality ambition in own operations to reduce Scope 1 and Scope 2 GHG emissions by 42% (absolute target) by 2030 compared to the baseline of 2021.
Become Net Zero by 2050	The Group's ambition to become Net Zero, by reducing its Scope 1, Scope 2 and Scope 3 emissions through its supply chain (i.e. third-party providers) and its financing activities, which also entails the alignment and commitment of our customers towards this goal.
Steadily increase Green Asset Ratio (GAR)	The Group aims to increase GAR. The GAR indicates the degree of alignment with the EU Taxonomy, such as showing the proportion of the share of credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets, such as those consistent with the European Green Deal and the Paris agreement goals. The Group's GAR as at 31 December 2024 was 0.6% (Turnover based) and 0.3% (CapEx based) as at 31 December 2023 was 0% (Turnover based) and 0.01% (CapEx based).
Steadily increase Green Mortgage Ratio	In accordance with the Green Asset Ratio, the numerator consists of mortgages used only for sustainable activities related to the construction of new buildings and renovation of buildings, while the denominator includes all mortgages. The Group has not yet developed EU taxonomy aligned Mortgages, however, aims to launch such an offering in upcoming years.

The aspiration to achieve a representation of at least 30% women in Group's management bodies (Defined as the EXCO and the Extended EXCO) by 2030, has been reached earlier with 33% representation of women, as at 31 December 2023 and 31 December 2024.

ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Strategy, business model and value chain (continued)

Business Model

Input	How we operate	How we add value Outputs and Impacts
Financial Capital 1. Total Assets 2. Cost (staff costs, other operating expenses, Special levy on deposits and other levies/contributions): €406mn 3. Customer deposits: €20,519mn	**Group products and services** 1. Retail Banking 2. SME Banking 3. Corporate Banking & Large Corporate Banking 4. International Business Unit & International Banking 5. Brokerage Services 6. Asset Management 7. Finance 8. Affluent Banking 9. Custody and Depositary Services 10. Global Markets execution services 11. Factoring 12. Investment Banking 13. Life Insurance 14. General Insurance	1. Net profit: **€508mn** 2. Total Operating income: **€1,096mn** 3. Tax: **€81mn** 4. Gross loans: **€10,114mn** 5. Net Interest Income: **€822mn**
Social and Relationship Capital 1. €1mn social responsibility budget to support society 2. €2mn in 2024 for Oncology Centre	**Group's significant products and services and customer group applying AR13 ESRS 2 SBM 1, are the following:** 1. Retail Banking 2. SME Banking 3. Corporate Banking & Large Corporate Banking 4. International Business Unit & International Banking Group's significant geographical area is Cyprus.	1. Oncology Centre reinforced medical education and research through collaborations with the University of Cyprus and St. George's University of London
Intellectual and industrial Capital 1. Digital transformation 2. Internet Banking 3. BoC Mobile App (Group's mobile application) 4. GIC customer portal	The Group stands as a pioneer of digital banking innovation in Cyprus, reshaping the banking experience into something more intuitive, more responsive, and more aligned with the contemporary needs of its customers, consistently pushing the boundaries to offer unparalleled banking services. The Group aims to continue to innovate and simplify the banking journey, providing a unique and personalised experience to each of its customers. The Internet Banking and BoC Mobile App are central part of the ongoing ambition to refine, expand and elevate digital services.	1. Quick loans and eloans: **€106.7mn** 2. Non-life insurance digital sales: **€613k** 3. Digital cards: **23k** 4. Digital Deposit ratio: **92.2%** 5. Digital Transaction ratio: **95.54%** 6. Digital Accounts: **22k**
Human Capital 1. Employee costs: €203mn 2. Strong team of data scientists, engineers and analysts 3. Health & Safety Management System	The Group employed on head count basis as at 31 December 2024 2,872 (2023: 2,819) employees in Cyprus, 8 (2023: 11) employees abroad.	1. **94.65%** of Group's employees covered under HSMS 2. **3** recordable work-related injuries 3. **0.65** rate of work related injuries

ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Strategy, business model and value chain (continued)

Business Model

Input	How we operate	How we add value Outputs and Impacts
Natural Capital 1. ESG strategy 2. ESG working plan designed to deliver the ESG agenda of the Group 3. ESG working group 4. Investment in energy saving activities 5. Set Green/Transition new lending internal KPIs 6. Established a structured and detailed BES process 7. Set the first decarbonisation target on Mortgage portfolio aligned with climate scenario 8. Launhed Green Housing product 9. Fil-eco Product Scheme	The Group in its ESG Strategy is committed to increase positive impacts on the Environment by transforming not only its own operations, but also the operations of its customers. A key part of the Group's commitment is to develop financial products that support the transition which aligns with the Group's commitments under the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (PRB). Group's Environmentally friendly and green products offerings include: 1. Energy Loans (Solar panels, energy efficiency actions, energy upgrade and other systems) 2. Green Housing 3. Green Car 4. Renewable energy projects 5. Green lending to Corporate & SME customers under the Green lending policy At the end of 2024, the Group announced the following to support Cypriot economy: 1. Reward programme for performing housing loan borrowers 2. Provision of interest rate subsidies for young couples and Cypriots in designated or mountain areas 3. 5-year fixed rate business loan to microbusiness (Line 1) and small SMEs (Line 2) at preferential fixed interest rate for energy and digital upgrade	1. **25%** reduction in Group's Scope 1 and Scope 2 GHG emissions, achieved by 2024 compared to baseline of 2021 2. **12%** reduction achieved in carbon intensity metric on Mortgage portfolio between 2024 and 2022 baseline 3. **€355mn** gross loan amount for environmentally friendly products and Green Housing as at 31 December 2024 4. **17,412 MWh** energy consumed 5. Solar Energy Production **408 MWh** 6. Established an ESG Due Diligence process in the loan origination process

ESRS 2 – General Disclosures (continued)

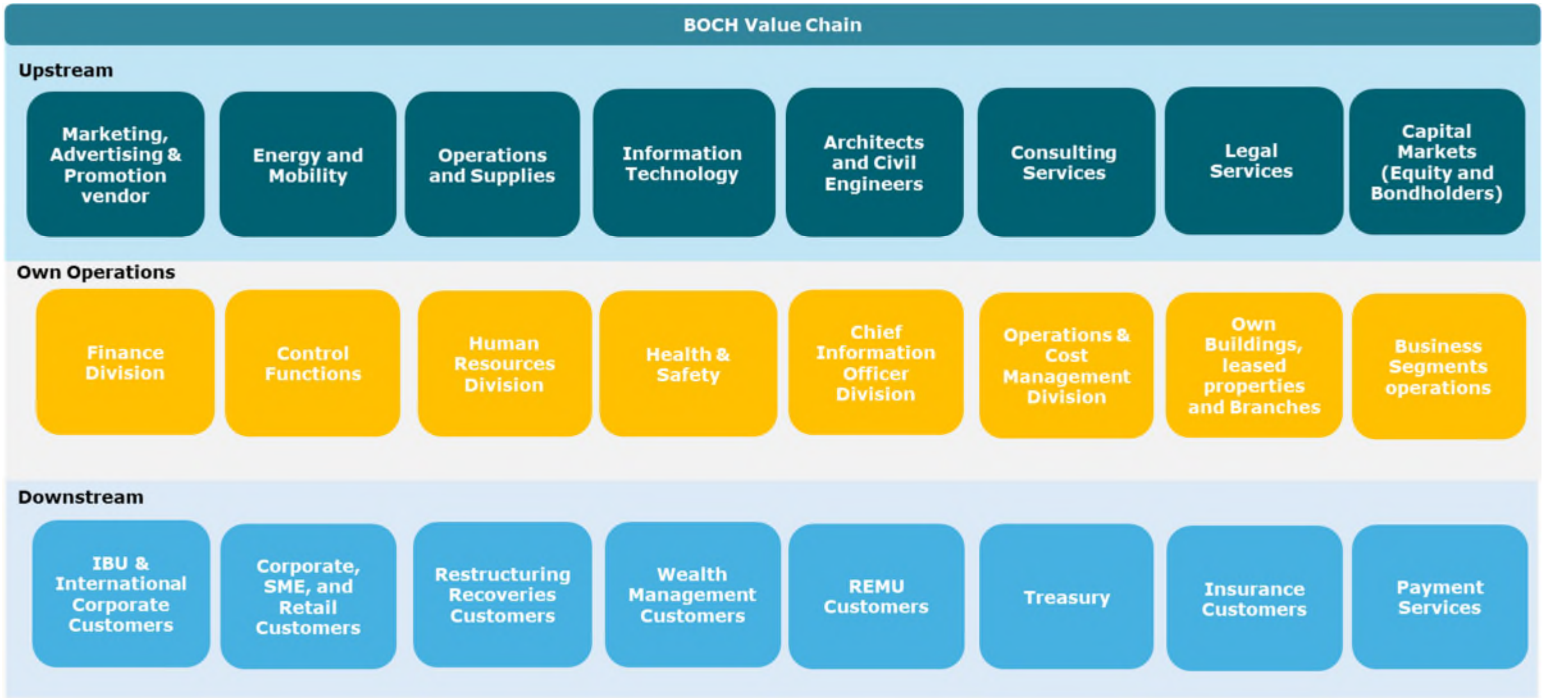
3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Strategy, business model and value chain (continued)

Value Chain

The concept of the value chain takes into account the entire spectrum of activities, resources, and relationships that are part of the Group's business model and its interaction with the external environment. This includes the Group's internal operations and its interactions with suppliers, partners, and customers. It is a comprehensive view of how the Group operates within its ecosystem:

1. an entity is considered downstream from the Group when it receives products or services from the Group.
2. an entity is considered upstream from the Group when it provides products or services that are used by the Group.
3. Group's own operations comprise the Group's properties, branches and its internal functions.



ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Interests and views of stakeholders

The Group's approach to sustainability is rooted in regular, transparent, and trust-based dialogue with its stakeholders. This engagement helps identify, evaluate, and prioritise the most significant impacts of the Group's activities on the environment, people, and the economy.

Stakeholders are defined as individuals or groups whose interests are affected or could be affected by the Group's activities or those who may reasonably influence the Group's ability to implement its strategies and achieve its objectives for building an inclusive and sustainable community. In 2024, the Group reaffirmed the stakeholder groups identified in its 2023 sustainability report, ensuring consistency and relevance in its engagement efforts. While no direct consultations with external stakeholders were conducted, the Group leveraged the expertise of its internal management members who are in frequent communication with the external stakeholder groups and have a deep understanding of their expectations.

Stakeholders	Type of stakeholder engagement / Engagement Channels	Purpose	Outcome
Board	1. Meetings 2. AGMs 3. Ask the Board 4. Trainings	1. Drive accountability and transparency in decision-making processes 2. Provide strategic direction for achieving long-term value creation	1. Update the ESG Working Plan 2. Enhance Sustainability Statement 3. Product/service improvements 4. Improvements in the distribution channels 5. Improvements in the loan origination process 6. Establish GHG emission reduction targets
Employees	1. Personal/Group meetings 2. Internal workshops 3. Employee opinion survey 4. Management practices survey 5. Ask the CEO / Extended Leadership Team 6. Ask the Board	1. Foster a strong, engaged, and informed workforce 2. Improve job satisfaction and morale through feedback mechanisms 3. Enhance skills and knowledge 4. Build a culture of collaboration and innovation	1. Improved workplace morale reflected in employee engagement metrics 2. Update Organisation Health initiatives 3. Update employee training programme

ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Interests and views of stakeholders (continued)

Stakeholders	Type of stakeholder engagement / Engagement Channels	Purpose	Outcome
Investors and Shareholders	1. Investor meetings, emails, conference calls 2. Annual and Extraordinary general meetings 3. Conferences and roadshows	1. Ensure transparency on financial and non-financial performance, including ESG disclosures 2. Demonstrate commitment to long-term value creation and risk management 3. Attract responsible investment aligned with sustainability goals 4. Address investor concerns and align with shareholder expectations	1. Update the ESG Working Plan 2. Enhance Sustainability Statement 3. Adapt internal communication on sustainability practices 4. Responses to investor queries
Customers	1. Phone access to one's personal banker 2. Personal meetings 3. Teams or teleconference 4. Focus groups and surveys 5. SupportCY[2] network 6. ESG Due Diligence	1. Understand and address customer needs and preferences through offering transparent, ethical, and innovative financial products and services. 2. Enhance customer loyalty through tailored solutions and strengthening customer relationships through clear communication and value-added services 3. Assess customers' performance and risk exposure against ESG criteria	1. Product/service improvements 2. Improvements in the distribution channels 3. Improvements in the loan origination process 4. Adaptation of marketing strategies 5. Customer ESG score and high-level action plan to improve the ESG score 6. Support customer's decarbonisation through environmentally friendly and green solutions
Civil Society and Non-governmental organizations (NGOs)	1. Regular direct contact and honest cooperation 2. Partnerships with NGOs 3. Contributions to research projects 4. Interviews, press releases 5. Advertising campaigns 6. Content creation and support on non-banking issues 7. SupportCY[2] network	1. Contribute to community well-being through education, health and environmental initiatives, and social development programs. 2. Addressing concerns of communities 3. Strengthen relationships with local communities and NGOs to address societal needs effectively. 4. Collaborate to address environmental and social challenges, leveraging NGOs' expertise.	1. Specific initiatives on education, health and environmental pillars 2. Develop new initiatives based on society's needs

[2] The SupportCY network was created in March 2020 by BOC PCL for immediate support to frontline professionals working in the battle against COVID-19, by forming a unique chain of supporters, receivers and enablers, and creating Social Capital. SupportCY also offers further assistance during other national and international crises and disasters, such as fires, earthquakes, etc. Furthermore, SupportCY focuses on meeting the various needs of the Cypriot society and has become a central point of response and assistance, not only for NGOs but also for governmental services.

ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Interests and views of stakeholders (continued)

Stakeholders	Type of stakeholder engagement / Engagement Channels	Purpose	Outcome
Government and Regulators	1. Meetings 2. Public consultations 3. SupportCY network 4. Feedback letter	1. Ensure compliance with regulatory frameworks, such as the CSRD, EU Taxonomy, and other financial and environmental regulations 2. Support national and EU-level climate, economic, and sustainability goals 3. Embedding C&E risks in Governance, Business Model and Strategy, Risk Management and Disclosures	1. Aligning business model and strategy 2. Value creation and risk mitigation from compliance 3. Updating ESG Working Plan to address regulator's feedback
Business Partners	1. Contact via telephone, email 2. Personal meetings 3. Vendor assessments 4. SupportCY network	1. Foster collaboration to promote responsible supply chain practices and shared ESG objectives 2. Ensure mutual alignment on sustainability goals and ethical business conduct 3. Strengthen partnerships to drive innovation and shared growth	1. Streamlined supplier expectations 2. Vendor improvement plans 3. Informed selection of vendor
Business Community	1. SupportCY network 2. Telephone 3. Email 4. Personal meetings 5. Media campaigns 6. Focus groups and surveys	1. Promote sustainable and ethical business practices within the broader business ecosystem. 2. Foster innovation and entrepreneurship in collaboration with peers and institutions.	1. Product/service improvements 2. Improvements in the distribution channels
Peers/Competitors	1. Personal meetings 2. Association of Cyprus Banks	1. Share best practices and collaborate on common challenges, such as ESG data transparency and climate resilience 2. Improve industry-wide sustainability performance and standards 3. Foster healthy competition to drive innovation and accountability within the banking sector	1. Common ESG Due Diligence solution across Cyprus Banking industry
Nature	1. Updates and developments obtained BES process on C&E risks	1. Inform the Business Strategy and Risk assessment	1. Updates and developments from BES are incorporated in the Group's Financial Plan and Materiality Assessment on C&E risks

ESRS 2 – General Disclosures (continued)

3. Strategy, Business Model, Value Chain and Stakeholder Engagement (continued)

Interests and views of stakeholders (continued)

Key Stakeholders	How Administrative, management and supervisory bodies are informed about sustainability impacts
Board	1. Refer to 2. Governance under ESRS 2 – General Disclosures in page 75.
Employees	1. Through the Complaints Resolution Process. Refer to page 168. 2. Through Whistleblowing system. Refer to page 209. For more details on the employee engagement refer to ESRS S1 in page 166.
Investors and Shareholders	1. Through the monthly Market Update & Share Trading Activity report of IR&ESG to EXCO and Board.
Customers	1. Through the Complaints Management process. Refer to page 185. 2. Through Customer survey submitted to EXCO and BDC.
Civil Society and Non-governmental organizations (NGOs)	1. Through the Complaints Management process. Refer to page 185. For positive impacts through the six-monthly Corporate Social Responsibility Update Report to EXCO.
Government and Regulators	1. Regulatory Steering Group (RSG[3]) update on bi-weekly basis. 2. Updates on major correspondence to Board Chairman and CEO on bi-weekly basis. 3. Regulatory engagement update to Board through RC on a quarterly basis.
Business Partners	1. Through the Complaints Management process. Refer to page 185.
Business Community	1. Through the Complaints Management process. Refer to page 185.
Peers/Competitors	1. The Group CEO is the chairman of the Association of Cyprus Banks informing EXCO and Board accordingly on any significant matters.
Nature	1. Preliminary impacts assessment report from BES is presented to SC, EXCO on a quarterly basis and annually to the Board through NCGC and RC.

Topical details on the interest and views of stakeholders are described in the following sections.

SBM – 2 – Topical ESRS	
ESRS	**Page**
S1 – Own workforce	163
S4 – Consumers and end-users	182

[3] A forum of Senior Executives of the Group chaired by the Group CEO which was established to ensure proper procedures are in place for managing regulatory risk and to oversee Group's regulatory obligations.

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities

Identification and assessment of material impacts, risks and opportunities

The Group employs a Double Materiality Assessment (DMA) to determine the basis of the disclosures included in the Group's Sustainability Statement. The Group, through the DMA process, is identifying and assessing the material impacts, risks and opportunities (IROs) which are considered significant in achieving its long-term objectives and strategic plans. The scope of this assessment extends beyond the operational activities of the Group, covering its entire value chain, from upstream to downstream, as well as any external parties affected by the Group's operations. The DMA was carried out in three distinct phases: value chain analysis, IRO identification, assessment and mapping, and stakeholder validation.

1. Value chain analysis

As part of the value chain analysis, the Group has identified the related activities, business relationships and geographies that are considered more relevant to the identification and assessment of IROs. The assessment incorporated information from all the business segments of the Group (i.e. Corporate, SME, Retail, International Corporate, Restructuring & Recoveries, Wealth Management, REMU, Treasury, Insurance and Payments services). In terms of geographical scope, the Group's activities are mainly concentrated in Cyprus; therefore, the assessment has been focused on activities in Cyprus. The Group have not identified any material IROs from the Group's overseas activities, namely Greece, Romania and Russia, given the size of these operations which are in a run-down mode and relate to legacy operations of the Group. The assessment considered the value chain of the Group's vendors through impacts identified and assessed at the loan portfolio, given the close alignment of sector exposures. Risks and opportunities associated with the Group's vendors were identified and assessed accordingly based on the approach described in the 4. Financial Materiality section below. Following detailed analysis of the underlying portfolio and consideration of the nature of these investments, the Group made the judgement that Impacts associated with direct or indirect exposures to mutual funds do not give rise to material IROs given the fact that the exposures to mutual funds include numerous underlying assets of small individual size within several jurisdictions and are associated with various industries. This results in multiple impacts fragmented across several sectors, jurisdictions and asset types which are not considered material.

2. IRO identification, assessment and mapping

The IROs identified and assessed through the DMA, embed considerations resulting from a range of Group's products and services, as well as from its operations. The scope of the assessment also considered the internal mechanisms of the Group, including legal reviews, anti-corruption compliance systems, occupational health and safety inspections, as well as shareholder filings. The dependencies between the Group's impacts with risks and opportunities were taken into account throughout the identification and assessment process of IROs, especially when assessing loan and investment portfolios. The most significant impacts of the Group are indirect impacts arising by financing industries that are impacting people and the environment. When assessing risks and opportunities the dependencies of our customers' impacts were assessed, through the transmission channels.

The Group ensured that the identified and assessed IROs are clearly distinguished and pragmatically mapped to the relevant ESRS Topics/Sub-topics/Sub-sub-topics before proceeding to the validation phase. For additional details on the process used to identify, assess, prioritise and monitor impacts, risks and opportunities refer to section 3. Impact Materiality and 4. Financial Materiality below.

3. Impact materiality

In order to assess the Group's Impact Materiality, internal stakeholders from various departments were requested to identify actual and potential operational impacts, including both positive and negative effects mapped to the impact areas and topics outlined in the UNEP FI Impact Radar. With regards to the impacts arising from loan and owned investment portfolios, the Group identified the actual and potential positive and negative impacts using UNEP FI PRB Impact Analysis (Institutional Banking, Consumer Banking and Investment Portfolio Impact Analysis Tools). The identified impacts were incorporated into an e-survey, requesting from the Group's Management and Senior Management to prioritise and score them based on scale and scope (+ irremediability for the negative Impacts) (+ likelihood for the potential Impacts). Group's Management and Senior Management was informed during prioritization sessions that in the case of a potential negative human rights impact, the severity of the impact takes precedence over its likelihood. The results from the stakeholder prioritisation exercise were aggregated leading to a score between 1-5 for actual and potential, positive and negative impacts for each UNEP FI Impact Radar topic. Refer to the table below for the scoring approach:

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities (continued)

Identification and assessment of material impacts, risks and opportunities (continued)

3. Impact materiality (continued)

Grading scales	1	2	3	4	5
Scale	Minimal	Low	Medium	High	Absolute
Scope	Limited	Concentrated	Medium	Widespread	National-wide
Irremediability	Relatively easy to remedy short-term	Remediable with effort (time and cost to society)	Difficult to remedy or mid-term	Very difficult to remedy or long-term	Non-remediable or irreversible
Likelihood	Unlikely	Possible	Likely	Very Likely	Almost guaranteed

The UNEP FI – ESRS AR 16 Topics Mapping tool was utilized to associate the identified impacts and their scores to the relevant ESRS sub-sub-topics. For those ESRS topics, sub-topics and sub-sub-topics not addressed by the UNEP FI - ESRS AR 16 Topics Mapping tool, an independent impact identification and assessment exercise was conducted by the Group. This process led to the identification of specific impacts from Group's operations and loan and investment portfolios, at the sub-sub-topic level of ESRS 1 AR 16, including the scores derived from the e-survey, the impacted time horizons, and their association with relevant value chain activities.

The results of the Impact materiality assessment were aggregated at ESRS topic level, using the maximum score assigned at each sub-sub-topic level, to identify the material topics to be discussed and reported in the Sustainability Statement of the Group. The impact materiality threshold set is greater or equal to 3.9, which corresponds to the average score of each aggregated score at ESRS topic level. The Group performed corroborative procedures to support the impact materiality threshold set. Specifically, the Group utilised the average scoring approach rather that the maximum approach to aggregate the scores at ESRS topic level, using again the average score as threshold, leading to the same material topics with the threshold set. In addition, the Group considered the outcome of a range of sensitivities to support threshold set.

4. Financial Materiality

To assess Financial materiality, the Group utilized its existing risk assessment processes and frameworks. The Group continuously monitors external developments, issues and events affecting its business model, integrating ESG considerations into these existing steering and risk management processes at different maturity levels. The Financial Materiality assessment involved the evaluation of the Group's business profile and the composition of its loan portfolio, further examining associated risk drivers, including credit risk, liquidity risk, market risk, operational risk, strategic risk, reputational risk and legal risk.

The Group has leveraged internal risk exercises, such as the Risk Identification Materiality Assessment (RIMA) and the Key Risk Matrix (KRM), which are designed to identify relevant financial and non-financial risks. RIMA has been used for the identification and assessment of the C&E risks related to the ESRS topics, as it combines qualitative and quantitative approaches, using both the Group's specific internal data and external sources to assess exposures related to C&E risks. KRM was the source of data regarding Social and Governance risks identification, which follows a similar assessment methodology as RIMA. Any additional risks, associated with ESRS sub-sub-topics identified were assessed independently by the Group.

Financial opportunities have been identified using the Group's Financial Plan which highlights the strategic orientation of the Group, and is complemented by forecasts and industry research, as well as the BES process on C&E risks which informs the Group's risk and strategic profile. Financial opportunities were individually assessed taking into account qualitative and quantitative aspects of their Magnitude and Likelihood.

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities (continued)

Identification and assessment of material impacts, risks and opportunities (continued)

4. Financial Materiality (continued)

The financial risks and opportunities were assessed for likelihood and magnitude based on the approach already applied under existing KRM and RIMA processes:

Impact (1-5)						
	Critical (5)	H	H	H	C	C
	High (4)	M	M	H	H	C
	Moderate (3)	L	M	M	H	H
	Low (2)	L	L	M	M	M
	Minimal (1)	L	L	L	L	L
		Remote (1)	Unlikely (2)	Likely (3)	Highly likely (4)	Expected (5)
		Likelihood (1 – 5)				

The threshold applied to identify material financial risks and opportunities as per scoring approach mentioned above, is greater or equal to 4 which correlates with the abovementioned risk management processes. Risk assessment tools are regularly enhanced to capture aspects of risks, including the latest CSRD requirements.

5. Stakeholder validation

The final DMA phase involves the validation of the results by internal stakeholders through workshops, round tables and interviews with the outcome of these validations being considered as part of the final DMA decisions. Engaging with key stakeholders who have expertise in their relevant topic is essential for achieving the appropriate prioritization of IROs. Stakeholder engagement was conducted in several stages of the assessment to ensure appropriate identification and validation of sustainability matters. While no direct consultations with external stakeholders were conducted, the Group leveraged the expertise of its internal management members who are in frequent communication with the external stakeholder groups and have a deep understanding of their expectations. By utilizing these internal proxies, the Group has ensured that the insights, perspectives and expectations of external stakeholders are incorporated in the DMA results and reflected in the Group's Sustainability Statement.

6. DMA Governance

The IR&ESG Department of the Group documented the DMA outcome and a summary of the process performed was submitted to the SC, EXCO, NCGC, AC and ultimately the Board, for consideration and approval. The paper included the following to provide adequate detail to the Management and Board Committees to review, challenge and approve the DMA:

1. Approach followed to identify and assess IROs under DMA.
2. External and internal tools utilised on the identification and assessment process.
3. The approach and rational behind setting materiality thresholds to determine which IROs are material.
4. The corroborative assessments performed to support the Impact materiality threshold set.
5. Detailed DMA results embedding scores of positive and negative impacts as well as risks and opportunities, at a sub-sub-topic level.
6. Peer benchmarking on material topics identified.
7. Detailed explanation on how affected stakeholders were engaged in the process.
8. Mapping exercise between the material topics identified in previous Sustainability Statement (GRI) compared to material topics identified under the DMA.
9. Key assumptions and judgments along with relevant procedures performed to corroborate those assumptions and judgments.
10. Detailed definitions of sustainability topics under ESRS.
11. Detailed substantiations of positive and negative impacts as well risks and opportunities
12. Detailed Impact scores as derived from Management and Senior Management e-survey
13. Subsidiary scoping exercise

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities (continued)

Identification and assessment of material impacts, risks and opportunities (continued)

6. DMA Governance

14. Detailed mapping between UNEP-FI and ESRS Topics
15. DMA Handbook which provides a detailed guidance on how the DMA was conducted.

This paper was discussed, challenged and reviewed by the Board through the SC, EXCO, AC and NCGC, reaching an approval on the DMA and the material IROs disclosed in the Sustainability Statement and highlight the Group's strategic priorities.

7. Conclusion

To achieve its ambitions, the Group established, an ESG working plan, in 2021 which was further enhanced in 2024. This plan is designed to articulate the delivery of the Group's ESG strategic objectives and considered ECB expectations, and other regulatory disclosure requirements.

The working plan will be further enhanced to reinforce the Group's commitment to comprehensive and dynamic ESG practices based on DMA results. The Group understands that the incorporation of material IROs in the overall risk profile and risk management processes is an evolving process. Certain impacts and risks are reflected in the Risk Appetite Statement (RAF) through key risk indicators, and various risk policies. Opportunities identified across the Group's various business segments are assessed and embedded into the Group's Financial Plan following consultation, validation and authorisation from relevant Management and Board Committees, as required by the Group's Governance arrangements.

Topical details on the identification and assessment of material IROs are described in the following sections.

IRO – 1 – Topical ESRS	
ESRS	**Page**
E1 – Climate Change	114
E2 – Pollution	148
E3 - Water and marine resources	154
E5 - Resource use and circular economy	158
G1 - Business conduct	207

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities (continued)

Identification and assessment of material impacts, risks and opportunities (continued)

8. DMA results – ESRS Sub-Topic

The table shall be read in conjunction with the detailed IROs in the topical sections.

	ESRS	Material Topic	Material Sub-topics	I	R	O	Non - Material
E	E1	Climate change	Climate change adaptation	✓	✓		n/a
			Climate change mitigation	✓	✓	✓	
			Energy	✓	✓	✓	
	E2	Pollution	Pollution of air	✓			Pollution of water, Substances of concern, Substance of very high concern, Microplastics
			Pollution of soil	✓			
			Pollution of living organisms and food resources	✓			
	E3	Water and marine resources	Water		✓		Marine resources
	E5	Circular economy	Resources inflows, including resource use	✓			Waste
			Resource outflows related to products and services	✓			
S	S1	Own workforce	Working conditions		✓		Equal treatment and opportunities for all
			Other work-related rights	✓	✓		
	S4	Consumers and end-users	Information-related impacts for consumers and/or end users	✓	✓		n/a
			Personal safety of consumers and/or end-users		✓		
			Social inclusion of consumers and/or end-users	✓	✓		
G	G1	Business conduct	Corporate culture		✓		Protection of whistle-blowers Animal welfare[3] Political engagement Corruption and bribery
			Management of relationships with suppliers including payment practices		✓		
Entity specific		Information Security	n/a - Entity specific		✓		
		Financial Crime and Fraud			✓		
		Conflict of Interest			✓		
		Compliance with laws are Regulations			✓		
		Reputational risk			✓		
		Digitalisation		✓	✓	✓	
		BOC Oncology Centre		✓			

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities (continued)

Identification and assessment of material impacts, risks and opportunities (continued)

9. Time Horizons

Time horizon label	Start Year	End Year	Rationalisation
Short-term (1 years)	2024	2025	The Group is committed to become carbon neutral in own operations by 2050 with interim target to reduce Scope 1 and Scope 2 GHG emissions from own operations by 42% by 2030 compared to 2021 baseline. The Group has focused its main decarbonisation actions in the short-term up to 2026 in order to lead the decarbonisation efforts, lead by example and also to benefit from any government subsidies that will be announced as part of the Recovery and Resilience Facility (RRF) of the EU. Taking also into account the CSRD which is a milestone for sustainability activation effective for FY2024 for EU listed companies, and every year thereafter up until 2028 to include certain SMEs and large companies, the Group decided to set short-term time horizon at 1 year as of the end of the reporting date.
Medium -term (2-6 years)	2026	2030	The Group is committed to become carbon neutral in own operations by 2050 with interim target to reduce Scope 1 and Scope 2 GHG emissions from own operations by 42% by 2030 compared to 2021 baseline, therefore sustainability IROs should be identified and managed in a horizon of 2-6 years. As 2030 is the year set by the EU for the goal of "Fit for 55" (i.e., a 55% reduction of GHG emissions below 1990 levels), the Group has also set 2030 as the medium-term risk horizon for the identification and management of sustainability IROs. Therefore, the time horizon for medium term is between 2-6 years.
Long-term (>6 years)	2031	n/a	The Group considers a time horizon of more than 6 years. The Group has set its ambition to become net zero by 2050, which indicates that Scope 1, Scope 2 and Scope 3 GHG emissions should be reduced by 2050 to net zero. The climate related risks associated with Financed Scope 3 GHG emissions depend also on the useful life of the assets, which for the majority of the current loan portfolio of the Group this translates to a maturity beyond 7 years. As such a long-term time horizon has been set of over > 6 years to cover both the risks as well as the strategic aspects of climate-related risks within the organisation.

The time horizons used by the Group on the identification and management of sustainability IROs deviate from those prescribed by ESRS, except for short-term time horizon, in order to be aligned with the time-horizons applied by the Group when developing and formulating the strategy and risk management processes.

ESRS 2 – General Disclosures (continued)

4. Impacts, Risks and Opportunities (continued)

Identification and assessment of material impacts, risks and opportunities (continued)

10. Key assumptions in the DMA

DMA area	Assumption/Judgement	Corroborative procedures
UNEP – FI PRB tools	PRB's impact analysis tools are input and output models associating NACE codes (statistical classification of economic activities) or products (i.e. Housing, credit cards etc.) with actual and potential positive and negative impacts on Impact radar's topics (i.e. climate stability, education, finance etc.). Positive and negative impacts (loans and investment portfolios) are assumed based on the association between NACE/Product codes and impacts.	UNEP-FI PRB tools are used by more than 345 Financial Institutions globally for the identification of impacts and is considered a best practice approach.
Mapping between UNEP-FI topics and ESRS topics	In certain instances, the mapping of impact's substantiations, at the Impact radar's topic level, was not fully aligned with the ESRS topics/sub-topics/sub-sub-topics. Therefore, during the scoring exercise we utilised the most appropriate Impact radar topic to score the relevant ESRS sub-sub topic substantiation.	Mapping is aligned with UNEP-FI guidance.
Impact materiality threshold	Impact materiality threshold was set as the average of scores associated with each Topical ESRS. The aggregated scoring at Topical ESRS level was based on the maximum impact score of the underlying sub-sub-topic.	Corroborative procedures (Sensitivity, average scoring approach) were performed to ensure the threshold selected was appropriate.
Financial materiality threshold	Financial materiality threshold was set at level to be aligned with existing Group's risk processes like Key Risk Matrix and RIMA at >=4.	The approach is consistent with current Group's processes.
Mapping of RIMA and KRM to ESRS sub-sub topics	Risks identified through the RIMA and KRM process were mapped with ESRS sub-sub topic level and used the existing score based on existing methodology.	The mappings were confirmed with the relevant internal risk owners.
Mapping of Financial Plan and BES to ESRS sub-sub topics	Opportunities identified through Financial Plan and BES process were mapped with ESRS sub-sub-topic level and scored based on impact and likelihood using judgment.	The mappings and scoring was reviewed and agreed by external sustainability experts.
Use on internal proxies on consultation & validation	The Group performed consultation and validation procedures on DMA using internal proxy stakeholders	BOC PCL considered that given the maturity in the market, limited value would have been added to the DMA if external stakeholders were engaged.

11. Non-Material topics

The environmental topics ESRS E4 (Biodiversity and Ecosystems), ESRS S2 (Workers in the value chain) and ESRS S3 (Affected communities) were assessed as 'Non-Material', through both the financial and impact materiality lens. This is closely aligned with the Group's internal expectations, strategic objectives, industry trends and in particular, with the specifics of the Group's portfolio. However, the Group acknowledges that the integration of these considerations into business practices is evolving and the Group plans to revisit these topics as well as the associated IROs, as part of the annual DMA refresh. For more details on the Biodiversity IROs refer to ESRS E1 – Climate Change in page 110.

ESRS E1 - Climate Change

This section outlines the Group's policies, actions, metrics and targets in addressing material climate change negative impacts and risks as well as policies, actions, metrics and targets designed to further enhance material positive impacts and exploring material opportunities.

1. Integration of Sustainability-Related Performance in Incentive Schemes

In terms of climate-related considerations, the Group integrates sustainability factors into its remuneration process. Senior Management (EXCO and Extended EXCO) KPIs are linked to actions for the reduction of GHG emissions from own operations and the green lending associated with the decarbonisation of the mortgage portfolio. Specifically, the Director of Operations & Chief Cost Officer includes actions to reduce Scope 1 and Scope 2 emissions, while the Deputy CEO and Director of Consumer Banking have KPIs tied to Green Housing metrics aligned with the mortgage decarbonisation strategy.

For Senior Management, C&E KPIs, aligned with the Group's ESG strategy, are factored into Directors' variable remuneration as part of the performance appraisal cycle. These climate KPIs account for less than 15% of total Director KPIs and percentage weight vary for each Director. Specific details on Directors' C&E KPIs have not yet been disclosed.

The Group's Long-Term Incentive Plan (LTIP 2022), approved by shareholders, incorporates ESG objectives within its evaluation scorecard, which measures performance against the Group's Medium-Term Strategic Targets. The scorecard includes KPIs on external ESG ratings, based on independent external assessments of the Group's ESG performance. For more details on the integration of sustainability-related performance in incentive schemes refer to ESRS 2 - General Disclosures in page 84.

2. Transition plan for climate change mitigation

2.1 Introduction

As a signatory to the UN PRB, the Group aims to align its own operations, supply chain and portfolios with the transition to a sustainable economy. This commitment was enforced through the Group's ESG primary ambitions, as determined in the ESG strategy, which was formulated in 2021. The Group's primary ESG ambitions are:

Group's ESG Primary ambitions	
Ambition	**Description**
Own operations 42% GHG emission reduction by 2030	The Group aims to become carbon-neutral in own operations by 2050, by gradually eliminating its scope 1 and 2 GHG emissions. The Group has set an interim target in line with carbon-neutrality ambition in own operations to reduce Scope 1 and Scope 2 GHG emissions by 42% (absolute target) by 2030 compared to the baseline of 2021.
Become Net Zero by 2050	The Group's ambition to become Net Zero, by reducing its Scope 3 emissions through its supply chain (i.e. third party providers) and its financing activities, which also entails the alignment and commitment of its clients towards this goal.
Steadily increase GAR	The GAR indicates the degree of alignment with the EU Taxonomy, such as showing the proportion of the share of credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets, such as those consistent with the European Green Deal and the Paris agreement goals.
Steadily increase Green Mortgage Ratio	In line with the Green Asset Ratio, the numerator consists of mortgages used only for sustainable activities related to the construction of new buildings and renovation of buildings, while the denominator includes all mortgages.

While the Group has established GHG emissions reduction targets in certain emission categories and asset classes, based on data and methodologies available (Refer to 7. Climate Change Metrics & Targets in page 131), and implements climate change mitigation actions to be aligned with those targets (Refer to 6. Policies and Actions related to Energy, Climate Change Mitigation and Adaptation in page 124), it has not yet established a comprehensive transition plan for climate change mitigation. The establishment of GHG emission reduction targets and climate change mitigation actions to meet those targets were reviewed, discussed and approved by the Board through the SC, EXCO and NCGC. The Group will perform reasonable efforts to establish a comprehensive climate change mitigation transition plan in order to be aligned with limiting the global warming to 1.5 °C by 31 December 2026. The Group's climate change mitigation transition plan will be reviewed and approved by the SC, EXCO and the Board through the NCGC.

ESRS E1 - Climate Change (continued)

2. Transition plan for climate change mitigation (continued)

2.2 Strategy integration of climate transition plan

The Group updated its Group Financial and Business Plan manual to incorporate considerations on C&E risks in the Business Strategy. Specifically, during the planning phase for new lending the RMD and IR&ESG provide the sectors associated with C&E risks, the preliminary impact assessment derived from the BES, the science-based targets set (GHG emission reduction targets aligned with a climate scenario) and the direction of Green/Transition new lending based on BES. In addition, each Division, considers the preliminary impact assessment (performed by RMD, IR & ESG and Strategy) on the risk profile and strategy arising from the BES and the RIMA on C&E risks. Based on this, the Division identifies which are the material C&E risks over the Financial plan period and defines the actions, strategies and products to mitigate them. The IR&ESG reviews the adequacy, relevance and reasonableness of the business lines strategies to manage material C&E risks in key portfolios.

The Group's approach to climate action is evolving over time and has progressively been embedded into the Group's activities, actions and strategies. Consequently, the Group focuses on creating lifelong partnerships with customers, as well as guiding and supporting them in a changing world by financing projects which bear a positive climate impact. Underpinning the Group's Climate Strategy (a pillar within its ESG strategy), there are three strategic areas where, moving forward, the Group will focus its climate action:

i. Reinforcing the impact of climate financing;
ii. Building resilience to climate change; and
iii. Further integrating climate change considerations across all of Group's standards, methods and processes.

2.3 Emission reduction targets

The Group aims to work with its customers, colleagues and communities to support their transition to a resilient, low carbon 1.5°C aligned economy by 2050, in line with Cyprus governments' ambitions and actions.

The Group, taking into account the maturity of the market in Cyprus regarding climate change, the available methodologies for setting GHG emission reduction targets and the limited climate data, decided to set its GHG emission reduction targets by applying the International Energy Agency's Below 2 °C climate scenario (IEA B2DS), aiming to limit global warming to 1.75 °C. However, as methodologies evolve and more reliable climate data becomes available, the Group is committed to adjusting its targets to align with the 1.5°C goal. The Group utilized the Science Based Targets Initiative (SBTi) tools to set the GHG emission targets however, these targets are not externally validated by any global climate body. The Group has committed to reducing its scope 1, 2 and 3 GHG emissions to meet its stated targets below:

1. 42% reduction in GHG emissions (Scope 1 and 2) by 2030 compared to a 2021 base year;
2. 43% reduction in residential mortgage portfolio GHG emissions per square metre by 2030 from a 2022 base year.

For more details on GHG emission reduction targets refer to 7. Climate Change Metrics & Targets in page 131.

2.4 Sustainable finance metrics

The Group is providing customers with sustainable products, such as green housing, green car, energy loans, renewable energy financing and green lending for Corporate & SME under the Green lending policy, supported by green bond issuance under the Sustainable Finance Framework, and is continuing to develop its suite of green finance products offered to customers. The Group is taking these actions because it understands the significant role it can play in facilitating the transition to a low-carbon economy. The Group as at 31 December 2024, following the launch of Green housing product, reached €355mn gross environmentally friendly loans. For more details on Sustainable finance metrics refer to 7. Climate Change Metrics & Targets in page 136.

ESRS E1 - Climate Change (continued)

2. Transition plan for climate change mitigation (continued)

2.5 Locked-in GHG emissions

The Group under the current risk assessment framework, considers that changes in climate change mitigation and adaptation policies and regulations could lead in asset stranding or assets becoming locked-in to GHG emissions especially for organisations that operate in carbon intensive industries (i.e. oil and gas industry). The Group currently assesses the risk of stranded and locked-in assets qualitatively, however it will perform a detailed identification and quantification exercise during 2025 on stranded assets associated with the assets financed or assigned as collaterals. The Group's own assets are not considered to be locked-in to GHG emissions or stranded by nature as the vast majority relates to office buildings and branches. The Group's exposure to carbon intensive sectors, which are considered high risk of stranding or locked-in, is immaterial. Therefore, the risk of stranding and locked-in is low. Refer to the table below indicating Group's gross loan and corporate bond exposures to carbon intensive sectors as per ESRS E1-1 Paragraph 16(f).

Gross loans exposure to coal, oil and gas related economic activities		
	Gross Loans (€mn) - 2023	**Gross Loans (€mn) – 2024**
B.05 Mining of coal and lignite	-	-
B.06 Extraction of crude petroleum and natural gas (limited to crude petroleum)	-	-
B.09.1 Support activities for petroleum and natural gas extraction (limited to crude petroleum)	0.2	-
C.19 Manufacture of coke and refined petroleum products	2.0	1.4
D.35.1 - Electric power generation, transmission and distribution	40.1	52.9
D.35.3 - Steam and air conditioning supply (limited to coal-fired and oil-fired power and/or heat generation)	0.4	0.4
G.46.71 - Wholesale of solid, liquid and gaseous fuels and related products (limited to solid and liquid fuels)	139.1	142.5
Total	**181.8**	**197.2**
% to total Non – Financial Corporation Gross Loans	**3.7%**	**3.9%**
Corporate Bonds exposure to coal, oil and gas related economic activities (excluding Green Bonds)		
	Corporate Bonds (€mn) - 2023	**Corporate Bonds (€mn) – 2024**
B.05 Mining of coal and lignite	-	-
B.06 Extraction of crude petroleum and natural gas (limited to crude petroleum)	-	-
B.09.1 Support activities for petroleum and natural gas extraction (limited to crude petroleum)	4.9	15.2
C.19 Manufacture of coke and refined petroleum products	-	-
D.35.1 - Electric power generation, transmission and distribution	-	-
D.35.3 - Steam and air conditioning supply (limited to coal-fired and oil-fired power and/or heat generation)	-	-
G.46.71 - Wholesale of solid, liquid and gaseous fuels and related products (limited to solid and liquid fuels)	-	-
Total	**4.9**	**15.2**
% to total Non – Financial Corporation Corporate Bonds	**4.5%**	**10.2%**

ESRS E1 - Climate Change (continued)

2. Transition plan for climate change mitigation (continued)

2.5 Locked-in GHG emissions (continued)

The Group is not excluded from the EU Paris-aligned Benchmarks but maintains exposures to certain sectors within its portfolio that are classified as excluded under the EU Paris-aligned Benchmarks framework (Articles 12.1(d) and (g) and 12.2 of (EU) 2020/1818).

These exposures relate to economic activities that currently do not meet Paris-aligned benchmarks but are important to the market and transition efforts. Refer to the table below for details on financing exposure to excluded sectors:

Financing exposure to sectors excluded from EU Paris-aligned Benchmarks (Articles 12.1 (d) and (g) and 12.2 of (EU) 2020/1818

	2023		2024	
	Gross carrying amount (€mn)	Of which exposures towards companies excluded from EU Paris aligned Benchmarks	Gross carrying amount (€mn)	Of which exposures towards companies excluded from EU Paris aligned Benchmarks
D - Electricity, gas, steam and air conditioning supply	57	27	121	46
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	881	54	908	67
H.52 - Warehousing and support activities for transportation	47	19	162	49
Total	**985**	**100**	**1,191**	**162**

ESRS E1 - Climate Change (continued)

3. Material impacts, risks and opportunities and their interaction with strategy and business model

Material IROs - Climate Change (E1)							
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**				
Climate Change - Climate Adaptation, Climate Mitigation and Energy	Impact	Actual and potential positive	The Group's decarbonisation plan on own operations to reduce Scope 1 and Scope 2 GHG emissions create actual positive impact to climate change adaptation, through increase in renewable energy utilisation, climate change mitigation, through reduction of GHG emissions, and energy consumption, through energy efficiency measures implemented				
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream		
✓	✓	✓	✓			Originate from strategy	Own Operations
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**				
Climate Change - Climate Adaptation, Climate Mitigation and Energy	Impact	Actual and potential positive	Financing activities to certain NACE sectors (i.e. Electric power generation, transmission and distribution) with total portfolio exposure of 1.44% out of €5bn exposures assessed under PRB institutional banking impact analysis of 2024, create key/direct actual positive impacts to climate stability. In addition, the Group implemented various actions in the downstream value chain which create positive impacts on climate change mitigation (sector limits, GHG emission reduction targets, ESG Due Diligence, Green lending internal KPIs). The Group is in the process to design the strategy to manage material physical risks through adaptation measures in the underwriting process associated with loan exposures, REMU portfolio and insurance contracts. Currently, the Group has positive impact to climate change adaptation through insurance contracts covering weather perils.				
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream		
✓	✓	✓			✓	Connected to strategy through provision of finance	Customers

ESRS E1 - Climate Change (continued)

3. Material impacts, risks and opportunities and their interaction with strategy and business model (continued)

Material IROs - Climate Change (E1) (continued)							
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**				
Climate Change - Climate Mitigation and Energy	Impact	Actual and potential negative	The Group produce Scope 1, 2 and 3 GHG emissions through operations and across the value chain.				
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream		
✓	✓	✓	✓	✓	✓	Connected to strategy	Own operations, vendors and customers
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**				
Climate Change - Climate Adaptation, Climate Mitigation and Energy	Impact	Actual and potential negative	Financing activities to certain NACE sectors (i.e. Rental and operating of own or leased real estate, development of building projects, buying and selling of own real estate) with total portfolio exposure of 36.55% out of €5bn exposures assessed under PRB institutional banking impact analysis of 2024, create key/direct actual negative impacts to climate stability. The fact that the Group has not yet implemented sufficient risk management practises on climate change adaptation indicates that the Group negatively impacts climate change adaptation. The Group has not yet launched innovative solutions on climate change adaptation leading to a negative impact on climate change adaptation.				
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream		
✓	✓	✓			✓	Connected to strategy through provision of finance	Customers

ESRS E1 - Climate Change (continued)

3. Material impacts, risks and opportunities and their interaction with strategy and business model (continued)

<table>
<tr><th colspan="7">Material IROs - Climate Change (E1) (continued)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="4">Description</th></tr>
<tr><td>Climate Change - Climate Adaptation</td><td>Risk</td><td>Climate - Physical - Acute</td><td colspan="4">Wildfire risk as a driver of credit risk, liquidity risk, market risk, operating risk and strategic risk has been identified as material. All acute hazards combined have been assessed as material as drivers to strategic risk (Extreme heat, Drought, High intensity / duration precipitation events, Landslide, River flood, Storms)</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Financial Effects</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>No material current financial effects. Anticipated financial effects include the increase in probability of default (PD) and loss-given-default (LGD) of clients and counterparties, depositors might simultaneously withdraw deposits to address increased operational costs, devaluation of REMU portfolio, disruption and increased cost on owned buildings and branches and reduction in profitability for strategic sectors of the Group.</td></tr>
<tr><th colspan="7"></th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="4">Description</th></tr>
<tr><td>Climate Change - Climate Adaptation</td><td>Risk</td><td>Environmental - Physical - Acute</td><td colspan="4">Earthquake risk as a driver of credit risk, liquidity risk, market risk and operating risk has been identified as material</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Financial Effects</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>No material current financial effects. Anticipated financial effects include the increase in PD and LGD of clients and counterparties, depositors might simultaneously withdraw deposits to address increased operational costs, devaluation of REMU portfolio, disruption and increased cost for owned buildings and branches.</td></tr>
</table>

ESRS E1 - Climate Change (continued)

3. Material impacts, risks and opportunities and their interaction with strategy and business model (continued)

Material IROs - Climate Change (E1) (continued)						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Climate Change - Climate mitigation and energy	Risk	Climate - Transition	Transition risk as a driver of credit and liquidity risks arising from low emission alternative products and business models as well as increased costs of energy and raw materials.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓		✓	✓	No material current financial effects. Anticipated financial effects include lagging behind competitors in terms of required technological change (shifts to low-carbon technologies) may affect clients and counterparties, retail customers might be vulnerable to increasing energy costs / dependence on single energy provider. Corporate clients might be affected by increasing energy costs as well as by carbon pricing on carbon intensive materials, which may result in increased cost of raw components such as steel, concrete, plastic, agricultural products, fuels etc., leading to increased PD and LDG.
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Climate Change - Climate mitigation and energy	Opportunities	Green finance	Opportunity to provide Green lending so to finance the transition to low carbon economy and manage climate risks.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	Increase profitability and mitigate the possibility of increased credit risk.

ESRS E1 - Climate Change (continued)

4. Resilience to Climate Change

The concept of climate resilience requires that organisations develop the adaptive capacity to respond to climate change, leveraging opportunities and managing the associated transition and physical risks. The Group established and evolves climate risk stress testing and sensitivity practices to ensure climate resilience.

a. Climate Risk Sensitivity and Stress Testing

BOC PLC has a risk-based approach for the management of climate-related transition and physical risks in lending.

i. Stress Testing for ICAAP Quantification

Transition Risk Quantification

BOC PCL developed a Framework to quantify transition risk for the purposes of stress-testing within the context of ICAAP, under the normative perspective. The framework addresses all sectors of the BOC PCL's portfolio, but dedicated models were created for those sectors that are more susceptible to transition risks, based on their inherent activities and their exposures. Such sectors include Construction, Hotels, Real Estate and Mortgages whilst the remainder of BOC PCL's portfolio is catered through a generic model.

The approach builds on the risk quantification methodology that BOC PCL has put in place. The main elements of the approach are described below.

The overall approach regarding Climate Stress Testing (CST) design is structured into three layers:

i. Scenario Layer: This layer encompasses scenario variables, which are divided into macroeconomic variables and climate risk parameters. It is essential that the macroeconomic variables remain internally consistent with the climate risk parameters.
ii. Climate Risk Layer: The climate risk parameters are utilized to adjust the customer's rating components through transition risk models.
iii. Quantification Layer: The macroeconomic variables are used to estimate IFRS 9 PD and LGD based on a forward-looking approach.

For the preliminary Stress Test run the following Network for Greening the Financial System (NGFS) scenarios have been selected:

i. NDCs (Nationally Determined Contributions), which for the case of Cyprus, almost coincides with the "Below 2°C" scenario given the EU Members' aspiration for climate Policies. "Below 2°C" scenario gradually increases the stringency of climate policies, giving a 67% chance of limiting global warming to below 2°C.
ii. Current – Current Policies scenario assumes that only currently implemented policies are preserved, leading to high physical risks.
iii. Delayed Transition – Delayed Transition scenario is under the Disorderly scenario category. It assumes annual emissions do not decrease until 2030. In addition, it requires strong policies to limit warming to below 2°C and negative emissions are limited.

The results of the above-mentioned approach are expected to be disclosed in the 2025 Sustainability Statement.

ESRS E1 - Climate Change (continued)

4. Strategy resilience to Climate Change (continued)

a. Climate Risk Sensitivity and Stress Testing (continued)

i. Stress Testing for ICAAP Quantification (continued)

Physical Risks on Collateral Portfolio

In terms of physical risks, efforts were focussed on estimating the impact on property value from the potential materialisation of climate-related physical risks. This is considered relevant to BOC PCL, given the concentration to clients in activities relating to immovable properties such as Construction, Accommodation & Food Service, Real Estate, Mortgages as well as the fact that a significant portion of BOC PCL's collaterals are real estate assets.

To that end, granular data were obtained from an external vendor, providing granular, location level information. Based on existing literature, only five physical hazards are considered as having impact on immovable properties and these were analysed further. These include wildfire, landslide, wind gust, flood and sea level rise. For the purposes of the analysis which was also used as part of its RIMA process, the NGFS scenarios were employed and used as a reference. In particular, the following scenarios were used and projected up to 2050:

i. Orderly transition: assume that climate policies are introduced early and gradually become more stringent. Physical and transition risks are relatively small.
ii. Disorderly transition: explore higher transition risk due to delayed or divergent policies across countries and sectors.
iii. Hot House World: assume that some climate policies are being implemented in some jurisdictions, but that global efforts are insufficient to halt significant global warming. These scenarios pose serious physical risks.

The analysis of the data allowed BOC PCL to gain an understanding of the assets vulnerable to the various physical risks, their level of riskiness as well as potential concentrations across the island. Furthermore, following the identification of physical risks, the monetary impact (damage function) for each combination of property, hazard, scenario, and year was estimated. This monetary impact considered not only the geo-localisation features, but also the asset-specific characteristics, i.e., commercial, industrial, residential and other use.

Focusing on the most conservative climate scenario (Hot House World) the data indicated that only three physical hazards, namely wildfire, landslide and flood could potentially impact collaterals' market value. The impact of these physical hazards on the collateral portfolio was quantified in the 2024 year-end ICAAP as well as in the subsequent quarterly updates both from an economic and a normative perspective. The wildfire hazard was chosen, as the analysis indicated that it can potentially affect the largest amount of collaterals.

For the purposes of the quantification and taking a worst-case scenario perspective, BOC PCL considered the effectiveness of insurance contracts as mitigants of wildfire as well as the below factors:

i. Macro-economic conditions: Economic downturns could increase insurance lapses.
ii. Severe economic depression: This could challenge insurers' financial stability and ability to pay claims.
iii. Climate change: Increasingly severe wildfires may lead insurers to limit coverage.
iv. Limited coverage: Standard policies might not cover all wildfire damages.

<u>Economic Perspective:</u>

Conclusively, based on the revised reduced market value of collaterals, the economic capital requirement add-on for the impact on Physical Risk for the four-year period of the financial plan (2025 – 2028) was calculated to c. €3mn. The presence of insurance contracts as mitigant was considered in the calculation.

<u>Normative Perspective:</u>

For the normative perspective, three different potential scenarios were considered for each of the ICAAP horizon based on once-off event impact for wildfires in 2025, floods in 2026 and landslides in 2027.

Based on the revised reduced market value of the selected collaterals and the presence of insurance contracts as mitigant for both wildfire and flood, the impact was calculated at c.€0.4mn.

ESRS E1 - Climate Change (continued)

4. Strategy resilience to Climate Change (continued)

a. Climate Risk Sensitivity and Stress Testing (continued)

i. Stress Testing for ICAAP Quantification (continued)

Physical Risks on Non-Financial Corporations (NFCs)

BOC PCL is in the process of estimating the impact of physical risks on Non-Financial Corporations (NFCs) credit risk profiles. This project involves geolocating companies and their units to map and measure physical risks such as floods, heatwaves, and other hazards. The mapping process assigns risk levels to different locations based on the likelihood and severity of these hazards, and the potential financial impacts on companies are assessed by focusing on key financial metrics like revenue and operating costs.

The final output of this process will show the potential financial losses for each company due to various hazards, helping to understand the vulnerability of NFCs to these risks. This information will enable the Bank to adjust risk drivers in the rating model and calculate climate-adjusted ratings under different climate scenarios and time horizons.

ii. Sensitivity Analysis

Scenario analysis and climate risk stress testing are methods which assist in evaluating and managing the possible effects of C&E risks, to the Group’s business strategy and financial planning decisions. By nature, this analysis is of an informative nature and focuses on the planning horizon of the Group’s Financial plan. The sensitivity analysis carried out on physical and transition risks are described below.

Transition risks

To assess the potential impact of transition risks on the Business Model, a sensitivity analysis was carried out on portions of the corporate and mortgage portfolios that were identified as being exposed to transition risks. The analysis related to the Financial Plan for the period between 2025 – 2028 and reflected the potential impact of a short-term disorderly scenario according to which a set of climate related policies are implemented at the beginning of 2024.

Estimation of impact was done on a top-down basis considering the outcome of regulatory climate stress tests, and specifically the outcome of the Bank of England Climate Biennial Exploratory Scenario. Considering the specific composition of BOC PCL’s portfolio, such climate related policies would most likely affect customers in the sectors identified as vulnerable to transition risks as well as customers with mortgage loans granted prior to 2009, implying thus a less-energy efficient property. These sectors account for c.49% of the BOC PCL’s total loan portfolio as at September 2024. The outcome of the analysis thus provided a magnitude of losses BOC PCL might face if both BOC PCL and its customers do not respond effectively to climate risks.

The analysis indicated that over the period of the next financial plan (2025 – 2028), an average decrease of the Group’s profitability of €19mn per year was estimated, aggregated to €75mn for the period. This is an adverse sensitivity scenario and given the energy strategy of Cyprus, this is not considered a likely outcome.

Physical risks

This sensitivity analysis is designed to evaluate the financial implications of climate-related physical risks on the real estate assets held as collateral within the four-year timeframe of the Financial Plan. It focuses on three risks, namely wildfire, landslide and flood. The analysis utilised the concept of damage functions. The analysis assumes that climate-related risks will gradually materialize through market pricing mechanisms, even before physical damage occurs. This assumption reflects growing market awareness of climate risks and their incorporation into property valuations. The transmission channels through which these risks affect property values could include:

i. Insurance premium adjustments reflecting increased risk exposure
ii. Market participants' risk perception and preference shifts
iii. Regulatory changes affecting building requirements and land use
iv. Adaptation costs necessary to protect properties
v. Changes in local economic conditions due to climate vulnerabilities

ESRS E1 - Climate Change (continued)

4. Strategy resilience to Climate Change (continued)

a. Climate Risk Sensitivity and Stress Testing (continued)

Physical risks (continued)

While actual climate impacts may materialize over longer timeframes, it is possible that market pricing mechanisms will begin to incorporate these risks more rapidly as climate risk awareness increases.

Scenarios

The NGFS scenarios considered for this assessment were the Hot House World and the Orderly Transition. The former scenario is more appropriate for wildfires and floods as it implies that physical risks increase the further you move into the future. On the other hand, the Orderly Transition scenario is more appropriate for landslide as the particular risk requires the additional element of heavy rain to act as a trigger. Heavy rain is not assumed in the Hot House World scenario. The damage functions resulting from each scenario up to the year of 2034 were thus compared. No significant differences were observed between the two scenarios given the rather short time frame examined and therefore the Hot House World scenario was used to run the sensitivity analysis which aligns with the scenario used for physical risks in the RIMA process.

Results

The sensitivity analysis results indicate a collective charge of €3.5mn and €6.8mn, assuming that prices are reduced equally to the calculated damage functions for the years 2028 and 2034 respectively. Both charges are not deemed material.

Employing the damage functions over a longer term would yield additional provisions as per the logic embedded in the climate scenarios which provide for increasing impacts as you move further into the future. However, that would ignore both the dynamic nature of the balance sheet and the mitigating actions that the BOC PCL can put in place in the interim. Furthermore, the precise timing and magnitude of any climate impact on property prices remain uncertain.

b. Resilience of Strategy and Business Model

The Group has embedded climate resilience into its strategic planning. ESG is a core pillar of the Group's long-term strategy, with the ambition to achieve Net Zero by 2050. In line with this commitment, a decarbonisation target has been established for the mortgage portfolio, aligned with the IEA's B2DS. The lending strategy has been adjusted to support this target, with integration into the Financial Plan for 2025-2028. Multiple scenario-based sensitivity tests have been conducted to ensure alignment with climate targets and resilience under varying transition risk scenarios.

The overall resilience of the Group's business model is reinforced by a relatively low exposure to carbon-intensive sectors, such as coal, oil, and gas. Further mitigating measures include the introduction of new lending sector limits to carbon-intensive industries. These restrictions do not apply to green or transition financing or to entities operating in carbon-intensive sectors with an externally validated transition plan, thereby incentivising customers to transition toward a low-carbon economy.

The current assessment indicates that the Group's business model remains resilient under a 2°C or lower climate scenario, supported by a risk assessment framework, portfolio management, and the integration of climate risk considerations into financial planning. Additional details on sectoral loan and investment exposures are provided in 7. Climate Change Metrics & Targets in pages 141 and 143.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities

C&E Risks Identification & Materiality Assessment (RIMA) process

The Group while conducting the DMA, utilised the results derived from the RIMA process in regards to C&E risks. In 2023, the Group has refined its MA of C&E risks as drivers of existing financial and non-financial risks, namely Credit risk, Liquidity risk, Market risk, Operational risk, Strategic risk as well as Reputational and Legal risk, taking into consideration its business profile and loan portfolio composition.

As part of the RIMA process, the Group has enhanced the following steps to ensure a comprehensive and structured MA process, having due consideration on the specificities of its business model, operating environment and risk profile:

i. Identification and documentation of C&E risk drivers
ii. Definition of transmission channels for C&E risks
iii. Assessment of materiality of C&E risk drivers

Specifically, the Group has conducted an assessment of the following C&E risks, as drivers of existing risks:

i. Climate-related physical risk drivers
ii. Climate-related transition risk drivers
iii. Environmental transition risk drivers (other than climate risks)
iv. Environmental physical risk drivers (other than climate risks)

The assessment has been conducted using both quantitative and qualitative methods. For data driven methods, a combination of internally collected Group specific data and external data have been used.

In summary, as a first step, a more granular list of potential C&E risk drivers has been identified through the enhancement of the inventory of C&E risks already developed by the Group in the course of the previous C&E risk assessment exercises. In particular, the Group has proceeded with an additional classification and categorisation of the C&E risks across four levels of granularity as per the following example:

i. Climate-related risk (Level-1)
ii. Physical risk (Level-2)
iii. Acute risk (Level-3)
iv. Wildfire (Level-4).

As a second step, the C&E risks have been mapped, by RMD, to the existing financial and non-financial risks through respective transmission channels. For transmission channels refer to page 117.

As a third step, a combination of qualitative and quantitative methods has been utilised for the purpose of the performance of the MA of C&E risks using various materiality parameters and thresholds, depending on the method and data used for the assessment. In addition, the evolution of C&E risks has been considered over the short, medium and long-term time horizons. For the time horizons considered refer to 9. Time Horizons in page 100.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

C&E Risks Identification & Materiality Assessment (RIMA) process (continued)

An overview of the steps followed for the performance of the MA is presented in the following figure:

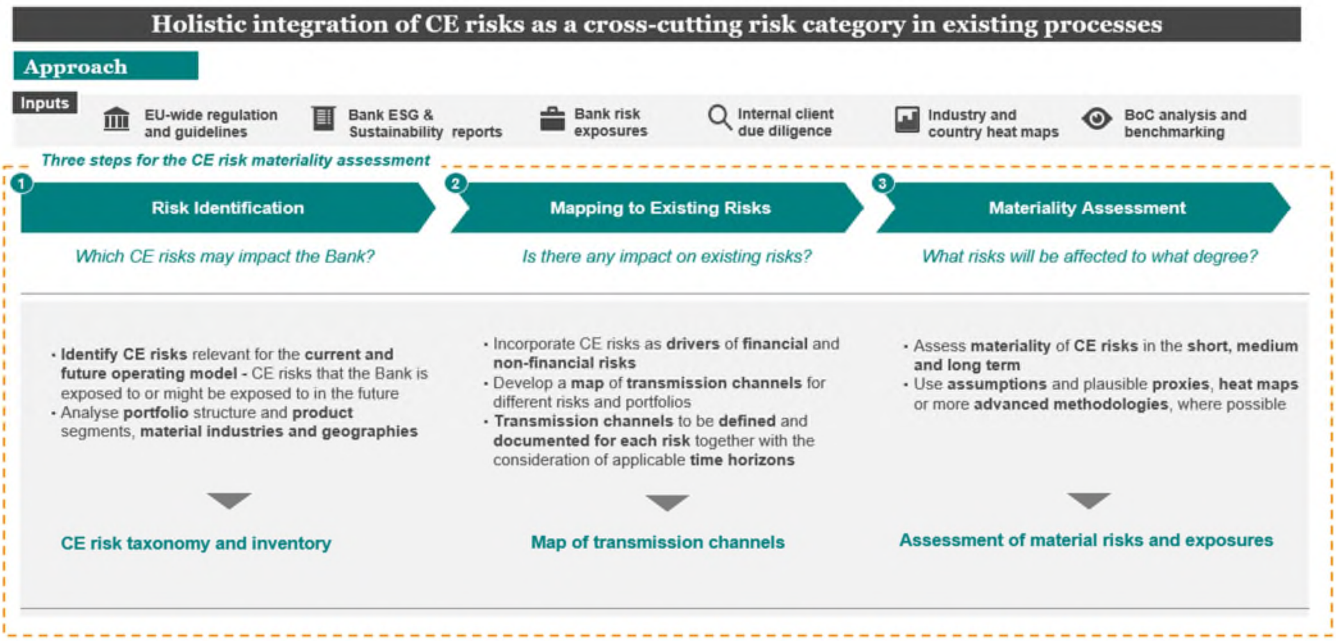


Figure 1: *Overview of BoC's C&E MA 2023 stages*

The following table (Table 2), provides an overview of the Group's C&E risks inventory, which includes all C&E risks considered as part of the MA performed. A further break down of C&E risks has been considered accordingly by defining thirty (30) underlying risk types.

ID	C&E risk	C&E risk sub-type	C&E risk sub-type	C&E risk sub-type
	[Level 1]	[Level 2]	[Level 3]	[Level 4]
1	Climate-related	Physical	Acute	(Extreme) Heat
2				Drought (increased frequency, intensity, duration)
3				High intensity / duration precipitation events (increase; causing flooding)
4				Landslide
5				River flood
6				Storms (increased activity and/or intensity)
7				Wildfire
8			Chronic	Desertification
9				Ocean acidity
10				Precipitation (decreased average precipitation)
11				Sea level rise (increasing risk from coastal flood)
12				Temperature (increase of average temperature)
13		Transition	Policy and Regulation	Failure to comply with climate (ESG) disclosures and GHG reporting obligations
14				Risks from litigation

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

C&E Risks Identification & Materiality Assessment (RIMA) process (continued)

ID	C&E risk	C&E risk sub-type	C&E risk sub-type	C&E risk sub-type
	[Level 1]	**[Level 2]**	**[Level 3]**	**[Level 4]**
15	Climate-related	Transition	Technology	Transition to low-emission alternative products and services/business models
16			Market	Increased energy costs and costs of raw materials
17				Increased stakeholder concern or negative stakeholder feedback / markets sentiment and preferences
18	Environmental	Physical	Acute	Earthquake
19				Tsunami
20			Chronic	Air pollution
21				Soil pollution
22				Water pollution
23				Biodiversity loss (incl. species extinction)
24				Deforestation (incl. habitat destruction) and land use change
25				Water scarcity
26				Pests (increased prevalence)
27		Transition	Policy and Regulation	Circular economy & waste management
28				Environmental protection requirement
29			Technology	Environmentally friendly technologies
30			Market	Environmentally driven consumer behaviour

Each C&E risk has been individually assessed as a driver of Credit risk, Liquidity risk, Market risk and Operational risk, and individual risk scores have been assigned. For these categories of existing risks, the results of the assessment have been aggregated at the level of physical and transition risks sub-types. The assessment of C&E risks as drivers of Strategic risk, Reputational risk and Legal risk has been performed at the abovementioned granularity level.

C&E Transmission Channels

C&E risks are recognized as drivers of the existing risks and may impact the Group directly or indirectly through counterparties, assets (microeconomic channels) or the broader economy in which the relevant clients and the Group operates (macroeconomic channels). The Group has defined the transmission channels through which the C&E risks can influence each of its existing risk categories, the Table below provides a non-exhaustive list of transmission channels and is not limited to the C&E risks identified as material. A more detailed description of each of the C&E risk transmission channels regarding the principal risks and the arising impact on the Group is provided in Table 3 below.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

C&E Transmission Channels (continued)

C&E Risk Drivers	Transmission Channels (Non-exhaustive List)	Potential Impact on the Group	Affected Financial and Non-Financial Risk Types
Climate related and Environmental Transition Risks	i. Impact on repayment ability of clients through: i. Increased operating costs for compliance and/or lower revenues ii. Increased capital expenditures to comply with regulatory standards iii. Closure of business lines or facilities due to transition to greener economies and public sentiment	Increased Probability of Default ('PD') and Loss Given Default ('LGD')	Credit Risk[4]
	i. Impact on the price of marketable instruments (bonds/equity) and to Real Estate assets ii. Impact on BOC PCL's valuation if it does not reduce its emissions and/ or increase its GAR	i. Decrease in value of the REMU portfolio due to increase in operational costs and decrease in the value of the assets ii. Large/ small sell-off (of High Quality Liquid Assets ('HQLA')) against reduced prices and/ or potential difficulty to liquidate iii. Interest rate and FX shocks, credit spreads changes	Market Risk[5]
	i. Inability to raise funding due to lack of climate change action by the organisation ii. Depletion of deposits to address increase operational costs or mitigate transition risks	i. Rapid withdrawal of customer deposits ii. Unexpected significant expenses or charges that may influence liquidity position and net outflows iii. Lack of funding sources / negative changes in funding structure iv. Lower demand for BOC PCL's capital issuance v. Difficulties in selling assets / selling of assets with a discount	Liquidity Risk[6]

Table 3: Overview of the key transmission channels and potential impact on the Group through C&E risks

[4] Including Counterparty risk, Settlement risk, Issuer risk, Concentration risk and Country risk.
[5] Including Interest rate risk, FX risk, Real Estate risk, Credit Spread risk and Equity risk.
[6] Including Liquidity risk and Funding risk.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

C&E Transmission Channels (continued)

C&E Risk Drivers	Transmission Channels (Non-exhaustive List)	Potential Impact on the Group	Affected Financial and Non-Financial Risk Types
Climate related and Environmental Transition Risks	Socio-economic changes (e.g. changing consumption patterns / customer preferences)	i. Losses due to physical damages or shutdowns ii. Increased operational costs for the buildings of BOC PCL iii. Losses from lower productivity iv. Losses from wrong decisions/ process issues v. Additional significant operating or capital expenses	Operational Risk[7]
	i. Inability to meet stakeholders' demands as a result of changing market sentiment ii. Reputational damage due to the financing of environmentally harmful projects	i. Limited business opportunities/ lessened expansion potential ii. Workforce fluctuations iii. Client withdrawal iv. Additional investments to improve internal processes and comply with expectations	Reputational Risk
	Litigation risks due to financing of environmentally harmful projects	i. Litigation costs may reduce the value of the REMU portfolio ii. Non-compliance with regulation and policy measures iii. Investments in carbon intensive and unsustainable projects, buildings or similar iv. Misalignment of communicated targets and reality	Legal/Litigation Risk
	i. Additional costs and regulatory repercussions relating to, for example, exposure to real estate portfolio without adequate EPC labels, or exposure to high emitting/ polluting sectors ii. Regulatory and / or market developments in relation to financial institutions offering 'green' products impacting BOC PCL's competitiveness	i. Loss of revenues due to strategic reorientation (e.g. loss of profitable business line) ii. Inadequate definition and execution of the strategy (e.g. incorrect or faulty assumptions, poor implementation) iii. Expenses for the implementation of upcoming C&E regulatory requirements / changes iv. Limited business opportunities/ lessened expansion potential	Strategic Risk

Table 3: Overview of the key transmission channels and potential impact on the Group through C&E risks (continued)

[7] Including Regulatory Compliance/Conduct risk, FEC risk, Internal/ External Fraud risk, People risk, BC risk, IT/ Cyber Risk, Technology risk, Data Accuracy and Integrity risk, Physical Security and Safety risk, Statutory Reporting and Tax risk, Transaction Processing and Execution risk, Project risk, Model risk and Third Party risk.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

C&E Transmission Channels (continued)

C&E Risk Drivers	Transmission Channels (Non-exhaustive List)	Potential Impact on the Group	Affected Financial and Non-Financial Risk Types
Climate related and Environmental Physical Risks	i. Increased operating costs due to retrofitting and/or damage / substitution of assets ii. Increase in insurance costs iii. Lower revenues due to reduced productivity or damage in value chain operations iv. Decrease in value of property collateral	Increased PD and LGD	**Credit Risk**
	i. Impact on the price of marketable instruments (bonds/equity) and to Real Estate assets ii. Impact on BOC PCL's valuation if it does not reduce its emissions and/ or increase its GAR	i. Decrease in value of the REMU portfolio due to increase in operational costs and decrease in the value of the assets ii. Large / small sell-off (of HQLA) against reduced prices and/ or potential difficulty to liquidate iii. Interest rate and FX shocks, credit spreads changes	**Market Risk**
	Depletion of deposits to address increase operational costs or address or mitigate physical risks (e.g. to finance damage repairs)	i. Rapid withdrawal of customer deposits ii. Unexpected significant expenses or charges that may influence liquidity position and net outflows iii. Lack of funding sources / negative changes in funding structure iv. Lower demand for Bank's capital issuance v. Increase in funding costs vi. Difficulties in selling assets/ selling of assets with a discount	**Liquidity Risk**

Table 3: Overview of the key transmission channels and potential impact on the Group through C&E risks (continued)

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

C&E Transmission Channels (continued)

C&E Risk Drivers	Transmission Channels (Non-exhaustive List)	Potential Impact on the Group	Affected Financial and Non-Financial Risk Types
Climate related and Environmental Physical Risks	Increased operating costs due to damage on premises, operating locations and other facilities	i. Losses due to physical damages or shutdowns ii. Increased operational costs for the buildings of BOC PCL (e.g. to comply with energy efficiency standards) iii. Losses from lower productivity iv. Losses from wrong decisions/ process issues v. Unplanned or additional significant operating or capital expenses	Operational Risk
	Increased operating costs arising from the management of C&E risks	i. Limited business opportunities/ lessened expansion potential (including respective operating losses) ii. Workforce fluctuations (including respective operating losses) iii. Client withdrawal (including respective operating losses) iv. Additional investments to improve internal processes and comply with expectations	Reputational Risk
	Litigation risks arising from BOC PCL's exposure to physical climate-related and/ or environmental damages	i. Litigation costs may reduce the value of the REMU portfolio ii. Non-compliance with regulation and policy measures iii. Investments in carbon intensive and unsustainable projects, buildings or similar (knock on effects from reputational loss) iv. Misalignment of communicated targets and reality	Legal/Litigation Risk
	Inadequacies in BOC PCL's product offerings without factoring in the potential damages resulting from physical risks associated with climate change; this could result in increased defaults on loans and negatively impact BOC PCL's asset quality.	i. Loss of revenues due to strategic reorientation (e.g. loss of profitable business line) ii. Inadequate definition and execution of the strategy (e.g. incorrect or faulty assumptions, poor implementation) iii. Expenses for the implementation of upcoming C&E regulatory requirements / changes iv. Limited business opportunities	Strategic Risk

Table 3: Overview of the key transmission channels and potential impact on the Group through C&E risks (continued)

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

Assessment of C&E risks as drivers of financial and non-financial risks

Following the mapping of C&E risks as potentially relevant or not-relevant drivers of the principal risks through the transmission channels, follows the assessment of the C&E risks and their relevant impact based on the principal risks. The Group has applied a combination of both qualitative and quantitative methods. The following methodologies have been applied:

a. Quantitative Geographic Assessment

This assessment is applicable to C&E physical risks as drivers of Credit, Market, Liquidity and Operational risks. Specific physical climate-related hazards, namely Wildfire, Landslide, River Flood, Wind Gusts (Storms), and Sea Level Rise have been considered using geolocation data (i.e. coordinates, postal codes, municipalities) with respect to the following:

i. Credit risk: borrowers' collateralized (secured) portfolio (geolocation coordinates of collateral properties) and unsecured portfolio (postal codes or municipalities of borrowers' location);
ii. Market risk: properties of the Group's REMU portfolio (geolocation coordinates of collateral properties);
iii. Liquidity risk: deposits held by Cyprus residents (postal codes or municipalities of deposit holders' locations);
iv. Operational risk: Group's physical locations (postal codes or municipalities of Bank's facilities).

Furthermore, specific environmental hazards, namely Air Pollution, Soil Pollution and Earthquake have been considered with respect to the following:

i. Property collateral for Credit risk secured portfolio (geolocation coordinates of collateral properties) - with respect to Air pollution, Soil pollution and Earthquake;
ii. Borrowers for Credit risk unsecured portfolio (postal codes or municipalities of borrowers' location) - with respect to Air pollution, Soil pollution and Earthquake;
iii. Property collateral for the REMU portfolio for Market risk (geolocation coordinates of collateral properties) - with respect to Earthquake;
iv. Deposits held by Cyprus residents for Liquidity risk (postal codes or municipalities of deposit holders' locations) - with respect to Earthquake;
v. BOC PCL's physical locations for Operational risk (postal codes or municipalities of BOC PCL's facilities) - with respect to Earthquake.

To further analyze the materiality of risk exposures to both physical and environmental hazards, a distribution analysis of underlying credit exposures (for both secured and unsecured portfolios), deposit amounts and employees count across risk scores (1-Low, 2-Medium, 3-High, 4-Critical) is performed. To conclude on the materiality of a specific hazard based on the distribution analysis across risk scores, a decision tree logic has been applied leading to one resulting risk score per hazard.

b. Quantitative Country Heatmaps

To inform the MA process, the Group has performed a heatmapping exercise to determine how physical and transition risks affect certain industries that the Group is exposed to, and subsequently to determine the impact on the overall Group's risk profile and operations. The following heatmaps were constructed to assess specific risks and segments as described below.

Country climate transition risk heat map

The heatmap was used to assess:

i. Liquidity risk: deposits held by non-Cyprus residents (foreign deposit amounts)
ii. Market risk: HQLA Bond portfolio (corresponding Conditional Value at Risk (CvaR))

A corresponding risk score from the heat map has been assigned to foreign deposit holders based on the underlying country of residence, and to bonds based on the underlying country of the issuer. As a next step, a distribution analysis of deposit amounts and CVaR across risk scores has been performed.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

Assessment of C&E risks as drivers of financial and non-financial risks (continued)

b. Quantitative Country Heatmaps (continued)

Country climate physical risk heat map

The heatmap was used to assess:

i. Market risk and Liquidity risk: HQLA Bonds portfolio
ii. Operational risk: Foreign locations of BOC PCL's third party outsourcing/ providers

A corresponding risk score from the heat map has been assigned to bonds based on the country of issuer and to third party providers based on country of location. As a next step, a distribution analysis of HQLA balances (CVaR for Market risk and market value for Liquidity risk) and number of employees (per country of third-party provider location) across risk scores has been performed.

In order to conclude on the materiality of climate transition and physical risks based on the distribution analysis described above, the same logic as described in the quantitative geolocation methodology (decision tree) has been applied, leading to a single resulting risk score (consistently, the same 4-level unique risk scale has been applied).

c. Qualitative analysis based on Expert Judgement

Expert judgement has been also employed to assess certain risk drivers including those for Strategic, Reputational and Legal risks. Expert judgement includes additional external sources and publicly available statistical data such as consultation reports, scientific publications and other sources featuring Cyprus-specific data from Eurostat, World Resource Institute, Climate Analytics, Climate Vulnerability Monitor etc.

d. Sectoral Analysis

For transition risks, the Group has used an industry heatmap with GHG emissions intensity as the indicator of the sectors' sensitivity to transition risks (the higher the GHG intensity, the higher exposure to transition risks). As a next step, a distribution of the credit exposures to these emissions categories has been allocated and an overall score for transition related risks was determined.

e. Determination of materiality

Different types of scores have been considered during the MA depending on the type of risks analysed and methods considered. Determination of materiality was concluded at C&E Risks Level 3, i.e., at the level of chronic, acute etc. risks sub-types, utilizing the Group's existing Risk and Control Self-Assessment methodology and thus assessing Magnitude and Likelihood on a scale from one (1) to five (5), to ensure consistency.

The definitions of each Magnitude and Likelihood scores have been formulated, taking into account the nature of C&E risks and encompassing different characteristics of the physical and transition risks, as well as the acute and chronic drivers in a harmonised way. Thus, for the purposes of this MA, the definitions of Impact and Likelihood have been tailored to describe the occurrence of severe C&E events or circumstances, since these are typically responsible for the great majority of the potential risk. Following the assessment, score levels "High" and "Critical" have been considered as "material" for the purposes of the MA, whilst "Low' and "Medium" scores as "non-material".

Reperformance of MA for 2024

In November 2024, the Bank reperformed the MA using identical methodologies to establish whether new risks must be considered as material. More specifically, Credit, Liquidity, Market and Operational risk analysis was reperformed with revised data and for the rest of prudential risks that were critically assessed based on expert judgement, the assessment has been revisited to ensure its validity. The outcome of this analysis did not yield any changes in the material risks. The RIMA process will be performed at least on an annual basis, or ad-hoc, if necessary.

ESRS E1 - Climate Change (continued)

5. Description of the processes to identify and assess material climate-related impacts, risks and opportunities (continued)

The process to identify and assess climate-related impacts, using UN PRB impact analysis tools, is described in the 4. Impacts, Risks and Opportunities in page 95. The Group identifies climate-related opportunities through the BES process and Group's Financial Plan.

The Group, established and implements a structured and detailed process, with clear roles and responsibilities, to gather a broad range of updates and developments, both internal and external, and link them with sectors/industries and products/services so to assess their impact, across different time horizons, and identify C&E risks emerging from these updates and developments and inform Group's risk and strategic profile.

The BES process facilitates the ongoing monitoring of potential impacts of C&E risks on its business environment across short-, medium- and long-term time horizons. This process involves the systematic monitoring of various news, updates, and developments, including regulatory developments, macroeconomic trends, competitive landscape, technological trends, as well as societal demographic developments and geopolitical updates. As part of the process, the Group collects external information, on a monthly basis, from various sources, such as news articles, publications, policy and regulatory updates, as well as internal information such as strategy updates, process changes and other relevant internal documentation.

The identified developments are then mapped to the relevant business lines, sectors/industries and portfolios that might be impacted, as well as to specific products/services, where applicable. Developments are further assessed in terms of their relevance across the various time horizons, and preliminary impact scores are assigned based on the expected effect on the Group's risk and strategic profile. Scores range from 0 (No impact) to 5 (Critical impact).

The Group has established a dynamic interaction between the BES and the RIMA to ensure that the insights from both exercises continually inform each other. The results of the BES, for 2024, have been considered and informed the RIMA and Business Strategy, particularly developments which have been classified as having a "High" or "Critical". The results of BES have been utilized to identify climate related opportunities as part of the DMA process.

The preliminary impact assessment of key updates and developments on risk profile and strategy is conducted and reported to the SC and EXCO on a quarterly basis. The final impact assessment of key updates and developments on risk profile and strategy is conducted and presented to the SC, EXCO, NCGC and RC on an annual basis.

The Group established also a BES working group with specific responsibilities assigned to Compliance Division, RMD and Strategy Department so to collectively perform the impact assessment arising from key updates and developments on risk profile and strategy.

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation

The Group has developed a set of policies, embedding recurring actions, to effectively manage its material impacts, risks, and opportunities related to climate change mitigation, energy and adaptation.

Environmental and Social (E&S) Policy

The Group's E&S Policy aims to address E&S responsibilities by establishing an E&S management framework, fostering a culture of E&S responsibility, managing E&S risks in lending activities, training staff for policy implementation, and supporting customers address E&S matters. The policy guides departments involved in credit granting process and applies to granting new facilities to physical persons or legal entities secured by mortgage on immovable property and granting of new funded facilities to legal entities (excluding credit cards). The Policy does not apply to activities outside of Cyprus nor to restructuring cases unless new facilities are also requested with the restructuring.

Lending applications associated with activities included in the policy's Exclusion Sectors / Prohibited Activities (i.e. Thermal coal mining, upstream oil exploration etc.) are rejected and reported to RMD. For activities that are classified as low risk by EBRD's E&S Risk Categorization assessment a written customer confirmation for proper business conduct, relevant licenses and work permits must be obtained. For activities that are classified as Medium / High risk by EBRD's E&S Risk Categorization assessment a written customer confirmation for proper business conduct, relevant licenses and work permits must be obtained and an E&S study by external expert should be performed. In addition, other E&S checks should be performed, such as investigations into penalties, public complaints, adverse media reports, accidents / incidents, regulatory investigations and legal actions as well as site visits. The findings of the above actions must be stated in the credit application together with any corrective measures for the mitigation of the E&S risk.

The approving authority decides whether the E&S risk is acceptable and set specific terms and covenants to control any E&S risks as well as decides the frequency of future E&S studies (at least every 3 years for High-Risk E&S ratings).

E&S risks associated with a facility are monitored throughout its lifetime:

1. As part of the normal monitoring of the facility (i.e. customer's credit review)
2. When certain events qualify for re-evaluation of the E&S risks, such as change in business activity, expiry of operating permits, regulatory investigations, company investments / improvements, public complaints or adverse media reports, changes to environmental legislation, accidents / incidents and legal actions.

The Board bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. Credit Risk Control & Monitoring (CRC&M) reviews the Policy for proper governance and is responsible to examine adherence to policy and report divergence to guidelines, as part of on-going monitoring, through the review of credit applications on a sample basis, at regular intervals, as described in the Credit Monitoring Policy and CRC&M operations manual. Monitoring compliance with this Policy, on a regular basis, is a key factor in minimizing E&S risks. This is achieved through quality checks from CRC&M, which indicate the level of adherence to the Policy in order to take corrective action. Findings are communicated to Chief Risk Officer (CRO), and recommendations are made for enhancing compliance. RMD performs periodic (at least on an annual basis) monitoring on the E&S management procedures, to inform management and other stakeholders if policies and procedures have been implemented and are functioning as expected or if improvements or revisions are required. An annual report is submitted by CRM to the EBRD, covering the previous financial year and confirming that the Group is in full compliance with EBRD's E&S requirements. The Board approves the Policy, RC reviews and recommends the Policy prior to the submission to the Board for approval, making sure, that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the Policy and monitoring the effective implementation of the Policy via the Control Functions. The policy is available for all employees through internal portal.

Details on the E&S Policy are provided directly to customers through Business lines as part of the loan origination process.

The above-mentioned actions are not associated with any capital or operating expenditure as are allocated on existing resources of the Group including Consumer Banking Division, Corporate & SME Division, International Banking Division, Credit Risk Control & Monitoring, Corporate & SME Credit Risk and Credit Sanctioning.

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation (continued)

Lending Policy

The Group's Lending Policy underpins its efforts to manage environmental and social risks associated with financing activities, focusing also on minimising climate change mitigation, energy and adaptation impacts and risks. The Policy sets the standards and effective guidelines to be used during the credit granting process which is aligned with the Group's risk tolerance and approved limits and guides individuals involved in the credit granting process on effective credit granting standards and sound evaluation of credit risk, including ESG Due Diligence in the loan origination process for legal entities and its interaction with credit risk.

The Group, considering the ESG Framework and the C&E risks, which might impact credit risk and repayment ability, has established an ESG Due Diligence process applied during credit granting and review process. The ESG Due Diligence process is applicable to customers that meet specific thresholds / criteria. Specifically, the ESG Due Diligence is applied on legal entities under Corporate & SME Division, within Cyprus, with new lending amount over €250,000 (direct facilities) and Group's exposure over €3,000,000 or new lending amount over €1,000,000 (direct facilities).

ESG Due Diligence process – Roll out plan		
2025	**2026**	**2027**
1. Amend eligibility criteria (Group exposure thresholds) to increase the number of entities from the SME Business Line 2. Initiate data collection for the Shipping portfolio 3. Include large customer groups from the International Corporate Banking (exact criteria to be determined) 4. Initiate data collection from existing international syndicated loans. The majority of these loans have external ESG reports which will be used by the Group for the data collection.	1. Further amend eligibility criteria (Group exposure thresholds) to increase the number of entities from Corporate and the SME Business Line	1. Include selected legal entities of the Retail Division

ESG Due Diligence is not applied for dormant companies, start-ups, holding companies, management companies, companies with total exposure less than €250,000 and Group's exposure over €3,000,000, special purpose vehicles and Governmental authorities. During the credit application assessment process, that falls under specific thresholds / criteria, for granting new and/or reviewing existing credit facilities, Business Units must identify, evaluate and assess ESG matters that are relevant to the borrower. ESG Due Diligence includes the following:

1. ESG questionnaires (applicable for new lending and review): The questionnaires must be completed by the customer, in order to collect relevant quantitative and qualitative information, identify and assess ESG matters that are relevant to the borrower and derive an ESG score which reflects the performance of the customer towards ESG factors and exposure of customers towards ESG risks.
2. Scenario Analysis (applicable for new lending): The repayment ability of the borrower is evaluated under certain negative Environmental (E) scenarios, to assess the extent to which environmental risks affect the borrower's financial position and repayment ability.
3. Assessments under (1) and (2) above are evaluated and, where necessary, recommendations to borrowers in aligning with regulations and existing best practices are made, (depending on the ESG questionnaires results) and/or specific covenants will be set for monitoring (depending on the joint assessment of (1) and (2) above).

RMD is authorized to set thresholds and criteria through detailed guidelines, for the application of the above process to the Business Lines and to issue guidelines as to how the findings of the assessment under (1) and (2) may impact the cost of the borrower (refer to Lending Pricing Policy below) and/or whether any issues identified should be resolved before disbursement.

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation (continued)

Lending Policy (continued)

The relevant ESG questionnaire incorporates specific questions relating climate change mitigation, adaptation and energy. Depending on the customer's response and the associated weight of the Environmental (E) score, the customer's aggregated score derives. The above-mentioned process develops also a high-level roadmap for the customer under assessment in order to improve the ESG score and mitigate potential ESG risks. The ESG questionnaire, Synesgy solution, takes into account Global Reporting Initiative (GRI) and ESRS metrics in order to assess customer's performance on ESG spectrum.

Investment cost for the implementation of ESG Due Diligence process (Synesgy Questionnaire & Data Lake) solution for the FY2024 was €62k. The budgeted cost included in the Financial Plan period 2025-2028, for the ESG Due Diligence, is €420k. Therefore, the above-mentioned actions are not associated with any significant capital or operating expenditure.

In addition, through this policy the Group mandates the collection of Energy Performance Certificates, in loan origination process, for properties financed or assigned as collaterals (building or planning permit after 01/01/2010) which indicate the exposure to climate transition risk. Currently, mandatory collection of EPCs has been instructed for better quality of data in assessing Group's exposure to climate transition risks, and classify Housing loans, with EPC Category A and meeting certain criteria, as Green, in accordance with the decarbonization strategy of Residential mortgage portfolio. Further details on EPC gathering in loan origination process are included in relevant procedure manuals and circulars.

The Board approves this Policy and bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top.

High-level information on the Lending policy is available on the Group's website and further details at product or service level are provided to customers either through direct communication with the Business Lines or through Group's website.

The Group follows the three lines of defence model, each performing certain duties in relation to credit risk exposure, namely front line, RMD and IAD.

CRC&M reports are used to monitor and assess Asset quality, examine Lending Policy compliance and identify any Policy deviations. This is achieved through:

1. identification of areas of risk and establishing if the risk / return relationship is within the appetite of the Group;
2. discussing and analysing possible risk scenarios and risk gaps;
3. assessing and reviewing the credit application and granting process;
4. identification of early warning signs in aggregated portfolio and separate sub portfolios and provision of information so that remedial actions are made.

Green Lending Policy

The Group's Green Lending Policy, which is based on Green Loan Principles (GLP) of Loan Market Association (LMA), actively promotes financing towards projects with tangible environmental benefits, including projects aiming to mitigate climate change mitigation, adaptation and energy impacts and risks. In addition, the policy enables the Group to grasp green lending opportunities in the market. The policy establishes the criteria to classify a loan as 'green', focusing, among others, on projects such as renewable energy, energy efficiency, clean transportation, green technologies, climate change adaptation and Green buildings. By providing Green lending the Group effectively manages the material negative impacts and risks associated with energy, climate change mitigation and climate change adaptation. the Group is in the process of preparing the relevant guidelines, which will provide further guidance on the specific procedures to be followed for the complete operationalisation of the Green Lending Policy.

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation (continued)

Green Lending Policy (continued)

Following the BES process on C&E risks, the Group incorporates Green new lending internal KPIs to Business Lines in order to promote Green lending practices and effectively manage climate change adaptation, climate change mitigation and energy impacts and risks as well as grasp available opportunities in the market. For more details on the Green new lending internal KPIs refer to page 136.

The Board bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. Monitoring of green loans is performed by CRC&M and control functions. More details on Green lending policy at product or service level can be provided to customers through direct communication with the Business Lines during the loan origination process.

The above-mentioned actions are not associated with any significant capital or operating expenditure. The resources allocated relate to existing resources including Consumer Banking Division, Corporate & SME Division, International Banking Division, CRC&M, Corporate & SME Credit Risk and Credit Sanctioning.

Sustainable Finance Framework

The Group established a Sustainable Finance Framework (SFF) aiming to improve disclosure and transparency on sustainability and to bring to international investors more opportunities to invest in sustainable developments in Cyprus. The SFF is designed to support the management of climate change mitigation, adaptation and energy impacts and risks and grasp opportunities through sustainable financing. The Group has set up a SFF which facilitate the issuance of:

i. Green Bonds/Loans – for which the funds raised are exclusively allocated to Eligible Green Projects;
ii. Social Bonds/Loans – for which the funds raised are exclusively allocated to Eligible Social Projects;
iii. Sustainability Bonds – whereby the funds raised are exclusively allocated to Eligible Green Projects and to Eligible Social Projects.

The SFF is aligned with the Green Bond Principles and defines the following core elements:

i. Use of Proceeds;
ii. Process for Project Evaluation and Selection;
iii. Management of Proceeds;
iv. Reporting.

For Use of Proceeds an amount at least equivalent to the net proceeds of any Sustainable Financing Instrument issued by the Group will be allocated to finance new or re-finance, in whole or in part sustainable projects which meet the eligibility criteria of the following Eligible Green and/or Social Project categories.

The Project Evaluation and Selection Process ensures that the proceeds of any of the Group's Sustainable Financing Instruments are allocated to new lending or existing projects that meets the criteria set out under the SFF. The Group has established a Sustainable Financing Working Group (SFWG) to carry out the evaluation and selection process.

In addition, it is Group's intention to maintain an aggregate amount of Eligible Sustainable Projects that are at least equal to the aggregate net proceeds of all the Group's Sustainable Financing Instrument issuances that are concurrently outstanding under this Framework. In the event that the aggregate value of Eligible Sustainable Projects in the Group's Eligible Asset Portfolio is less than the total outstanding amount of the Group's Sustainable Financing Instrument(s), the unallocated surplus funds will be held in line with the Group's general liquidity management guidelines until allocated to Eligible Sustainable Projects. Eligible projects are:

a) Renewable Energy (Environmental)
b) Energy Efficiency (Environmental)
c) Clean transportation (Environmental)
d) Green Buildings (Environmental)
e) Access to Essential Services – Healthcare
f) Employment Generation and SME financing

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation (continued)

Sustainable Finance Framework (continued)

For all Sustainable Financing Instrument issuances under this Framework, the Group is committed to providing investors with transparent reporting on the allocation of proceeds towards Eligible Sustainable Projects (Allocation Reporting), as well as to report on the positive environmental and social impacts of those projects (Impact Reporting). The Sustainable Financing Instrument Report will be updated annually, until full allocation of the proceeds of the issued Sustainable Financing Instrument(s).

Following the setup of the SFF in 2023, BOC PCL, in 2024, issued a €300mn green senior preferred notes under the EMTN programme in line with the Group's Beyond Banking approach, aimed at creating a stronger, safer and future-focused bank and leading the transition of Cyprus to a sustainable future. An amount equivalent to the net proceeds of the Notes will be allocated to eligible green projects as described in the SFF.

Concentration Risk Policy

The Concentration Policy applies at Group level and defines limits and the methodology for setting limits towards exposures in specific assets, liabilities and off-balance sheet items to ensure that concentration risk is within the Risk Appetite. The Concentration Risk Policy complements the efforts of managing negative impacts and risks associated with energy, climate change adaptation and climate change mitigation by restricting lending to carbon-intensive sectors, including oil, gas, manufacturing of cement, manufacturing of Iron & Steel & Aluminium and non-renewable power generation. Financing in these sectors is only permitted for carbon-intensive NACE sectors subject to a total (cumulative) exposure of €100m as per the provisions of this policy and for transition or green projects that align with the Group's sustainability objectives, subject to approval by its highest credit committees.

The Board approves the Policy and bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. Monitoring of Concentration Risk Policy is performed by:

1. CRC&M through monitoring of:
    1. Large exposures on a monthly basis.
    2. Credit risk concentration limits through semi-annual quality assurance reviewed.
2. Market & Liquidity Risk Department is responsible for monitoring country, counterparty risks, funding sources, derivatives and brokers.
3. Credit Risk Management Department is responsible for monitoring sector, collateral and name concentration. In general, monitoring is performed at least on a monthly basis and more frequently as required by the type of limit and Business Lines are informed accordingly, in order to ensure real time monitoring. As part of this process, data is sourced from the Data Warehouse system. Such data is governed by data quality rules put in place by the Data Quality & Governance department. RC is informed about the outcome of this monitoring.

The above-mentioned actions are not associated with any significant capital or operating expenditure. The resources allocated relate to existing resources including Consumer Banking Division, Corporate & SME Division, International Banking Division, Credit Risk Control & Monitoring, Corporate & SME Credit Risk and Credit Sanctioning.

Lending Pricing Policy (LPP)

The purpose of LPP is to define the principles of pricing new loans and overdrafts. The Group is recognising the important of promoting sustainability in its lending practises so it has developed a comprehensive plan aiming to integrate ESG and climate factors into its loan pricing framework to ensure a long-term sustainable growth.

The Group performed market research to identify the best practices to incorporate ESG and climate considerations in the loan pricing. Following the market research, the Group introduced margin discounts by taking into account the customer's ESG score and the transaction eligibility under Green Lending Policy. A margin discount, based on the client's ESG and climate impact, has been implemented for both new and existing clients on new lending requests, for all clients (all sectors) under Corporate Division, differentiating however between carbon-intensive vs. non-carbon intensive sectors. The Group linked the margin discount at the client level to the borrower's "E" scoring (extracted from borrower's ESG score). In addition, the margin discount is linked at the transaction level (i.e. whether lending is green or not) utilizing the provisions of the Green Lending Policy. This approach aims to incentivize customers to have a better ESG score and obtain Green lending in order to be exposed to lower level of energy, climate change transition and adaptation impacts and risks.

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation (continued)

Lending Pricing Policy (LPP) (continued)

CRC&M currently monitors the implementation of the LPP through a sample review of new lending cases approved for a reduction in pricing on a semi-annual basis.

Treasury monitors pricing deviations (related to customer-based lending or to pre-priced products or to any other lending of which pricing has already been approved by ALCO) below Directors' discretionary limits (as per relevant ALCO approval) on a quarterly basis through a centralised ex-post reporting procedure. All pricing deviations per business line are reported to ALCO quarterly. In case pricing deviations exceed 10% of new lending in the respective reporting period (in terms of amount per business line), ALCO is informed accordingly. All pricing deviations below Director's discretionary limits should be agreed with the relevant line Director and approved by Deputy Chief Executive Officer.

LPP is reviewed and revised at least on an annual basis (or more frequently if deemed necessary), by Treasury, after considering the input provided by each stakeholder. The policy is subject to approval by the Board, following Asset & Liability Committee (ALCO) and RC recommendation and is subject to review at least on an annual basis or more frequently if deemed necessary.

The policy is made available through detailed circulars and procedures and is readily available in the Employee Internal Portal. More details on LPP at product or service level can be provided to customers through direct communication with the Business Lines during the loan origination process or through Group's website.

The above-mentioned actions are not associated with any significant capital or operating expenditure. The resources allocated relate to existing resources including Consumer Banking Division, Corporate & SME Division, International Banking Division, Credit Risk Control & Monitoring, Treasury, Corporate & SME Credit Risk and Credit Sanctioning.

Collateral Valuation Policy

The purpose of the policy is to set the guidelines on how collaterals obtained by the Group are valued at origination and how such value is monitored and reviewed at regular intervals, to ensure:

a) that they provide adequate coverage for the credit facilities granted by BOC PCL and an accurate picture of the value of collateral in case of enforceability, provisioning, or capital calculations.
b) valuation risk is prevented and deterred and, where it does occur, it is addressed in a timely and expeditious manner.

The Policy guides relevant departments involved in the credit process, regarding collateral valuation and monitoring. All departments involved in the credit process must be aware and comply with this policy and related policies and circulars which are adopted in conjunction with the policy.

Furthermore, BOC PLC's collateral, REMU and own property valuation process involves several significant valuation parameters and considerations. The existing valuation templates include among other a section on environmental risks, which valuers must assess to determine the market value.

BOC PCL through a specific circular, during 2023, emphasised to the valuers the importance of considering certain physical risks during the valuation process. The following risks must be considered in the valuation process are listed below although the list is not considered as exhaustive.

a) Ground Geological Suitability (identifying and reporting the zone and its characteristics)
b) Area seismicity around the property (identifying and reporting the zone and intensity)
c) Risk of flooding (identifying and reporting the zone and intensity)

It is also mandatory, during the valuation of collaterals, to request EPC of the collateral and to be adequately captured in the valuation report. It is also mandatory for valuers to include adequate commentary on the presence of contamination and hazardous substances deriving from current or past activities on the property or its location.

ESRS E1 - Climate Change (continued)

6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation (continued)

Collateral Valuation Policy (continued)

The Property Valuation System has been enhanced to record the above information about physical risks and EPC. The above-mentioned process mitigates the exposure of the Group towards energy, climate change mitigation and adaptation impact and risks. On a quarterly basis, a Quality Assurance Report, is submitted to the SC, by Premises & Valuations Department, indicating the percentage of valuation reports obtained that are full compliant with the new requirements, partial compliance or major deviations observed, on a sample basis. The SC determines the actions to be followed by the Valuations Department.

External valuations are reviewed on a regular and sample basis as appropriate, by Premises & Valuations Department, to confirm that the external valuer has complied with BOC PCL's valuation requirements. For all cases above, Premises & Valuations Department submits an annual report to the CRO with relevant information and suggestions. In addition, as part of on-going monitoring, CRC&M reviews credit applications on a sample basis, to ensure adherence to policy.

The Board approves the Policy and bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. RC reviews and recommends, the Policy, for approval to the Board, making sure, that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the Policy and monitoring the effective implementation of the Policy via the Control Functions. The above-mentioned action is not associated with any capital or operating expenditure. The resources allocated relate to existing resources including Consumer Banking Division, Corporate & SME Division, International Banking Division, Credit Risk Control & Monitoring, Treasury, Corporate & SME Credit Risk and Credit Sanctioning.

Group's Own Operations and Decarbonisation Levers

The Group, even with no established policy yet associated with energy, climate change mitigation and adaptation on own operations, has implemented and plans to implement several actions, on owned buildings and branches, aiming to mitigate material negative impacts on climate change mitigation, climate change adaptation, energy efficiency and renewable energy deployment.

The Group plans to establish an Environmental Management Policy on own operations within 2025 in order to provide guidance to the Group on how to actively promote environmental sustainability in own operations through ongoing identification, management and improved efficiency of environmental impacts associated with the Group's business activities, namely: energy management, adaptation measures, use of resources, renewable energy, recycling and waste management and procurement decisions. The decarbonisation activities conducted the last two years are depicted in the following table. Group's own funds are supporting the implementation of decarbonisation actions. The Group's Financial Plan embeds actions associated with the decarbonization plan for 2025-2028.

Group's Decarbonisation Actions – Own Operations		
	2023	**2024**
	(€ 000)	
Installation of electric chargers for cars	3	88
Air-conditioning systems replacements	42	107
Roof insulation		88
Solar Panels	132	38
Plug in hybrid vehicles		139
Electric vehicles		139
Lighting replacement	27	55
Total	**204**	**654**

In addition, Branch rationalisation associated with the Digital Transformation programme is considered a decarbonization lever as well. The Group is considering the implementation of a large project which is expected to reduce Scope 1 and Scope 2 GHG emissions between 10%-20% compared to 2024 emissions inventory. Resources allocated towards implementation of the above-mentioned actions are the existing employees under the Administrative operations Department of the Group. The above-mentioned investment costs are reflected as additions in the Note 25 Property and equipment of the Consolidated Financial Statements.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

GHG Emission Reduction Targets – Own Operations – Scope 1 and Scope 2

The Group has estimated the Scope 1 (Mobile Combustion, Stationary Combustion and Fugitive Emissions) and Scope 2 GHG emissions of 2021 relating to own operations in order to set the baseline for carbon neutrality target in own operations, given this was the year the Group's decarbonisation efforts were initiated. For the Group to meet the carbon neutrality target by 2050, the Group has set an interim target to reduce Scope 1 and Scope 2 GHG emissions by 42% (absolute target) by 2030. The absolute reduction target has been set following the IEA's B2DS and sectoral decarbonisation approach using Science Based target initiative's (SBTi) tool. The decarbonisation target has not been externally assured by relevant climate global bodies, such as SBTi. The target is directly linked with the Group's ESG strategy until the Group's Environmental policy becomes effective by the end of 2025.

The Group's decarbonisation efforts, including actions described in section Group's Own Operations and Decarbonisation Levers, lead to the reduction in Scope 1 and Scope 2 GHG emissions by 3,431 tCO_2e in 2024 compared to 2021 which represents c.25% reduction. The Group should perform additional decarbonisation actions to reduce Scope 1 and Scope 2 GHG emissions by c.17% to achieve the interim target of 2030.

The Group's own carbon footprint will continue to be calculated on an annual basis which will enable comparisons to be made and progress against decarbonisation target to be monitored.

The energy efficiency actions conducted in 2024 were netted off with the increased electricity consumption due to cooling needs associated with summer heatwaves, leading to stable Scope 2 GHG emissions between 2023 and 2024.

Metric	2021 Base line	Target year	Target	Target reduction	Performance as at 31 December 2024	Figure as at 31 December 2024	Methodology	Benchmark 1.5 °C Scenario
tCO_2eq	13,693	2030	7,942	(42%)	(25%)	10,262	SBTi	(66%)

Notes:
1) Scope 2 GHG emissions used to set the GHG emission reduction target are based on the location-based approach.
2) The gases included in the calculations are CO2, CH4, and N2O.
3) The GHG emission reduction target is reported on a gross basis and does not include GHG removals, carbon credits or avoided emissions.
4) The carbon footprint for Scope 1 and Scope 2 were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard.
5) Benchmark 1.5°C indicates the % reduction compared to the baseline if the 1.5 °C scenario was used.

The Group monitors the performance against the GHG emission target on own operation through SC, EXCO and NCGC on a quarterly basis through the Sustainability Performance Report.

GHG Emission Reduction Targets – Loan Portfolio - Scope 3

The Group, by taking into account the GHG emissions estimated for loan portfolio, the most significant loan exposures and the RIMA on C&E risks, decided to set a decarbonisation target on Mortgage portfolio, since their exposure corresponds to 34% of Households, Non-Financial and Other-Financial Corporations exposures and corresponds to c.6% of Group's GHG emissions of loan portfolio. The target is aligned with the Group's ESG ambition to reach Net Zero by 2050 and is linked with the objectives of the policies mentioned above. The Group has estimated the GHG emissions per square metre, as at 31 December 2022, for the properties financed under its Mortgage portfolio using the PCAF methodology and proxies, to identify the baseline. By applying SBTi target setting methodology, the baseline should be no more than a year from the target's effective date. Therefore, given the target was effective from December 2023, the baseline was set at December 2022. Then Group utilised the SBTi's tools, sectoral decarbonisation approach, in order to estimate the decarbonisation pathway that the Mortgage portfolio should follow to be aligned with the IEA B2DS. The Group decided to align the Mortgage portfolio with IEA B2DS due to the following reasons:

i. The scenario is consistent with Global warming projections (IEA and Intergovernmental Panel on Climate Change ('IPCC')) and is considered a widely acceptable scenario.
ii. The scenario is considered more plausible compared to the IEA's Net Zero Scenario given the fact that Cyprus market is pre-mature in the climate field. Therefore, Group considers reasonable to initiate its efforts based on a less intense scenario and then intensify its efforts when the overall Cyprus market is more mature in the field.
iii. Lack of data, enhances the risk of not having a solid baseline, so the Group considers that is more prudent to initiate its efforts based on a less optimistic scenario until data availability and quality is enhanced.
iv. The scenario is more straightforward to obtain and use as it is aligned with SBTi's available tools.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

GHG Emission Reduction Targets – Loan Portfolio - Scope 3 (continued)

In order to ensure the feasibility of the interim decarbonisation target and derive the decarbonisation strategy of Mortgage portfolio, the Group has projected the GHG emissions per square metre for the properties financed under its Mortgage portfolio as at 31 December 2030. In order to project the Mortgage portfolio as at 31 December 2030, the Group used various assumptions such as:

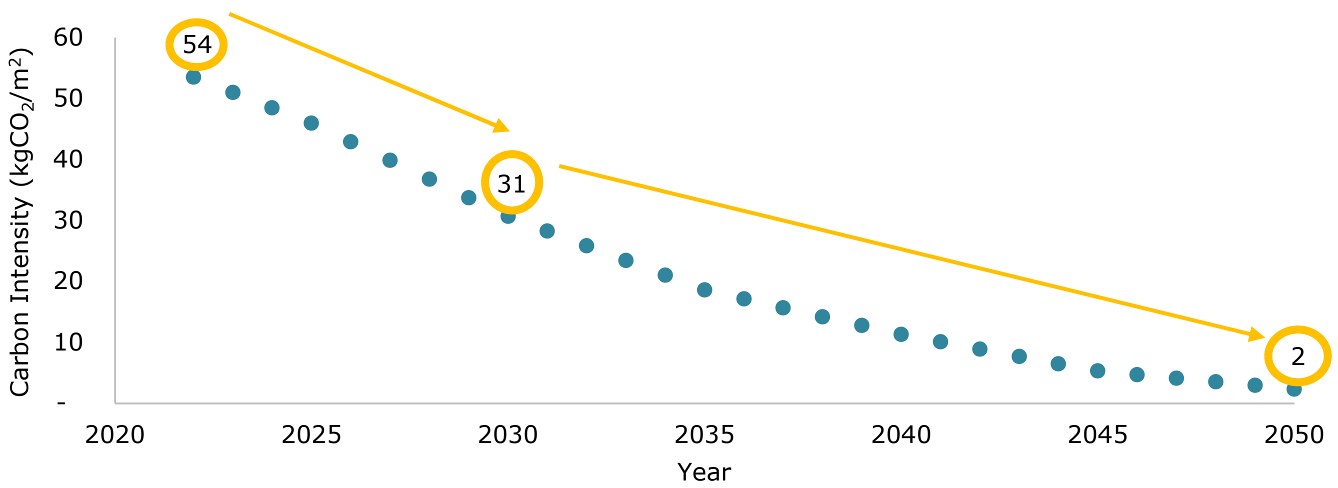
i. Projected new lending on Mortgage portfolio between 2025-2030;
ii. Projected square metres of each property financed under projected Mortgage new lending;
iii. Allocation of new lending on Mortgages to EPC classifications;
iv. PCAF proxies on GHG emissions per financed residential property;
v. Cyprus Government targets on the reduction of GHG emissions as well as the utilisation of renewable energy on residential buildings by 2030;
vi. Maturity of Mortgage exposures between 2025-2030.

When setting the target, the Group performed several sensitivities on the assumptions used to project Mortgage portfolio as at 31 December 2030 in order to ensure the feasibility of the target. Under all scenarios (sensitivities) the decarbonisation target on Mortgage on 2030 is achieved. In addition, sensitivities were performed to the baseline of 2022, given the lack of sufficient data, in order to ensure that when data quality of the estimation is improved in the upcoming years the adjusted decarbonisation target will be met. The decarbonisation target on Mortgage is also achieved after the increase / decrease of baseline by 10%, under all scenarios. The decarbonisation target has not been externally assured by relevant climate global bodies such as SBTi.

Metric	2022 Base line	Target year	Target	Target reduction	Performance as at 31 December 2024	Figure as at 31 December 2024	Methodology	Benchmark 1.5 °C Scenario
$kgCO_2/m^2$	53.50	2030	30.65	(43%)	(12%)	47.19	PCAF/SBTi	25.32
$kgCO_2/m^2$	53.50	2035	18.60	(65%)	(12%)	47.19	PCAF/SBTi	13.77
$kgCO_2/m^2$	53.50	2040	11.27	(79%)	(12%)	47.19	PCAF/SBTi	4.78
$kgCO_2/m^2$	53.50	2045	5.29	(90%)	(12%)	47.19	PCAF/SBTi	2.47
$kgCO_2/m^2$	53.50	2050	2.34	(96%)	(12%)	47.19	PCAF/SBTi	1.22

The Group aims to reduce by 43% the kilograms of GHG emissions financed per square metre ($kgCO_2e/m^2$) under the Mortgage portfolio, by 2030 compared to 2022 baseline. The Mortgage portfolio as at 31 December 2024 produced 47.19 $kgCO_2e/m^2$ which is 12% lower compared to the baseline due to increase in energy efficient residential properties financed in 2024 following introduction of Green Housing product.

Carbon Intensity Target – Mortgage Portfolio



ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

GHG Emission Reduction Targets – Loan Portfolio - Scope 3 (continued)

At the end of 2023, the Group introduced the Green Housing product with a variable interest rate. In 2024, the Group introduced the Green Housing product with a fixed interest rate. Both products are aligned with the GLP of the LMA, supporting the decarbonization strategy of the mortgage portfolio. The Group's new lending strategy, embedded in the 2025-2028 Financial Plan, include a new lending internal KPI associated with the Green Housing product which represents the decarbonization lever to reach the carbon intensity reduction as presented in the above graph.

The feasibility of this GHG emission reduction target is strengthened by Cyprus legislation, which mandates that residential properties must have an EPC Category A to obtain a planning permit for construction after July 1, 2020. The Group's Mortgage portfolio should be aligned with the abovementioned graph in order to be aligned with the climate scenario of IEA B2DS and being exposed to lower transition risks. The Group following the abovementioned analysis determined its new Mortgage lending strategy to meet the decarbonisation target on Mortgage.

The Group monitors the performance against the new lending metric associated with decarbonisation target on Mortgage in order to take remedial action on time:

i. By the SC, EXCO and NCGC through the Sustainability Performance Report (Quarterly)
ii. By the SC, EXCO and RC through the Climate Risk Report (Quarterly)
iii. By EXCO through the monthly performance pack (Quarterly)
iv. By BDC on a monthly basis.

The GHG emission reduction target on Mortgage portfolio is reported based on the intensity value, adopting the transitional provision to limit the information on value chain targets, for the first three years, to the information available in-house, on absolute values for target year and interim years.

Operational Limits to manage material climate transition and physical risks

In addition to the decarbonisation target set on Mortgage portfolio, the Group has set Key Risk Indicators (KRIs) for both climate-related transition and physical risks. The KRI related to transition risks of Non-Financial Corporations (NFCs) measures the Scope 1 intensity per loan as compared with the average Scope 1 emission intensity of Cyprus Republic. The KRI and relevant thresholds are updated on an annual basis through revision of Risk Appetite process. The indicator is monitored by the SC, EXCO, RC and Board as part of the Risk Appetite quarterly reporting. The KRI is effective for the FY2025 therefore no progress against the indicator has been reported. The limit is linked with the Group's Lending Policy.

Description	The indicator measures the potential exposure at risk in relation to transition risk. The indicator is applicable to Non – Financial Corporations only.		
Thresholds	**Business as usual:**	**Early warning:**	**In-breach:**
	<=30%	**30 – 40%**	**>40%**

Note:

1) The KRI measures the Potential Exposure at Risk [PEAR = (Exposures with GHG emissions >= the Cyprus average Scope 1 emissions)/(Total Exposure)].
2) The GHG emissions for BOC PCL's exposures are estimated using the PCAF proxies and standard.
3) The average Scope 1 emissions (kg per euro) for Cyprus, as reported by the Republic to EuroStat, covering the period between 2013 to 2019. The data from 2020 to 2021 were excluded due to the impact of COVID-19, which resulted in lower and non-representative emissions figures. When setting the indicator those were the latest available GHG emission data for Cyprus.
4) To calculate the PEAR ratio, the Scope 1 emissions per loan exceeding the Cyprus average were summed (numerator) and then divided by the total GHG emissions of the Non-Financial Corporation Bank (denominator).

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Operational Limits to manage material climate transition and physical risks (continued)

The Group is also exposed to climate-related physical acute risks driven by the wildfire risk through its impact on credit risk on the loan portfolio. Therefore, the Group has set a KRI that measures the exposure collateralised by immovable property with a "Very High" rating for any physical risk that can impact collaterals (wildfire and landslides) over the total exposure collateralised with immovable property. This allows the monitoring and mitigation of such risks. The KRI is effective for the FY2025 therefore no progress against the indicator has been reported. The limit is linked with the Group's Lending Policy.

Description	The indicator measures the exposure collateralised by immovable property with a "Very High" rating for any physical risk over the total exposure collateralised with immovable property.		
Thresholds	**Business as usual:**	**Early warning:**	**In-breach:**
	<=30%	**30 – 45%**	**>45%**

Note:

1) The KRI measures the Potential Exposure at Risk *[PEAR = (Exposures with physical risk graded "Very High")/(Total Exposure)]* both at country and district level.
2) Potential exposure at Risk is calculated by considering exposure collateralised by immovable property with a "Very High" rating for wildfire and / or landslide over the total exposure collateralised with immovable property.
3) Each collateral location receives a rating for each risk, ranging from "Low" to "Very High". This is referred to as the SPRI (Synthetic Physical Risk Index), representing the asset's vulnerability to physical risk based on its geographic location, different climate scenarios and time periods. It is noted that SPRIs do not indicate losses on asset values but aid in measuring the materiality of exposure to physical risks in the bank's collateral portfolio.

The above indicator also monitored across material portfolios and geographies (concentration) and their thresholds are the same as indicated above. The Group has set the following operational limits, applicable for FY2025, to track the effectiveness of the policies mentioned in Section Policies and Actions Related to Climate Change Mitigation and Adaptation:

limits	Level	Policies to address material impacts and risks
% of customers with ESG Due Diligence	100% of all eligible (as per Lending Policy) customers	Lending Policy
Overdue insurance policies	0% overdue insurance polices	Lending Policy
Outstanding valuations	0% overdue outstanding valuations	Valuation Policy
EPCs collections for new lending	100% of eligible (as per Lending Policy) collateral population	Lending Policy
50% of new EPCs to be > C	50% of eligible (as per Lending Policy) new collateral to be greater than EPC C	Lending Policy

Operational Limits – Details

Limit	**% of customers with ESG Due Diligence**
Description	Requires the completion of the ESG Due Diligence process through the Synesgy platform (ESG questionnaires). The assessment takes place annually.
Risks addressed	The questionnaires cover a wide spectrum of ESG risks as it is structured based on GRIs, ESRS and SDGs.
Lines / Portfolios	All eligible customers under SME Banking (Line 2) and Corporate Banking (Line 3). The KPI will become applicable to any line to which the ESG Due Diligence process is introduced.
Thresholds	100% of eligible customers within a single calendar year
limit	**Overdue insurance policies**
Description	Requires that all real estate obtained as collateral maintains insurance against the main physical risks
Risks addressed	Physical risks: wildfire, flood, earthquake
Lines / Portfolios	All lines that obtain real estate as collateral
Thresholds	0% overdue insurance polices

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Operational Limits to manage material climate transition and physical risks (continued)

Operational Limits – Details (continued)

Limit	Outstanding valuations
Description	Requires that all real estate obtained as collateral maintains current valuations as defined in the Valuation Policy. Since 2024, all valuers are requested to comment on C&E risks that affect each property. Furthermore, they are required to record in the Valuations System any flood, earthquake, and ground geological suitability findings as determined by the various authorities of the Republic.
Risks addressed	Physical risks: flood, earthquake, geological findings
Lines / Portfolios	All lines that obtain real estate as collateral.
Thresholds	0% overdue outstanding valuations
Limit	**EPCs collections for new lending**
Description	Requires that EPCs are collected for all new real estate obtained as collateral as part of new lending and are required by Law to have an EPC issued.
Risks addressed	Transition risks
Lines / Portfolios	All lines that obtain real estate as collateral.
Thresholds	100% of eligible collateral population
Limit	**EPCs classification for new lending**
Description	Requires that 50% of EPCs collected for all new real estate obtained as collateral as part of new lending to have a classification greater than C. The KPI relates to collaterals that are required by Law to have an EPC.
Risks addressed	Transition risks
Lines / Portfolios	All lines that obtain real estate as collateral.
Thresholds	50% of eligible collateral population to be greater than C

The KRIs and operational indicators are effective for the FY2025 therefore no progress against the indicators is reported. The limits are not based on scientific evidence and only internal stakeholders were engaged in setting those limits.

KPIs Escalation process

If any of the KRIs listed above is breached (whether at the early warning level or the in-breach level) then the breach is escalated to the CRO. If the breach relates to either a RAS or a Recovery Plan indicator, then the respective escalation process is followed. KPIs will be monitored as per the existing monitoring process in place which provides for:

1. KPIs are reported to the Credit Monitoring Forum on a monthly basis and monitored versus thresholds on a quarterly basis
2. In case of material deviations, these will be reported to the RC as necessary.

Given that the KPIs related to C&E risks, deviations will be reported to the CRO who may decide to escalate to the SC before any further escalation to the RC.

ESRS E1 - Climate Change (continued)

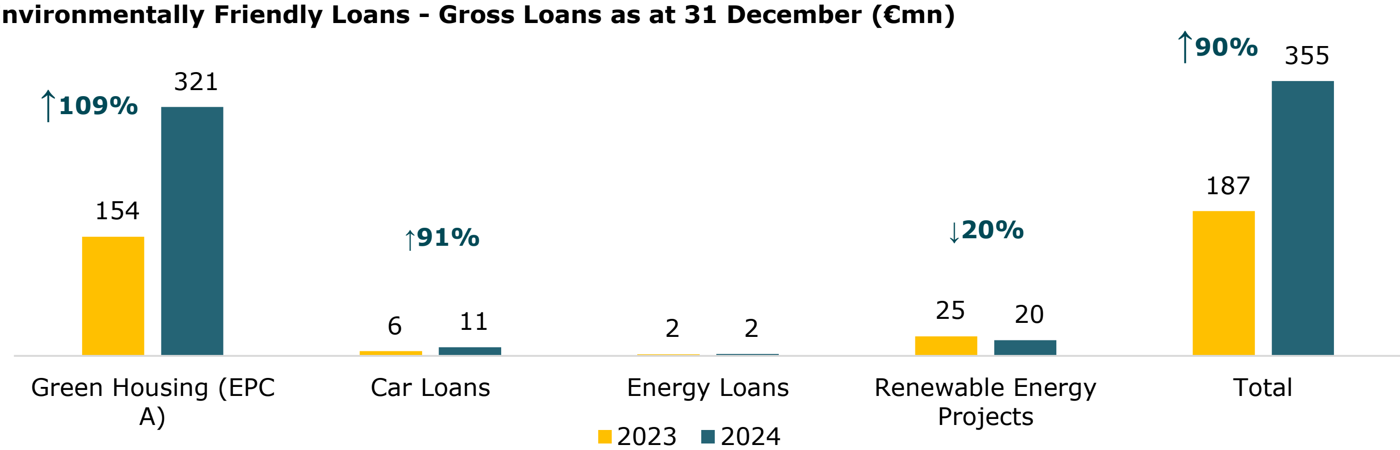
7. Climate Change Metrics & Targets (continued)

Green lending to manage climate transition and physical risks

The Group, by taking into account the results of BES and the RIMA on C&E risks, has set Green /Transition new lending internal KPIs for 2024 in order to support the transition of its customer and Cyprus to a low carbon economy and limit its exposure to transition and physical risks in certain sectors. Specifically, BOC PCL by taking into account the results of the RIMA on C&E risks, the expected introduction of Green taxation in Cyprus, the amendments adopted on the Energy Performance Directive on buildings as well as the Cyprus Government subsidies identified climate related opportunities and has set Green/Transition new lending internal KPIs on specific sectors (i.e., Manufacturing, Trade, Construction and Accommodation) to enable the Green transition. The Green/Transition new lending internal KPIs have been included in the Group's Financial Plan for 2024 – 2027 and monitored on a monthly basis by the BDC of the Group. Green / Transition new lending internal KPIs are set on an annual basis during the development of the Group's Financial Plan.

In addition, the Group offers a range of environmentally friendly products to manage transition risk and help its customers become more sustainable. For example, a number of loan products are offered under the Fil-eco Product Scheme. The Group offers environmentally friendly Car Hire Purchase addressed to anyone who wants to buy a new hybrid or electric car, providing its customers the opportunity to buy a new electric or hybrid vehicle and to move away from transport options reliant on fossil fuels. Moreover, an environmentally friendly loan for home renovation is offered to customers who want to renovate and upgrade the energy efficiency of their privately owned primary residence or holiday home and achieve a higher energy efficiency rating. Further, the customers may benefit from an Energy Loan for the installation of energy saving systems for home use. This product is addressed to customers who seek financing for the installation of photovoltaic systems for home use and other home energy-saving systems. At the end of 2023, the Group launched the Green Housing product, with variable interest rate and in 2024 launched Green Housing product with fixed interest rate, aligned with GLP of LMA, which drives the decarbonisation strategy of Mortgage portfolio. Green housing products provide a discount to customers providing the EPC Category A. The new lending strategy of the Group, embedded in the Financial Plan for 2025-2028, includes the ambition on the new Green Housing product in order be aligned with the GHG emissions reduction target set and manage transition risk. The fact that the Cyprus legislation imposes residential properties to have an EPC A so to issue a planning permit after 1 July 2020 facilitates the process. The Environmentally friendly Gross Loans are not verified by independent body.

Environmentally Friendly Loans - Gross Loans as at 31 December (€mn)



Notes:
1) Renewable energy projects relate to Solar and wind parks financed.
2) Energy loans relate to energy efficient equipment, solar panels and energy upgrade financed.
3) Car loans relate to financing the acquisition of Environmentally friendly vehicles under Fil-eco and Green cars under hire purchase agreement.
4) Green Housing relates to financing the acquisition or construction of a residential property with EPC A. The EPC is available at collateral level in the Group's database therefore the one to one (one account number one collateral property with EPC A) assumption has been applied to identify the Green Housing loans as at 31 December 2024 and then used the same pool to identify the Green Housing as at 31 December 2023.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Energy Consumption and mix

Energy Consumption and mix		
Energy consumption and mix	**For the period ending 31 December 2023**	**For the period ending 31 December 2024**
(1) Fuel consumption from coal and coal products (MWh)	-	-
(2) Fuel consumption from crude oil and petroleum products (MWh)	1,749	1,716
(3) Fuel consumption from natural gas (MWh)	-	-
(4) Fuel consumption from other fossil sources (MWh)	-	-
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	12,816	12,792
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	14,565	14,508
Share of fossil sources in total energy consumption (%)	84%	83%
(7) Consumption from nuclear sources (MWh)	-	-
Share of consumption from nuclear sources in total energy consumption (%)	-	-
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	2,501	2,497
(10) The consumption of self-generated non-fuel renewable energy (MWh)	285	408
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	2,786	2,905
Share of renewable sources in total energy consumption (%)	16%	17%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	17,351	17,412

Notes: Energy mix as published by Electricity Authority of Cyprus has been used to break-down energy consumption between fossil fuels sources and renewable energy sources.

The Group is a Financial Institution and does not belong to High climate impact sectors.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions

Group's Gross Scopes 1, 2, 3 and Total GHG emissions				
Reporting Year	**Gross Scope 1 Emissions ($tCO2eq$)**	**Gross Scope 2 Emissions ($tCO2eq$)**	**Gross Scope 3 Emissions ($tCO2eq$)**	**Total GHG Emissions ($tCO2eq$)**
2023	969	9,422	2,512,729	**2,523,120**
2024	934	9,327	2,883,374	**2,893,635**

Note: Refer to GHG emissions reporting principles in Additional Information – Sustainability Statement in page 239.

Group's Gross Scopes 1, 2, 3 and Total GHG emissions				
Reporting Year	**Gross Scope 1 Emissions ($tCO2eq$)**	**Gross Scope 2 Emissions ($tCO2eq$)**	**Gross Scope 3 Emissions ($tCO2eq$)**	**Total GHG Emissions ($tCO2eq$)**
2023				
BOC PCL (including Jinius)	844	8,565	2,495,033	2,504,442
Eurolife	74	697	4,496	5,267
GIC	31	123	12,793	12,947
CISCO	20	37	407	464
Total	**969**	**9,422**	**2,512,729**	**2,523,120**
2024				
BOC PCL (including Jinius)	845	8,424	2,857,758	2,867,027
Eurolife	44	726	6,048	6,818
GIC	25	142	19,150	19,317
CISCO	20	35	418	473
Total	**934**	**9,327**	**2,883,374**	**2,893,635**

Note: Refer to GHG emissions reporting principles in Additional Information – Sustainability Statement in page 239.

Scope 3 GHG emissions

BOC PCL (including Jinius) – Scope 3 GHG Emissions			
(tonnes CO_2e)	**2023**	**2024**	**% of inputs used from upstream and downstream value chain**
Purchased Goods and Services (Cat. 1)	47,171	43,891	0%
Upstream transportation and distribution (Cat. 4)	1,376	1,735	0%
Waste generated in operations (Cat. 5)	2,929	2,970	0%
Business Travel (Cat. 6)	317	327	100%
Employee commuting (Cat. 7)	1,732	1,957	47%
Mortgages Loans (Cat. 15)	152,251	139,419	12%
Motor Vehicles Loans (Cat. 15)	61,879	51,900	0%
Business Loans (Cat. 15)	1,763,963	2,024,808	0%
Commercial Real Estate Loans (Cat. 15)	59,685	64,634	0%
Sovereign Bonds (Cat. 15)	343,103	381,871	60%
Corporate Bonds (Cat. 15)	60,627	144,246	0%
Total Scope 3 emissions	**2,495,033**	**2,857,758**	

Note: Refer to GHG emissions reporting principles in Additional Information – Sustainability Statement in page 239.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

Scope 3 GHG emissions (continued)

Aligned with the Group's 2050 Net Zero ambition, the Group joined the Partnership for Carbon Accounting Financials (PCAF) in October 2022 and adopted its recommended methodology for estimating Financed Scope 3 GHG emissions from the Group's investment and lending activities, as well as its insurance contracts. Group's Financed Scope 3 GHG emissions constitute 97% of the Group's total emissions, estimated using the PCAF Standard and proxies. The PCAF Standard, reviewed by the GHG Protocol, aligns with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard for category 15 investment activities. It includes a data quality ranking scale from 1 (highest quality) to 5 (lowest quality), applied to the estimation of emissions for each asset class.

To improve data quality and reduce data gaps, the Group launched ESG Due Diligence process to gather relevant data and enhanced its loan origination process to gather Energy Performance Certificates (EPCs) for financed and certain collateral properties. Additional data collection actions will be undertaken in 2025 based on the ESG and Climate Data Gap & Strategy. The loan portfolio has been classified into PCAF asset classes to facilitate future decarbonisation target-setting.

PCAF Asset class	Definition
Business loans[8]	Business loans include all loans and lines of credit for general corporate purposes (i.e., with unknown use of proceeds as defined by the GHG Protocol) to businesses, non-profits, and any other structure of organisation that are not traded on a market and are on the balance sheet of the financial institution. Revolving credit facilities, overdraft facilities, and business loans secured by real estate such as CRE-secured lines of credit are also included. Any off-balance sheet loans and lines of credit are excluded.
Commercial real estate	This asset class includes on-balance sheet loans for specific corporate purposes, namely the purchase and refinance of CRE, and on-balance sheet investments in CRE. This definition implies that the property is used for commercial purposes, such as retail, hotels, office space, industrial, or large multifamily rentals. In all cases, the building owner or investor leases the property to tenants to conduct income-generating activities
Mortgages	This asset class includes on-balance sheet loans for specific consumer purposes namely the purchase and refinance of residential property, including individual homes and multifamily housing with a small number of units. This definition implies that the property is used only for residential purposes and not to conduct income-generating activities
Motor vehicles	This asset class refers to on-balance sheet loans and lines of credit for specific (corporate or consumer) purposes to businesses and consumers that are used to finance one or several motor vehicles. Corporate loans for acquisition of vehicles for trade purposes were classified as 'Business Loans

[8] The Group classified Project Finance under Business Loans asset class due to limited available data on use of proceeds to classify them under Project Finance asset class. GHG emission estimation is not impacted by this classification, as the two asset classes utilise the same PCAF proxies.

ESRS E1 - Climate Change (continued)

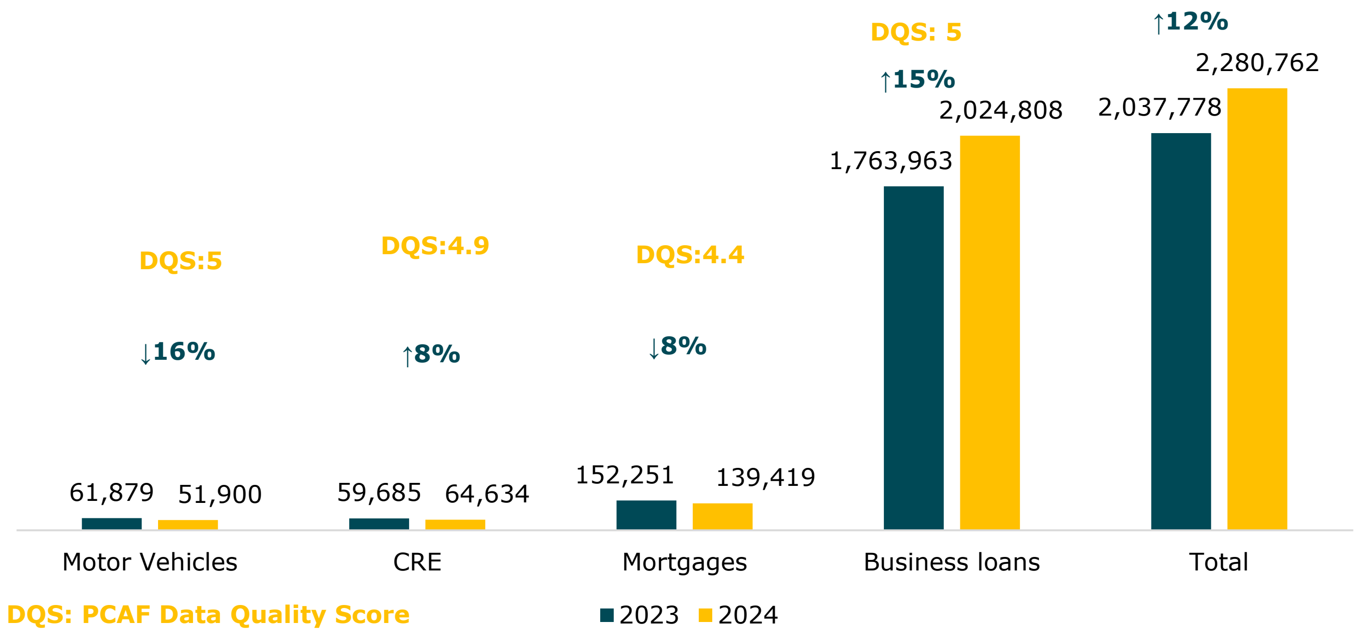
7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

Scope 3 GHG emissions (continued)

The Group estimated the Financed Scope 3 GHG emissions for the above-mentioned asset classes. GHG emissions associated with loan portfolio are metrics of transition risks that the portfolio is exposed. The Group, by taking into account the GHG emissions estimated for loan portfolio, the most significant loan exposures and the Materiality Assessment on C&E risks, it has decided to set a decarbonisation target on Mortgage portfolio in order to be aligned with its Net Zero ambition and manage transition risk by directing its lending to more energy efficient residential buildings.

Financed Scope 3 GHG emissions (tCO2e per year) - Loan Portfolio



Note: Refer to GHG emissions reporting principles in Additional Information – Sustainability Statement in page 239.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

Scope 3 GHG emissions (continued)

Given that the majority of Financed Scope 3 GHG emissions of loan portfolio derive from Business Loan asset class, the carbon concentrated sectors under Business Loan asset class have been identified and are considered primary sectors for setting decarbonisation targets. The primary sectors identified under Business Loan asset class are:

1. Transportation and storage (51%),
2. Wholesale and retail trade (19%),
3. Manufacturing (11%) and
4. Construction (6%).

BOC PCL – Financed Scope 3 GHG emissions – Business loan asset class					
		2023		2024	
NACE	Sector	OS Loan Amount (€mn)	Emissions (tCO_2e per year)	OS Loan Amount (€mn)	Emissions (tCO_2e per year)
H	TRANSPORTATION AND STORAGE	299	736,988	504	1,029,608
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	745	377,354	764	385,555
C	MANUFACTURING	331	256,115	279	225,123
F	CONSTRUCTION	306	112,440	317	116,190
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	86	85,758	97	84,408
A	AGRICULTURE, FORESTRY AND FISHING	34	65,941	31	58,568
M	PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	235	42,638	231	41,850
I	ACCOMMODATION AND FOOD SERVICE ACTIVITIES	712	28,090	651	25,664
L	REAL ESTATE ACTIVITIES	595	26,198	453	19,973
J	INFORMATION AND COMMUNICATION	43	9,922	43	9,014
Q	HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	53	5,479	49	5,045
B	MINING AND QUARRYING	8	4,144	8	4,003
N	ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	22	3,794	38	8,331
K	FINANCIAL AND INSURANCE ACTIVITIES	211	2,263	282	2,916
S	OTHER SERVICE ACTIVITIES	16	2,038	19	2,476
R	ARTS, ENTERTAINMENT AND RECREATION	15	1,816	13	1,642
P	EDUCATION	40	1,501	36	1,364
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	4	1,484	18	3,078
Total		**3,755**	**1,763,963**	**3,833**	**2,024,808**

Note: Refer to GHG emissions reporting principles in Additional Information – Sustainability Statement in page 239.

ESRS E1 - Climate Change (continued)

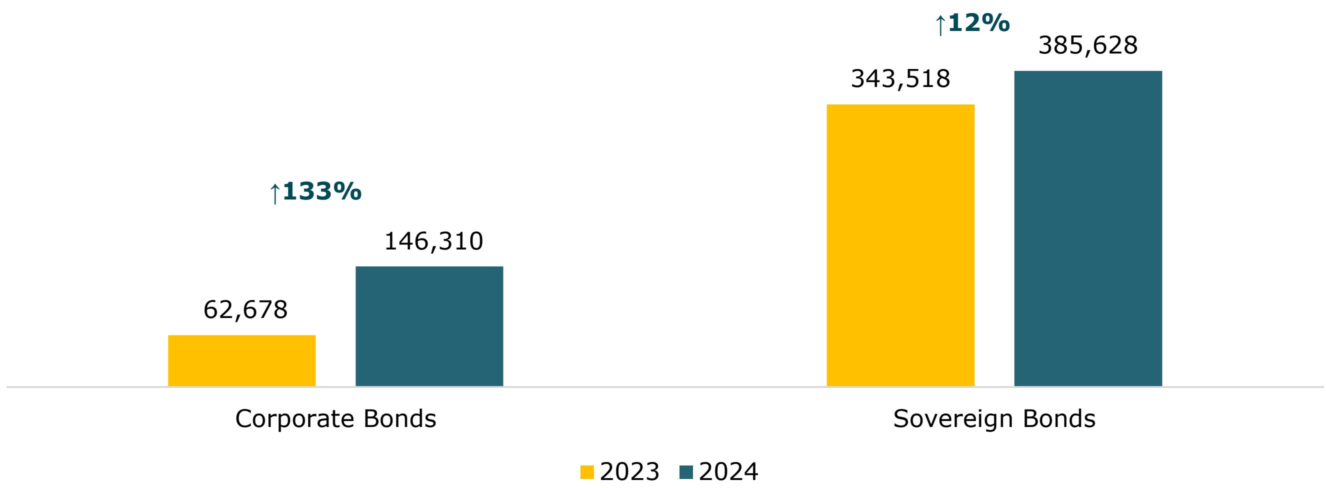
7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

Scope 3 GHG emissions (continued)

The Group has estimated the Financed Scope 3 GHG emissions of Corporate and Sovereign bond investment portfolio for 2023 and 2024 using the PCAF standard and proxies.

Financed Scope 3 GHG emissions (tCO2e/yr) - Bond portfolio



Note 1: The Group has not estimated Financed Scope 3 GHG emissions of c.18% of Corporate and Sovereign bond portfolio due to lack of available data mainly on Supranational Organisations which is allowed by PCAF methodology.

Group – Financed Scope 3 GHG emissions – Bond portfolio – 31 December 2024				
Investment Class	**Total investment amount (€mn)**	**Total GHG Emissions (tCO_2e)**	**Emission intensity (tCO_2e/€mn)**	**Weighted data quality score**
Corporate Bonds	1,378	146,310	106	5
Sovereign Bonds	1,982	368,452	186	2
Total	**3,360**	**514,762**		

Note: As at 31 December 2024 the Group has bond exposures to Supranational Organisations amount to €848mn of which €738mn are out of scope for GHG emission estimation due to lack of publicly available information and relevant proxies. The Financed Scope 3 GHG emissions of bond exposures to Supranational Organisations, with publicly available information, are estimated at 17,176 tCO2e. Refer to GHG emission estimation principles in Additional Information – Sustainability Statement in page 239.

Group – Financed Scope 3 GHG emissions – Bond portfolio – 31 December 2023				
Investment Class	**Total investment amount (€mn)**	**Total GHG Emissions (tCO_2e)**	**Emission intensity (tCO_2e/€mn)**	**Weighted data quality score**
Corporate Bonds	1,276	62,678	49	5
Sovereign Bonds	1,575	327,820	208	2
Total	**2,851**	**390,498**		

Note: As at 31 December 2023 the Group has bond exposures to Supranational Organisations amount to €696mn of which €600mn are out of scope for emission estimation due to lack of publicly available information and relevant proxies. The Financed Scope 3 GHG emissions of bond exposures to Supranational Organisations, with publicly available information, are estimated at 15,698 tCO2e. Refer to GHG emission estimation principles in Additional Information – Sustainability Statement in page 239.

The increase in Financed Scope 3 GHG emissions for the Corporate and Sovereign bond portfolios reflects the rise in investment exposure at each reporting date. To address this, the Group has established sector limits on corporate bond investments in carbon-intensive sectors to reduce the corporate portfolio's GHG emissions.

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

Scope 3 GHG emissions (continued)

For the Sovereign bond portfolio, 56% of Financed Scope 3 GHG emissions are linked to exposure to Cyprus Government bonds. As Cyprus accelerates its transition to a low-carbon economy, the associated emissions are expected to decrease. Under the Effort Sharing Regulation, each EU Member State has targets to reduce GHG emissions by 2030 in key sectors, covering nearly 60% of total domestic EU emissions. Cyprus aims to cut GHG emissions in these sectors by 32% by 2030, contributing to the EU's commitment to Net Zero by 2050.

The Group's decarbonisation strategy for Sovereign exposure considers progress against EU targets and evaluates GHG emissions per million euros invested and ESG scores for Government bonds. As of 31 December 2024, countries like Saudi Arabia, USA and Canada and Bulgaria exhibit the highest emission intensity per million euros invested. Notably, Bulgaria is Paris Agreement signatory, while Saudi Arabia and USA and Canada are not.

Sovereign Bond Portfolio –2024 – Analysis by country			
Country	**Investment amount (€mn)**	**Financed Scope 3 GHG emission (tCO_2e)**	**Emission intensity (tCO_2e/€mn)**
Cyprus	1,023	205,000	200
France	125	14,899	119
Finland	108	16,924	157
Belgium	83	13,375	161
Luxembourg	80	8,786	110
Croatia	58	10,310	178
Spain	58	8,333	144
Poland	40	10,820	271
Austria	39	5,585	143
Ireland	38	4,160	109
Slovakia	37	7,645	207
Iceland	35	7,235	207
Chile	34	6,800	200
Israel	31	6,368	205
USA and Canada	27	8,709	328
Italy	26	3,744	144
Hungary	21	3,822	182
Saudi Arabia	21	9,279	442
Sweden	21	1,560	74
Slovenia	18	3,169	176
Bulgaria	18	5,065	281
Germany	18	2,713	151
Peru	10	2,057	206
Lithuania	10	1,668	167
Netherlands	3	426	142
Total	**1,982**	**368,452**	

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

GHG Emission Inventory							
	Retrospective				Milestones and target years		
Emission Categories	Base year	2023	2024	% Change (yoy)	2030	2050	Annual % target / Base year
Gross Scope 1 GHG emissions (tCO2eq)	**1,166**	**969**	**934**	**-3%**	**-42%**		**-20%**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%	0%	0%				
Gross location-based Scope 2 GHG emissions (tCO2eq)	12,528	9,422	9,327	-1%	-42%		-26%
Gross market-based Scope 2 GHG emissions (tCO2eq)							
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)		**2,512,729**	**2,883,374**				
Purchased goods and services		50,298	47,608	-5%			
Capital goods							
Fuel and energy-related							
Upstream transportation and distribution		1,508	1,852	23%			
Waste generated in operations		3,202	3,263	2%			
Business traveling		363	405	11%			
Employee commuting		1,929	2,170	12%			
Upstream leased assets							
Downstream transportation							
Processing of sold products							
Use of sold products							
End-of-life treatment of sold products							
Downstream leased assets							
Franchises							
Investments		2,443,974	2,812,698	15%			
of which lending portfolio		2,037,778	2,280,762	12%			
of which investment portfolio		406,196	531,937	31%			
Insurance associated GHG emissions		11,454	15,377	34%			
Total GHG emissions (location-based) (tCO2eq)		**2,523,120**	**2,893,635**				
Total GHG emissions (market-based) (tCO2eq)							

ESRS E1 - Climate Change (continued)

7. Climate Change Metrics & Targets (continued)

Gross Scope 1, 2, 3 and Total GHG emissions (continued)

Scope 3 GHG emissions (continued)

GHG intensity per net revenue			
	2023	**2024**	**% Change**
Total GHG emissions (location-based) per net revenue (tCO_2eq/Mn of Total operating Income)	2,288	2,641	15%
Total GHG emissions (market-based) per net revenue (tCO_2eq/Mn of Total operating Income)			

Revenue reconciliation with Note 6 of the Consolidated Annual Financial Statements (€ mn)		
	2023	**2024**
Net revenue used to calculate GHG intensity – Total operating income	1,103	1,096
Total net revenue – Note 6	1,103	1,096

8. Increasing the Green Asset and Green Mortgage Ratios

EU Taxonomy Disclosures in accordance with Article 8 of the Taxonomy Regulation

The preparation of the EU Taxonomy reporting is based on prudential consolidation of the Group. The consolidation is in accordance with the supervisory reporting of financial institutions as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council, and the Commission Implementing Regulation (EU) 2021/451 (FINREP). The EU Taxonomy is a classification system of economic activities that make a substantial contribution to environmental sustainability under Taxonomy Regulation (EU) 2020/852. In addition, the preparation of reporting is based on the Delegated Act supplementing Article 8 of the Taxonomy Regulation (Disclosures Delegated Act 2021/2178). Article 3 of the EU Taxonomy Regulation sets out the criteria that an economic activity must meet to qualify as environmentally sustainable. This includes economic activity that is carried out in compliance with the minimum safeguards and contributes substantially to one or more of the environmental objectives.

The EU Taxonomy has six environmental objectives namely:

1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (CE);
5. pollution prevention and control (PPC); and
6. protection and restoration of biodiversity and ecosystems (BIO).

Minimum Safeguards

As part of the assessment of environmentally sustainable economic activities, it is required that economic activity is carried out in compliance with minimum safeguards as part of Article 18 of the EU Taxonomy Regulation. The purpose of the minimum safeguards is to ensure compliance with minimum human and labour rights standards, preventing activities that breach key social principles by aligning with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights. As part of Taxonomy reporting, compliance with minimum safeguards is a mandatory requirement for non-financial undertakings. In alignment with this requirement, the Group integrates minimum safeguards assessments into the Taxonomy Key Performance Indicators (KPIs) applied to its exposures.

ESRS E1 - Climate Change (continued)

8. Increasing the Green Asset and Green Mortgage Ratios (continued)

Substantial contribution to the EU environmental objectives

Through its financing of large undertakings subject to the Non-Financial Reporting Directive (NFRD) and investments in bonds and equities, the Group supports a variety of economic activities that contribute to the EU environmental objectives. In addition, the Group's sustainable finance products including green housing and green motor loans contributes to the EU environmental objective of climate change mitigation. To classify such sustainable products as Taxonomy-Aligned there are further criteria that must be adhered in addition to the contribution to EU environmental objectives. The above-mentioned products are designed based on the GLPs of LMA and are not structured as EU taxonomy aligned products. The Group intends to perform necessary action so to be able to classify such products as EU taxonomy aligned.

Taxonomy KPIs

The Group is reporting on Taxonomy KPIs and GAR. The total GAR covers all six EU environmental objectives. GAR is calculated as Taxonomy Aligned Assets as a % of Total Covered Assets. Total Covered Assets comprise of total assets as defined under the prudential consolidation of the Group per FINREP, minus trading book assets and minus exposures to central banks, central governments and supranational issuers (Total covered assets are also referred to as total GAR assets). The GAR is calculated on two bases. One, referred to as the "Turnover basis", uses the % of each counterparty's turnover that they report as taxonomy-eligible and taxonomy-aligned to quantify how much of our loan exposure to that counterparty is taxonomy-aligned. The other, referred to as the "CapEx basis", uses the % of each counterparty's CapEx that they report as taxonomy-eligible and taxonomy-aligned to quantify how much of our loan exposure to that counterparty is taxonomy-aligned. The Group's total GAR based on turnover amounted to 0.6% of total covered assets, with the total GAR based on CapEx equivalent to 0.3% of total covered assets as at year end 2024. The Taxonomy-aligned activities amounted to €91mn at year end 2024. Gross carrying amount of total covered assets amounted to €15,774mn as at year end 2024.

Climate Delegated Act the Complementary Climate Delegated Act 2022/1214 including specific nuclear and gas energy activities published in July 2022, requires the Group to assess and disclose taxonomy eligibility and non-eligibility of nuclear and fossil gas-related activities at 31 December 2024. The Group has no direct exposure through lending to customers that have economic activities related to the production of electricity or heating using nuclear installations or electricity generation facilities that produce electricity from nuclear processes. The Group also has exposure to customers involved in the operation of electricity generation facilities that produce electricity using fossil gaseous fuels. See supplementary information in the section 'Additional Information – EU Taxonomy Disclosure Tables' of Annual Financial Report under Annex XII of the Delegated Act in page 613.

EU taxonomy reporting principles

As companies' transparency in line with the EU Taxonomy increases, it will enable expanded reporting against the Taxonomy. The adoption of CSRD and ESRS will support the further implementation of the EU Taxonomy Regulation into our business strategy, systems, and investment and lending processes. Due to limitations in data when assessing Taxonomy-eligible and Taxonomy-aligned activities for financial and non-financial undertakings, actual published information provided by counterparties is utilised. However, a complete data collection has been limited as published reporting on Taxonomy-alignment KPIs from financial and non-financial undertakings is not yet available at the reporting date.

The EU Taxonomy disclosures have been prepared on a 'best efforts' basis using corporate disclosures and published financial reports and information from our counterparty exposures (which primarily cover activity in FY23 and not FY24). Our approach is to analyse and calculate taxonomy-eligibility and taxonomy- aligned based on the published Taxonomy KPIs of our counterparties. The EU Taxonomy related disclosures presented in this section have been made on the basis of our understanding of the terms and concepts used under the EU Taxonomy Regulation and its implementing acts. As the EU Taxonomy reporting requirements and guidance evolve over the coming years, and as we continue to develop our industry data sourcing methodologies, we will continue to review our disclosure in future periods.

ESRS E1 - Climate Change (continued)

8. Increasing the Green Asset and Green Mortgage Ratios (continued)

Summary of KPIs

The following table is a summary of KPIs to be disclosed by credit institutions under Article 8 of the EU Taxonomy Regulation. See supplementary information in section 'Additional Information – EU Taxonomy Disclosure Tables' in page 613 of the 2024 Annual Financial Report for additional EU Taxonomy tables reported under Annex VI of the Disclosures Delegated Act and taxonomy aligned activities.

		Total environmentally sustainable assets (€mn)	**KPI turnover[9] %**	**KPI CapEx[10] %**	**% coverage (over total assets)[11]**	**% of assets excluded from the numerator of the GAR**	**% of assets excluded from denominator of the GAR**
Main KPI	**Green asset ratio (GAR) stock**	**91**	**0.6%**	**0.3%**	**0.4%**	**27%**	**38%**
Additional KPIs	GAR (flow)	27	1.18%	0.8%	1%	33%	12%
	Trading book[12]	n/a	n/a	n/a			
	Financial guarantees	-	0%	0%			
	Assets under management	-	0%	0%			
	Fee and commission income[11]	n/a	n/a	n/a			

Limitations in data Reporting on Taxonomy-aligned activities for FY 2024 has been constrained due to current limitations on the availability of relevant information across key categories:

i. When assessing Taxonomy-eligible and Taxonomy-aligned activities for financial and non-financial counterparties, actual information published by counterparties is required:
    i. published reporting on Taxonomy-alignment KPIs from financial undertakings is not available at the reporting date for WTR, CE, PPC environmental objectives given financial undertakings are required to report towards eligibility on these objectives for the first time in FY2024;
    ii. non-financial undertakings have not yet published data for FY2024; consequently, the Taxonomy reporting of eligibility and alignment for non-financial undertakings is based on published data from FY2023;
    iii. furthermore, reporting on Taxonomy-eligibility for the four additional environmental objectives is implemented in 2024, limited to information of non-financial undertakings that were required to report towards these objectives from FY2023; and
    iv. exposure to non-financial counterparties in the Group's corporate lending portfolio currently considered taxonomy eligible is limited due to the eligibility criteria requiring counterparties to be large companies publicly listed in the EU.

ii. When assessing Taxonomy-eligible and Taxonomy-aligned activities for lending to households, other data limitations impact reporting:
    i. Hybrid and Electric Vehicles lending exposures originated since the beginning of FY2024 are considered eligible per taxonomy criteria. However, they are not classified as aligned due to the lack of available information in the industry to assess the vehicles against the Taxonomy DNSH (Do No Significant Harm) criteria.

[9] Based on the Turnover KPI of the counterparty.
[10] Based on the CapEx KPI of the counterparty.
[11] Percentage of assets covered by the KPI over the total assets.
[12] Trading book and Fees and Commissions KPIs only apply starting 2026.

ESRS E2 – Pollution

This section outlines the Group's approach in addressing pollution-related impacts. It highlights the policies and actions in place to mitigate pollution associated with lending activities and support sustainable development.

1. Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

As outlined in detail in ESRS E1 – Climate Change in pages 114 - 122, the Group has established a RIMA process for the identification and assessment of C&E risks and utilises PRB Impact analysis tools to systematically identify, measure, and assess C&E IROs, including pollution-related impacts, risks, and opportunities across its operations and value chain.

Through a structured screening of site locations and business activities, the Group evaluates actual and potential pollution IROs using both quantitative and qualitative methodologies. For the assessment of soil and air pollution as credit risk drivers the Group utilized geolocation database for collaterals, using coordinates, and unsecured lending, using postal codes. For Group's site locations, given the quantitative assessment performed on collaterals and unsecured lending, using expert judgement, the Group concluded that that pollution impacts and risks are low for Group's site locations. The Group assesses the materiality of pollution across multiple financial risk categories, including credit risk, market risk, liquidity risk and operational risk.

The Group applies geolocation-based risk scoring methodologies to assess physical pollution hazards, such as air pollution, soil contamination, and seismic activity, across its secured lending portfolio, deposit base, and business locations.

BOC PCL, as part of stakeholder engagement, incorporates insights from expert judgment and external datasets such as Eurostat, the World Resource Institute, and Climate Analytics which also capture the views of affected communities. Additionally, internal consultations were performed through the DMA conclusion process, where key affected stakeholders' views on the Group's material impacts on pollution were gathered. The Group has not consulted directly with affected communities. Following the deployment of ESG due diligence process in loan origination process in 2024, BOC PCL will be in a better position to engage with customers on the ESG spectrum, including pollution related matters. For more details on the identification and assessment of pollution related impacts and opportunities refer to 4. Impacts, Risks and Opportunities in page 95.

ESRS E2 – Pollution (continued)

2. Material impacts, risks and opportunities and their interaction with strategy and business model

Material IROs - Pollution (E2)							
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**				
Pollution - Pollution of soil, living organisms and food resources	Impact	Actual Negative	Financing activities to certain NACE sectors (i.e. Development of building projects, other specialized wholesale, construction of residential and non-residential buildings) with total portfolio exposure of 15.94% out of €5b exposures assessed under PRB institutional banking impact analysis of 2024, create key/direct actual negative impacts to composition of soil and its ability to deliver ecosystem services.				
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream		
✓	✓	✓			✓	Connected to strategy through provision of finance	Customers
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**				
Pollution - Pollution of air, living organisms and food resources	Impact	Actual Negative	Financing activities in certain NACE sectors (i.e. sea and coastal freight transport, electric power generation, and pharmaceutical manufacturing), with total portfolio exposure of 11.11% out of €5b exposures, create key/direct actual negative impacts to air quality.				
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream		
✓	✓	✓			✓	Connected to strategy through provision of finance	Customers

The Group has not identified material risks and opportunities for pollution, therefore no material current financial effects on financial position, financial performance and cash flows are disclosed.

ESRS E2 – Pollution (continued)

3. Policies, actions and resources related to pollution

The Group's material negative impacts on pollution stem from downstream value chain, through its loan portfolio. Material pollution related impacts include air pollution, pollution of living organisms and food resources, and soil pollution as shown in the table above.

As per the PRB impact analysis of 2024, BOC PCL provides financing to certain sectors that create negative impact among others, to the air quality. As per the 2024 PRB institutional banking impact analysis, financing to key sectors that amount to 11.11% of the portfolio under assessment (i.e. 49% of the Bank's overall business activity represented per business segment) and account for €560bn loans, create negative impacts to Air pollution.

Financing to key NACE sectors that create negative impacts on air (as per the 2024 PRB Impact Analysis)					
	2023		2024		
Sectors	Total % to total portfolio	OS Loan Amount (€mn)	Total % to total portfolio	OS Loan Amount (€mn)	E&S Policy Score – Risk Categorization
01.4 Animal production	0.50%	€24	0.43%	€22	Medium
10.8 Manufacture of other food products	0.41%	€20	0.52%	€26	Medium
21.2 Manufacture of pharmaceutical preparations	0.77%	€38	0.83%	€42	High
28.9 Manufacture of other special-purpose machinery	0.21%	€11	0.40%	€20	Medium
35.1 Electric power generation, transmission and distribution	1.15%	€57	1.44%	€72	High
49.3 Other passenger land transport	0.83%	€41	0.74%	€37	Medium
50.2 Sea and coastal freight water transport	4.98%	€245	6.76%	€341	High
Total	**8.86%**	**€436**	**11.11%**	**€560**	

Additionally, BOC PCL provides financing to certain sectors that as per PRB impact analysis of 2024, create negative impacts among others, on the composition of soil and its ability to deliver ecosystem services. As per the 2024 PRB institutional banking impact analysis, financing to key sectors that amount to 15.94% of the portfolio under assessment (i.e. 49% of the Bank's overall business activity represented per business segment) and account for €804bn of loans, create negative impacts to the pollution of soil, by exposing it to pollutants and factors that may interfere with soil stability for future land use.

ESRS E2 – Pollution (continued)

3. Policies, actions and resources related to pollution (continued)

Financing to key NACE sectors that create negative impacts on soil (as per the 2024 PRB Impact Analysis)					
	2023		2024		
Sectors	Total % to total portfolio	OS Loan Amount (€mn)	Total % to total portfolio	OS Loan Amount (€mn)	E&S Policy Score – Risk Categorization
01.4 Animal production	0.50%	€24	0.43%	€22	Medium
21.2 Manufacture of pharmaceutical preparations	0.77%	€38	0.83%	€42	High
35.1 Electric power generation, transmission and distribution	1.15%	€57	1.44%	€72	High
41.1 Development of building projects	7.18%	€354	6.18%	€312	Low
41.2 Construction of residential and non-residential buildings	1.22%	€60	1.35%	€68	High
42.9 Construction of other civil engineering projects	0.17%	€8	0.68%	€34	
43.9 Other specialised construction activities	0.51%	€25	0.74%	€38	Medium
46.6 Wholesale of other machinery, equipment and supplies	0.74%	€36	0.72%	€37	Low
46.7 Other specialised wholesale	2.82%	€139	2.82%	€142	Medium - High
49.3 Other passenger land transport	0.83%	€41	0.74%	€37	Medium
Total	**15.89%**	**€782**	**15.94%**	**€804**	

The Group's policies, integrated into broader environmental and/or sustainability policies, are designed to address considerations towards pollution. Aligned with the guidelines of the European Bank for Reconstruction and Development (EBRD), Green Loan Principles, these policies establish a structured approach to identifying and mitigating ESG impacts and risks. The Group recognises the interconnected nature of pollution, biodiversity, and sustainability and integrates this perspective into its financing activities. Hence, it addresses pollution in key areas, including air pollution, soil pollution, and pollution affecting living organisms and food resources, through a combination of due diligence processes, and sustainable financing practices.

Environmental and Social (E&S) Policy

The Group's E&S Policy underpins its efforts to manage environmental and social risks associated with financing activities, including minimisation of potential pollution impacts. For the abovementioned activities, financed by the Group and lead to material negative impacts, that are classified as low risk by EBRD's E&S Risk Categorization assessment a written customer confirmation for proper business conduct, relevant licenses and work permits is obtained. For activities that are classified as Medium / High risk by EBRD's E&S Risk Categorization assessment a written customer confirmation for proper business conduct, relevant licenses and work permits is obtained and an E&S study by an external expert is performed. In addition, other E&S checks are performed, such as investigations into penalties, public complaints, adverse media reports, accidents / incidents, legal actions, and regulatory investigations as well as site visits. The findings of the above actions must be stated in the credit application together with any corrective measures for the mitigation of the E&S risk. The approving authority decides whether the E&S risk is acceptable and set specific terms and covenants to control any E&S risks as well as decides the frequency of future E&S studies (at least every 3 years for High-Risk E&S ratings).

ESRS E2 – Pollution (continued)

3. Policies, actions and resources related to pollution (continued)

Environmental and Social (E&S) Policy (continued)

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources other relevant information to Environmental and Social (E&S) Policy refer to page 124.

Lending Policy

The Group's Lending Policy underpins its efforts to manage environmental and social risks associated with financing activities, including minimization of potential pollution impacts**.** The Policy sets the standards and guidelines to be used during the credit granting process. This guides individuals involved in the credit granting process on credit granting standards and evaluation of credit risk, including ESG Due Diligence in the loan origination process for legal entities and its interaction with credit risk.

During the credit application assessment process, that falls under specific thresholds / criteria, for granting new and/or reviewing existing credit facilities, Business Units must identify, evaluate and assess ESG matters that are relevant to the borrower by applying the ESG Due Diligence process. The first step of ESG Due Diligence embeds an ESG questionnaire designed to assess customer's performance and risk exposure against ESG factors (applicable for new lending and customer's annual review). The questionnaires must be completed by the customer, in order to collect relevant quantitative and qualitative data, identify and assess ESG matters that are relevant to the borrower and derive an ESG score which reflects the performance of the customer towards ESG factors and exposure of customers towards ESG risks. The relevant ESG questionnaire includes queries designed to assess the performance and risk exposure of the counterparty towards pollution, taking into account the industry the counterparty operates. The question relates to whether the counterparty, in the context of production process, releases polluting chemicals into the environment. The customers have the option to not provide information under the ESG questionnaire, hence in such case their overall ESG performance is penalised and reflected in the overall ESG score obtained.

Following completion of ESG questionnaire an ESG score is derived which in combination with scenario analysis to assess customer's repayment ability under certain negative transition risk scenarios derives to the aggregated score for environmental aspect of ESG. The aggregated score is then used to derive the loan pricing. In line with the Lending Pricing Policy, a margin discount, based on the client's E aggregate score, is implemented for both new and existing clients on new lending requests, for all clients (all sectors) under Corporate Division, differentiating however between carbon-intensive vs. non-carbon intensive sectors. The Group linked the margin discount at the client level to the borrower's "E" scoring (extracted from borrower's ESG score). In addition, the Group linked the margin discount at the transaction level (i.e. whether lending is Green or not) utilizing the provisions of the Group's Green Lending Policy.

All customers operating in the abovementioned industries are eligible for ESG Due Diligence process subject to meeting relevant thresholds. For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Lending Policy refer to page 125.

Green Lending Policy

The Group's Green Lending Policy, which is based on GLP of LMA, promotes financing towards projects with tangible environmental benefits, including those aimed at pollution mitigation. The policy establishes the criteria to classify a loan as green, focusing on projects such as renewable energy, sustainable construction, and pollution prevention and control including reduction of air emissions, soil remediation, waste prevention, waste reduction, waste recycling and other. By providing green lending BOC PCL manages the material negative impacts associated with pollution of air and soil.

Following the BES process on C&E risks, BOC PCL incorporates green new lending internal KPIs, in the Group's Financial Plan, to Business Lines in order to promote green lending practices and manage C&E risks. For environmentally friendly gross loans refer to page 136.

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Green Lending Policy refer to page 126.

ESRS E2 – Pollution (continued)

3. Policies, actions and resources related to pollution (continued)

Concentration Risk Policy

The Concentration Policy applies at Group level and defines limits and the methodology for limit setting towards exposures in specific assets, liabilities and off-balance sheet items to ensure that concentration risk is within the Risk Appetite. The Concentration Risk Policy complements the efforts of managing negative impacts towards air and soil pollution by restricting lending to carbon-intensive sectors, including oil, gas, manufacturing of cement, manufacturing of Iron & Steel & Aluminium and non-renewable power generation. Financing in these sectors is only permitted for transition or green projects that align with the Group's sustainability objectives, subject to approval by its highest credit committees.

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Concentration Policy refer to section ESRS E1 in page 128.

Together, these policies and actions demonstrate the Group's commitment to addressing pollution impacts and risks through responsible financing practices. The above-mentioned policies do not include specific information on pollutants or substances covered given that impacts derive from the value chain on the Group.

4. Metrics & Targets related to Pollution

While the policies and actions described above address air and soil pollutants downstream value chain negative impact of the Group, no specific, measurable, time-bounded and outcome-oriented targets have been established to directly prevent or control these impacts. This is due to the current lack of industry-wide data readiness, which limits the ability to establish informed and measurable objectives.

Nevertheless, the Group intends to:

1. Examine, following the data gathered from ESG Due Diligence process, to establish and monitor pollution related targets associated with loan portfolio by applying Science Based Target initiative's guidance for nature.
2. Set Green new lending KPIs, that will be embedded in the Group's Financial Plan, associated with pollution and sectors of the economy which we are currently associated with negative impacts to pollution of air, soil and living organisms and food resources.

Given the fact that the Group has not yet set measurable outcome-oriented targets, it tracks the effectiveness of actions to meet the objectives of the above-mentioned policies through the monitoring arrangements established on each policy which are explained in detail in 6. Policies and Actions Related to Energy, Climate Change Mitigation and Adaptation in page 124.

ESRS E3 - Water and Marine Resources

This section outlines the Group's approach in addressing water-related risks. It highlights the policies and actions in place to manage water scarcity risks as drivers of credit risk associated with lending activities.

1. Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The Group acknowledges the essential role of water and marine resources in maintaining sustainable ecosystems, supporting societal wellbeing, and driving economic development. The Group has assessed material water related IROs using primarily qualitative methodologies and expert judgment. The Group determined that the material water-related topics are primarily associated with its loan portfolio rather than its operating activities given the nature of operations. Water scarcity, in particular, has been identified as a material risk.

Water scarcity was evaluated based on the Cyprus Government's annual water balance reports and external tools such as the Aqueduct Water Risk Atlas and Climate ADAPT initiative. The assessment recognised water scarcity as a material risk due to Cyprus' reliance on rainfall and desalination, with water stress exceeding 80% in current and projected scenarios. Sectoral exposure was analysed, identifying potential financial implications, particularly in energy, manufacturing, and agriculture.

In case of years with insufficient rainfall, there might be profitability issues in water-intensive sectors such as "D: Energy", "C: Manufacturing" and Agriculture, where water is needed for instance for cooling, cleaning or production purposes leading to increased credit risk. While the Bank's exposure to these sectors is limited, important secondary effects might spread to other economic sectors. In a long-term time horizon, the water scarcity issue might be exacerbated by an increase of anomalies in precipitation patterns, as also discussed in the context of Drought risk as well as long-term desertification risk and rainfall trends. The tool Climate ADAPT also labels Water Scarcity as a "significantly increasing" hazard in Cyprus with high impact and vulnerability, and provides a dedicated section to Water Management as a key affected sector: "Cyprus is already facing intense problems of water shortage and drought, which are expected to intensify as a result of climate change". Cyprus' Government has been already implementing actions to reinforce Cyprus' adaptive capacity to the decreasing availability of freshwater resources. For the next decades, Climate ADAPT indicates that the estimated water resources are expected to satisfy the future water demand from all sectors. However, the occurrence of severe droughts and water scarcity events might induce overexploitation of water resources.

Overall, the assessment incorporated expert judgement, consultation reports, and statistical data from sources such as Eurostat, the World Resource Institute, and Climate Analytics to enhance the accuracy of its evaluations and capture the views of affected communities. Additionally, internal consultations were performed through the DMA conclusion process, where key affected stakeholders' views on the Group's material IROs on water and marine resources were gathered. The Group has not consulted directly with affected communities. Following the deployment of ESG due diligence process in loan origination process in 2024, BOC PCL will be in a better position to engage with customers on the ESG spectrum, including water related matters. For more details on the identification and assessment of water related impacts and opportunities refer to 4. Impacts, Risks and Opportunities in page 95.

ESRS E3 - Water and Marine Resources (continued)

2. Material impacts, risks and opportunities and their interaction with strategy and business model

<table>
<tr><th colspan="7">Material IROs - Water and Marine Resources (E3)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="4">Description</th></tr>
<tr><td>Water and marine resources - Water Consumption, Water Use and Water Withdrawals</td><td>Risk</td><td>Environmental - Physical - Chronic</td><td colspan="4">Chronic Water Scarcity could gradually impact the evaluation and operations of buildings, assets, internal operations of customers and counterparties (e.g. data centres or buildings, pledged as collaterals with the Bank). As a result, the PD and LGD of customers and counterparties might be increased, and hence, the corresponding normative and economic capital of the Group.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Financial Effects</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td></td><td></td><td>✓</td><td></td><td></td><td>✓</td><td>No material current financial effects were identified. Anticipated financial effects include increase in PD and LGD of customers.</td></tr>
</table>

ESRS E3 - Water and Marine Resources (continued)

3. Policies, actions and resources related to water and marine resources

Environmental and Social (E&S) Policy

The Group's E&S Policy provides the foundational framework for managing environmental and social risks, including indirect considerations for water and marine resources. While the policy does not explicitly address water and marine resources as standalone topics, it incorporates these considerations within its broader environmental management system requirements.

Lending applications in Exclusion Sectors (e.g., thermal coal mining) are rejected and reported to RMD. For activities classified as low-risk by EBRD's E&S Risk Categorization assessment, a written confirmation of compliance and permits are required. For medium/high-risk activities, a written customer confirmation for proper business conduct, relevant licenses and work permits are obtained and an E&S study by external expert is performed. In addition, other E&S checks are performed, such as investigations into penalties, public complaints, adverse media reports, accidents / incidents, legal actions, and regulatory investigations as well as site visits. The findings of the above actions must be stated in the credit application together with any corrective measures for the mitigation of the E&S risk.

The approving authority decides whether the E&S risk is acceptable and set specific terms and covenants to control any E&S risks as well as decides the frequency of future E&S studies (at least every 3 years for High-Risk E&S ratings).

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Environmental and Social (E&S) Policy refer to page 124.

Lending Policy

The Group's Lending Policy underpins its efforts to manage environmental and social risks associated with financing activities, including minimization of water and marine resources risks**.** The Policy sets the standards and guidelines to be used during the credit granting process. This guides individuals involved in the credit granting process on credit granting standards and evaluation of credit risk, including ESG Due Diligence in the loan origination process for legal entities and its interaction with credit risk.

During the credit application assessment process, that falls under specific thresholds / criteria, for granting new and/or reviewing existing credit facilities, Business Units must identify, evaluate and assess ESG matters that are relevant to the borrower by applying the ESG Due Diligence process. The first step of ESG Due Diligence embeds an ESG questionnaire designed to assess customer's performance and risk exposure against ESG factors (applicable for new lending and customer's annual review). The questionnaires must be completed by the customer, in order to collect relevant quantitative and qualitative data, identify and assess ESG matters that are relevant to the borrower and derive an ESG score which reflects the performance of the customer towards ESG factors and exposure of customers towards ESG risks. The relevant ESG questionnaire includes queries designed to assess the performance and risk exposure of the counterparty towards water and marine resources, taking into account the industry the counterparty operates. The customers have the option to not provide information during the ESG questionnaire, hence in such cases their overall ESG performance is penalised and reflected in the overall ESG score obtained. The ESG questionnaire's questions include the following:

1. Water consumption in cubic meters (m^3);
2. Whether the customer's operations are located in areas classified as water-stressed;
3. Whether the customer adopted technologies for water reuse and recovery.
4. Whether the customer integrated advanced systems for processing and reusing water or sewage within the production processes

Following completion of ESG questionnaire an ESG score is derived which in combination with scenario analysis to assess customer's repayment ability under certain negative transition risk scenarios, derives to the aggregated score for environmental aspect of ESG. The aggregated score is then used to derive the loan pricing. In line with the Lending Pricing Policy, a margin discount, based on the client's E aggregate score, is implemented for both new and existing clients on new lending requests, for all clients (all sectors) under Corporate Division, differentiating however between carbon-intensive vs. non-carbon intensive sectors. The Group linked the margin discount at the client level to the borrower's "E" scoring (extracted from borrower's "ESG" score). In addition, the Group linked the margin discount at the transaction level (i.e. whether lending is Green or not) utilizing the provisions of the Group's Green Lending Policy.

ESRS E3 - Water and Marine Resources (continued)

3. Policies, actions and resources related to water and marine resources (continued)

Lending Policy (continued)

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Lending Policy refer to section ESRS E1 in page 125.

Green Lending Policy

The Group's Green Lending Policy, which is based on GLP of LMA, promotes financing towards projects with tangible environmental benefits, including those aimed at sustainable water-related initiatives. The policy establishes the criteria to classify a loan as 'green', including projects associated with sustainable water and wastewater management (including sustainable infrastructure for clean and/or drinking water, wastewater treatment, sustainable urban drainage systems and river training and other forms of flooding mitigation). By providing green lending BOC PCL manages the material risks associated with water and marine resources.

Following the BES process on C&E risks, BOC PCL incorporates green new lending internal KPIs, in the Group's Annual Financial Plan, to Business Lines in order to promote green lending practices and manage C&E risks. For environmentally friendly gross loans refer to page 136.

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Green Lending Policy refer to page 126.

Concentration Risk Policy

The Concentration Policy applies at Group level and defines limits and the methodology for limit setting towards exposures in specific assets, liabilities and off-balance sheet items to ensure that concentration risk is within the Risk Appetite. The Concentration Risk Policy complements the efforts of managing material risks identified on water scarcity by restricting lending to carbon-intensive and water-intensive sectors, including oil, gas, manufacturing of cement, manufacturing of Iron & Steel & Aluminium and non-renewable power generation. Financing in these sectors is only permitted for transition or green projects that align with the Group's sustainability objectives, subject to approval by its highest credit committees.

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Concentration Policy refer to page 128.

4. Metrics & Targets related to water and marine resources

The Group has not yet established specific targets for water management. European Central Bank's (ECB) expectations (Expectation 2.1, 2.2, 4.1 and 4.2) on C&E risks, as described in the ECB Guide, require the Bank to set specific KPIs and KRIs for material C&E risks identified. Given the fact that water scarcity risk has been identified as material in the long-term, the Bank is obligated by June 2025 to set measurable water scarcity related KPI and KRI. The Group acknowledges this regulatory requirement and is in the process of aligning its strategies and frameworks to address this in future reporting, with a target to be set by 30 June 2025.

Given the fact that the Group has not yet set measurable outcome-oriented targets, it tracks the effectiveness of actions to meet the objectives of the above-mentioned policies through the monitoring arrangements established on each policy which are explained in detail in page 124.

ESRS E5 – Resource Use and Circular Economy

This section outlines the Group's approach to addressing resource use and circular economy related impacts. It highlights the policies, actions and targets in place to increase circularity associated with lending activities and support sustainable development.

1. Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The Group has conducted a screening of its assets and activities to identify actual and potential impacts, risks, and opportunities across its operations and value chain for resource use and the circular economy. The assessment was performed using UNEP FI tools (loan & investment portfolio impact assessment) to evaluate material negative impacts on resource intensity topics and the RIMA framework for risk identification as described in page 114.

Key areas examined include:

1. Circular Economy & Waste Management and Environmental Protection Requirements: Cyprus' low circular material usage rate (Eurostat) and national waste management and environmental protection initiatives were analyzed. Potential additional costs for businesses in key sectors (Accommodation & Food Services, Wholesale & Retail Trade, Construction, Manufacturing) were considered, but no material risk was identified.

2. Environmentally Friendly Technologies: The impact of regulatory and market-driven technological upgrades (e.g., water-efficiency, circular economy solutions) was assessed, particularly for Real Estate, Transport & Storage, and Manufacturing. While potential short-term financial distress was noted, no material risk was identified.

3. Environmentally Driven Consumer Behaviour: The market sentiment in Cyprus towards sustainable products remains at an early stage (PwC Cyprus CEO Survey 2023), leading to an overall low risk impact. The Bank will monitor future developments through its Business Environment Scan process on C&E risks.

The Group conducted qualitative consultations based on expert judgment, utilising external sources such as consultation reports, scientific publications, and Cyprus-specific data from Eurostat, World Resource Institute, Climate Analytics, and Climate Vulnerability Monitor. Additionally, internal consultations were performed through the DMA conclusion process, where key affected stakeholders' views on the Group's material impact on resource use and the circular economy were gathered. The Group has not consulted directly with affected communities. Following the deployment of ESG due diligence process in loan origination process in 2024, BOC PCL will be in a better position to engage with customers on the ESG spectrum, including resource use and circularity matters. For more details on the identification and assessment of resource use and identification of impacts and opportunities refer to 4. Impacts, Risks and Opportunities in page 95.

ESRS E5 – Resource Use and Circular Economy (continued)

2. Material impacts, risks and opportunities and their interaction with strategy and business model

<table>
<tr><th colspan="9">Material IROs - Resource Use and Circular Economy (E5)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="6">Description</th></tr>
<tr><td>Resource Use and Circular economy - Resources inflows, including resource use and resource outflows related to products and services</td><td>Impact</td><td>Actual Negative</td><td colspan="6">Financing activities to certain NACE sectors (i.e. Rental and operating of own or leased real estate, development of building projects, buying and selling of own real estate) with total portfolio exposure of 40.58% out of €5b exposures assessed under PRB institutional banking impact analysis of 2024, create key/direct actual negative impacts to the efficient use of limited, non-renewable and renewable natural resources.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Originate or connected to strategy</th><th rowspan="2">Business relationship</th></tr>
<tr><th>Short-Term</th><th>Medium-Term</th><th>Long-Term</th><th>Own Operations</th><th>Upstream</th><th>Downstream</th></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td>✓</td><td>Connected to strategy through provision of finance</td><td>Customers</td></tr>
</table>

The Group has not identified material risks and opportunities for resource use and circular economy, therefore no material current financial effects on financial position, financial performance and cash flows are disclosed.

ESRS E5 – Resource Use and Circular Economy (continued)

3. Policies, actions and resources related to resource use and circular economy

The Group's negative impacts to circular economy derive from the downstream value chain as those associated with loan portfolio. As part of its business activity, the Group provides financing to key certain sectors that as per PRB impact analysis of 2024, create negative impacts among others, on the efficient use of limited, non-renewable and renewable natural sources. In detail, as per the 2024 PRB institutional banking analysis, financing to sectors that amount to 40.58% of the portfolio under assessment (i.e. 49% of the Bank's overall business activity represented per business segment) and account for €2,046mn of loans, create negative impacts to resource use and circular economy. Refer to the table below for the Group's exposure to certain sectors (Exposure >1%) associated with negative impacts on resource use and circular economy.

Financing to key NACE sectors with an exposure of >1% that create negative impacts on resource use and circular economy (as per the 2024 PRB Impact Analysis)					
	2023		2024		
Sectors	Total % to total portfolio	OS Loan Amount (€mn)	Total % to total portfolio	OS Loan Amount (€mn)	E&S Policy Score – Risk Categorization
35.1 Electric power generation, transmission and distribution	1.15%	€57	1.44%	€72	High
41.1 Development of building projects	7.18%	€354	6.18%	€312	Low
41.2 Construction of residential and non-residential buildings	1.22%	€60	1.35%	€68	High
50.2 Sea and coastal freight water transport	4.98%	€245	6.76%	€341	High
68.1 Buying and selling of own real estate	4.05%	€200	4.14%	€209	Low
68.2 Rental and operating of own or leased real estate	15.48%	€763	13.04	€658	Medium
68.3 Real estate activities on a fee or contract basis	1.14%	€56	0.52%	€26	Medium
Total	**35.20%**	**€1,735**	**33.44%**	**€1,686**	

The policies adopted to manage the material negative impacts on resource use and circular economy are:

Environmental and Social (E&S) Policy

The Group's Environmental and Social (E&S) Policy underpins the efforts to manage environmental and social risks associated with financing activities, including minimisation of potential resource use and circular economy impacts.

For the abovementioned activities, financed by the Group and lead to material negative impacts, that are classified as low risk by EBRD's E&S Risk Categorization assessment a written customer confirmation for proper business conduct, relevant licenses and work permits is obtained. For activities that are classified as Medium / High risk by EBRD's E&S Risk Categorization assessment a written customer confirmation for proper business conduct, relevant licenses and work permits must be obtained and an E&S study by external expert should be performed. In addition, other E&S checks should be performed, such as investigations into penalties, public complaints, adverse media reports, accidents / incidents and regulatory investigations as well as site visits. The findings of the above actions are stated in the credit application together with any corrective measures for the mitigation of the E&S risk.

The approving authority decides whether the E&S risk is acceptable and set specific terms and covenants to control any E&S risks as well as decides the frequency of future E&S studies (at least every 3 years for High-Risk E&S ratings).

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Environmental and Social (E&S) Policy refer to page 124.

ESRS E5 – Resource Use and Circular Economy (continued)

3. Policies, actions and resources related to resource use and circular economy (continued)

Lending Policy

The Group’s Lending Policy underpins its efforts to manage environmental and social risks associated with financing activities, including minimization of potential resource use and circularity impacts**.** The Policy sets the standards and guidelines to be used during the credit granting process. This guides individuals involved in the credit granting process on credit granting standards and evaluation of credit risk, including ESG Due Diligence in the loan origination process for legal entities and its interaction with credit risk.

During the credit application assessment process, that falls under specific thresholds / criteria, for granting new and/or reviewing existing credit facilities, Business Units must identify, evaluate and assess ESG matters that are relevant to the borrower by applying the ESG Due Diligence process. The first step of ESG Due Diligence embeds an ESG questionnaire designed to assess customer’s performance and risk exposure against ESG factors (applicable for new lending and customer’s annual review). The questionnaires must be completed by the customer, in order to collect relevant quantitative and qualitative data, identify and assess ESG matters that are relevant to the borrower and derive an ESG score which reflects the performance of the customer towards ESG factors and exposure of customers towards ESG risks. The relevant ESG questionnaire includes queries designed to assess the performance and risk exposure of the counterparty towards resource use and circularity, taking into account the industry the counterparty operates. The questions are the following:

1. Whether the counterparty promotes separation of waste in its facilities.
2. Description of nature and weight (kg/tonnes) of the main raw materials used in production.
3. Indication of the percentage of recycled and reused raw material that are used in production over total raw materials used.
4. Description of main materials/products and relevant weight (kg/tonnes), associated with counterparty’s production process.
5. Indication of percentage of company’s products that can be considered recycled / reused.
6. Indicate the total amount of waste produced in the latest financial year.

Following completion of ESG questionnaire an ESG score is derived which in combination with scenario analysis to assess customer’s repayment ability under certain negative Environmental scenarios derives to the aggregated score for environmental aspect of ESG. The aggregated score is then used to derive the loan pricing. In line with the Lending Pricing Policy, a margin discount, based on the client’s E aggregate score, is implemented for both new and existing clients on new lending requests, for all clients (all sectors) under Corporate Division, differentiating however between carbon-intensive vs. non-carbon intensive sectors. The Group linked the margin discount at the client level to the borrower's “E” scoring (extracted from borrower’s “ESG” score). In addition, the Group linked the margin discount at the transaction level (i.e. whether lending is Green or not) utilizing the provisions of the Group's Green Lending Policy.

All customers operating in the abovementioned industries are eligible for ESG Due Diligence process subject to meeting relevant thresholds. For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Lending Policy refer to page 125.

Green Lending Policy

The Group’s Green Lending Policy, which is based on Green Loan Principles (‘GLP’) of Loan Market Association (‘LMA’), actively promotes financing towards projects with tangible environmental benefits, including those aimed at improving resource use and circular economy. The policy establishes the criteria to classify a loan as ‘green’, focusing, among others, on projects such circular economy adapted products, production technologies and processes (such as the design and introduction of reusable, recyclable and refurbished materials, components and products; circular tools and services; and/or certified eco-efficient products) as well as renewable energy. By providing Green lending the Group effectively manages the material negative impacts associated with resource use and circular economy.

ESRS E5 – Resource Use and Circular Economy (continued)

3. Policies, actions and resources related to resource use and circular economy (continued)

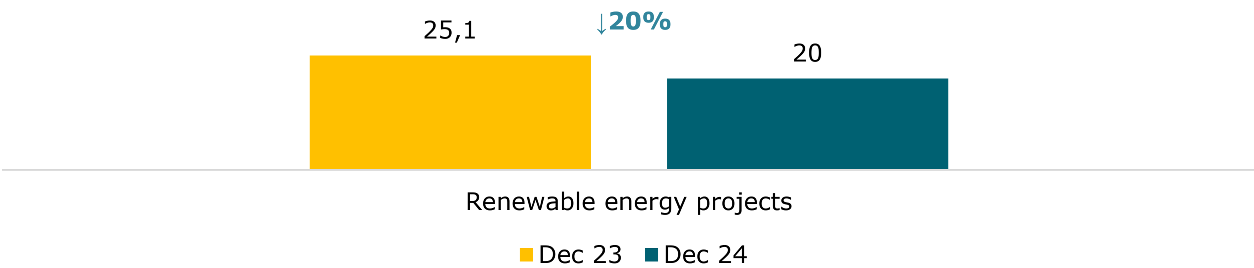
Green Lending Policy (continued)

Following the Business Environment Scan process on C&E risks, BOC PCL incorporates Green new lending internal KPIs to Business Lines in the Group's Financial Plan in order to promote Green lending practices and manage C&E risks. For the environmentally friendly gross loans associated with the above-mentioned KPIs refer to page 136.

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Green Lending Policy refer to page 126.

The Cyprus market's demand for financing Green projects is focused on energy efficiency and renewable energy projects at the moment. The Bank's exposure to renewable energy projects (solar and wind parks) is disclosed in the following graph. Reduction of c.20% has been observed in Gross loans to renewable energy projects due to increased repayments in 2024 compared to new renewable energy projects financed in 2024.

Renewable energy - Gross Loans (€mn)



Concentration Risk Policy

The Concentration Policy applies at Group level and defines limits and the methodology for limit setting towards exposures in specific assets, liabilities and off-balance sheet items to ensure that concentration risk is within the Risk Appetite. The Concentration Risk Policy aims to manage negative impacts towards resource use and circular economy by restricting lending to resource intensive sectors, including oil, gas, manufacturing of cement, manufacturing of Iron & Steel & Aluminium and non-renewable power generation. Financing in these sectors is only permitted for transition or green projects that align with the Group's sustainability objectives, subject to approval by its highest credit committees.

For more details on the key content, general objectives, scope, monitoring arrangements, most senior level accountable for the policy, any third-party standards, allocated resources and other relevant information to Concentration Policy refer to section ESRS E1 in page 128.

4. Metrics & Targets related to resource use and circular economy

While the policies and actions described above address resource use and circular economy downstream value chain negative impact of the Group, no specific, outcome-oriented targets have been established to directly prevent or control these impacts. This is due to the current lack of industry-wide data readiness, which limits the ability to establish informed and measurable objectives.

Nevertheless, the Group intends to:

1. Examine, following the data gathered from ESG Due Diligence process, to establish and monitor resource use and circular economy targets associated with loan portfolio by applying Science Based Target initiative's guidance for nature.
2. Set Green new lending KPIs, that will be embedded in the Group's Financial Plan, associated with resource use and circular economy and sectors of the economy which we are currently associated with negative impacts to resource use and circular economy.

Given the fact that the Group has not yet set measurable outcome-oriented targets, it tracks the effectiveness of actions to meet the objectives of the above-mentioned policies through the monitoring arrangements established on each policy which are explained in detail in page 124.

ESRS S1 - Own Workforce

The Group's employees are crucial to the Group's operations, culture and success. Group's employees are all part of the business, which is governed by the Group's strategy and business model and may be exposed to identified impacts, risks and opportunities. This applies to employees of the Group, as well as those who perform assignments on behalf of the Group as self-employed or employees of third-party service providers or seconded staff. As an employer, the Group has a great responsibility to use policies, procedures and processes to manage impacts, risks and opportunities and to continue to take these into account in the overall strategy. To continue to be a successful Group and promote long-term sustainable growth, it is important that the Group has committed and motivated employees. The Group's employees are paid an adequate wage compared to Cyprus average wage.

1. Interests and views of stakeholders

The Group integrates own workforce interests, views, and rights into its strategy and business model through engagement and governance mechanisms. Employee feedback from surveys, performance appraisals, complaints and whistleblowing channels directly inform decisions on workforce policies, training programs, wellbeing initiatives and system of internal controls. The Executive Director of People & Change and Trade Union's representatives ensure workforce concerns are embedded in leadership's decision-making process. Workforce-related matters are factored into strategic planning, embedding areas such as talent retention, diversity, remuneration, learning & development and workplace safety.

2. Material impacts, risks and opportunities and their interaction with strategy and business model

The following categories of employees and non-employees within the organisation have been identified as subject to material impacts from the Group's operations:

1. Normal salaried employees – Individuals directly employed by the Group under permanent full-time contracts (employees).
2. Part-time employees – Individuals directly employed by the Group under part-time contracts (employees).
3. Fixed-term employees – Individuals directly employed by the Group on a temporary basis under a fixed-term contract (employees).
4. Interns – Individuals engaged for internships, either directly employed or provided through educational or third-party programs (employees or third-party personnel).
5. External associates – Professionals engaged under contractual agreements, classified as self-employed or provided through third-party service providers (self-employed or third-party personnel).

The Group as described in ESRS E1 - Climate Change, has not yet established a comprehensive transition plan. However, based on the existing decarbonisation actions to reach GHG emission reduction target on own operations and achieve Net Zero ambition by 2050, no material impacts on the company's own workforce were identified. The decarbonization strategy on own operations does not involve branch closures. Branch rationalisation conducted during 2023 and 2024 was part of the digitalization agenda of the Group and any affected staff resulting from branch rationalisation were redeployed within the Group.

The risk of forced labour, compulsory labour, or child labour is not relevant for the Group. The Group's vision, mission and values as well as strategy and business model do not ignite significant risks associated with forced or child labour. The Group does not operate in countries or geographic areas considered high-risk for forced or child labour, given the fact that the majority of the operations are in Cyprus.

ESRS S1 - Own Workforce (continued)

3. Commitment to Human Rights

Respect for human rights is integrated into the Group's operational policies and procedures. The Group's Code of Ethics and Code of Conduct outline defined standards for behaviour, responsibilities, and ethical practices applicable to all employees. These frameworks are supported by reporting mechanisms and investigation procedures to address issues and ensure equitable treatment. The Group engages its workforce through channels designed to promote accountability and inclusion, as detailed below, supporting a culture aligned with these principles.

The Group's approach to Human rights is based on internationally recognised frameworks, including the International Bill of Human Rights and international directives, principles and initiatives to protect human rights, such as the Core Labour Conventions of the International Labour Organisation (ILO). The Group adheres to the ILO Declaration on Fundamental Principles and Rights at Work, integrating its principles into various aspects of operations. For instance, the Group's collective agreement and relationship with the trade union address the first principle of the Declaration. Fair and inclusive hiring practices ensure compliance with the second and third principles, while health and safety measures, supported by the "Well at Work" wellbeing programme and Health & Safety Management system, reflect the fifth principle. Group's policies and practices are aligned with ILO Declaration on Fundamental Principles and Rights at Work so by monitoring adherence to such policies and practises also align with ILO. Additionally, the OECD Guidelines for Multinational Enterprises are encompassed within the Group's Code of Conduct, Code of Ethics, and Employee Handbook. These frameworks establish clear expectations for ethical behaviour and corporate responsibility. Violations are addressed through the Group's formal disciplinary process.

The Group's existing policies and processes, including the Recruitment Policy, Code of Ethics, and Code of Conduct, already address concerns related to human trafficking, forced labour, and child labour, ensuring responsible management. However, to enhance clarity and explicitly reinforce these commitments, the Group will update its policies and processes by the end of 2025.

The Group maintains a zero-tolerance policy toward discrimination of any kind. This includes, but is not limited to, discrimination based on race, ethnicity, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national origin, social background, or any other grounds. Similarly, harassment in any form—whether verbal, physical, visual, sexual, or bullying—is strictly prohibited. In addition, decisions related to recruitment, promotion, and remuneration are based solely on objective criteria such as ability, ethics, and experience. The Group through the Code of Conduct and Anti-Sexual Harassment Code of Practice set clear standards for employee behaviour and responsibilities against any form of discrimination. No human rights violations, such as forced labour or discrimination, were reported during the period.

The Group promotes integrity, as a core organisational value, through the implementation of the Disciplinary code. This framework ensures timely detection and mitigation of any violations related to the Code of Conduct, Code of Ethics, Anti-Sexual Harassment Code, internal policies, employment terms, circulars and any other decisions of the Group associated with own workforce. To address significant breaches, the Group has established the Disciplinary Committee. Misconduct, breaches or violations can be reported through various channels:

1. Whistleblowing channel (Refer to page 209);
2. Planned or unplanned internal audits;
3. Complaints;
4. Other means (Direct communication to Branch Manager, Manager, Director or through Internet Banking).

The internal Audit Division investigates the violation and submits a report to the Executive Director People & Change who oversees the process. If the investigation confirms a violation, the report is escalated to the Disciplinary Committee. For breaches relating to the Code of Conduct or Code of Ethics (or any other matter associated with HR) the matter is investigated by the relevant HR department and the relevant report is submitted as described above. A Senior Management committee decides whether the matter requires escalation to the Disciplinary Committee, which is responsible for determining appropriate disciplinary actions.

ESRS S1 - Own Workforce (continued)

3. Commitment to Human Rights (continued)

Incidents, complaints and severe human rights impacts

In FY2024, zero incidents of discrimination, including harassment, were reported.

Separately, a total of 12 matters were reported through the Group's channels for its workforce to raise concerns. Matters reported / complaints filed relate to employee grievances or allegations made under the either complaints or Whistleblowing process. These can relate to various issues including working conditions and other work-related matters. Numbers quoted reflect all such incidents and complaints reported whether upheld or not. In FY24, the Group faced no fines, penalties or compensation for damages as a result of these incidents and complaints.

In FY2024, the Group has not had any severe human rights incidents connected to the Group, in relation to cases of non- respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. The Group faced no fines, penalties or compensation as a result of severe human rights incidents. Severe human rights incidents are defined as cases of modern slavery, human trafficking or child labour.

ESRS S1 - Own Workforce (continued)

4. Processes for engaging with own workforce and workers' representatives about impacts

Own workforce engagement occurs at planning, decision-making, implementation, and evaluation stages to ensure a comprehensive approach that integrates employee input throughout the process. Engagement occurs directly with employees, as well as through structured interactions with workers' representatives, where relevant. The following table summarises the general processes for engaging with people in its own workforce and worker's representatives about actual and potential positive and/or negative impacts.

<table>
<tr><th>Engagement Description</th><th>Direct Engagement/Worker representative</th><th>Stages of the engagement</th><th>Type of engagement</th><th>Frequency</th><th>Operational responsibility of the engagement</th><th>Effectiveness of the Engagement</th></tr>
<tr><td>Divisional/Regional Meetings with all staff</td><td rowspan="3">Direct</td><td>1. Identification
2. Determine the approach for mitigation</td><td>1. Participation
2. Consultation</td><td>1. Annually for strategy
2. 6-monthly for other communications</td><td>1. Divisional Directors</td><td>1. Determination of key priorities and establishment of strategic initiatives aligned with the set priorities
2. Divisional Strategy approved by Divisional Director
3. Divisional Strategy is reflected in Group's Financial Plan submitted for approval to the EXCO and the Board.
4. Financial Plan is monitored by EXCO and the Board.</td></tr>
<tr><td>Employee Opinion Surveys</td><td>1. Identification
3. Evaluating effectiveness of mitigation</td><td>1. Consultation</td><td rowspan="2">1. Annual</td><td rowspan="2">2. Human Resources – Executive Director of People & Change</td><td rowspan="2">1. Determination of key priorities
2. Establishment of an action plan with initiatives designed to meet these priorities
3. Quarterly monitor the action plan by EXCO and HRRC</td></tr>
<tr><td>Focus Groups</td><td>4. Determine the approach for mitigation</td><td>1. Participation</td></tr>
</table>

ESRS S1 - Own Workforce (continued)

4. Processes for engaging with own workforce and workers' representatives about impacts (continued)

Engagement Description	Direct Engagement/Worker representative	Stages of the engagement	Type of engagement	Frequency	Operational responsibility of the engagement	Effectiveness of the Engagement
Kill-Bureaucracy program (email/ Yammer)[13]	Direct	1. Identification 2. Determine the approach for mitigation 5. Evaluating effectiveness of mitigation	1. Participation 2. Consultation	1. Ongoing	1. Human Resources – Executive Director of People & Change	1. Determination of key priorities 2. Establishment of an action plan with initiatives designed to meet these priorities 3. Quarterly monitor the action plan by EXCO and HRRC

The steps the Group takes to gain insight into its workforce perspectives are inclusive of all employees, including those who may be particularly vulnerable or marginalised. While current engagement processes do not explicitly differentiate between employee groups, those ensure that diverse voices are considered in shaping workplace policies and decisions. The Group is a member of the European Banking Federation (EBF). This membership provides a platform for the Group to engage in industry-wide discussions, share best practices, and gain deeper insights into the perspectives of its own workforce, particularly regarding human rights and labour standards. EBF facilitates regular dialogue with workers' representatives and contributes to shaping policies that respect and promote the rights of employees across the banking sector.

[13] Kill-Bureaucracy program: Internal program that employees can provide their recommendations through email / yammer / internal portal and those are evaluated for implementation.

ESRS S1 - Own Workforce (continued)

5. Processes to remediate negative impacts and channels for own workforce to raise concerns

The Group provides employees with a formal mechanism to raise concerns or complaints as outlined in the Code of Conduct, which is accessible through the Internal Employee Portal. Employees may submit formal complaints in writing, which are addressed through the Group's Complaints Resolution Process. This process is designed to manage and resolve employee grievances effectively, aiming to eliminate any form of discrimination or unequal treatment. Complaints are addressed hierarchically, with escalation to the Personal Complaints Committee, if necessary. The Committee consists of at least three members, one of whom is selected by Trade Union among Group staff to represent the employees, and one member is appointed by Group's Management. Following consultation with the two members, the Group appoints a suitable individual to act as Committee Chair.

Employees can submit complaints in writing to their direct superior. Where the complaint is such that it pertains to, or affects, the direct superior or supervisors, the complaint is submitted to the immediately higher superior in the hierarchy. In exceptional circumstances, and provided this can be justified, the employee may submit their complaint directly to the Personal Complaints Committee. Upon receiving a complaint, the recipient must provide a written response to the employee within 15 days. If no response is provided, within the designated timeframe, or if the employee concerned is not satisfied with the response, the complaint is submitted to the Personal Complaints Committee. Complaints submitted to the Committee must be in writing and accompanied by all relevant data and documentation. These submissions are routed through the Committee member appointed by Trade Union or their alternate representative.

The Human Resources Division is responsible for the preparation of the case file, which is delivered to all Committee members. Committee sessions are convened by the Chair whenever there are matters to be discussed. The list of matters to be discussed during the session is submitted to the Committee Chair at least four days prior to the day of the session. Committee members are entitled to request that the Committee examines both the employee concerned as well as any other staff member they believe may assist in reviewing the complaint. The request is submitted to the Committee Chair, who is responsible for issuing the necessary summons. Additionally, Committee members are entitled to request the submission of any evidence which might assist in reviewing the case. The minutes of sessions are kept by the Committee secretary, who shall be appointed by the Committee and is a Group staff member. Copies of the minutes are distributed to all Committee members after the session and are formally ratified during the subsequent session. The complaints review procedure must be concluded at the latest within one month of the date of submission of the complaint to the Committee.

The Committee's findings, which are solely advisory in nature, are forwarded by the Committee Chair to the relevant Divisional Director and to the complainant.

The effectiveness of Complaints Resolution Process is measured on a case-by-case basis. Follow-up discussions are conducted between the employee and the HR Business Partner (HRBP) to assess whether the grievance has been resolved. In addition, the HRBPs through ad-hoc communication with employees (one to one meetings performed throughout the year) explore the overall working conditions and employee relations. In order to gain employee's trust on these channels the Group provides information through Internal portal on how it deals with complaints and information on the governance and monitoring arrangements of handling any complaint.

The departments responsible for managing workforce complaints and related processes are subject to a risk assessment and audits relevant to these areas are included in the Internal Audit's Internal Audit Plan.

In addition to the above, the Group has established a Whistleblowing Policy, offering accessible, confidential channels for employees and external stakeholders to report violations, unethical behaviour, or improper practices. For more details on the Whistleblowing system refer to page 209.

ESRS S1 - Own Workforce (continued)

6. Data Protection & Privacy

Material IROs - Own Workforce (S1)								
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**					
Own Workforce - Other work-related rights - Privacy	Impact	Potential - Negative	Given the number of Group's employees there is a potential negative impact to own workforce arising from personal data leakage.					
Time Horizons			**Value Chain**			**Originate from / Connected to Group's strategy and business models**	**Widespread or Systemic / Individual Incidents**	**Inform and contribute to adapting the undertaking's strategy and business model**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream			
✓	✓	✓	✓			Connected to business Model	Individual Incidents	Refer to 6. Data Protection & Privacy Section
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**					
Own Workforce - Other work-related rights - Privacy	Risk	Regulatory Compliance / Conduct Risk	Non-compliance with Data Protection Law (GDPR) leading to data leakage to employee personal data.					
Time Horizons			**Value Chain**			**Financial Effects**		
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream			
✓	✓	✓	✓			Anticipated financial effects include increased costs due to penalties arising from Commissioner for Personal Data Protection (CPDP) and possible litigation costs. No litigation or penalties arising due to personal data leakage in 2024.		

ESRS S1 - Own Workforce (continued)

6. Data Protection & Privacy (continued)

<table>
<tr><th colspan="7">Material IROs - Own Workforce (S1)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="4">Description</th></tr>
<tr><td>Own Workforce - Other work-related rights - Privacy</td><td>Risk</td><td>Information Security (Including Cyber) Risk</td><td colspan="4">Cyber-attacks targeting the Group through Internet using a variety of techniques may lead to loss or theft of data (including employee data), execution of fraudulent payments and IT disruption.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Financial Effects</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td>No material current financial effects associated with cyber-attacks. Anticipated financial effects include reputational issues, identity theft, fraud and regulatory penalties, fines, increased cost to due inefficiencies and loss of business.</td></tr>
</table>

The Group's material risks on Data Protection and Privacy have not arisen from any negative impacts or dependencies on own workforce. Group's own workforce is exposed to similar types of privacy impacts and risks. It is important to note that employees who operate in departments which have access to personal data and sensitive data are inherently exposed to greater Data Protection & Data Privacy risks. Information security and data privacy trainings are conducted annually to all staff.

ESRS S1 - Own Workforce (continued)

6. Data Protection & Privacy (continued)

6.1 Policies on Data Protection & Privacy

The Group prioritises the protection of data and personal data in its operations. The Group has implemented measures to mitigate the negative impact on privacy as well as the identified risks associated with cyber-attacks and data breaches, reflecting its compliance with applicable data protection regulations and its commitment to the secure handling of employee information.

The Group maintains a Personal Data Protection Compliance Policy, to align with relevant regulations, including the EU General Data Protection Regulation (GDPR) and national laws such as the Protection of Natural Persons regarding the Processing of Personal Data Law 125(1)/2018 and section 106 of the 'Regulation of Electronic Communications and Postal Services Law 112(I)/2014', as well as the relevant guidelines issued by the CPDP from time to time. This policy outlines the Group's commitment in protecting the personal data of customers, employees, suppliers, and business partners, ensuring that data collection, use, and retention are lawful, transparent, and aligned with GDPR principles. Protecting the security and privacy of personal data is important to the Group, in order to conduct its business activities in the context of the envisaged privacy culture. The Board and Senior Management are responsible to oversee the Group`s compliance with this policy. Additionally, they have the ultimate responsibility for the implementation and adherence to this policy throughout the Group, and the imposition of any remedial action. The Group and its subsidiaries must, as a minimum meet the requirements of this policy. The policy is applicable for all subsidiaries of the Group as they are considered separate data controllers. The management of each subsidiary is ultimately responsible for the implementation of this policy and to ensure, at entity level, that there are adequate and effective procedures in place for its implementation and ongoing monitoring to its adherence. The policy is readily available to all employees through internal portal and to any affected stakeholder through Group's website.

The Group also complies with the ISO 27001 Information Security Standard. The Group's Information Security Policy further outlines a structured incident management approach, ensuring that all information and cyber-security risks associated with the Group's systems and assets are handled in a timely and consistent manner. More information on the policy is described in ESRS S4 – Consumers and end-users in page 187.

6.2 Actions on material impacts approach to managing material risks on Data Protection and Privacy

The Group complies with GDPR requirements, ensuring transparency and accountability in employee data processing activities. The Employee Privacy Notice, which was last updated in March 2024, outlines how employee data is collected, processed, and protected. This notice is readily accessible on the Group's internal portal, ensuring employees are informed of their data privacy rights at all times.

The Group collects and processes personal data strictly as necessary for its business activities, in accordance with legal obligations, contractual requirements, legitimate interests, or with employee consent. Data collection is limited to relevant and essential information, with retention periods aligned to guidelines provided by the Local CPDP. To ensure lawful processing, employees are informed of their right to withdraw consent at any time, and specific consent is appropriately secured and documented when required.

Employees can raise concerns about how employee data are collected, processed or protected by emailing a dedicated Human Resources address for GDPR matters or contacting the CPDP, as described in the Employee privacy notice.

In the event of suspected or actual data breaches, employees are required to report such incidents to the Data Protection Officer (DPO), within a maximum timeframe of 24 hours. The reporting can be done through designated communication channels, including email or phone and after completing a form (form for reporting a possible personal data breach). In case where the data breach incident affects a large volume (combination between data subjects affected and systems affected or could be affected) of customers/employees, the Information Security Department is notified, and the Security Incident Response Plan procedures are initiated. The Group has established an incident response plan that includes containment, investigation and notification procedures in the event of data breach. The plan is annually tested and updated to ensure effectiveness and compliance with applicable laws and regulations. To facilitate effective reporting of data breaches, the Group has established a guidance that serves as a reference for all employees and is embedded in the Employee Portal. This guidance outlines the criteria and procedures for identifying and reporting reportable data breaches, empowering employees to promptly and accurately report any incidents.

ESRS S1 - Own Workforce (continued)

6. Data Protection & Privacy

6.2 Actions on material impacts approach to managing material risks on Data Protection and Privacy

(continued)

The Group has faced privacy-related challenges, including a data breach in 2023 due to human error, where inaccurate addresses were used to mail loan sale notification letters. The breach was identified through internal reporting mechanisms and assessed by the DPO within 72 hours, as required by GDPR. Remedial actions were immediately implemented, including strengthening internal controls, while the breach was reported to the CPDP, resulting in a fine of €8,000. The Group did not have any fine relating to breach of the Regulation 2016/679 in 2024.

In addition, the Group employs Data Protection Impact Assessments (DPIAs) at all stages of data processing and follows a data minimisation strategy. DPIAs support the identification of potential data privacy risks and comply with data protection obligations and meet individuals' expectations on privacy. The DPIA is initiated whenever a new process/ product or system that involves personal data is implemented and it shall be revisited/updated when there is a change in the risk profile of the process (e.g. new vendor, change of the procedure etc.). All procedures relating to DPIA are analysed in the relevant circular which is readily available in the Internal Employee Portal.

Internal circulars and manuals are annually reviewed and updated to ensure adherence from own workforce. The Group's DPO oversees GDPR compliance, provides guidance on data protection policies, and ensures effective handling of data breaches and privacy complaints as part of the complaints handling procedure. The DPO advises the Group on GDPR obligations, monitors compliance, oversees DPIAs, consults on high-risk processing, and liaises with supervisory authorities. The DPO also ensures the resolution of data breaches and privacy complaints, coordinating with other Group DPOs to address compliance issues. The Chief Information Officer (CIO) works closely with the DPO to address and mitigate data security incidents. This collaborative approach reflects the Group's commitment to maintaining a high standard of data privacy and security, protecting employees' personal data, and adhering to all regulatory requirements.

The Group tracks the effectiveness of its privacy actions through quarterly monitoring report submitted by the DPO to the Board through AC. Metrics such as the number of reported incidents, participation rates in training programs, and vendor compliance evaluations enhance processes. The incident response plan undergoes annual testing to ensure readiness, while privacy statements and data-handling procedures are reviewed annually to maintain compliance with the regulations.

Internal Audit includes Personal Data Protection Compliance Policy as part of its Risk & Audit Universe and assesses the need for audit engagements during the annual audit planning process.

The Group invests in privacy management through cybersecurity tools, dedicated DPOs for each legal entity handling personal data, and cross-departmental collaboration across Legal, IT, HR, Internal Audit, Compliance, Procurement, Vendor Management and Risk Management. This approach aims to mitigate risks, enhance privacy practices, and maintain stakeholder trust.

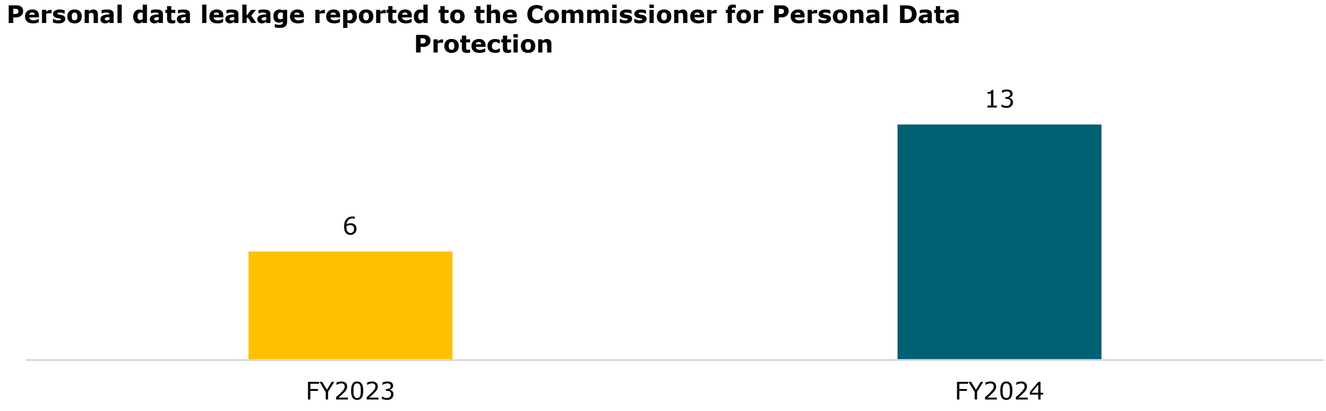
6.3 Metrics and Targets to manage negative impacts and material risks

There is no set measurable, time-bound and outcome-oriented target associated with data protection and privacy however, the Group nevertheless tracks the effectiveness of these actions through quarterly reporting to EXCO and AC. Metrics reported include the number of data incidents, employee participation in privacy and information security training programs. Board, Management and all staff participate, in 2024, in Information security training (9,889 training hours), GDPR training (107 hours) and use of personal data training (1,207.5 hours).

ESRS S1 - Own Workforce (continued)

6. Data Protection & Privacy (continued)

6.3 Metrics and Targets to manage negative impacts and material risks (continued)



Metrics associated with information security and GDPR training hours as well as personal data leakage reported to the CPDP, are not validated by an external body.

In line with its Risk Appetite Statement (RAS), the Group has adopted the following qualitative stances associated with data privacy and information security:

1. Zero Tolerance for Privacy Risks: The Group maintains a strict no-tolerance policy for any non-compliance with GDPR and expects full adherence to legal and regulatory requirements across all operations.
2. No Data Leakage: The Group has zero tolerance to data leakage, whether due to system vulnerabilities or employee mishandling. Rigorous protocols are in place to prevent and respond to potential breaches.
3. Vendor Compliance: The Group does not engage with vendors who lack robust GDPR-aligned procedures and practices. All third-party relationships are subject to assessments to ensure compliance with data protection standards.
4. Immediate Response to Data Subject Rights: The Bank has a zero-tolerance approach to delays or avoidance in responding to data subject rights under GDPR. Processes are streamlined to ensure timely action on data access, correction, or deletion requests.

The process for setting the above-mentioned qualitative metrics is described in the Risk Appetite Framework of the Group. The objective of the Risk Appetite Framework (RAF) is to set out the level of risk that the Group is willing to accept in pursuit of its strategic objectives, outlying the key principles and rules that govern the risk appetite setting. It comprises the Risk Appetite Statement (RAS), the associated policies and limits where appropriate, as well as the roles and responsibilities for the implementation and monitoring of the RAF.

ESRS S1 - Own Workforce (continued)

7. Health and Safety

<table>
<tr><th colspan="7">Material IROs - Own Workforce (S1)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="4">Description</th></tr>
<tr><td>Own Workforce - Working Conditions - Health & Safety</td><td>Risk</td><td>Health & Safety risks</td><td colspan="4">Poor health and safety practices can result in workplace accidents, incurring costs for increased insurance premiums, legal defences, compensation payouts, and potential regulatory fines for non-compliance. Operational disruptions stemming from such incidents can diminish productivity and revenue, further straining financial performance.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Financial Effects</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td>No material current financial effects associated with work related injuries and accidents. Anticipated financial effects include reputational issues, increased costs due to litigations and compensation.</td></tr>
</table>

The Group’s material risks on Health & Safety have not arisen from any negative impacts or dependencies on own workforce. Group’s entire own workforce is exposed to similar types of Health & Safety risks given the office nature of operations, this is also evident from Health & Safety trainings conducted to all staff.

ESRS S1 - Own Workforce (continued)

7. Health and Safety (continued)

7.1 Health and Safety Policies (H&S)

The Group implements systems and policies to mitigate H&S risks associated with its own workforce. These measures support operational efficiency and align with the Group's commitment to maintaining a safe and accountable workplace.

Health & Safety Policy

The Group's H&S policy supports a safe and healthy environment for its employees, customers, visitors, suppliers, external associates and other third parties. The policy emphasises risk prevention, legal compliance, and continuous improvement. It includes regular risk assessments, workplace inspections, corrective actions, and oversight by Safety Committees.

The policy was updated in 2023 and is readily available through Internal Employee Portal. The policy was reviewed in 2024 and no changes were deemed necessary. The Organisational Procedure on H&S and the H&S internal manual, outlines the responsibilities of line management, employees, and departments. These resources foster collaboration and accountability in maintaining safety standards.

Executive Management has the ultimate responsibility to ensure compliance with the H&S regulatory framework, its relevant provisions and adherence to H&S policy.

Health and Safety Management System (HSMS)

The HSMS, complies with the Safety and Health at Work Laws of 1996 to 2020 in Cyprus. This system defines roles and responsibilities for management, employees, and technical teams to identify and address hazards across all operations. It incorporates tailored measures for each facility, including emergency response plans, risk assessments, training protocols, and detailed record-keeping.

In 2023, the HSMS underwent an external audit by a H&S consultant (approved by the Department of Labour Inspection – member in EXYPP registry). The findings identified, were assessed and an action plan was prepared to address them. External audit confirmed the system's compliance and effectiveness. Senior Management ensures consistent application of HSMS protocols, promoting accountability and standardisation across all offices. The system applies to all employees and extends to outsourced workers and associates whose work is under the Group's control.

Employees under HSMS			
	Unit	2023	2024
Percentage of people in its own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	#	2,673	2,726
	%	94.45%	94.65%

Notes:

i. The percentage of own workforce who is covered by the Group's HSMS is calculated on a head count basis at the end of the reporting date.
ii. Employees of JCC Payment Systems Ltd, Unoplan and representative offices abroad are not covered by the Group's HSMS.
iii. The above-mentioned metric has not been validated by an external body.

ESRS S1 - Own Workforce (continued)

7. Health and Safety (continued)

7.2 Actions to manage material risks on Health and Safety

H&S Committees

The Group promotes H&S at work and takes measures to prevent any occupation hazards and inform and share knowledge to its workforce on H&S issues. The Group has approximately 51 H&S Committees that meet every six months and, on an ad-hoc basis when requested by a member or in response to an incident. The Group's employees are represented in committees by staff from all the units of the buildings. As per the regulatory framework, a committee must exist at all premises with more than 10 employees and its composition depends on the number of employees stationed at the premises. The presidents of H&S Committees are the manager of the branch or the Technical Project Coordinator of the building. Buildings with less employees have a responsible person for the H&S issues which is the manager. The Committees are responsible to identify workplace hazards, prevent / assess risks of accidents and resolve issues at the premises in cooperation with other departments (e.g. Technical Services).

Incident Investigation

Employees play an active role in the HSMS by identifying hazards in their work environment. They are trained to report these hazards via the Group's dedicated application, or directly to the Safety Committee of their respective building or H&S Officer. This ensures timely response and resolution of any identified issues.

The investigation of H&S incidents and work-related accidents are managed by the H&S Officer in collaboration with the Manager of the respective branch or unit. The procedure includes:

1. A detailed analysis of the cause,
2. A description of the incident provided by the affected employee and witnesses,
3. A site inspection, and
4. The implementation of corrective actions to minimise future risks.

Any investigation of an incident/accident is documented in the relevant form, by the H&S officer and delivered to the Manager of the Branch or Unit, Head of Claims of General Insurance and Human resources. The H&S officer, within 15 working days from the accident, reports through dedicated forms the Department of Labour Inspection of Cyprus Government.

Following the incident investigation, a form detailing corrective measures and actions is delivered by the H&S officer to the Manager of Branch or Unit associated with the incident. The measures and actions are implemented by Technical Services Department of the Group. The Implementation of corrective measures is monitored by the Manager of the Branch or Unit associated with the incident and the Chairman of H&S Committee. Written confirmation of the completion of these actions is provided to all involved parties.

Emergency Response and Preparedness

The Group premises have emergency evacuation plans. Annual evacuation drills are conducted across branches and buildings, under the supervision of the Corporate Security Manager for all employees. These drills involve fire prevention and evacuation training for assigned employees, with outcomes reviewed to implement any necessary improvements.

The H&S Officer, as mandated by law, oversees the coordination and effectiveness of these procedures within the broader HSMS. This ensures that emergency response measures are both comprehensive and compliant with legal and operational standards, supporting the Group's commitment to a safe and secure working environment.

H&S Inspections

Inspections are conducted across the Group's branches and buildings to identify and mitigate H&S risks to maintain a healthy environment for own workforce and any other party.

Inspections are conducted by:

1. An H&S officer on an annual basis (random inspection and ad-hoc following incidents or complaints)
2. An H&S representative of the property every three months
3. The Chairman of H&S Committee on a six-month basis

ESRS S1 - Own Workforce (continued)

7. Health and Safety (continued)

7.2 Actions to manage material risks on Health and Safety (continued)

Inspections are conducted to:
1. Identify issues and weaknesses that should be remediated;
2. Assess issues and weaknesses identified;
3. Document an action plan to remediate the issues and weaknesses identified.

The Technical Services department or any other relevant department should be informed about the action plan and the relevant timelines for implementation. The measures to remediate the issues and weaknesses identified are monitored by the H&S Officers and Chairman of the H&S Committee. When the measures are implemented the H&S Officer and Chairman of the H&S Committee are properly informed, and subsequently re-assess whether the remedial actions implemented have resolved the issues and weaknesses identified.

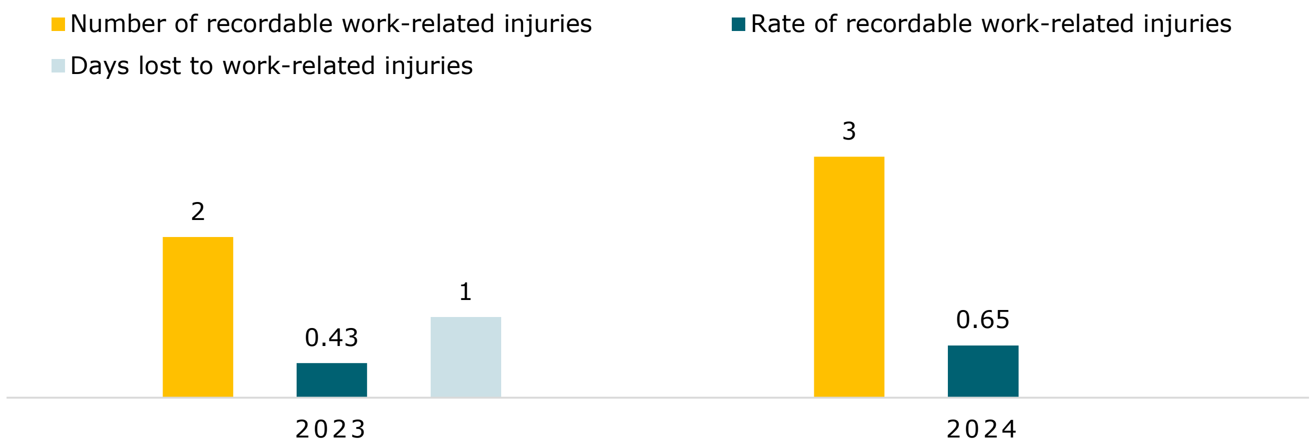
H&S risk assessment studies

Additionally, the Group conducts H&S risk assessments in partnership with external H&S consultants (EXYPP). These assessments, performed every two years, prioritise high and medium risks through detailed action plans. Hazards such as slips and falls are addressed proactively by measures like floor inspections, placement of anti-slip tapes, and safety signage.

Work-related injuries

The work-related injuries reported by the Group relate to slip and fall type injuries, none of which resulted in high-consequence injuries. A procedure has been implemented by the Group in order to provide an analysis of the cause, description of the incident by the affected employee and the people involved, along with the site inspection and decisions taken to minimise the identified incident. Such incidents are addressed on a case-by-case basis, and the actions taken by the Group include floor inspection, placement of anti-slip tapes and safety signs wherever considered necessary. The chart below illustrates Group's employees only, as no work-related injuries occurred for workers who are not employees but whose work is controlled by the Group.

Recordable work-related injuries - Employees



Notes:
1. The rate of recordable work-related injuries has been calculated as follows: (Total number of recordable work-related injuries) / (Total number of hours worked) x 1,000,000.
2. The number of hours worked was compiled using estimation. The total number of hours (2024: 4,646,016 2023: 4,670,066) is estimated based on total number of employees at each year end multiplied by 52 weeks/year multiplied by 5 working days/week and excludes average leave days per employee and public holidays.
3. Recordable work-related injuries exclude JCC Payment Systems Ltd, Unoplan and representative offices abroad as those establishments are not covered by the Group's Health and Safety Management System.
4. The above-mentioned metrics have not been validated by an external body.

ESRS S1 - Own Workforce (continued)

7. Health and Safety (continued)

7.2 Actions to manage material risks on Health and Safety (continued)

No fatalities existed as a result of work-related injuries or high consequence work-related injuries to either employees and non-employees, nor any work-related ill health occurred in any of the years reported either to employees and non-employees. The Group's responsibility for H&S extends beyond its employees to outsourced workers, visitors, customers, and suppliers. Vendors are required to comply with the Group's H&S standards, including risk assessments and certifications for equipment like lifting machinery. These assessments are reviewed biannually, with corrective actions implemented as necessary to minimise risks.

Key action taken in 2024 in adherence to Group's H&S policy and in management H&S risks:

1. Monitor implementation of remedial actions identified from H&S risk assessments
2. H&S training
3. Buildings evacuation drills
4. Air quality measurements for Head Office and IT buildings
5. Electromagnetic and Magnetic Field Measurements at IT building
6. Microbiological analysis of water quality from drinking dispensers
7. Disinfection of water tanks at owned buildings and installation of filtration system.

Key actions planned		
2025	**2026**	**2027**
1. H&S risk assessment on: 1. Job positions 2. Installation of special equipment 3. Safe evacuation of vulnerable people 4. Branches and buildings (re-assessment) 2. Estimation harmful factors (air quality) – 3 buildings and 3 branches 3. Monitor implementation of remedial actions identified from H&S risk assessments 4. Support in drafting new procedure manuals and update of existing procedure manual associated with H&S 5. Trainings to Protection & Prevention Internal Service and H&S representatives 6. Diagnostic assessment towards fire safety, analysis of the results and drafting of a report of deviations and remedial actions - (Head office)	1. Confirmation of Group's adherence to regulatory requirement through external audit and preparation of relevant report. 2. Diagnostic assessment towards fire safety, analysis of the results and drafting of a report of deviations and remedial actions – 1 Building per district for 2026. 3. Support and guide an internal process to inform own workforce on H&S 4. H&S risk assessment on management of new working conditions like hybrid working environment. Policies and procedures drafted, approved and adhered at Group level. 5. Trainings to Protection & Prevention Internal Service and H&S representatives 6. Coordination and monitoring of action plan on the outcome of H&S Risk Assessment for period 2025-2026.	1. H&S risk assessment on Branches and buildings (re-assessment and assessment on new buildings) 2. Coordination and monitoring of action plan on the outcome of H&S risk assessment for period 2025-2026. 3. Trainings to Protection & Prevention Internal Service and H&S representatives. 4. Support and guidance in an internal staff awareness campaign. 5. Diagnostic assessment towards fire safety, analysis of the results and drafting of a report of deviations and remedial actions – 1 Building per district for 2027. 6. Diagnostic assessment of H&S culture using e-survey.

The actions taken and planned for the future are all associated, derived and aligned with the Group H&S Policy aiming on a safe and healthy environment for employees, customers, visitors, suppliers, external associates and other third parties. In addition, the above-mentioned actions did not and will not require significant operating expenditure and capital expenditure. The Group's resources associated with H&S extend beyond H&S department, certain roles and responsibilities (First aids, Security, Fire prevention) are assigned to employees of each Branch and Building as well as members of the H&S committees.

ESRS S1 - Own Workforce (continued)

7. Health and Safety (continued)

7.3 Metrics & Targets related to managing material risks on Health and Safety

There are no measurable, time-bound, outcome-oriented targets associated with H&S risks, however the Group nevertheless tracks the effectiveness of these actions through qualitative Key Risk Indicators and monitoring mechanisms designed to mitigate potential hazards and ensure a safe working environment. Current qualitative statements include:

1. **Managing H&S risks**:
    1. Reducing the number of occupational accidents, illnesses, and injuries through preventive measures and improved systems.
    2. Monitoring and reducing the number of untrained first aiders across premises to ensure preparedness in emergencies.
    3. Addressing high- and medium-risk findings from risk assessments through corrective actions within defined timelines.
    4. Conducting regular audits and inspections of the HSMS to ensure compliance with regulatory requirements and industry standards.
2. **Compliance statements:**
    1. Maintaining full compliance with the H&S regulatory framework, ensuring all policies and practices align with legal obligations.
    2. Incorporating new regulations into the H&S Management System as they are issued, with annual reviews to ensure alignment.

The process of setting the above-mentioned qualitative indicators is described in the Risk Appetite Framework of the Group. The objective of the Risk Appetite Framework (RAF) is to set out the level of risk that the Group is willing to accept in pursuit of its strategic objectives, outlying the key principles and rules that govern the risk appetite setting. It comprises the Risk Appetite Statement (RAS), the associated policies and limits where appropriate, as well as the roles and responsibilities for the implementation and monitoring of the RAF.

ESRS S1 - Own Workforce (continued)

8. Own workforce characteristics

Characteristics of Group's own workforce

Gender	Number of employees (head count)[14]	
	2024	2023
Male	1,187	1,177
Female	1,693	1,653
Other	-	-
Not reported	-	-
Total Employees	**2,880**	**2,830**

Number of employees (head count)	Female		Male		Other		Not Disclosed		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Total employees	**1,693**	**1,653**	**1,187**	**1,177**	**-**	**-**	**-**	**-**	**2,880**	**2,830**
Permanent employees	1,667	1,637	1,176	1,168	-	-	-	-	2,843	2,805
Temporary employees	19	9	10	8	-	-	-	-	29	17
Non-guaranteed hours	7	7	1	1	-	-	-	-	8	8

New employee hires and turnover	Total	
	2024	2023
Number of new employee hires	**105**	**124**
Number of employees turnover	**81**	**211**
Number of intragroup employee transfers	**26**	**28**
Rate of employee turnover	**0.03**	**0.07**

Notes:

i. The number of employees (headcount) refers to the total number of people employed by the Group at the end of each reporting period.

ii. The data has been collected based on the detailed payroll registers as of 31/12 for every fiscal year, in headcount. If data about a specific legal subsidiary of the Group was not available in the systems, the legal entity representative was requested to provide the data.

iii. 99.7% of the employees relate to the Group's own workforce in Cyprus (2023: 99.6%).

iv. Staff turnover has been calculated as the aggregated number of employees who left voluntary or due to dismissal, retirement or death / Total head count of employees at each year end.

Temporary staff consist of staff employed to undertake specific projects within the Group or are employed on a temporary basis at Real Estate Management Unit (REMU).

[14] As disclosed in Note 14 of the 2024 Annual Financial Statements on page 329.

ESRS S1 - Own Workforce (continued)

9. Own workforce related metrics

Collective Bargaining

The freedoms to associate and to bargain collectively are fundamental rights and require a conducive and enabling environment. At BOC PCL we recognise the right to collective bargaining as the key to the representation of collective interests.

2024	#	%
Employees covered by collective bargaining agreements	**2,766**	**96%**

Notes:

i. The % of employees covered by collective bargaining agreements is calculated using the number of employees covered by collective bargaining agreements on a head count basis as at 31 December 2024 / Total head count of employees as at 31 December 2024*100.

ii. Employees not covered by collective bargaining agreement primarily relates to fixed term contract employees. Temporary employees are entitled to Provident Fund benefit under the collective agreement with Trade Union. They are eligible to all other benefits included on the collective agreements with full -time employees (including Medical Fund and Life Insurance, in case of death or permanent total disability - once permanency is confirmed).

2024	Collective Bargaining Coverage		Social Dialogue
	Employees – EEA	Employees – Non-EEA	Workplace representation (EEA only)
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	**Cyprus**	-	**Cyprus**

The Group has collective bargaining agreements in place within the European Economic Area (EEA). The Group does not have representation agreements with any European Works Council (EWC), Societas Europaea (SE) Works Council, or Societas Cooperativa Europaea (SCE) Works Council in place.

Gender Pay Gap

The Gender Pay Gap (GPG) is the difference in the hourly pay of men and women across the organisation. The Group's gender pay gap (excluding LTIP 2024) is calculated at 12.6%. The Group's gender pay gap (including LTIP 2024) is calculated at 15.1%. The primary reason for the GPG is the larger number of females in lower level roles, and higher numbers of males in more senior roles. The highest paid individual in our organisation is our CEO. The median annual total compensation for all employees (excluding the CEO) for 2024 was €54,603 and, the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees (excluding the CEO) was 15:1 (excluding LTIP 2024) and 31:1 (including LTIP 2024). The Group prepared for the first time a gender pay gap analysis in line with the EBA guidelines which will be monitored through an annual internal benchmarking study, aiming to identify the reasons for any such gap and find ways to address it via our remuneration practices and policies.

Notes:

i. For the calculation of GPG the Group utilizes all cash emoluments paid, in 2024, to all employees including base salary, bonus and benefits in kind. STIP bonus included in the calculation relates to the amount paid in 2024 for FY2023, given the STIP 2023 and STIP 2024 are comparable amounts.

ii. The GPG and the ratio of the annual total compensation of our CEO to the median annual total compensation of all employees has been calculated based on 98% of employee headcount as at 31 December 2024.

ESRS S4 - Consumers and End Users

Consumers and end-users include individuals and legal entities who purchase or use our financial products and services. The Group offers customers a wide range of financial products and services, which might affect our customers in several ways. Additionally, how the Group interacts with its customers might also affect and pose risks to us as a financial institution.

1. Interests and views of stakeholders

Consumers and end-users are central to the Group's decision-making, as outlined in the Group's Code of Conduct and the Ethics Code. Stakeholder engagement mechanisms, including complaint channels, surveys, focus groups and direct customer interactions, enable the Group to integrate customer feedback into strategic decision making. Customer complaint statistics are analysed and reported quarterly to the AC and the Central Bank of Cyprus (CBC), and their satisfactory resolution is monitored on an ongoing basis. The Group also evaluates its broader impact on consumers and end-users as part of its sustainability and risk management strategy. It provides several engagement channels where customers can communicate concerns and suggestions, which are an input into strategic decision making. To ensure business resilience and adaptability, the Group remains responsive to operational disruptions, by accelerating digital banking solutions to meet evolving consumer needs.

2. Material impacts, risks and opportunities and their interaction with strategy and business model

As a result of the DMA, the Group identified three material actual and potential positive impacts and one negative impact. The types of consumers and end-users subject to a material impact include retail customers, business customers, digital and online customers, marginalised customers and customers in vulnerable circumstances. These can be divided into the below categories:

Category of consumer and / or end-user	Group applicability
Consumers and / or end-users of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination.	All types of Group consumers and end-users.
Consumers and / or end-users who are dependent on accurate and accessible product- or service-related information, to avoid potentially damaging use of a product or service.	All types of Group consumers and end-users.
Consumers and / or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals.	Excluded populations and customers in vulnerable circumstances

The Group positively impacts Health & Safety within Cypriot Society through the Bank of Cyprus Oncology Centre, which represents a partnership between the public and the private sector. Since its inauguration in 1998, it has served cancer patients and the society at large. In addition, the Group creates positive impacts through its Digital Transformation, which facilitates accessibility to financial services for all customers. In addition, the Group identified material positive impacts associated with financing certain NACE (statistical classification of economic activities) sectors such as Rental and operating of own or leased real estate, development of building projects, buying and selling of own real estate which support the access to safe and affordable housing. Regarding retail customers, the Group through provision of housing loans, consumer loans and overdrafts create positive impacts on the accessibility to the use of financial services and being confident for the financial future through the enhanced capacity to reach future goals.

A material negative impact arises, in relation to privacy, due to one privacy incident identified at the end of 2023. There was an internal data leak which resulted in the improper use of addresses for loan notification letters leading to fine from the Commissioner for Personal Data Protection. Risks and opportunities described below arise through impacts and dependencies with all Group's consumers and end-users categories.

ESRS S4 - Consumers and End Users (continued)

2. Material impacts, risks and opportunities and their interaction with strategy and business model (continued)

The Group’s strategy and business model are actively shaped by both negative and positive impacts identified. The negative impact on privacy drives the enhancement of policies and governance, while by continuously adapting its products, services, and operational model in line with economic and technological changes, the Group ensures that its business strategy drives positive consumer impact. Similarly, the Group’s strategy and business model are informed by material risks and opportunities arising from its dependencies on consumers and end-users. These are explained in the sections below.

The Group offers financial products and services to businesses and individuals, both nationally and internationally. All types of customers, can be materially impacted, positively or negatively, by the Group's operations, products, services, value chain, and business relationships, and are therefore included in the scope of disclosures. The Group has considered all types of consumers in its materiality assessment, incorporating historical incidents (privacy, health, safety) and scientific assessment tools (PRB Tool) to evaluate actual and potential negative impacts. The material IROs relate to, all consumers and / or end-users, rather than to any specific groups.

3. Commitment to Human rights

At the Group, respecting human rights of consumers and end-users is embedded in the Group’s Code of Ethics, Code of Conduct, and organisational values. These commitments are integrated into the Group’s strategy and business model to ensure that the interests, views, and rights of consumers and end-users are considered in the decision-making processes. The Group’s policies follow internationally recognised frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Conventions, the Universal Declaration of Human Rights (UDHR), and the OECD Guidelines for Multinational Enterprises. The Group has established formal policies to ensure ethical practices, consumer protection, and operational transparency. The Customer Complaints Management Policy provides a structured framework for addressing and resolving complaints. The Group Information Security Policy sets out safeguards for customer data, breaches, and GDPR compliance. These policies are supported by the Code of Ethics and Code of Conduct, embedding fairness, accountability, and respect for consumer and end-user rights into all operations. For more details on Human rights impacts refer to ESRS S1 – Own Workforce in page 164. The Group has no reported cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving consumers or end-users have been reported in its downstream value chain. Additionally, there were no reported severe human rights issues or reported incidents connected to consumers or end-users.

ESRS S4 - Consumers and End Users (continued)

4. Processes for engaging with consumers and end-users about impacts

The Group actively engages with consumers and end-users, their representatives or with credible proxies about actual and potential impacts, including human right impacts, in alignment with Group's vision to create partnerships with customers, guiding and supporting them in a changing world. The Group is actively engaging with customers at various stages and through different channels to ensure a comprehensive approach is in place to integrate customer's input throughout the decision-making process. The following table summarises the general processes for engaging with customers about actual and potential impacts.

<table>
<tr><th>Engagement Description</th><th>Direct Engagement</th><th>Stages of the engagement</th><th>Type of engagement</th><th>Frequency</th><th>Operational responsibility</th><th>Effectiveness of the Engagement</th></tr>
<tr><td>Call Centre</td><td rowspan="6">Direct</td><td rowspan="5">1. Identification
2. Determine the approach for mitigation
3. Evaluating effectiveness of mitigation</td><td rowspan="5">1. Participation
2. Consultation
3. Information</td><td rowspan="5">1. Ongoing</td><td rowspan="5">1. Corporate Affairs Department
2. Business Banking Division
3. Complaints Management Unit (CMU)</td><td rowspan="6">1. The customer is requested monthly to complete a satisfaction survey on the customer service received by the Group which is communicated to line Directors and may lead to improvements in processes, products and activities.
2. For the effectiveness of handling complaints for consumers and end users refer to 5. Customer complaint management in page 185.</td></tr>
<tr><td>Personal Meeting</td></tr>
<tr><td>Branches</td></tr>
<tr><td>Complaints through various means</td></tr>
<tr><td>Website</td></tr>
<tr><td>Customer Survey</td><td>1. Identification</td><td>1. Participation</td><td>1. Monthly</td><td>1. Corporate Affairs Department</td></tr>
</table>

The steps the Group takes to gain insight into its customers' perspectives aim to be inclusive of all customers, including those who may be vulnerable. While current engagement processes do not explicitly differentiate between customer groups, they engage across diverse voices in shaping policies and decisions. In addition to the above, the Group engages with credible proxies, such as regulatory authorities, the Association of Banks, the Central Bank of Cyprus, and Financial Ombudsman, who have knowledge of the interests, experiences or perspectives of consumer and end-users.

ESRS S4 - Consumers and End Users (continued)

5. Customer Complaints Management

The Group addresses negative impacts on consumers through a formal Customer Complaints Management Policy, aiming to ensure a consistent, efficient, and impartial resolution process. The policy is publicly available for transparency and includes follow-up feedback mechanisms to assess remedies and drive continuous improvement. The Board holds ultimate responsibility for its implementation. The Policy and the underlying Circular for Handling Complaints set the tone for managing feedback and complaints, ensuring that customers and other stakeholders can express their dissatisfaction and allowing the Group to take appropriate action.

Customers can raise concerns through multiple channels, including in-person interactions with customer-facing employees, call centre, formal letter and digital channels such as website, internet banking and portal, BOC mobile application and emails. Information on how to raise concerns or complaints are readily available in the Group’s website. Customers can raise concerns through institutional bodies, such as Central Bank of Cyprus, Cyprus Securities and Exchange Commission, Cyprus Government Ministries, Commissioner of Data Protection and Financial Ombudsman.

While the Customer Complaints Management Policy applies to the Group’s operations, vendors are expected to adhere to similar standards on Complaints Management. The Group expects that all the principles regarding Labor / Human Rights / Ethics, Working Conditions and Health & Safety matters will be adhered by the vendors. Refer to page 211.

Complaints are registered with sufficient detail to enable tracking and analysis. The analysis support the identification of systemic issues and the effectiveness of remediation measures, aiming to ensure that that the complaints handling process is continually improved and the issues are identified and addressed. Statistics on customer complaints are prepared and reported by Internal Governance & Operations Department to the AC on a quarterly basis. The Regulatory Compliance Division (RCD) also submits to the Central Bank of Cyprus (CBC) a numerical complaint report on a quarterly basis. In addition, following the resolution of a complaint, the customer is requested to provide feedback on how satisfied the customer is with the handling of the complaint. On a monthly basis, the Complaint Management Unit provides a number of complaints to 1bank so to be provided with customer’s feedback. Furthermore, on an annual basis the customer’s complaints are reviewed by RCD.

The Internal Audit Division evaluates the Customer Complaint Management Policy and reports any findings to the AC with recommendations for improvement. Complaint investigations identify root causes and corrective measures to prevent recurrence and enhance processes. Findings and recommendations are included in the Annual Audit Report to the Board. Departments handling grievances undergo risk assessments and audits as part of the Internal Audit’s Annual Plan, aiming to ensure oversight and compliance.

In order to gain customer’s trust on these channels the Group provides public information on how it deals with complaints and information on the governance and monitoring arrangement of handling any complaint. The Group’s Customer Complaints Management policy describes procedures and mechanisms to ensure confidentiality in dealing with customer complaints which are implemented by the Group.

ESRS S4 - Consumers and End Users (continued)

6. Data Privacy, Information technology and security risks for consumers and end-users

The operational activities of the Group may negatively impact individuals' right to privacy, particularly through the unauthorised use or mishandling of personal data. With expanding digital financial transactions, safeguarding personal information is a priority. Risks include GDPR compliance challenges, cybersecurity threats, financial losses, and reputational damage. Cyberattacks and data breaches necessitate regular enhancement of secure networks. To mitigate these risks, the Group implements safeguards to strengthen security and prevent threats.

<table>
<tr><th colspan="8">Material IROs - Consumers and End-Users (S4)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="5">Description</th></tr>
<tr><td>Consumers and end-users - Information-related impacts for consumers and/or end users - Privacy</td><td>Impact</td><td>Potential Negative</td><td colspan="5">Negative impacts linked to incidents regarding customer privacy breaches during the last three years (one incident during 2023, which was due to human error).</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Originate or connected to strategy/Business Model</th><th rowspan="2">Business relationship</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td>✓</td><td>Connected to business model through processing of personal data</td><td>Customers</td></tr>
<tr><td colspan="8"></td></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="5">Description</th></tr>
<tr><td>Consumers and end-users - Information-related impacts for consumers and/or end users - Privacy</td><td>Risk</td><td>Regulatory compliance and Information Security (Including Cyber risk)</td><td colspan="5">The risk of:
a) non-compliance with Data Protection Law;
b) cyber-attacks leading to loss of theft or data;
c) lack or inadequate control provisions on information assets, leading to data misuse, unrestricted or unauthorised access to information assets;
d) Unauthorised disclosure of sensitive data by staff and agents/services providers, either accidentally or maliciously, may lead to significant reputational issues, identity theft, fraud and regulatory penalties.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th colspan="2" rowspan="2">Financial Effects</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td>✓</td><td colspan="2">No material current financial effects. Anticipated financial effects include fines, penalties and loss of business.</td></tr>
</table>

ESRS S4 - Consumers and End Users (continued)

6. Data Privacy, Information technology and security risks for consumers and end-users (continued)

6.1 Policies to manage material impacts and risks on Data Privacy, Information technology and security for consumers and end-users

Data Privacy

The Group maintains Personal Data Protection Compliance Policy, to comply to relevant regulations, including the EU General Data Protection Regulation (GDPR) and national laws such as the Protection of Natural Persons regarding the Processing of Personal Data Law 125(1)/2018 and section 106 of the 'Regulation of Electronic Communications and Postal Services Law 112(I)/2014', as well as the relevant guidelines issued by the Commissioner of Personal Data protection from time to time. This policy outlines the Group's commitment to protect the personal data of customers, employees, suppliers, and business partners, to ensure that data collection, use, and retention are lawful, transparent, and aligned with GDPR principles. Protecting the security and privacy of personal data is important to the Group, in order to conduct its business activities in the context of the envisaged privacy culture. The Group complies with the ISO 27001 Information Security Standard, reinforcing its commitment to secure data handling. The Board and Senior Management are responsible to oversee the Group`s compliance with this policy. Additionally, they have the ultimate responsibility for the implementation and adherence to this policy throughout the Group, and the imposition of any remedial action. BOC PCL and its subsidiaries must, as a minimum meet the requirements of this policy. The policy is applicable for all subsidiaries of the Group as they are considered separate data Controllers. The management of each subsidiary is ultimately responsible for the implementation of this policy and to ensure, at entity level, that there are adequate and effective procedures in place for its implementation and ongoing monitoring to its adherence. The privacy statement of the Group is published in Group's website to be made available to potentially affected stakeholder. For more detail on Personal Data Protection Compliance Policy refer to ESRS S1 – Own Workforce in page 171.

Information Technology and security risks

The Group's Information Security Policy further outlines a structured management approach, to address information and cybersecurity risks and events associated with the Group's technology systems and information assets.

The purpose of the Policy is to provide an unambiguous set of standards, guidelines, controls, measures and requirements designed to achieve a desired level of information security across all business and technical layers of the Group. In essence, it governs the direction of all activities in the areas of information security and acts as an umbrella document to all other Group Security Policies and associated standards, aiming to contribute to a safe and responsible Information Security Management System (ISMS) within the Group, while supporting the overall business objectives and goals. The scope of this policy includes all subsidiaries of the Group and all individuals working at all levels and grades.

The functional scope of the policy includes all assets (in the broadest sense, e.g. systems, platforms, networks, applications, documents, devices, etc.) that are used to store, process and transport Group's information and the information belonging to the customers, as well as facilities, equipment, resources, people and property.

This Policy is approved by the Group Board Risk Committee (RC) and reviewed on an annual basis, adhering to internal guidelines for continued pertinence of the business documentation, to reflect in the policies and procedures the latest regulatory requirements and any changed business processes and circumstances.

6.2 Actions to manage material impacts and risks on Data Privacy, Information technology and security for consumers and end-users

Data Privacy

The Group safeguards customer data in compliance with GDPR and with transparency and accountability in all processing activities. Data is collected through direct interactions, digital platforms (1bank, website), and representatives, covering employees, clients, suppliers, and business partners when required for contractual, legal, or legitimate interests. Data is limited to necessity, retained as per GDPR principles, and aligned with Local Commissioner guidelines. Privacy Statements, available on the website, branches, and customer documents, provide clear, accessible information, especially for children.

ESRS S4 - Consumers and End Users (continued)

6. Data Privacy, Information technology and security risks for consumers and end-users (continued)

6.2 Actions to manage material impacts and risks on Data Privacy, Information technology and security for consumers and end-users (continued)

Data Privacy (continued)

The Privacy Statement, last updated in July 2024, outlines the right to withdraw consent anytime. Consent is specific, documented, and managed. The Legal Department reviews and updates policies annually to ensure compliance.

Customers can raise concerns on how their personal data are collected, processed or protected through channels described in 5. Customer Complaints Management in page 185 respectively.

For details on actions on suspected or actual data breaches, actual negative impacts remediation, Data Protection Impact Assessment, resources involved in Data privacy and effectiveness of actions performed refer to ESRS S1 – Own Workforce in page 171.

Information Technology and security risks

The Group has adopted an Information Security Management System (ISMS), in line with acknowledged international standards (ISO/IEC 27001, NIST, CSA), as a basis for the structuring and maintaining of a system of measures to safeguard confidentiality, integrity and availability of its information assets and information systems. The ISMS provides a set of policies, frameworks, standards, guidelines, controls, measures and requirements designed to achieve a desired level of information security across all business and technical layers of the Group.

The Group is committed in protecting the security of its business information. For the purposes of meeting that business objective the Group established the Information Security Division with the IT related personnel and implemented, maintained an ISMS based on internationally acknowledged standards. Information Security team is constantly monitoring cyber security threats (either internal or external, malicious or accidental) and invests in cyber security measures and controls to protect, prevent, and respond against such threats to Group systems and information. The ISMS ensures the protection of information assets through key security controls:

1) Risk Management: Identifies, assesses, and mitigates security risks.
2) Information Protection: Implements measures to classify, handle, and secure data.
3) Supplier Security: Ensures third-party security compliance.
4) Human Resources Security: Trains employees and contractors on security responsibilities.
5) Physical Security: Protects assets from unauthorized access and disruptions.
6) Operations Security: Secures IT infrastructure, networks, and communication channels.
7) Cloud Security: Maintains data integrity and security in cloud environments.
8) Mobile Security: Controls for secure mobile device management.
9) Access Management: Restricts system and data access to authorized users.
10) System Security: Integrates security in system development and maintenance.
11) Backup Management: Ensures data recovery through secure backups.
12) Data Retention: Defines retention and archival policies.
13) Data Leakage Prevention: Detects and prevents unauthorized data distribution.
14) Patch Management: Regularly updates systems to address vulnerabilities.
15) Incident Response: Implements processes for managing security incidents.
16) Business Continuity: Ensures resilience against data loss and disruptions.

The Group implements processes to conduct periodic reviews to evaluate the effectiveness of implemented information security controls in accordance with current risk appetite and prioritise corrective actions. The reviews combine several different approaches, to improve situational awareness on the status of security controls across the Group's environment and increase insights into the processes used to manage organisational security. Those reviews include Information security assessments, Information security controls maturity assessment, Vulnerability and Security Configuration assessments/scanning, Enterprise penetration testing and Penetration testing of specific applications/systems.

ESRS S4 - Consumers and End Users (continued)

6. Data Privacy, Information technology and security risks for consumers and end-users (continued)

6.2 Actions to manage material impacts and risks on Data Privacy, Information technology and security for consumers and end-users (continued)

Information Technology and security risks (continued)

Where a control is found to operate outside the Group's defined risk appetite:

1. A risk assessment should be performed and risks should be managed using the procedure defined in the Information Security Risk Management Methodology.
2. Each control owner should aim to reduce the identified exposure within the defined risk appetite, in line with the defined risk remediation targets.

The Board Technology Committee (TC) supports the Board in fulfilling the oversight responsibilities with respect to the overall role of technology, including information security. The RC has the responsibility for the oversight of Operational and Information Security risks. The TC is informed on the application of Information Security policies. No significant operational expenditures and/or capital expenditures are associated with the above-mentioned actions.

6.3 Metrics & Targets on Data Privacy, Information technology and security

There is no set measurable, time-bound, outcome-oriented target however, the Group nevertheless tracks the effectiveness of these actions through established processes, procedures and KRIs. The Group maintains a leakage registry to document and monitor data incidents, reviewed quarterly and reported to senior management and the AC. Data subject requests and complaints are tracked to ensure resolution. Cyber-attacks and resolutions are recorded, with updates provided to the DPO and regulatory authorities. The Group also maintains a Record of Processing Activities (RoPA), conducts Data Protection Impact Assessments (DPIAs), updates GDPR-related actions, including Privacy Statement revisions and provides internal training. Moreover, the Group's Risk Appetite Statement (RAS) reflects a zero-tolerance approach to privacy and data protection risks. Board, Management and all staff participate, in 2024, in Information security training (9,889 training hours), GDPR training (107 hours) and use of personal data training (1,207.5 hours).

For personal data leakage reported to the Commissioner for Personal Data Protection refer to the quantitative metrics in ESRS S1 – Own Workforce in page 172.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services

7.1 Digital Transformation

The Group positively impacts accessibility to products and services through the strategic orientation to continuously scale up digital transformation.

<table>
<tr><th colspan="8">Material IROs - Consumers and End-Users (S4)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="5">Description</th></tr>
<tr><td>Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services</td><td>Impact</td><td>Actual & Potential Positive</td><td colspan="5">The Group's Branch network, expansion in digital means and digital product offerings (1Bank, Internet Banking, Subsidiary portals) contribute positively to accessibility on products and services.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Originate or connected to strategy</th><th rowspan="2">Business relationship</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td></td><td></td><td>✓</td><td>Originate from Digital Transformation value proposition</td><td>Customers</td></tr>
</table>

7.1.1 Policies related to consumers and end-users associated with access to product and services through Digital transformation

The Group through digital networks supports customer accessibility to financial products and services. Digital solutions like Internet Banking (1bank) and BOC Mobile Application with offerings like QuickLoans, Digital Deposits, QuickPay, QuickCards, Digital Accounts, Antamivi Scheme, Digital card 'wallets' which provide secure, efficient, and accessible way to financial services, reducing the need for branch visits and allowing customers to manage their finances remotely. The Group's Treating Customers Fairly Policy, on the Consumer Protection Law of 2021 (Law 112(I)/2021), emphasises the customer's best interests and understanding of their needs, ensuring products are designed with customer's interest in mind and are easy to explain. This policy is available publicly in Group's website through Code of Ethics and Code of Conduct. The Board is responsible to oversee the Group`s compliance with this Policy. Additionally, the Board has the ultimate responsibility for the implementation and adherence to this policy throughout the Group, and the imposition of any remedial action. The Board approves this Policy through AC and oversee that sufficient, dependable, and secure internal procedures are in place to facilitate compliance with the policy. Internal audit includes the policy as an auditable area in its Risk & Audit Universe and assesses the need for audit engagements during the annual audit planning process.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.1 Digital Transformation (continued)

7.1.2 Actions enhancing positive impacts through Digital transformation

The Group in 2024, undertaken several actions to evolve its positive impact arising from digitalisation:

Schemes/Feature /Product	Scope	Expected Outcome	Effectiveness Tracking
Pronomia	The new 'pronomia' loyalty scheme primarily aims to acknowledge and reward loyal Group's customers through privileges and benefits	Increase customer satisfaction, facilitate access to products and services through reward schemes and increase customer's trust.	Internal KPIs are set towards these features, products and schemes which are monitored through BDC and EXCO on a monthly basis. In addition, customers are providing feedback through monthly customer survey towards satisfaction on Group's digital means.
JOEY	Next-generation banking application designed specifically for kids aged 9 to 17	Joey supports kids and teens learn to manage money in a safe, structured way, with the guidance of their guardian.	
GIC Portal	Customer portal to apply or renew general insurance contracts embedding also reward schemes	Increase customer satisfaction, facilitate access to products and services through reward schemes and increase customer's trust.	
Quick Loans	Digital lending solution for rapid credit access with minimal processing time and lower fees.	Increase customer satisfaction, facilitate access to products and services and increase customer's trust.	
Digital Deposits	Online platform for deposit management, reducing physical interactions.	Increase customer satisfaction, facilitate access to products and services and increase customer's trust.	
Digital Accounts and Cards	Fully digital banking accounts and card solutions for enhanced accessibility.	Increase customer satisfaction, facilitate access to products and services and increase customer's trust.	

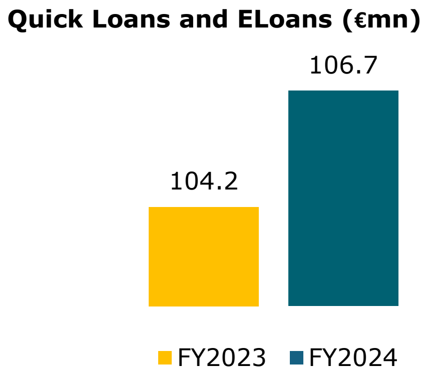
ESRS S4 - Consumers and End Users (continued)

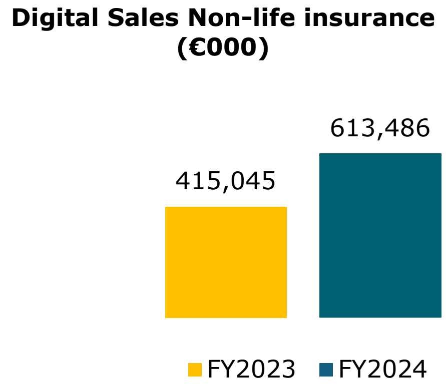
7. Access to Products and services (continued)

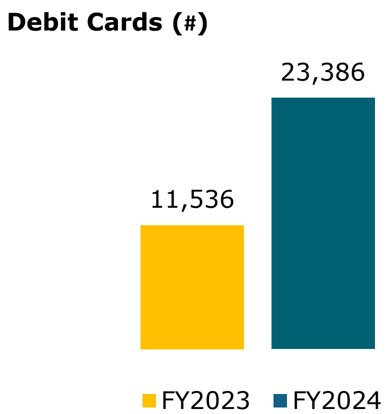
7.1 Digital Transformation (continued)

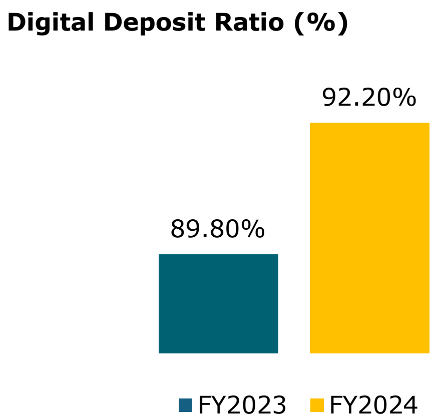
7.1.3 Metrics & Targets on positive impacts through Digital transformation

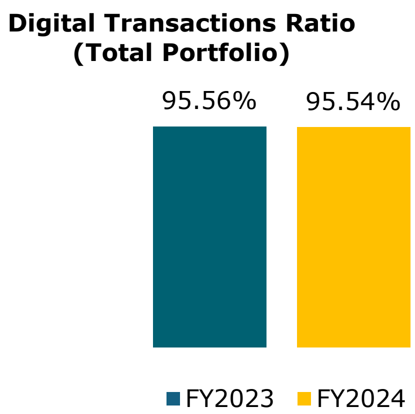
There is no set measurable, time-bounded and outcome-oriented target however, the Group tracks effectiveness of these actions through the internal KPIs. The Group sets annual internal KPIs towards its digital offerings, features and schemes. Those KPIs are monitored on a monthly basis through BDC and EXCO. Those KPIs are set taking into account market conditions, operating environment and historic information. Refer to the following metrics on the above-mentioned internal KPIs. The below metrics are extracted either through internally established dashboards or through export from Group data warehouse. No significant assumptions made towards extraction of metrics. Metrics are not validated by any external body.

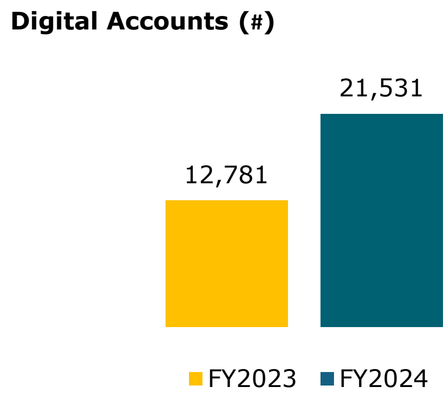












ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.1 Digital Transformation (continued)

7.1.4 Material Opportunities on Digital Transformation

Material IROs - Consumers and End-Users (S4)						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services	Opportunity	Digital Transformation	Expand the QuickLoans offering through digital channels by allowing individuals to an end-to-end Housing Loan capability.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	Enhance customer's accessibility to financial products and increase market share and revenue
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services	Opportunity	Digital Transformation	A POS (Point-of-Sale) credit facility is a lending product that offers the opportunity to the customers to instantly obtain a product or a service both digitally and physically (at the Point of Sale) with flexible payment options over a period of time.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	Enhance customer's accessibility to financial products and increase market share and revenue

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.1 Digital Transformation (continued)

7.1.4 Material Opportunities on Digital Transformation (continued)

<table>
<tr><th colspan="7">Material IROs - Consumers and End-Users (S4)</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="4">Description</th></tr>
<tr><td>Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services</td><td>Opportunity</td><td>Digital Transformation</td><td colspan="4">Evolution of Jinius platform.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Financial Effects</th></tr>
<tr><th>Short-Term</th><th>Medium-Term</th><th>Long-Term</th><th>Own Operations</th><th>Upstream</th><th>Downstream</th></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td><td>✓</td><td>Digitalise Cyprus economy and enhance customer's accessibility to financial products leading to increased revenue and market share</td></tr>
</table>

7.1.4.1 Policies associated with material opportunities on Digital Transformation

The Group implements a Group New product/Services Management policy to pursue a new product opportunity. This policy sets out and addresses key principles for the development of new Products/Services and modification/amendment of existing ones. Failure to promptly identify, assess and mitigate product risk can have adverse financial, regulatory, technology and/or reputational impact. This policy applies to all Group entities and in any country. The Board bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. The RC maintains oversight and ensures that the framework for assessing new Products/Services is in place and is effective, making sure that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the policy. RC also monitors the effective implementation of the Policy through the Control Functions. The Group dedicates resources to ensure appropriate launch of new products. The departments involved in the process are Operational Risk Management, Risk Operations, Data Office & Risk Analytics, Information Security, Compliance Division, Data Protection Officer, Corporate Affairs, Legal, Information Technology, Organisation Department, Treasury Division, Finance, HR, Internal Audit, Product Owner and Chief Digital Division. Certain Committees are involved in the process, Executive Committee, Product Governance, Asset and Liability Committee and New Products Forum.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.1 Digital Transformation (continued)

7.1.4 Material Opportunities on Digital Transformation (continued)

7.1.4.2 Actions associated with material opportunities on Digital Transformation

1. Digital Housing

The Bank aims to offer Housing loans through Internet Banking and BOC Mobile Application. This initiative streamlines the loan assessment process by enabling automatic approvals or rejections based on predefined criteria, improving both customer experience and the in-branch application processing. The Digital Housing is expected to increase in-branch efficiency and sales. The Group followed the New Products/Services procedure, engaged with all relevant stakeholders to pursue the relevant opportunity. The Phase 1 of the product was launched in January 2025 and relates to Digital Housing Product through Internet Banking. The Phase 2 of the product is expected to be launched in 2025 allowing Digital Housing to be offered through BOC Mobile Application. A detailed road map has been established for effective implementation and rollout.

2. POS Credit Facility (Flexy)

The POS Credit Facility is a lending solution that allows customers to access products or services, both digitally and physically at the point of sale, with flexible payment options. Delivered through the Group's Internet banking, it enhances customer convenience while expanding the Group's financial services portfolio. The POS Credit Facility is expected to streamline operations with automated assessments and support environmental sustainability by cutting paper consumption and carbon emissions, drive revenue growth through expanded loan offerings, empower customers with tools for better financial decision-making and enhance customer engagement and gather valuable feedback.

After conducting market analysis, cost-benefit evaluation, benchmarking, and other assessments to explore the opportunity, the product is now progressing through the appropriate governance framework under the New Products Circular, with a planned launch in 2025. The opportunity does not include any significant operating and capital expenditure to pursue the above-mentioned opportunities.

3. Digital Economy Platform (Jinius)

The Jinius platform offers services and tools that digitalise, simplify, and speed up the daily transactions and activities of businesses. Jinius through Business-to-Business Services offer tender management, ecosystem management, invoice management and remittance management services. Jinius through Business to Consumers services, launched in February 2024, offer product marketplace were retailers and consumers can interact. Jinius represents a significant opportunity for growth and thus the strategic evolution of Jinius is part of the 5-year Group's Financial Plan, evaluated each year, and any internal KPIs are monitored through BDC on a monthly basis.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.2 Financed Positive Impacts

Material IROs - Consumers and End-Users (S4)								
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**					
Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services	Impact	Actual & Potential Positive	a) Financing activities to certain NACE sectors (i.e. Rental and operating of own or leased real estate, development of building projects, buying and selling of own real estate) with total portfolio exposure of 25.98% out of €5b exposures assessed under PRB institutional banking impact analysis of 2024, create key/direct actual positive impacts to stakeholders' accessibility to affordable housing. Financing activities to consumer banking portfolio (i.e. Home loans /mortgages) with total portfolio exposure of 80.8% out of €4.9b exposures addressed under consumer banking impact analysis of 2024, create key/direct actual positive impacts to stakeholders' accessibility affordable housing. b) Financing activities to consumer banking portfolio (i.e. Home loans /mortgages, consumer loans & overdraft) with total portfolio exposure of 100% out of €4.9b exposures assessed under consumer banking impact analysis of 2024, create key/direct actual positive impacts to accessibility to the use of financial services.					
Time Horizons			**Value Chain**			**Originate or connected to strategy**	**Business relationship**	
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream			
✓	✓	✓			✓	Connected to strategy through provision of Finance	Customer	

The Group provides a wide range of high-quality financial products and services, including retail and commercial banking, factoring, private banking, life and general insurance, aiming to cover fully and effectively the constantly changing needs of its customers, whether businesses or individuals. Products such as Housing loans, Consumer loans, Credit Cards and Overdrafts as well as loans granted to the Real estate sector, positively contribute to the accessibility to adequate, safe and affordable housing and to the use of financial services by individuals and firms.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.2 Financed Positive Impacts

7.2.1 Policies on Financed positive impacts associated with access to product and services

The Group's Lending Policy sets the principles for credit risk management and supports the risk culture in the Group in order to be aligned with regulatory requirements and the strategic ambitions. The acceptance of credit risk is an integral part of our core business, and fulfilling our financial goals requires commercial decisions that balance risk and reward. The Policy sets principles for the customer's credit risk profile (Risk rating systems), repayment ability, loan to value and loan to cost limits, collateral, concentration risks, ESG Due Diligence and how the exposures are monitored and reported on. Detailed guidelines for the implementation of the Policy are incorporated in the Credit Risk Circulars which are approved by the CRO.

The Board bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. The Board approves this policy through RC, making sure, that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the Policy and monitoring the effective implementation of the Policy via the Control Functions. Internal Audit Division reviews the policy for proper governance and periodically assesses the Policy and the Group's system of internal controls, corporate governance and risk management processes related to the Policy and informs Audit Committee of its findings and relevant recommendations. Credit Risk Control & Monitoring reviews the Policy for proper governance and is responsible to examine adherence to policy, as part of on-going monitoring through reporting in regular intervals or the review of credit applications on a sample basis, as described in the Group's Credit Monitoring Policy and CRC&M operations manual. For more details on MDR-P refer to ESRS E1 – Climate Change in page 125.

7.2.2 Actions on Financed positive impacts associated with access to product and services

1. Housing

Housing is a key strategic priority, representing 35% of its performing loan portfolio as at 31 December 2024. Taking into account the high construction costs and increased property prices in Cyprus market, the Group understands that through the provision of finance it supports the increase of the housing supply in Cyprus. In addition, the Group recognizes that increasing housing supply has a material positive social impact and acknowledges any potential negative environmental impacts from the construction (Refer to ESRS E1 – Climate Change in page 110, ESRS E2 – Pollution page 156 and ESRS E5 – Resource Use and Circular Economy page 158).

At the end of 2023 and during 2024, the Bank launched the "Green Housing" product, aligned with GLP of LMA, in order to support the decarbonisation of residential properties in Cyprus and achieve the decarbonisation target set. The Green Housing product enhances the accessibility and affordability on Housing, as it finances the construction or acquisition of an energy efficient residential property (Energy Performance Certificate (EPC) Category A) which has lower environmental impact and lower energy costs. In addition, the Green Housing product is offered at lower interest rates as it provides discounts to those who provide the design and post construction (EPC) Category A.

The retail housing is considered a critical financial product to support our customers to acquire their own home. BOC PCL supports customers who are buying their first home, their holiday home, carrying renovation to their existing home or acquiring a home for investment. In the Group's website, new and existing customers can find useful information to support them on their way. The Bank offers also an online calculation tool to provide an indicative instalment to its customers. In addition, the Bank launched the Digital Housing product through internet Banking and aims to launch it through BOC Mobile Application during 2025 to support further customer's access to affordable housing.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.2 Financed Positive Impacts

7.2.2 Actions on Financed positive impacts associated with access to product and services (continued)

1. Housing (continued)

The Group to further support the access to Housing, given the increases in interest rates the recent years, introduced a series of support measures to the Cypriot society. The following measures were announced at the end of 2024 and will be implemented in 2025:

1) Support to performing borrowers: Rewarding performing Housing loan borrowers who have a Housing loan with ECB or Euribor base rates if certain criteria are met. The rewards can be either through Antamivi points or cash. The reward represents 0.5% of interest rate for the period 30/06/24-31/12/24.
2) Personal Loans to Performing Borrowers with Housing loans: Introduction of new five-year fixed rate personal loan product with limit 5,000 at preferential interest rate for energy upgrade.
3) Interest Rate Subsidies:
    a. In alignment with Government Subsidy Scheme "Housing Subsidy Scheme for Young Couples and/or Individuals up to 41 Years Old" a 1% interest rate subsidy for the approved Cypriot residents under the scheme. The subsidy to be offered with the Bank's 3 Years Fixed interest rate Housing Loan product during the fixed rate period of the loan only.
    b. In alignment with Government Subsidy Scheme "Housing Scheme for the Revitalization of Mountainous, Near the Buffer Zone and Disadvantaged Areas" a 1% interest rate subsidy for the approved Cypriot residents under the scheme. The subsidy to be offered with the Bank's 3 Years Fixed interest rate Housing Loan product during the fixed rate period of the loan only.
4) Offering of Housing Loans at lower Fixed interest rate by the Bank: Offering 3 year fixed interest housing loan at a discount of 0.75% during the three-year Fixed rate period of the loan only. The product will be with a rate of 2.85% or 2.90% depending on customer contribution (higher or below 30%). The discount to be available only for primary residence Housing Loans for the acquisition of properties up to €350K for a total amount of €100m.

The are no significant operating expenditure or capital expenditure on the above-mentioned actions.

In addition to the above, the Group through financing to certain sector of the economy continues to support the access to adequate housing:

Financing to key NACE sectors that create positive impacts on Housing (as per the 2024 PRB Impact Analysis)				
	2023		**2024**	
Sectors	**Total % to total portfolio**	**OS Loan Amount (€mn)**	**Total % to total portfolio**	**OS Loan Amount (€mn)**
41.1 Development of building projects	7.18%	354	6.18%	312
41.2 Construction of residential and non-residential buildings	1.22%	60	1.35%	68
43.9 Other specialised construction activities	0.51%	25	0.74%	38
68.1 Buying and selling of own real estate	4.05%	200	4.14%	209
68.2 Rental and operating of own or leased real estate	15.48%	763	13.04%	658
68.3 Real estate activities on a fee or contract basis	1.14%	56	0.52%	26
Total	**29.58%**	**1,458**	**25.98%**	**1,311**

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.2 Financed Positive Impacts

7.2.2 Actions on Financed positive impacts associated with access to product and services (continued)

2. Consumer Banking

The Group also provides a of day-to-day banking products and services, such as current accounts, deposits and savings, cards, loans and insurance. The Bank acknowledges that its retail product offerings relating to Credit cards, Consumer loans and Overdrafts positively impact the customers' access to finance. At the same time, the Bank also understands that those offerings may impact the customers' disposable income due to higher interest rates and fees. The above-mentioned product offerings correspond to 13% (€660mn) and 13% (€642mn) in 2024 and 2023 respectively of the Group's consumer banking portfolio, as per the 2024 and 2023 PRB consumer banking impact analysis. Even though not significant in terms of value those products provide individuals with access to finance for any unexpected expenses and cover their needs. In addition, the Group associates Credit Card products with 'Privileges' to boost the access to finance and mitigate the inherent negative impacts:

- Participation in Antamivi Scheme;
- Worldwide free ATM withdrawals;
- Lounge key;
- Free travel insurance and purchase protection insurance.

Through its digitalisation journey as already mentioned in Digital Transformation section, the Group offers QuickLoans which provide easy access to Consumer loans with less impact to the customers' disposable income. The customers have quick access to finance as the applications for such products are submitted and assessed electronically based on the creditworthiness, repayment ability and the Group's credit policy. The decision for the approval or rejection of the online credit application will be reached by processing the personal data using solely automated means (including profiling), without human involvement, and only after the explicit consent to do so. Therefore, the Quick Loan products are offered without any initial bank charges (arrangement or documentation fees, except stamp duties which are required by law).

The above-mentioned metrics are extracted either through internally established dashboards or through export from Group data warehouse. No significant assumptions made towards extraction of metrics. Metrics are not validated by any external body.

7.2.3 Metrics & Targets related to financed positive impacts associated with access to product and services

There are no set measurable, time-bound, outcome-oriented targets associated with financed positive impacts nevertheless, the Group tracks the effectiveness of these actions through the Financial Plan process. The Group sets specific internal annual KPIs associated with new lending of housing and other consumer banking offerings. The Group has set its new lending internal KPIs for 2025-2028 in the Group's Financial Plan. Those metrics are monitored on a monthly basis at the BDC and EXCO and on quarterly basis from the Board. The Bank joined UN PRB last year, therefore, a public outcome-oriented target on financial inclusion should be set in the upcoming years.

During the year, the Group offered €491mn new lending on retail housing (2023: €454mn) which comprises 20% of Group's new lending and indicates the Group's commitment to this area. The total performing gross loans under performing retail housing amounts to €3,56bn as at 31 December 2024 (2023: €3.35bn). The Group aims to steadily increase its retail housing portfolio and continue its positive impact to affordable housing. The above-mentioned metrics are extracted either through internally established dashboards or through export from Group's data warehouse. No significant assumptions made towards extraction of metrics. Metrics are not validated by any external body. In addition, there were €355mn gross environmentally friendly loans as at 31 December 2024 which correspond to a 90% increase compared to 31 December 2023. For details on environmentally friendly loans refer to ESRS E1 – Climate Change in page 136. For the measures launched to support the Cypriot society, describes above, metrics will be reported in FY2025, given those were launched in December 2024.

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.3 System Downtime and Disaster risks

Material IROs - Consumers and End-Users (S4)						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services	Risk	Technology risk	Group's system downtimes impacting accessibility to products and services and customer service.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	No current material financial effect. Anticipated financial effect include loss of business
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Access to products and services	Risk	Business Continuity risk	One of the IT Data centres to be rendered unavailable due to natural disaster			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	No current material financial effect. Anticipated financial effect include loss of business

ESRS S4 - Consumers and End Users (continued)

7. Access to Products and services (continued)

7.3 System Downtime and Disaster risks (continued)

7.3.1 Policies related to system downtime and disaster risks associated with access to product and services

The Group's wide range of financial products and services change from time to time and in order to adapt to the needs of its customers, whether businesses or individuals, and aim to be in line with the changes in the broader economy and environment. However, access to products and services can be significantly affected by system downtimes, posing a material risk to the Group's operations. Such downtimes disrupt customer services and hinder transaction capabilities, leading to potential revenue losses, customer dissatisfaction, and reputational damage. To address these risks, the Group has adopted a Business Continuity Management Policy that demonstrates its commitment to maintaining a Business Continuity Management System (BCMS). This policy applies to all employees within the Group that support the delivery of financial products and services to consumers and businesses. It ensures that essential banking functions remain available, even in the event of disruptions, safeguarding customer access and operational stability.

This internal policy approved by the Board through RC, supports with the Group's business continuity objectives as well as statutory, regulatory, and contractual obligations. The BCMS framework is designed according to the standards set by ISO 22301:2019 "Societal security - Business continuity management systems – Requirements." BCMS aims to safeguard the interests of key stakeholders, reputation, brand and value creating-activities. It also adheres to directives from the Central Bank of Cyprus, in order to ensure a structured and reliable approach to mitigating the risks associated with service disruptions. The overall responsibility for approving and monitoring the Group`s strategy and policy for managing Business Continuity risk lies with the Board which exercises this responsibility through the RC. The Policy, circulars and procedures are readily available on the Employee Internal Portal. In addition, the Head Business Continuity Risk Management conducts BCMS workshops and training programs to ensure that the business continuity liaisons who are assigned business continuity responsibilities are competent to perform the required tasks.

7.3.2 Actions related to system downtime and disaster risks associated with access to product and services

To manage interruptions of critical IT systems and to avoid loss of data and services, as an after effect of natural or man-made disasters, the Group implements a Disaster Recovery Plan (DRP). The DRP applies both to major events that deny access to datacentres for an extended period, and to events that may deny access to parts of the datacentres or certain systems. In that respect, the DRP is IT focused and designed to restore operability of IT systems and applications at an alternative site, with the aim to mitigate any effects a disaster might have upon the on-going operations of the Group. The Executive Director Technology & Operations is responsible for reviewing, amending and updating the Group's DRP for the recovery of key IT systems, telecommunications and data to support the implementation of recovery locations in the context of Business Continuity Plan (BCP).

The DRP covers all relevant risk and incident types (i.e., flood, fire, tornado, electrical storms, act of sabotage, electrical power failure, loss of communications network services), including recovery options and strategies for cyber-security scenarios. The plan incorporates and define the priorities in recovering IT systems, considering their interdependencies. Procedures for recovery priority identification and management are defined and periodically reviewed. Ownership of the DRP is assigned to the Disaster Recovery Committee (DRC), which nominates a Disaster Recovery Coordinator (DR Coordinator) to undertake responsibility for the efficient maintenance of the DRP. The DRP is tested annually for the identification and implementation of necessary remedial actions on any issues recognised during the test. The Group must maintain Crisis Management processes towards the effective and efficient management of any crisis events in order to mitigate, as much as possible, the impact on the organization, its stakeholders and its customers.

7.1 Metrics & Targets related to system downtime and disaster risks

There are no measurable, time-bound and outcome-oriented targets on system downtime and disaster risks however, the Group tracks effectiveness of these actions through established escalation arrangements to CEO, CRO and Deputy CEO in case of a critical impact incidents. The Group, in 2024, conducted Business Continuity Management training (1,299.5 hours in 2024) and Disaster Recovery training (161 hours in 2024). 5 system downtime incidents were reported, in 2024, to CBC. No disaster incidents occurred in 2024.

ESRS S4 - Consumers and End Users (continued)

8. Health & Safety

The Group faces material physical security risks and health & safety risks for its stakeholders.

Material – IROs Consumers and End-Users (S4)						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Health & Safety and Security of a person	Risk	Physical Security and Safety Risk	Increased physical security risks (theft, vandalism, property damage, trespassers, squatters etc.) health and safety risks (injuries, public health and safety hazards) and/or legal and regulatory violations and penalties.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	No current material financial effects. Anticipated financial effects include potential litigation claims

8.1 Policies and actions related to physical security risks and H&S

To mitigate the above-mentioned risks, the Group is implementing the following policies:

1. **Health & Safety Policy:** For the description, actions and metrics and targets associated with this policy refer to page 175 of ESRS S1 – Own Workforce.
2. **Physical and Environmental Security Policy**: This policy applies to all premises and facilities and establishes minimum standards for safeguarding company assets and creating a secure working environment. By protecting against unauthorised physical access, theft, and damage to operational equipment, this framework minimises service disruptions and ensures the safety of individuals at Group premises.

This policy applies to all property, facilities, assets, and equipment, whether owned or leased by the Group, including but not limited to all premises and buildings of the Group. In addition, this policy applies to all individuals working at all levels and grades. The Group regularly reviews and updates its strategic plans and compliance with health and safety and physical security policies taking into account any H&S incident. The Operations and Cost Management Division oversees the policy, addresses interpretation queries, ensures appropriate access controls based on the criticality of each location, and monitors adherence to established physical security KRIs. KRIs and compliance audits ensure risks are effectively mitigated. The policy ensures implementation of security controls, access controls, physical monitoring controls, equipment security and measures against physical and environmental threats. The material risks primarily affect customers who visit the Group's branches or premises. By mitigating these risks, the Group ensures a safe and secure environment for these interactions, by reducing potential harm to consumers and end-users.

8.2 Metrics & Targets related to physical security risks and H&S

There are no set measurable, time-bound and outcome-oriented targets nevertheless, the Group tracks the effectiveness of these actions through the following monitoring mechanisms. The Group is committed to managing material risks on consumers and end-users, particularly in the area of physical security and health and safety, through KRIs and monitoring mechanisms designed to mitigate potential hazards and ensure a safe working environment. For more details refer to page 179 of ESRS S1 – Own Workforce.

ESRS S4 - Consumers and End Users (continued)

9. Bank of Cyprus Oncology Centre

The Group positively impacts Health & Safety of customers, end-users and Cypriot Society through the Bank of Cyprus Oncology Centre, which represents a partnership between the public and the private sector. Since its inauguration in 1998, it has served cancer patients and the society. It is also the first hospital in Cyprus and Greece to receive quality accreditation from Caspe Healthcare Knowledge Systems (CHKS), one of Europe's hospital accreditation organisation.

<table>
<tr><th colspan="8">Material IRO</th></tr>
<tr><th>ESRS Topic/Sub-Topic</th><th>IRO</th><th>Type</th><th colspan="5">Description</th></tr>
<tr><td>Entity Specific - BOC Oncology entre</td><td>Impact</td><td>Actual Positive</td><td colspan="5">The Group positively impacts Health & Safety of customers, end-users and Cypriot Society through the Bank of Cyprus Oncology Centre, which represents the biggest and most successful partnership between the public and the private sector.</td></tr>
<tr><th colspan="3">Time Horizons</th><th colspan="3">Value Chain</th><th rowspan="2">Originate or connected to strategy</th><th rowspan="2">Business relationship</th></tr>
<tr><td>Short-Term</td><td>Medium-Term</td><td>Long-Term</td><td>Own Operations</td><td>Upstream</td><td>Downstream</td></tr>
<tr><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>Connected to strategy</td><td>Operational/Customers/Suppliers</td></tr>
</table>

9.1 Policies and actions related to BOC Oncology Centre

Through their efforts, the Centre continues its positive impacts through innovation, research, and patient care. The Centre reinforced medical education and research through collaborations with the University of Cyprus and St. George's University of London, offering training to medical students. Additionally, an amount was invested for research from the A.G. Leventis Foundation which was allocated towards establishing a clinical trials unit, supporting cancer research. The Centre also participated in multiple European research programs, including EU4Health initiatives, and expanded its digital molecular profiling system, benefiting patients with breast, lung, and colorectal cancer.

9.2 Metrics and Targets related to BOC Oncology Centre

There is no set measurable, time-bound and outcome-oriented target, however the Group nevertheless track the effectiveness of the above actions through Group's Executive and Senior Management being members of the BOC Oncology Centre's Board. The Group, through annual contribution, €2mn in 2024 and €2mn in 2023, supports the Centre's vision and mission. Through the years with the Group's financial support the Oncology Center was able to support cancer patients in Cyprus.

ESRS S4 - Consumers and End Users (continued)

10. Responsible marketing practices and Access to quality information

Material – IROs Consumers and End-Users (S4)						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Responsible marketing practices	Risk	Regulatory Compliance	Non-compliance of new products with law and customer related regulations. The Group introduces a large number of products with different legal or compliance requirements that need to be assessed by different departments. There is a risk associated with misselling and non-compliance with the relevant regulations.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	No material current financial effects. Anticipated financial effects include fines, penalties, litigations and loss of business.
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Consumers and end-users - Social inclusion of consumers and/or end-users - Access to (quality) information	Risk	Data Accuracy and Integrity Risk	Data quality remains an inherent risk for the Group resulting from lack of data validation controls, which might lead to wrong, inaccurate and incomplete data, system errors in batch processing and absence of data reconciliation controls.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓			✓	No material current financial effects. Anticipated financial effects include fines, penalties, litigations and loss of business.

10.1 Policies related to responsible marketing practices

The Group recognises the material risks associated with non-compliance with legal and customer-related regulations during the introduction and management of new products and services. Given the large number of offerings introduced, each with varying compliance requirements, the potential for misselling or regulatory non-compliance could lead to significant financial, regulatory, technological, or reputational impacts. To mitigate these risks, the New Products/Services Management Policy has been established. This policy sets out and addresses key principles for the development of new Products/Services and modification/amendment of existing ones. Failure to promptly identify, assess and mitigate product risk can have adverse financial, regulatory, technology and/or reputational impact. This policy applies to all Group entities. In any country or entity where the requirements of applicable legislation, directives or practices establish a higher standard, the corresponding Group entities must meet those standards. The Board of Directors bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top.

ESRS S4 - Consumers and End Users (continued)

10. Responsible marketing practices and Access to quality information (continued)

10.2 Actions related to responsible marketing practices

The New Products/Services procedure provides a framework addressing critical aspects of marketing and product development. This includes a process involving SWOT analysis, target market identification, testing minimum viable products, conducting product and beta testing, analysing business data, and running marketability tests. Additional steps include market research, procedures to consider alignment with the Group's marketing and brand strategy, breakeven analysis, lead capture systems, lead nurturing, and enhancement of customer experience. Specific controls are set with roles and responsibilities throughout the product lifecycle, particularly during development and marketing.

Once new products or services receive the necessary approvals, the Corporate Affairs Division (CAD) collaborates with the Product Owner to implement marketing campaigns that adhere to the Group's branding and strategic objectives. The objective is that consumers and end-users are provided with reliable, accurate, and high-quality information.

10.3 Policies and Actions related to access to quality information

To mitigate risks related to data quality, such as incomplete, inaccurate, or poorly validated information, the Group has a Data Quality & Governance Policy. This internal policy establishes the Group's standards, controls and guidelines for managing data Governance, Data Organisation, Data Architecture, Data Quality, Data Culture and Data Security and Compliance integrity across relevant business and technical layers. The policy applies to all applicable data held by the Group. The Board bears the ultimate responsibility for the effective implementation of the Policy and for setting the right tone from the top. RC reviews and recommends the Policy prior to submission to the Board and considers that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the policy. Updates on Data & Report Quality progress / status, as well as level of compliance to BCBS 239 Principles, are submitted to Data Quality & Governance Committee, Executive Committee and Board through Joint AC & RC once a quarter, or as required. These measures aim to ensure that consumers and end-users are provided with reliable, accurate, and high-quality information.

10.4 Metrics & Targets related to responsible marketing practices and Access to quality information

The Group has not set a measurable, time-bound and outcome-oriented target on responsible marketing practices and access to quality information, nevertheless the above risks are monitored through the Risk Appetite Framework procedures. KRIs are embedded in RAS which are monitored through EXCO and RC on a quarterly basis. The Group conducted, in 2024, training associated with responsible marketing practices (94 hours). Regarding data quality risks, those are monitored on a quarterly basis through the Data Quality & Governance Committee (DQGC), EXCO and Board.

ESRS G1 - Business Conduct

1. Role of the Board on Business Conduct

The Board's role, as stated in the Group's Group Corporate Governance Policy & Framework, is to provide ethical leadership and promote the Group's vision, values, culture, and behaviour, within a framework of prudent and effective controls, which enables risk to be identified, assessed, measured, and managed. The Board sets the Group's corporate values and high ethical standards of business conduct for itself and all members of the Group and ensures that its obligations to its shareholders and others are understood and met. Through oversight, monitoring and review functions, the Board ensures the Group is being run in a sound and prudent manner on a going concern basis to fulfil its obligations to all majority and minority shareholders while upholding and protecting the interests of different constituencies.

The Board is responsible to set, approve and oversee the implementation of adequate and effective internal governance and internal controls framework that includes a clear organisational structure and well-functioning independent internal risk management, information security, compliance and audit functions that have sufficient authority, stature and resources to perform their functions and ensures compliance with regulatory requirements related to the prevention of money laundering. Arrangements adopted to ensure the integrity of the accounting and financial reporting systems, including financial and operational controls and compliance with the law and relevant standards.

The Board sets the Group's strategic objectives and risk appetite to support the strategy; integrates sustainability into the way business is conducted and should ensure that it is embedded in the Corporate Governance Framework; ensures that the necessary financial and human resources are in place for the Group to meet its objectives; ensures that the Group's purpose, values, strategy and culture are all aligned and reviews management performance in that regard. In addition, the Board ensures that policies to identify conflicts of interest are developed and implemented and if these conflicts cannot be prevented, are appropriately managed.

The Board receives reports on, and reviews annually, the effectiveness of the Group's internal control processes to support its strategy and objectives in the context of its Risk Appetite.

2. Expertise of the Board on Business Conduct

The Chairperson of the Board is responsible for ensuring the assessment of performance of individual Board Directors, the Board as a whole and its Committees at least once a year and for preparing and submitting the evaluation report to the Board. The Chairperson shall have due regard to the Group's Suitability Policy. Pursuant to the provisions of the CBC Governance Directive at least every three years an independent external consultant performs an external review of the (i) composition and (ii) efficiency as well as (iii) effectiveness of the Board and its Committees having regard to the requirements of the CBC Governance Directive and the EBA Governance Guidelines, to bring an objective perspective and share leading industry practices. Such external advisors must be rotated after two consecutive appraisals. The NCGC assesses annually the structure, size, composition, performance, effectiveness, and diversity of the Board and submits recommendations and initiate the renewal and replacement processes of the Directors. The Committee also assess the skills, knowledge, and expertise of the Directors of the Board annually in accordance with the requirements of the EBA Governance Guidelines and Joint Suitability Guidelines. Details of nature and depth of skills and experience of the Board are submitted to NCGC for approval each year.

Board members have access to seminars and presentations on aspects of the Group's business activities and opportunities to familiarise themselves with the Group's strategic plans, enterprise risks, group structure, compliance programs, Code of Conduct, and corporate governance arrangements. The Company Secretary prepares an annual training program for the Board, which is submitted to the NCGC for approval. The Board and Key Function Holders require ongoing training sessions and a continued education program that keeps the Board and Key Function Holders fluent and up to date regarding rapidly developing topics, which supports the Board and Key Function Holders maintain the skills, knowledge and competence needed to effectively execute their responsibilities on an on-going basis.

ESRS G1 - Business Conduct (continued)

3. Description of the processes to identify and assess material impacts, risks and opportunities

The overall process to identify and assess material impacts, risks and opportunities is described in 4. Impacts, Risks and Opportunities in page 95. Regarding Business Conduct the Group analyses its business structure, organisational structure, control environment, historic incidents as well as loan portfolio exposures to sectors that ethics and compliance are considered key issues for the identification of impacts, risks and opportunities. In identifying and assessing financial materiality, internal stakeholders and internal experts within relevant units (Fraud Risk Management, Third Party Risk Management, Legal, Regulatory Compliance, Financial Crime & Sanctions, Compliance and other) provided their opinions and assessments. In identifying and assessing material impacts the PRB tool was engaged for loans and investment portfolio and assessment was conducted from various internal stakeholders within the Group.

4. Business conduct policies and corporate culture

The Group's Corporate Governance Policy and Framework, which is aligned with internationally recognised standards, including the UK Governance Code, CSE Code, EBA Guidelines on internal governance and CBC Internal Governance Directive, provides the standards for Business Conduct and Ethical Behaviour across the Group.

The Group's approach to business conduct is driven by leadership at the highest levels and firmly rooted in three key pillars that define how the Group operates:

1. **Code of Ethics**
   The foundation of the Group's values, the Code of Ethics guides decision-making by distinguishing right from wrong. It provides ethical standards and general guidelines to help employees exercise sound judgement and demonstrate appropriate behaviour in all situations.
2. **Code of Conduct**
   Establishing clear rules, the do's and don'ts, the Code of Conduct outlines the required and prohibited practices and behaviours for all employees. Adherence is mandatory, with accountability for any violations ensuring consistent ethical practices.
3. **Policies**
   Designed to align operations with the expectations of the Board, the Group and stakeholders, the policies detail the principles, processes and procedures essential for sound Business Conduct.

The Group's Vision, Mission and Values indicating Group's commitment to Business Conduct and Ethical Behaviour.

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

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

Our Values
The following key values comprise the core values of the Bank and the Group.
- Integrity: We are honest, ethical and fair.
- Reliability: We keep our promises and adhere to our word.
- Collaboration: We build lifelong partnerships and work together for a better common future.
- Professionalism: We constantly enrich our skills and knowledge, keeping up to date with the developments in our industry.
- Innovation: We continuously move forward, innovating and improving.

These pillars, which apply to all employees and Group's subsidiaries, work together to guide ethical practices into the Group's operations. The Group offers clear guidance on expected behaviour across all levels of the organisation. The Code of Ethics and Code of Conduct are readily available to all employees through internal portal and to any affected stakeholder through Group's website.

ESRS G1 - Business Conduct (continued)

4. Business conduct policies and corporate culture (continued)

The Board obtains reasonable assurance that there is an ongoing appropriate and effective process in place for ensuring adherence to the Code of Conduct. Compliance reports are submitted to the AC on such compliance, noting any instances or material deviation from the standards together with any corrective action taken. The Group promotes a strong compliance culture by strictly enforcing the Code of Conduct and by taking decisive disciplinary action where warranted.

The Group's established and implements policies, which provide additional guidance to support these principles, the policies associated with material IROs are describes later in the section.

5. Training on Business Conduct

To reinforce employee awareness on Business Conduct policies, the Board and the CEO actively promote a culture of openness and accountability. Ad-hoc messages from the CEO encourage staff to raise concerns, while training programs, tailored for all employees and the Board, provide an understanding and awareness of these critical policies and mechanisms to raise concerns.

During 2024, Business Conduct and compliance related e-learnings, face-to face seminars and trainings were organised and attended by the Board, Management and employees of the Group as presented in the table below. All participants had to pass a short assessment course related to the training.

Business Conduct - Board of Directors – Training				
	No of participants	Training – Hours		
		Women	Men	Total
AML ESSENTIALS & SANCTIONS				
Board	5	0.5	2	2.5
Sanctions				
Board	8	2.3	3.8	6.1
Prevention of ML & TF				
Board	6	0.5	2.5	3
Market Abuse				
Board	2	-	1	1
Business Conduct – All Staff – Training				
	No of participants	Training – Hours		
		Women	Men	Total
Antibribery, Whistleblowing, Gifts				
Management	564	146.5	149	295
Individual contributors	2,428	790	491.5	1,281.5
AML				
Management	518	197.3	165.5	362.8
Individual contributors	2,155	914	455	1,369.5
Business Ethics				
Board	10	10	6.5	16.5
Individual contributors	45	35.5	31.5	67
Conflict of interest				
Management	6	21	-	21
Individual contributors	39	87.5	49	136.5
Complaints Management				
Management	456	104.5	122.5	226.5
Individual contributors	1,925	607	355.5	962.5
Compliance Management				
Management	44	57	57.5	114.5
Individual contributors	146	203.5	157.5	361
Fraud Risk Awareness				
Management	572	145.5	151.5	297
Individual contributors	2,386	792	469.5	1,261.5

ESRS G1 - Business Conduct (continued)

5. Training on Business Conduct (continued)

The Group adopted an Induction and Training policy applicable to the Board and Key Function Holders. The policy aims on continues professional development and ongoing training to ensure the ongoing enhancement of skills, knowledge and familiarity with the Group's activities to ensure that they fulfil their roles effectively, and in accordance with their duties. Regarding rest of the employees there is no specific Training Policy, however during the annual performance appraisal, a mandatory development plan should be agreed between the appraiser and the appraisee which includes training towards areas of development which are customised to each employee's needs. In addition, each Business Conduct policy specifically states training requirements to employees of the Group. Refer to the table below.

Business Conduct Policies - Training			
Business Conduct Policy	**Frequency**	**Target audience**	**Depth of coverage**
Group Anti-Bribery & Corruption	This will be reflected in the relevant policy by the end of FY2025.	All employees, High risk positions, Recently appointed staff	Anti-Bribery and Corruption issues, policies, and procedures
Group Whistleblowing policy	This will be reflected in the relevant policy by the end of FY2025.	Management and employees	Principles of whistleblowing and relevant procedures
Group policy Relating to the Prevention of Money Laundering and Terrorism Financing	Annually	Management and employees	Changes in policies / procedures, new regulatory developments, identification and reporting of suspicious transactions
Conflicts of Interest Group Policy	Annually	Management and employees	Matters of conflict of interest, to build awareness around the topic and develop the knowledge around processes and procedures
Group Sanctions Policy	This will be reflected in the relevant policy by the end of FY2025.	All employees, High risk positions, Recently appointed staff	Outlines the provisions of this policy, importance of compliance with the policy and the implications of failure
Fraud Risk Management Policy	Annually	Compliance, DPO, HR, Business Lines, FRM Department	Fraud related policies, standards and procedures

6. Whistleblowing system

The Group established and implements a Whistleblowing Policy, in compliance with the Protection of Persons who Report Breaches of Union and National Law, Law N. 6(I)/2022, and harmonised with the EU Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, offering accessible, confidential channels for employees to report violations, unethical behaviour, or improper practices.

The policy offers multiple reporting channels, including an anomymous telephone line, written submissions via letters or email to Internal Audit Director or Whistleblowing Champion, and in-person meetings with the Internal Audit Division upon request. All staff members have a duty to report such concerns and incidents in accordance with the relevant provisions of the Code of Conduct and Code of Ethics of the Group and this Policy. Reports can be submitted anonymously or eponymously, ensuring flexibility and comfort for whistleblowers. The Board bears the ultimate responsibility for the effective implementation of this Policy and setting the right tone from the top. The Chairperson of the Audit Committee acts as the Whistleblowing Champion and oversees the integrity, independence and effectiveness of the Group's policy and procedure on whistleblowing.

ESRS G1 - Business Conduct (continued)

6. Whistleblowing system (continued)

Upon receiving a report, the Internal Audit Division evaluates and prioritises each case based on a preliminary assessment. Investigations are conducted by the Internal Audit Division, with findings and recommended actions submitted to the AC and other relevant reporting lines on a need-to-know basis. Investigation outcomes are shared with the Board through the Annual Audit Report. Records of reports are securely maintained and stored for as long as necessary, in accordance with the provisions of the Law N.6(I)/2022. If procedural risks are identified during investigations, recommendations are made to the relevant divisions for improvement. When breaches involve staff, the Human Resources Division (HRD) initiates disciplinary actions following the Code of Conduct and Code of Ethics. For sensitive matters, the Corporate Affairs Division manages any potential media exposure to safeguard the organisation's reputation.

The Group's whistleblowing policy and procedures ensure confidentiality for whistleblowers as permitted by law. If disclosure of a whistleblower's identity is legally required, they are informed beforehand. The policy includes anti-retaliation measures to protect whistleblowers from any form of reprisal, with strict disciplinary action for violations. Additionally, the Group also protects persons that have been reported, from any negative effect, in case the investigation results do not justify taking measures against that person.

7. Zero tolerance on Bribery and Corruption

The Group implements an Anti-bribery and Corruption policy which is aligned with international frameworks, such as the United Nations Convention Against Corruption. The Board bears the ultimate responsibility for the effective implementation of the Policy and setting the right tone from the top. The Board approves the Policy through AC, and makes sure that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the policy and monitors the effective implementation of the Policy through the Control Functions. Executive Management and Board Members file an annual declaration confirming their compliance with the Anti-Bribery and Corruption Group Policy. This policy sets out comprehensive system of internal controls, including a gift registry, conflict-of-interest declarations, approval thresholds, fraud prevention and detection tools, to mitigate risks in high-exposure functions of the organisation. These functions encompass the Management, Senior Management, Local Management, and Regional Management. In addition, the Group conducts Due Diligence procedures in respect of persons who perform or will perform services on its behalf including appointment of employees or agents, procurement procedures, acceptance of gifts or hospitality, avoid dealing with suppliers and contractors known or reasonably suspected to pay bribes or involved in corrupt activities. The Group has procedures in place which enable it to take disciplinary action against personnel who violate the Policy. It could also result in the relevant person being convicted of a criminal offence and being liable to a fine and/or imprisonment (depending on the relevant jurisdiction). It is important to note that in the general principles of this policy, funds, property or facilities of the Group must not be used to provide support for, or contribute to, any political organization or political candidate and Government and/or public/local authority official interactions require heightened care, diligence and transparency and a need for appropriate disclosures and prior approvals. There were no incidents of corruption and bribery in 2024.

ESRS G1 - Business Conduct (continued)

8. Management of relationships suppliers

Material IROs - Business Conduct (G1)						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Business Conduct - Management of relationships with suppliers	Risk	Data Loss & Outsourcing & Third-party Risk	Partial compliance with EBA Guidelines on Outsourcing Arrangements and/or the Third-Party & Outsourcing Risk Management Policy may result in weak contracts, over-dependence on a few providers, poor vendor monitoring, and potentially lower service quality and continuity. In addition, risks identified associated unauthorised disclosure of sensitive data by agents/services providers, either accidentally or maliciously.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓	✓	✓		Reputational issues, identity theft, fraud and regulatory penalties, fines, increased cost due to inefficiencies and loss of business.

The Group's Sourcing & Procurement and Vendor Management Policy establishes clear expectations for vendors to operate responsibly and sustainably, aligning with the Group's dedication to ethical and responsible business practices. The purpose of this policy is to set the rules governing procurement, upstream value chain. These rules principally ensure the prevalence of transparency, integrity, fair competition, and accountability throughout the execution of the process. To this extent, the policy aims to maximize the benefit in terms of expenditure on products and services, always within a fair, lawful, and ethical framework. Each Divisional or Business Unit Director is responsible for ensuring that the principles of this policy are implemented by the operations under control. Tenders Committee maintains the overall responsibility for monitoring the implementation and effectiveness of this policy. The manager of Sourcing & Procurement is responsible for the maintenance, institutionalization, and implementation of this policy throughout the Group. Assigns a responsible Sourcing & Procurement Analyst for each case. Follows up and monitors the execution. The policy is readily available for all employees in the Group's internal portal and Group's website for all stakeholders. As part of Kill Bureaucracy program stakeholders views are taken into account for setting and enhancing the policy.

All required purchases must follow the provisions of the Group's Sourcing & Procurement and Vendor Management process. Received proposals from potential vendors in response to the Group's corresponding requests, should not be judged solely based on economic competitiveness, but should be taking into consideration factors such as the quality of the goods / services (fit to serve the purpose) and the Vendors/Service Providers ability to perform. Standing by its longstanding commitment to responsible procurements / sourcing, in 2022 the Group has implemented ZYCUS, the eProcurement system to manage vendor, contracts, and invoices.

Pre-selection process must use defined criteria regarding capacity, capability, consistency, effectiveness, experience, current or previous cooperation and reciprocity. A structured assessment and, where appropriate, vendor due diligence must be executed prior to selecting a Vendor/Service Provider. This is done before accepting any proposal or signing any contract, as a key part of a vendor's assessment or the tenders' evaluation where Privacy Matters are also taken into consideration.

The Procurement Process is aligned with the Group's ESG strategy as this evolves and provides general principles that should be adhered to. Additionally, vendors are expected to carry forward these principles to their vendors and subcontractors. However, the Group is currently considering incorporating the ESG criteria through the vendor qualification/onboarding process. The Group reserves the right to request from the vendor for any policies, procedures, or documents that warrants the compliance with these principles. The Group encourages its vendors to adopt, utilise and provide environmentally friendly technologies, products and services looking to contribute to the sustainable development of Cyprus and the world and expects from its vendors to adhere to

ESRS G1 - Business Conduct (continued)

8. Management of relationships suppliers (continued)

all the principles regarding Labor / Human Rights / Ethics, Working Conditions and Health & Safety matters. Vendors are expected to uphold the highest ethical standards and comply with the principles and values of transparency, integrity, fair competition, and accountability, in all their exchanges with the Group. They must abstain from any action that might be linked to conflict of interest, bribery, any form of corruption or financial crime. The Group expects its vendors to comply with local laws, anti-corruption measures and initiatives that ensure commercial integrity (refrain from all forms of financial crime, improper or unwarranted payments, conflicts of interest, fraud, presents, copyright, among others). No confirmed incidents where contracts with vendors were eliminated or not renewed due to violations related to corruption during 2024. The evaluation of tenders must be transparent and be using standardised methods based on accepted industry practices. The integrity of the evaluation weighting structure and criteria must be assured through the employment of necessary controls before the invitation to tender is issued and maintained as such throughout the process. At the highest level the proportional rule of 40% to 60% as regards the weight of financial criteria to technical criteria respectively should apply. The award should always be made by the competent Approving Authority, upon submission of a detailed proposal (evaluation report) through Group's Sourcing Procurement & Vendor Management Policy.

A vendor / service provider is engaged for the supply of goods or services through a legal contract and its performance is regularly appraised on the basis of meeting their contractual objectives. The Group pays particular attention to the relationships it forges with its vendors and business partners. In 2024, the Bank continued to apply its centralised procurement process, while it carried out tenders to purchase products or services or to outsource services or activities. In order to maintain long term relationships with vendors, the Group:

1) Follows a Qualification (Due Diligence) procedure for vendors
2) Performs Vendor Performance Monitoring through specific templates in accordance with official procedures and circulars, and reviews results
3) Maintains a Complaints Procedure
4) Offers e-learning sessions to employees and publishes Portal announcements on important provisions of procedures and circulars
5) Prepares manuals to be used by vendors for new tools and procedures or software
6) Includes certain ESG criteria, where applicable, in RFPs/RFQs, which are evaluated during the evaluation process by the Business Owners

The Group undertakes necessary actions to incorporate ESG due diligence procedures in the Group's procurement and vendor management processes. The initiative involves the implementation of an approved platform to extract ESG scores for vendors. This platform will feature a comprehensive ESG questionnaire, with vendor responses analysed to derive and validate ESG scores that will be integrated into the Group's vendor assessment and selection framework. Scheduled for rollout in 2025, this project underscores Group's commitment to embedding formal social and environmental criteria into its operations, ensuring alignment with its long-term sustainability goals and principles.

By refining its procurement framework and embedding further sustainability into vendor management practices, the Group is laying the groundwork for ethical, responsible, and sustainable operations.

The Group through the Risk Appetite Statement establishes, annually, certain indicators to monitor risks associated with Outsourcing arrangements. Specifically, zero number of third-party critical outsourced arrangements not risk assessed prior to initial signing or renewal.

For details on how privacy and information security risks are mitigated on sourcing arrangement refer to ESRS S1 – Own Workforce in page 171.

ESRS G1 - Business Conduct (continued)

9. Financial Crime and Fraud

This section concerns the Group's reporting related to the work conducted to combat financial crime. This section describes financial crime, defined as money laundering, financing of terrorism, bribery and corruption and fraud. Bribery and corruption are reported above under Section Zero tolerance on Bribery and Corruption. Group's work with cyber security is described in S4. Refer to the following table for the material IROs towards Financial Crime.

Material IROs – Entity Specific						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Entity Specific - Financial Crime	Risk	Financial Crime	The risk identified covers situations which the Group's infrastructure and services are misused for criminal purposes. In addition, risk was identified that Group's customers may violate sanctions. External fraud attempts that may take various forms from phishing and vishing attacks towards customers, bogus unauthorised payment instructions and card transactions. These risks lead to increased cost, legal and regulatory penalties and reputational damage to the Group.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓		✓	✓	Increased costs due to fines and penalties

9. Policies associated with Financial Crime and Fraud

The Group adopted a Policy relating to the Prevention of Money Laundering and Terrorism Financing. The purpose of this policy is to set the minimum standards and provide general guidance and clarity on Group's effort to prevent and suppress money laundering, terrorist financing and other illegal activities and to ensure compliance with all applicable legal and regulatory requirements. The Group is committed in the fight against money laundering and terrorism financing and institutes appropriate procedures to comply with relevant legislation, regulations, guidelines and best practices, and exercises due diligence to deter the use of its services and products by money launderers and those involved in illegal activities including the financing of terrorism. The policy is readily available for all employees in the Group's internal portal and Group's website for any affected stakeholders. The policy covers both upstream and downstream value chain.

The main objectives of the principles incorporated in this Policy are to:
1. Take all reasonable steps and exercise Due Diligence to deter the use of Group's systems and processes by money launderers and those involved in criminal and illegal activities including the Financing of Terrorism.
2. Avoid violations, since they may result in criminal, civil and regulatory sanctions and/or penalties/fines imposed.
3. Protect Group's reputation by protecting the Group and its employees from unfounded allegations of facilitating Money Laundering and Terrorist Financing.
4. Create a high standard of compliance culture among all the staff across the Group.

The Group through this policy ensures that the legal and regulatory requirements stemming from the provisions set out in the Law 188(I) 2007, the 5th edition of the Central Bank of Cyprus Directive for the prevention of Money Laundering and Terrorist financing and the 1st edition of the Central Bank of Cyprus Directive for Compliance with the Provisions of UN Security Council of the European Union, are addressed.

In addition, the Group adopted a Sanction Policy to manage the risk of customer's sanction violation. The purpose of the Policy is to ensure Group's full compliance with sanctions or restrictive measures imposed on countries, territories, entities, or specific persons and bodies. The policy is readily available for all employees in the Group's internal portal and Group's website for all stakeholders. The Sanctions Policy outlines the legal and regulatory requirements/principles emanated from the provisions set out in (a) the Law for the Implementation of the Provisions of the United Nations (UN) Security Council Resolutions (Sanctions) and the Decisions and Regulations of the Council of the European Union (EU) Law 58(I) of 2016, and (b) the Central Bank of Cyprus Directive for Compliance

ESRS G1 - Business Conduct (continued)

9. Financial Crime and Fraud (continued)

9.1 Policies associated with Financial Crime and Fraud (continued)

with the Provisions of United Nations Security Council Resolutions and the Decisions/Regulations of the Council of the European Union. In addition to UN, EU sanctions, the Group fully adheres to sanctions imposed by the US and the UK. The policy covers both upstream and downstream value chain.

The Board bears the ultimate responsibility for the effective implementation of the above-mentioned Policies and for setting the right tone from the top. The AC makes sure that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the above-mentioned policies and monitors the effective implementation of those Policies through the Control Functions. The Internal Audit Division is responsible for providing independent and objective assurance to the Board, through the AC, and to management, by assessing the effectiveness of governance, risk management, and control processes related to those policies and informs the AC of any findings and relevant recommendations.

The Group also adopted a Fraud Risk Management Policy (applicable to activities in both upstream and downstream) which sets out the appropriate steps to be followed for managing Internal and External Fraud risks within the Group. The purpose of this Policy is to set out the minimum requirements and basic principles underlying the governance and management of Fraud Risks in the Group, providing guidelines on the prevention, detection, investigation, and response of actual (perpetrated) and suspected Fraud. The policy is readily available for all employees in the Group's internal portal. The Policy aims to safeguard the Group and internal or external stakeholders' interests.

The overall responsibility for approving and monitoring the Group`s strategy and policy for managing Fraud risk lies with the Board, which exercises this responsibility through the RC. The RC annually reviews the adequacy and effectiveness of the internal controls system, including areas related to Fraud Risk Management (FRM), based on data and information produced by the Internal Audit (IA) division, the observations and comments of the Group's external auditors and the competent supervisory authorities as well as the assurance provided by the CEO and make appropriate recommendations to the Board.

9.2 Actions and preventive work associated with Financial Crime and Fraud

The key element of Group's preventing Financial crime is the Customer Due Diligence. Customer Due Diligence includes the following:

1) ascertaining the identity of the customer before establishing a business relationship or making a one-off transaction;
2) establishing the Ultimate Beneficial Owner of legal entities taking particular care on the identification of the true owners of trusts, foundations, client accounts and other similar entities;
3) building a detailed Economic Profile of the Customer;
4) undertaking Enhanced Due Diligence for High and Significant Risk Customers and transactions;
5) updating the identification data of customers on a regular basis;
6) Detecting suspicious activities/transactions and where appropriate, reporting such activities/transactions to the local FIU.

The Group also implements specialised software packages for the continuous monitoring of the customers' accounts, to enable suspicious transactions to be recognised and to maintain procedures for the reporting of such transactions to the appropriate authorities. The Group through specific procedures and circulars established a specific process to identify and manage specific, general, sectoral sanctions imposed by the UN, EU, US and the UK and focused prohibitions on the export / import of commercial and dual-use goods, software and technology issued by the Council of the European Union, or subject to U.S. jurisdiction under the Export Administration Regulations sanctions.

The Group established a Fraud Risk Management program with the following main components to identify, prevent, detect and respond to Fraud Risk:

1. **Fraud risk identification and assessment:** The risk of Fraud is identified, assessed and monitored in all activities through established methodologies and processes. Fraud risks are scored and suitably prioritised for action. The Group identifies inherent Fraud risk through an assessment of incentives, pressures and opportunities to commit fraud. The Group assess likelihood and potential impact of residual Fraud risk. The Group responds to reasonably likely, significant fraud risks through identification and implementation of effective controls or detection procedures for the risks identified.

ESRS G1 - Business Conduct (continued)

9. Financial Crime and Fraud (continued)

9.2 Actions and preventive work associated with Financial Crime (continued)

2. **Fraud prevention:**
   a. **Process-level controls:** Business lines supported by Fraud Risk Management (FRM) department, Organisation (OD) and Digital Transformation departments developed and implement appropriate anti-Fraud control procedures and mechanisms for all relevant business processes that either prevent or minimise the likelihood and/or the potential impact of Fraudulent Conduct.
   b. **Transaction level controls:** Reviews of third-party and related-party transactions are established throughout business processes. These controls are driven by appropriate know-your-customer/client (KYC), know-your-intermediary (KYI) and know-your-staff (KYS) procedures, as well as background checks on suppliers and business partners, to indicate potential entities that bear higher risk of Fraud.
   c. **Awareness:** Ensure that all employees receive training on Code of Conduct, Fraud trainings as well as training on any updates or changes on related processes and procedures.
3. **Fraud detection:**
   a. **Business process-level mechanisms:** Business processes and procedures are designed so that they accommodate and integrate the systematic identification of the types of Fraud schemes that can be perpetrated in relation to the specific business process.
   b. **Key Fraud Indicators:** Key Fraud Indicators (KFIs) are established and updated to monitor variables, which may indicate the possibility of Fraud. Breach of relevant KFIs or adverse trend indications provide early warning for high-risk Fraud areas and must trigger further assessment of the necessary controls in that area and the residual risk.
   c. **Other detection mechanisms:** Includes IA reports, periodic reviews by external auditors or regulators or findings and reports from other expert external business partners.
   d. **Proactive Fraud detection procedures:** Automated data analysis, continuous Monitoring techniques, and appropriate technology tools to effectively detect Fraudulent Activity
   e. **Internal Fraud reporting channels:** Report fraud incidents to Internal Audit, Compliance or Fraud Risk Management Department or through whistleblowing channels.
   f. **Other external reporting channels:** Complaint Management system. Refer to page 185.
4. **Fraud investigation and response:** The Internal Audit Director is responsible for receiving reports of alleged or suspected internal Fraudulent Conduct involving the Group's activities or the members of governing bodies and employees, carry out an investigation of actual or suspected Internal Fraud and report findings to the AC, as well as the CEO or any other reporting line, on a need-to-know basis.

The above-mentioned actions are ongoing and associated with both upstream and downstream activities. For Information security and cyber risk management refer in page 171 of ESRS S1 – Own Workforce.

9.3 Metrics and Targets associated with Financial Crime and Fraud

There are no measurable, time-bounded and outcome oriented targets nevertheless there are indicators which monitors the effectiveness of these actions. The Group through the Risk Appetite Statement establishes certain qualitative indicators to monitor risks associated with Financial Crime, Sanctions and Fraud risks:

1) No tolerance for violating sanctions or other measures imposed by American Authorities, such as the US Department of Treasury's Office of Foreign Assets Control (OFAC), and by the UN, the EU and by the government of countries that the Group operates in, with respect to violations of AML legislation 39 or Sanction programs. In case of such deviations, immediate rectification and investigation actions shall be enacted.
2) No tolerance for deviations with regards to the opening of accounts in US Dollars for persons connected with countries subject to strict sanctions imposed by the US Department of Treasury's Office of Foreign Assets Control (OFAC).
3) No tolerance to facilitating any sort of financial crime/terrorism financing.

The Group, as previously mentioned, ensures relevant trainings are conducted to support mitigation of Financial Crime risks. Refer to 5. Training on Business Conduct in page 208.

ESRS G1 - Business Conduct (continued)

10. Conflict of Interest

Material IROs – Entity Specific						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Entity Specific – Conflict of Interest	Risk	Improper Business or Market Practices	Risk of inadequate management of conflict of interest.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓	✓			Fines, penalties and loss of business

10.1 Policies on conflict of interest

The Group adopts a Conflict of Interest (COI) policy which sets out the framework for the prevention, identification, assessment, documentation, escalation, and effective management of COI in compliance with the legal and regulatory framework to which the Group is subject. This Policy applies to the Members of the Board, Senior Management, and all employees of the Group in every country the Group operates and to the Group's contractors, agents, and other Relevant Persons. The policy is readily available for all employees in the Group's internal portal and Group's website for all stakeholders.

The Board bears the ultimate responsibility for the effective implementation of this Policy and setting the right tone from the top. The AC makes sure that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the above-mentioned policies and monitors the effective implementation of those Policies through the Control Functions. The Internal Audit Division is responsible for providing independent and objective assurance to the Board, through the AC, and to management, by assessing the effectiveness of governance, risk management, and control processes related to those policies and informs the AC of any findings and relevant recommendations.

10.2 Actions and preventive work on conflict of interest

The Group implements procedures to identify the relationships, services, activities, or transactions in which COI may arise. These procedures cover relationships between the Group and customers, shareholders, Members of management body and their family members, employees, significant business parties and other related parties. In addition, these procedures cover COI between different customers of the Group. Board members and Senior Management self-assess potential conflict of interests annually. All COI identified by Compliance Division across the Group are documented in a dedicated software and relevant information is presented to the AC and EXCO quarterly. COI identified at Management Level and Board level are reported to the NCGC for decision-taking. The above-mentioned actions are ongoing and associated with Group's own operations.

10.3 Metrics and Targets on conflict of interest

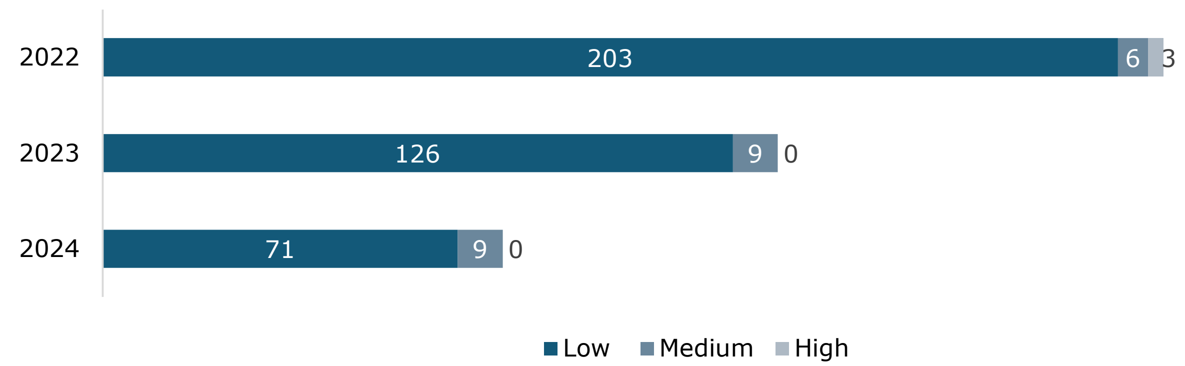
The Group conflicts registry recorded 80 perceived conflicts of interest in 2024 (2023: 135, 2022: 212). Zero incidents of conflict of interest (2023: 0, 2022: 3) were considered as high, 9 (2023: 9, 2022: 6) were considered as medium and the remaining 71 (2023: 126, 2022: 203) were considered as low.

ESRS G1 - Business Conduct (continued)

11. Conflict of Interest (continued)

10.3 Metrics and Targets on conflict of interest (continued)

Perceived conflicts of interests



The Group through the Risk Appetite Statement establishes, annually, qualitative statements associated with the mitigation of Conflict of Interest risks:

1) The Bank has no tolerance for participation in the decision making or voting on matters by persons that have a conflict of interest.
2) No transactions in BOC securities are tolerated for persons classified as 'Relevant persons in possession of inside information for BOC Group', except in cases where permission is granted under the provisions of the BOC Dealing code.
3) The Bank has no tolerance for selecting outsourcing service providers, connected to any member of the Group's senior management or management body, the Group's external auditors or legal advisors and where this information has not been duly disclosed to the Bank.
4) The Bank has no tolerance to acts of bribery and corruption by any of its employees or any business partner.

The Group, as previously mentioned, ensures relevant trainings are conducted to support mitigation of Conflict-of-Interest risks. Refer to 5. Training on Business Conduct in page 208.

12. Compliance with Laws and Regulations

Material IROs – Entity Specific						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Entity Specific - Compliance with Laws and Regulations	Risk	Compliance Risk	As a listed Group which operates in an evolving and complex regulatory and legal environment there is an increased risk of not compliance with laws and regulations (such as Arrears Directive, ESG regulations, MIFID, EMIR, Competition Law, FACTA, Market Abuse, Benchmark regulations, GDPR) which may lead to fines and penalties.			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓	✓			Fines, penalties and loss of business

ESRS G1 - Business Conduct (continued)

12. Compliance with Laws and Regulations (continued)

12.1 Policies associated with Compliance with Laws and Regulations

The Group adopted a Compliance policy which sets out the business and legal environment applicable to the Group, the principles and responsibilities for compliance and how these responsibilities are allocated and carried out at group and entity level. The policy is readily available for all employees in the Group's internal portal and Group's website for all stakeholders. The policy covers operations at Group level.

The Board bears the ultimate responsibility for the effective implementation of the above-mentioned Policies and for setting the right tone from the top. The AC makes sure that sufficient, dependable, and secure internal procedures are in place to ensure that the Group complies with the above-mentioned policies and monitors the effective implementation of those Policies through the Control Functions. The Internal Audit Division is responsible for providing independent and objective assurance to the Board, through the AC, and to management, by assessing the effectiveness of governance, risk management, and control processes related to those policies and informs the AC of any findings and relevant recommendations.

12.2 Actions and preventive work on Compliance with Laws and Regulations

The Regulatory Compliance Department ensures that the Group adopts all regulatory, legal, and compliance requirements and is committed to the establishment of relevant controls and procedures to protect its clients and all other stakeholders. Regulatory compliance implemented, through the network of Compliance Liaisons at the various Departments, the compliance management system which automated most of the compliance processes. The system is an integrated compliance management system which provides a comprehensive set of tools for managing regulatory risks, including modules on regulatory change management with live regulatory feeds on new or amended regulations, the recording and management of identified risks through various assessment processes, the recording and management of regulatory incidents, conflicts of interest and gifts, KRIs and the monitoring and follow up of issues and actions. Additionally, Regulatory Compliance Department regularly performs compliance assurance reviews based on clear and aligned Compliance Review Methodologies aiming to cover high risk areas. The Compliance Division presents its Key Risk and Key Performance Indicators to the EXCO and the AC. Cases of significant non-compliance are identified through the three lines of defence model, whereby responsibility for compliance reviews lies primarily with management, secondly with the control functions, by assessing the severity of the instances of non-compliance. The above-mentioned actions are ongoing and associated with Group's own operations.

12.3 Metrics and Targets on Compliance with Laws and Regulations

There are no measurable, time-bounded and outcome oriented targets nevertheless there are indicators which monitors the effectiveness of these actions. We are pleased to note that in the current year, the Group did not receive any regulatory fines in relation to breaches of compliance with laws and regulations. The Group through the Risk Appetite Statement establishes, qualitative statements associated with the Compliance Risks and has no tolerance with regards to non-compliance with regulatory, legal and compliance requirements.

The Group, as previously mentioned, ensures relevant trainings are conducted to support mitigation of Compliance risks. Refer to 5. Training on Business Conduct in page 208.

ESRS G1 - Business Conduct (continued)

13. Reputational Risk

Material IROs – Entity Specific						
ESRS Topic/Sub-Topic	**IRO**	**Type**	**Description**			
Entity Specific – Reputational Risk	Risk	Reputational Risk	Ineffective handling of reputational risk (at national and institution level)			
Time Horizons			**Value Chain**			**Financial Effects**
Short-Term	Medium-Term	Long-Term	Own Operations	Upstream	Downstream	
✓	✓	✓	✓			Loss of business

13.1 Policies associated with Reputational risk

The Group adopted a Reputational Risk Management Policy to provide guidelines on the identification, quantification and management of reputational risks that might arise from the business activities of the Group. The overall responsibility for approving, monitoring and managing reputational risk lies with the BOD, which exercises this responsibility through the Board Risk Committee (BRC). The policy is available for all employees through internal portal. The engagement of customers on the effectiveness of the policy is measured through customer's surveys performed on monthly basis from Corporate Affairs Department. The policy is applicable for Group's operations. Internal Audit (IA) provides objective assurance to the AC and to EXCO that the controls in place are appropriate in relation to this area, by including reputational risk as a primary risk in its Risk and Audit Universe (RAU) and as such it is assessed as part of the annual update of the Internal Audit Plan.

13.2 Actions and preventive work on Reputational risk

The preventive actions associated with the management of reputational risk are primarily related to the effective implementation of Code of Ethics, Code of Conduct as well as Business Conduct policies described in sections above. Identification of reputational risk is primarily conducted through monitoring of media reports for possible negative press coverage, social media, possible Information/data leaks, Customer complaints, major operational losses (including legal cases) and key risk indicator breaches, system downtimes causing disruption of customer service, Negative reports by statutory auditors and investigations, or penalties by regulators, Whistleblowing reports and other. The Group prevents and reduce the impact of reputational risks through system of internal process-level and transaction-level controls as described in detail in previous sections.

In case a reputational event has been identified the Corporate Affairs Department in conjunction with Operational Risk Management Function, assess the impact of the event. Events with low impact are managed and resolved at this level. For reputational events assessed as High/Critical the Incident Management & Response Team (IMRT) undertakes to handle the incident. The IMRT convenes to further analyze the severity/impact of the reputational event and suggest actions to effectively respond to this event. Continuous assessment of the potential impact of the incident is being carried out throughout the lifecycle of the incident. In cases, whereby the reputational event is believed to have the potential to escalate to a crisis, the Group Reputational Risk Committee (GRRC) and Crisis Management and Response Plan are activated. The above-mentioned actions are ongoing and associated with Group's own operations.

13.3 Metrics and Targets on Reputational risk

There are no measurable, time-bounded and outcome oriented targets nevertheless there are indicators which monitors the effectiveness of these actions. The Group has zero tolerance in respect to internal practices by Management and employees that could lead to material reputational impact, i.e., it will not tolerate headline risk associated with unacceptable business practices, privacy and other regulatory breaches and internal fraud.

ESRS G1 - Business Conduct (continued)

14. Process on setting Metrics and Targets on Business Conduct, Financial Crime & Fraud and Conflict of Interest

The process of setting the above-mentioned qualitative indicators is described in the Risk Appetite Framework of the Group. The objective of the Risk Appetite Framework (RAF) is to set out the level of risk that the Group is willing to accept in pursuit of its strategic objectives, outlying the key principles and rules that govern the risk appetite setting. It comprises the Risk Appetite Statement (RAS), the associated policies and limits where appropriate, as well as the roles and responsibilities for the implementation and monitoring of the RAF.

The Group has established in RAF qualitative statements to set the overarching risk appetite direction of the Group across material and critical risk types, articulating also the reasoning behind assuming or avoiding certain types of risk, and to cover areas that are not fully quantifiable.

The RAS indicators are reported on a quarterly basis via the Risk Profile Report to the EXCO, RC and the Board. Any interim breaches are assessed with respect to their Tier and breach severity and are reported/escalated to the appropriate committee/authority. The dashboard is accompanied with a relevant commentary which indicates:

1. All violations present at the time.
2. The nature of each violation.
3. Whether management has taken or will take remedial steps.

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Conflict of Interest	MDR-M Metrics	Minimum disclosure requirements – Metrics in relation to material sustainability matters	216, 220
Compliance with laws and Regulations	MDR-P Policies	Minimum disclosure requirements – Policies adopted to manage material sustainability matters	217
Compliance with laws and Regulations	MDR-A Actions	Minimum disclosure requirements – Actions and resources in relation to material sustainability matters	218
Compliance with laws and Regulations	MDR-T Targets	Minimum disclosure requirements – Tracking effectiveness of policies and actions through targets	218, 220
Compliance with laws and Regulations	MDR-M Metrics	Minimum disclosure requirements – Metrics in relation to material sustainability matters	218, 220
Reputational Risk	MDR-P Policies	Minimum disclosure requirements – Policies adopted to manage material sustainability matters	219
Reputational Risk	MDR-A Actions	Minimum disclosure requirements – Actions and resources in relation to material sustainability matters	219
Reputational Risk	MDR-T Targets	Minimum disclosure requirements – Tracking effectiveness of policies and actions through targets	219, 220
Reputational Risk	MDR-M Metrics	Minimum disclosure requirements – Metrics in relation to material sustainability matters	219, 220
Digitilisation	MDR-P Policies	Minimum disclosure requirements – Policies adopted to manage material sustainability matters	190, 194
Digitilisation	MDR-A Actions	Minimum disclosure requirements – Actions and resources in relation to material sustainability matters	191, 195
Digitilisation	MDR-T Targets	Minimum disclosure requirements – Tracking effectiveness of policies and actions through targets	192
Digitilisation	MDR-M Metrics	Minimum disclosure requirements – Metrics in relation to material sustainability matters	192
Information Security	MDR-P Policies	Minimum disclosure requirements – Policies adopted to manage material sustainability matters	187
Information Security	MDR-A Actions	Minimum disclosure requirements – Actions and resources in relation to material sustainability matters	187
Information Security	MDR-T Targets	Minimum disclosure requirements – Tracking effectiveness of policies and actions through targets	189
Information Security	MDR-M Metrics	Minimum disclosure requirements – Metrics in relation to material sustainability matters	189

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5) , Annex II		Yes	82
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Yes	81
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Yes	85
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable	n/a
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable	n/a
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable	n/a
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable	n/a

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Yes	102
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Not Applicable	n/a
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Yes	131
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not Applicable	n/a
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Yes	137
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1	n/a	n/a	n/a	Not Applicable	n/a

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Yes	144
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Yes	145
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	n/a
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not Applicable – Phase-in	n/a
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not Applicable – Phase-in	n/a

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not Applicable – Phase-in	n/a
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not Applicable – Phase-in	n/a
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	n/a
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Yes	156
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	n/a
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	n/a
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	n/a

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	n/a
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	n/a
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	n/a
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	n/a
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	n/a
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	n/a
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	n/a
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	n/a
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	n/a
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Yes	163

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Yes	163
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Yes	164
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Yes	164
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Yes	164
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Yes	175
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Yes	164, 168
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Yes	177
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Yes	177
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Yes	181

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Yes	181
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Yes	165
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Yes	165
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	n/a
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	n/a
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	n/a
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	n/a
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	n/a
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	n/a
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	n/a

List of disclosure requirements and related data points in cross-cutting and topical standards that derive from other EU legislation (continued)

Disclosure Requirement and related datapoint	SFDR _reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Applicable for the Group	Page
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	n/a
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	n/a
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Yes	183
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Yes	183
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Yes	183
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not Applicable – The Group has a policy	n/a
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Not Applicable – The Group has a policy	n/a
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	n/a
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Yes	210

Phase-in provisions and transitional provisions

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Phase-in or effective date (including the first year)	Group's approach in Phase-in provisions
ESRS 2	SBM-1	Strategy, business model and value chain	The undertaking shall report the information prescribed by ESRS 2 SBM-1 paragraph 40(b) (breakdown of total revenue by significant ESRS sector) and 40(c) (list of additional significant ESRS sectors) starting from the application date specified in a Commission Delegated Act to be adopted pursuant to article 29b(1) third subparagraph, point (ii), of Directive 2013/34/EU.	Adopted
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	The undertaking may omit the information prescribed by ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects) for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS 2 SBM-3 paragraph 48(e) by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.	Adopted
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the datapoints on scope 3 emissions and total GHG emissions for the first year of preparation of their sustainability statement.	Not eligible
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by ESRS E1- 9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.	Adopted
ESRS E2	E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E2- 6 for the first year of preparation of its sustainability statement. Except for the information prescribed by paragraph 40 (b) on the operating and capital expenditures occurred in the reporting period in conjunction with major incidents and deposits, the undertaking may comply with ESRS E2-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement	Adopted
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E3-5 for the first year of preparation ofits sustainability statement. The undertaking may comply with ESRSE3-5 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.	Adopted

Phase-in provisions and transitional provisions (continued)

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Phase-in or effective date (including the first year)	Group's approach in Phase-in provisions
ESRS E4	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS E4for the first 2 years of preparation of their sustainability statement.	Not material
ESRS E4	E4-6	Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E4-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E4- 6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement	Not material
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	The undertaking may omit the information prescribed by ESRS E5-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E5- 6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement	Adopted
ESRS S1	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates, the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S1for the first year of preparation of their sustainability statement.	Not eligible
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	The undertaking may omit reporting for all data points in this Disclosure Requirement for the first year of preparation of its sustainability statement.	Adopted
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	The undertaking may omit this Disclosure Requirement with regard to its own employees in non-EEA countries for the first year of preparation of its sustainability statement.	Not material
ESRS S1	S1-11	Social protection	The undertaking may omit the information prescribed by ESRS S1-11 for the first year of preparation of its sustainability statement.	Not material

Phase-in provisions and transitional provisions (continued)

ESRS	Disclosure Requirement	Full name of the Disclosure Requirement	Phase-in or effective date (including the first year)	Group's approach in Phase-in provisions
ESRS S1	S1-12	Percentage of employees with disabilities	The undertaking may omit the information prescribed by ESRS S1-12 for the first year of preparation of its sustainability statement.	Not material
ESRS S1	S1-13	Training and skills development	The undertaking may omit the information prescribed by ESRS S1-13 for the first year of preparation of its sustainability statement.	Not material
ESRS S1	S1-14	Health and Safety	The undertaking may omit the datapoints on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health for the first year of preparation of its sustainability statement.	Not adopted
ESRS S1	S1-14	Health and Safety	The undertaking may omit reporting on non-employees for the first year of preparation of its sustainability statement	Adopted
ESRS S1	S1-15	Work-life balance	The undertaking may omit the information prescribed by ESRS S1-15 for the first year of preparation of its sustainability statement.	Not material
ESRS S2	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S2for the first 2 years of preparation of their sustainability statement.	Not eligible
ESRS S4	All disclosure requirements	All disclosure requirements	Undertakings or groups not exceeding on their balance sheet dates the average number of 750 employees during the financial year (on a consolidated basis where applicable) may omit the information specified in the disclosure requirements of ESRS S4 for the first 2 years of preparation of their sustainability statement.	Not eligible

Other transitional provisions	Group's approach in other transitional provisions
First-time application on comparative information	Adopted
Entity specific information	Adopted
First three-year value chain information	Adopted

Reporting principles

GHG Emission

The carbon footprint for Scope 1, Scope 2 and material Scope 3 categories were estimated based on the methodologies described in the Greenhouse Gas Protocol and ISO14064-1:2019 standard.

i. For the purpose of the calculation of its 2023 and 2024 carbon footprint, the Group uses the operational GHG accounting approach.
ii. The Group considers the GHG protocol guidance, a Corporate Accounting and Reporting Standard, Revised Edition (the GHG Protocol) for its Scope 1, 2 and 3 emissions calculations and guidance from PCAF, when calculating its financed emissions.
iii. The gases estimated and presented as in tones of CO_2e where the calculations consist of are CO_2, CH_4, and N_2O gases.
iv. The Group utilises the PCAF database and standard for the estimation of Financed Scope 3 GHG emissions associated with Business Loans, Motor Vehicles, CREs, Mortgages, Corporate Bonds and Sovereign Bonds as well as Insurance associated GHG emissions. For other asset classes the Group adopted the transitional provision in relation to the entity specific information and therefore, has not included other asset classes within the disclosures.
v. The Group uses the most updated available emission factors for the estimations of 2024 and 2023, utilizing the UK Department for Environment, Food and Rural Affairs (DEFRA) and US Environmental Protection Agency (EPA) emission factor databases.
vi. The Group has not entered in any power purchase agreement therefore, market-based Scope 2 GHG are not estimated. The Group reports only location-based Scope 2 GHG emissions.
vii. Gross Scope 1, 2, 3 GHG emissions do not include any removals, or any purchased, sold or transferred carbon credits or GHG allowances in the calculation.
viii. The Group has not been involved in any Emission Traded Scheme (ETS) until reporting date.
ix. The most recent Global Warming Potential (GWP) values published by the IPCC based on a 100 year time horizon have been used to estimate $CO2_e$ emission of non-CO_2 gases.
x. The Group's GHG emissions comprise of GHG emissions of BOC PLC, Eurolife, Genikes Insurance, CISCO and Jinius.

The estimation of GHG emissions involves assumptions and proxy data. The methodology applied, assumptions used and sources to estimate GHG emissions are summarized below:

Scope 1

i. The Group's direct (Scope 1) GHG emissions come from sources owned or controlled by the Group and include stationary combustion, mobile combustion and fugitive emissions.
i. In line with the GHG Protocol, the Group's emissions are presented in tonnes of carbon dioxide equivalent units (tCO_2e) and include carbon dioxide (CO_2), methane (CH4) and nitrous oxide (N_2O).
ii. The factors used for estimation of Scope 1 emissions are:
    a. **Mobile Combustion**: EPA 2024 and 2023 conversion factors (kg CO_2e/ L) for diesel and gasoline passenger cars, gasoline motorcycles, diesel and gasoline light duty trucks and hybrid (gasoline) passenger cars. Emissions are estimated by multiplying the total consumption in litres per fuel category with the EPA 2024 conversion factors.
    b. **Stationary Combustion**: DEFRA 2024 and 2023 conversion factors (kg CO_2e/ kWh) for diesel (average biofuel blend) and gas oil, in line with applicable GWP (AR5). Emissions are estimated by multiplying the total kWh per fuel type with the DEFRA conversion factors.
    c. **Refrigerants**: DEFRA 2024 and 2023 conversion factors were used to estimate the emissions from refrigerants leakage.

Scope 2

i. The Group's Scope 2 GHG emissions represent consumption of purchased electricity. The Group does not consume purchased or acquired steam, heating and cooling.
ii. In line with the GHG Protocol, the Group's emissions are presented in tonnes of carbon dioxide equivalent units (tCO_2e) and include carbon dioxide (CO_2), methane (CH4) and nitrous oxide (N_2O).
iii. Bio-based CO_2 emissions are not considered significant for the Group's Scope 2 emissions.
iv. Electricity Authority of Cyprus (EAC) emission factor, based on Cyprus energy mix, was used for the calculation of Scope 2 GHG emissions (location-based). Currently, Scope 2 GHG emissions are based on EAC emission factor for 2023 as the EAC emission factor for 2024 has been published.

Reporting principles (continued)

GHG Emission (continued)

Scope 3

i. A materiality assessment was conducted to identify the material emission categories relative to the Group's business model, activities and processes so to estimate the most significant categories of indirect Scope 3 GHG emissions. By performing desktop benchmark analysis and analyzing data from peers, international reports and industry sector standards, the Group identified which of the 15 categories, as identified by GHG protocol, are significant for the Group.
ii. In line with the GHG Protocol, the Group's emissions are presented in tonnes of carbon dioxide equivalent units (tCO_2e) and include carbon dioxide (CO_2), methane (CH4) and nitrous oxide (N_2O).

Category 1 - Purchased Good and Services

The Group utilises PCAF's proxies tCO_2 per million of revenue (€), per sector, for Cyprus to estimate GHG emission under Category 1. The Group's expense amount as per Trial Balance account was classified to relevant sector and the associated emission factor was multiplied to derive GHG emissions.

Category 4 - Upstream transportation and distribution

The Group utilises PCAF's proxies tCO_2 per million of revenue (€), per sector, for Cyprus to estimate GHG emission under Category 4. The Group's expense amount as per Trial Balance account was classified to relevant sector and the associated emission factor was multiplied to derive GHG emissions.

Category 5 - Waste generated in operations

The Group utilises online available sources to estimate the waste, per material, based on Group's employee headcount at the end of the reporting period. DEFRA emission factors ($kgCO_2e$/ ton of waste activity) for 2024 and 2023 were multiplied with the waste volume to estimate GHG emissions under Category 5.

Category 6 - Business Travel

The Group collects data of business travelling (inland and abroad including air travel and accommodation) using internal process and the Group's systems. Air travel GHG emissions are estimated by multiplying distance travelled (in kilometers) with EPA emissions factors for short, medium and long hauls. Inland travelling emissions are estimated by multiplying distance travelled (in kilometers) by DEFRA emission factors (diesel and petrol average vehicles). Hotel accommodation emissions are estimated by multiplying nights of hotel accommodation by DEFRA emissions factors for hotel stay ($kgCO_2e$/ Room per night).

Category 7 - Employee commuting

The Group conducts annually internal questionnaire to collect data regarding employee commuting (vehicle type, fuel type, distance travelled). The GHG emissions of Category 7 were estimated by multiplying the distance commuted (in kilometers) by DEFRA emission factors ($kgCO_2e$/ km).

Category 15 - Financed Emissions

Category 15: Investments' covers emissions associated with operation of investments (including equity and debt investments and project finance) in the reporting year. This is considered the most material category for the Group and relates to its lending activities. The estimation of financed emissions covers lending customers assets and companies' Scope 1, Scope 2 and Scope 3 emissions. The PCAF Standard defines these as follows:

i. **Scope 1 of the lending customer:** Direct GHG emissions that occur from sources owned or controlled by the customer, i.e. emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
ii. **Scope 2 of the lending customer:** Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the customer. Scope 2 emissions physically occur at the facility where the electricity, steam, heating or cooling is generated.
iii. **Scope 3 of the lending customer:** All other indirect GHG emissions (not included in Scope 2) that occur in the value chain of the customer. Scope 3 can be broken down into upstream emissions and downstream emissions. Upstream emissions include all emissions that occur in the lifecycle of a material / product / service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur because of the distribution, storage, use and end-of-life treatment of the organisation's products or services.

Reporting principles (continued)

GHG Emission (continued)

Category 15 - Financed Emissions (continued)

The PCAF Standard applies the same general attribution principles across all lending asset classes:

i. financed emissions are always calculated by multiplying an attribution factor (specific to that asset class) by the emissions of the borrower or asset;
ii. the attribution factor is defined as the share of total annual GHG emissions of the borrower or asset that is allocated to the loan(s) or asset(s);
iii. the attribution factor is calculated by determining the share of the outstanding amount of loans of a financial institution over:
   a. the company value (total equity and debt of the company, project, etc.) to which the financial institution has lent money to; or
   b. the asset value in the case of asset finance (such as for properties, motor vehicles etc).

The PCAF standard provides detailed methodological guidance to measure and disclose GHG emissions associated with six asset classes: listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, and motor vehicle loans. The Group measures the financed emissions associated with the following asset classes adopting the entity specific disclosure transitional provision.

1. Asset Class - Business Loans

Financed GHG emissions (tCO_2e) for non-financial and other financial loan portfolio are estimated using the following formula:

$$Financed\ emissions = \frac{Outstanding\ amount}{Equity + Debit\ or\ Total\ assets}\ x\ Company's\ emissions$$

Exposures classified as CRE or Motor vehicles under the non-financial and other financial portfolio were excluded from the estimation under the Business loan asset class as those are estimated separately.

Data Inputs:

i. **Outstanding amount:** Relates to the gross carrying amount as of 31 December 2024 and 31 December 2023 from Group's FINREP reporting system.
ii. Customer's equity and debt are not readily available in the Group's database, therefore the total assets were used to estimate financed emissions. The Group, given the lack of customer's emission data, utilized the PCAF emission factors per sector, per million of total assets, for Cyprus. The emission factors were multiplied with outstanding amount to estimate GHG emissions. The Group introduced the ESG Due Diligence process aiming to enhance the emission data in the future.

Reporting principles (continued)

GHG Emission (continued)

Category 15 - Financed Emissions (continued)

2. Asset Class - Residential Portfolio (Mortgages)

The estimation covers the absolute scope 1 and 2 emissions related to the energy use of the property financed through the mortgage (energy use includes the energy consumed by the building occupant).

Residential (Mortgage) portfolio financed emissions (tCO_2e) are estimated using the formula from the PCAF standard (Chapter 5.5 Mortgages):

$$Financed\ emissions = \frac{Outstanding\ amount}{Property\ value\ at\ origination}\ x\ Building's\ emissions$$

Data inputs:

i. The **outstanding amount** relates to the Gross Carrying Amount as of 31 December 2024 and 31 December 2023 as obtained from the Group FINREP reporting system.

ii. Due to the fact that details of the financed property (market value, floor size, year of built) are not currently available in the Group's database, the collateral property details associated with each loan were utilized assuming that collateral property with priority 1 collateral is the financed property which aligned with the principles of the Lending Policy.

iii. PCAF allows, in case the **property value at origination** is not available, the latest property value to be used. The Group used the latest value of collateral property to estimate the attribution factor. In case the latest property value was not available as well, the loan original amount was used to estimate the attribution factor following communication with PCAF.

iv. **Building's Emissions:**
   a. **Square metres:** Obtained from Cyprus Department of Land and Surveys (DLS), by connecting the collateral property to the DLS register.
   b. **Year built:** Obtained from Cyprus Department of Land and Surveys (DLS), by connecting the collateral property to the DLS register.
   c. **Energy Performance Certificate (EPC):** EPC was obtained from the Cyprus Government's EPC database or directly through loan origination process documentation and stored in Group's database.
   d. For properties with no year built and loan account open date at least two years from the reporting date, no emissions were estimated as those properties were assumed to be under construction, which are not within PCAF standard's scope.
   e. PCAF proxies utilised, in case actual EPC data was not available, for residential properties:
      i. Average Cyprus residential property proxies per EPC Category, per property;
      ii. Average Cyprus residential property proxies per EPC Category, per square metres;
      iii. Average Cyprus residential property proxy.
   f. Based on data available, per loan account, the financed property emissions were estimated and multiplied with attribution factor.

Reporting principles (continued)

GHG Emission (continued)

Category 15 - Financed Emissions (continued)

3. Commercial Real Estate (CRE) portfolio

For property already built, financial institutions shall cover the absolute scope 1 and 2 emissions related to the energy use of financed buildings during their operation. Energy use includes the energy consumed by the building's occupant and shared facilities.

CRE portfolio financed emissions (tCO_2e) are estimated using the formula from the PCAF standard (Chapter 5.4 Commercial Real Estate):

$$Financed\ emissions = \frac{Outstanding\ amount}{Property\ value\ at\ origination} x\ Property's\ emissions$$

Data inputs:

i. The **outstanding amount** relates to the Gross Carrying Amount as of 31 December 2024 and 31 December 2023 as obtained from the Group FINREP reporting system.

ii. Due to the fact that details of the financed property (market value, floor size, year of built) are not currently available in the Group's database, the collateral property details associated with each loan were utilized assuming that collateral property with priority 1 collateral is the financed property which aligned with the principles of the Lending Policy.

iii. PCAF allows, in case the **property value at origination** is not available, the latest property value to be used. The Group used the latest value of collateral property to estimate the attribution factor. In case the latest property value was not available as well, the loan original amount was used to estimate the attribution factor following communication with PCAF.

iv. Building's Emissions

- **a. Square metres:** Obtained from Cyprus Department of Land and Surveys (DLS), by connecting the collateral property to the DLS register.
- **b. Year built:** Obtained from Cyprus Department of Land and Surveys (DLS), by connecting the collateral property to the DLS register.
- **c. Energy Performance Certificate (EPC):** EPC was obtained from the Cyprus Government's EPC database or directly through loan origination process documentation and stored in Group's database. Trivial number of EPC were gathered for CREs.
- d. PCAF proxies utilized for CREs:
  - i. Average Cyprus proxies per EPC Category, per property type;
  - ii. Average Cyprus proxies per EPC Category, per square metres, per property type;
  - iii. Average Cyprus non-residential property proxy.
- **e.** Based on data available, per loan account, the financed property emissions were estimated and multiplied with attribution factor.

Reporting principles (continued)

GHG Emission (continued)

Category 15 - Financed Emissions (continued)

4. Motor Vehicles Portfolio

The Group estimated the scope 1 and scope 2 emissions of the vehicles being financed:

i. Scope 1: Direct emissions from fuel combustion in vehicles
ii. Scope 2: Indirect emissions from electricity generation consumed in electric vehicles (EVs) (hybrid and fully EVs)

Motor Vehicles portfolio financed emissions (tCO_2e) are estimated using the formula from the PCAF standard (Chapter 5.6 Motor Vehicle Loans):

$$Financed\ emissions = \Sigma \frac{Outstanding\ amount}{Total\ value\ at\ origination} x\ Vehicle's\ emissions$$

Data Inputs:

i. The **outstanding amount** relates to the Gross Carrying Amount as of 31 December 2024 and 31 December 2023 as obtained from the Group FINREP reporting system.
ii. PCAF allows, in case the **property value at origination** is not available, the latest vehicle value to be used. The Group used the latest value of collateral to estimate the attribution factor given that the collateral vehicle is in the majority of cases the financed vehicle. In case the latest property value was not available as well, the loan original amount was used to estimate the attribution factor following communication with PCAF.
iii. **Vehicle emissions:**
    a. Vehicles type (passenger, heavy truck etc.) was obtained from the collateral database.
    b. PCAF proxies utilized for CREs:
        i. Average Cyprus proxies per year (($kgCO_2e$/ year)
    c. For exposures with no collaterals the Group used an internal proxy using the emissions estimated for the Motor vehicle portfolio with vehicle type data at collateral level.

5. Corporate Bonds

This asset class includes all on-balance sheet listed corporate bonds that are traded on a market and are for general corporate purposes (i.e., unknown use of proceeds as defined by the GHG Protocol).

The Group does not estimate the emissions from corporate bonds issued by Supranational companies due to lack of data availability except in cases were public data is available.

The Group reports Scope 1, Scope 2 and Scope 3 GHG emissions of corporate bonds using PCAF standard and proxies.

Corporate bond portfolio financed emissions (tCO_2e) are estimated using the formula from the PCAF standard (Chapter 5.1 Listed equity and corporate bonds):
For listed companies:

$$Financed\ emissions = \Sigma \frac{Outstanding\ amount}{Enterprise\ Value\ Including\ Cash\ (EVIC)} x\ Company's\ emissions$$

For bonds to private companies:

$$Financed\ emissions = \Sigma \frac{Outstanding\ amount}{Total\ equity + debt\ or\ Total\ assets} x\ Company's\ emissions$$

Data Inputs:

i. The **outstanding amount** as of 31 December 2024 and 31 December 2023 obtained from the Group FINREP reporting system.
ii. The EVIC, Total equity + debt and the emissions of corporates are not currently available in the Group's database. Therefore, the Group applies total assets for the estimation of financed emissions.
iii. **Company's emissions**: The Group utilizes PCAF proxies, CO_2 per million of euro of total assets, per industry and per County to estimate the financed emissions associated with Corporate Bond portfolio. The outstanding amount was multiplied with the PCAF proxies to estimate financed emissions.

Reporting principles (continued)

GHG Emission (continued)

Category 15 - Financed Emissions (continued)

6. Sovereign Bonds

This asset class includes sovereign bonds and sovereign loans of all maturities issued in domestic or foreign currencies. Sovereign debt is typically issued by the central government or treasury.

The Group reports gross Scope 1, domestic emissions from sources located within the country territory.

Sovereign bond portfolio financed emissions (tCO_2e) are estimated using the formula from the PCAF standard (Chapter 5.7 Sovereign Debt):

$$Financed\ emissions = \frac{Exposure\ to\ Sovereign\ Bond\ (USD)}{PPP - adjusted\ GDP\ (Internation\ USD)} x\ Sovereign\ Emissions\ (tCO2e)$$

Data inputs:

i. **Exposure to Sovereign Bond** as of 31 December 2024 and 31 December 2023 obtained from the Group FINREP reporting system.
ii. **Purchasing power parity adjusted GDP** is obtained from World Bank (latest available data relate to 2023).
iii. **Sovereign emissions** obtained from the GHG Profiles per Country United Nations Climate Change Convention (UNFCCC) (latest available data relate to 2021).

An emission factor was created using the PPP- adjusted GDP (International USD) of 2021 and Country emission inventory which was applied to the exposure as at 31 December 2024.

7. Insurance-Associate GHG emissions

The Group applies the PCAF methodology and proxies to estimate the insurance associated GHG emissions resulting from the general insurance contracts issued by the Group. PCAF provides guidance on the estimation of emission on certain lines of business. Specifically, Commercial lines and Personal motor lines portfolios.

Insurance contracts - Commercial line portfolios

Commercial line portfolio emissions (tCO_2e) are estimated using the formula from the PCAF standard (Insurance-Associated emissions Chapter 5.2 Emissions associated with commercial lines portfolios):

$$Insurance\ associated\ emissions = \frac{Insurance\ premium}{Customer\ revenue} x\ Emissions$$

Data Inputs:

i. The **Insurance premium** for the year ended 31 December 2024 obtained from the Group's reporting system.
ii. The **customer's revenue and emissions** are not available in the Group's database. Therefore, the PCAF proxy per customer's revenue, per sector was utilized to estimate customer's emissions (PCAF proxy multiplied by customer's revenue), leading to the following equation to estimate insurance associated GHG emissions.

$$Insurance\ associated\ emissions = Insurance\ premium\ x\ PCAF\ proxy$$

The following table summarizes the lines that, at the moment, are out of scope of PCAF standard.

Segment	Line of Business (LoBs)
Commercial insurance	Structured trade credit
	Surety
	Engineering lines: Construction all-risk, erection all-risk only
	Corporate life and pensions, personal accident
Personal lines	Liability
	Property
	Travel assistance
	Life and Health
Treaty reinsurance	All LoBs
Facultative reinsurance	All LoBs

Reporting principles (continued)

GHG Emission (continued)

Category 15 - Financed Emissions (continued)

7. Insurance-Associate GHG emissions (continued)

Insurance contracts – Motor line portfolios

The Group estimated and reports the insurance-associated GHG emissions of the annual emissions of the vehicles being insured as:

i. Scope 1: Direct emissions from fuel combustion in vehicles;
ii. Scope 2: Indirect emissions from electricity generation consumed in plug-in hybrid vehicles and electric vehicles.

Personal motor line portfolio emissions (tCO_2e) are estimated using the formula from the PCAF standard (Insurance-Associated emissions Chapter 5.3 Emissions associated with personal motor portfolios):

$$Insurance\ associated\ emissions = \frac{Insurance\ industry's\ total\ premium\ from\ the\ motor\ line\ of\ business}{Total\ costs\ associated\ with\ vehicle\ ownership\ of\ all\ vehicles} x\ Emissions\ of\ insured\ vehicles\ w$$

Data Inputs:

i. The **Insurance industry's total premium and total costs associated with vehicles** for the year ended 31 December 2024 are not currently available. The Group utilised the global weighted average (Industry) attribution factor (6.99%) used to determine the percentage of cost of insurance. This factor is calculated using consumer price index (CPI) data, which reflects the relative importance of insurance cost based on their share in total household consumption
ii. **Emissions of insured vehicles** are estimated using average PCAF emission factors for Scope 1 and Scope 2 emission (kgCO2/ year) for Cyprus, per vehicle type and fuel type.

Independent Auditor's Report

To the Members of Bank of Cyprus Public Company Limited

Report on the Audit of the Consolidated Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of Bank of Cyprus Public Company Limited (the "Company") and its subsidiaries (together the "Group") give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the consolidated financial statements which are presented in pages 258 to 446 and comprise:

- the Consolidated Balance Sheet as at 31 December 2024;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended; and
- the Notes to the Consolidated Financial Statements, which include a summary of accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements is IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

- Overall group materiality: €27,7 million, which represents approximately 5% of the Group's profit before tax as presented on the Consolidated Income Statement by line item 'Profit before tax'.

- We audited the complete financial information of Bank of Cyprus Public Company Limited which is the main trading entity of the Group, and assessed as the only significant component of the Group.
- For centralised activities and non-significant components, further audit procedures have been performed.

We have identified the following key audit matters:

- Impairment of loans and advances to customers.
- Provisions for pending litigation and claims.
- Valuation of stock of properties.
- Privileged user access over financial reporting systems.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Overall group materiality	€27,7 million.
How we determined it	Based on approximately 5% of the Group's profit before tax as presented on the Consolidated Income Statement by line item 'Profit before tax'.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark, because in our view, this is a metric against which the recurring performance of the Group is commonly measured to assess its performance. We chose 5%, which is within the range of acceptable quantitative materiality thresholds in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €1,385 thousand as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Bank of Cyprus Public Company Limited is the parent of a group of companies. The financial information of this Group is included in the consolidated financial statements of Bank of Cyprus Public Company Limited.

Considering our ultimate responsibility for the opinion on the Group's consolidated financial statements we are responsible for the direction, supervision and review of the group audit. In this context, we tailored the scope of our audit and determined the nature and extent of the audit procedures for the components of the Group to ensure that we perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the significance and/or risk profile of the group entities or activities, the accounting processes and controls, and the industry in which the Group operates.

The Group's activities mainly consist of banking operations, which are primarily in Cyprus. These are carried out by Bank of Cyprus Public Company Limited, which is the main trading entity of the Group and for which full scope audit procedures were performed based on its financial significance and risk of material misstatement to the Group financial statements. For centralised activities and non-significant components, further audit procedures have been performed so as to ensure we obtained sufficient audit evidence on individual financial statement line items.

Where the work was performed by component auditors, we as group auditors determined the level of involvement we needed to have in the audit work of those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. Our involvement in that work included, amongst others, the instructing of the component auditors with respect to matters pertaining to the risk assessment process as well as our review of detailed memorandums prepared by the component auditors delineating the results of audit procedures performed. Further, on the basis of frequent communications with component audit teams in relation to the nature, timing and extent of the work impacting the Group audit opinion we ensured that our audit plan was appropriately executed. The group consolidation and consolidated financial statement disclosures are audited by the group engagement team.

By performing the procedures above at component level, combined with the additional procedures at group level, we have obtained sufficient and appropriate audit evidence regarding the consolidated financial information of the Group as a whole to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Impairment of loans and advances to customers Refer to Note 2.17 "Impairment of financial assets" within Note 2 "Summary of accounting policies", Note 5.1 "Calculation of expected credit losses" within Note 5 "Significant and other judgements, estimates and assumptions", Note 23 "Loans and advances to customers" and Note 44 "Risk management – Credit risk". The Group has developed complex models to calculate expected credit losses ("ECL") on its loans and advances to customers. Impairment provisions are calculated on a collective basis for portfolios of loans of similar credit risk characteristics and on an individual basis for loans that are individually significant or which meet specific criteria determined by management.	We understood and evaluated the design of the overall control framework relevant to the measurement of impairment of loans and advances to customers and tested the operating effectiveness of key controls across processes relevant to the calculation of ECL. We assessed the appropriateness of the key assumptions used in the methodologies and collective ECL model developed by the Group and their compliance with the requirements of IFRS 9.

We determined this to be a key audit matter due to the greater levels of management judgement exercised in the following areas:

- Methodology and model changes;
- Estimation uncertainty with respect to the future cash flows of Stage 3 individually assessed exposures;
- The application of staging requirements to identify a 'significant increase in credit risk' and specifically in relation to the quantitative thresholds and qualitative criteria used for manual intervention; and
- Incorporation of forward-looking economic scenarios and the related inputs, assumptions and probability weights assigned to multiple economic scenarios as used by the Group.

We challenged the appropriateness and application of the qualitative criteria used to assess significant increase in credit risk in accordance with IFRS 9. We assessed the quantitative thresholds and other triggers identified by management to determine the appropriate staging of loans within Stages 1, 2 or 3 and tested, on a sample basis, the allocation of loans and advances to customers to Stages 1, 2 or 3 with reference to those thresholds and/or triggers.

We compared, with the assistance of PwC credit risk experts, the forward-looking macroeconomic assumptions used in the base, favourable and adverse scenarios to publicly available information. We also assessed the reasonableness of the adverse and favourable assumptions together with the scenario-weightings applied by management.

We tested, with the assistance of PwC credit risk experts, the assumptions, inputs and formulas used in the calculation of collective ECL. This included considering the appropriateness of the collective ECL model methodology (including changes in the current year) and challenging the assumptions used (e.g., Exposure at Default, Loss Given Default and Probability of Default).

We tested the completeness and accuracy of data inputs to the collective ECL model on a sample basis.

We tested the mathematically accuracy of the calculation of the collective ECL.

We evaluated the Group's individual loan impairment assessments for a sample of Stage 3 exposures for compliance with IFRS 9 requirements; significant data inputs were tested with reference to appropriate supporting documentation, such as collateral valuations and Land Registry records.

We evaluated the appropriateness of the Group's disclosures particularly in relation to significant judgements and estimates.

We concluded that the methodologies and judgements used by management in determining the impairment of loans and advances to customers were reasonable.

Provision for pending litigation and claims

Refer to Note 2.35 “Provisions for pending litigation, claims, regulatory and other matters” within Note 2 “Summary of accounting policies”, Note 5.3 "Provisions for pending litigation and claims, within Note 5 “Significant and other judgements, estimates and assumptions” and Note 38 “Provisions for pending litigation, claims, regulatory and other matters”.

The Group is subject to various legal claims, investigations and other proceedings. Provisions for pending litigation, claims, regulatory and other matters amounted to c.€93 million as at 31 December 2024, of which c.€69 million amounts to provisions for pending litigation and claims.

Management together with the Group’s compliance and legal departments and, where necessary, the risk management department, review all existing and potential legal cases, prepare an assessment of potential outcomes for cases assessed individually and collectively, and evaluate the probability of economic outflow from the Group.

We determined this to be a key audit matter as the recognition and measurement of provisions in respect of pending litigation and claims requires a significant level of judgement by management. The judgements relate to the probability of obligating events requiring an outflow of resources to settle the obligation and estimation of the extent of any economic outflow.

We obtained an understanding of and evaluated the design of controls relevant to the recognition and measurement of pending litigation and claims. We tested the operating effectiveness of controls we sought to place reliance on.

We tested a risk based sample of management's assessment of individual cases, including whether economic outflow was assessed as probable. We assessed management's provisions against information contained in case files, information obtained from external legal advisors and where applicable post year end information.

Where deemed necessary, we confirmed case facts and judgements with external legal advisors. For a sample of cases where management assessed economic outflow as probable, and therefore a provision was recorded, we recalculated the provision and performed sensitivity analysis on key assumptions used by management.

We understood the basis of management’s collective provisions, in circumstances where these are applied, assessed the key assumptions used by reference to past experience and recalculated provisions booked. We inspected the minutes of meetings of the Board of Directors and certain of its committees for evidence of any unidentified legal cases or relevant developments in current cases, including the minutes of the Settlement of Legal Cases Committee.

We evaluated whether the disclosures made addressed significant uncertainties and assessed their adequacy against the relevant accounting standards for both provisions and contingencies as at 31 December 2024.

Based on evidence obtained, while noting the inherent uncertainty in such matters, we concluded that the recorded provisions for pending litigation and claims were reasonable.

Valuation of stock of properties	
Refer to Note 2.28 "Stock of property", within Note 2 "Summary of accounting policies", Note 5.2 "Stock of property - estimation of net realisable value" within Note 5 "Significant and other judgements, estimates and assumptions" and Note 27 "Stock of property". The Group has, over the years, acquired a significant number of properties as a result of restructuring agreements with customers. These properties are accounted for as stock of property and measured at the lower of their cost or net realisable value in accordance with IAS 2. Valuations obtained from external valuers and the holding periods for assets are key inputs to determine the appropriate carrying value. We determined this to be a key audit matter in light of the large volume of properties held and the uncertainty around market conditions when estimating the carrying amount.	We understood and evaluated the design of the overall control framework relevant to repossessed properties and tested the operating effectiveness of key controls around their valuation. We focused on the key inputs and assumptions underlying the valuation of the properties. We evaluated the competence, capability and objectivity of management's external experts (property valuers). For a sample of external valuation reports, we assessed the methodology and assumptions used with the assistance of PwC valuation experts, where relevant. We tested the accuracy of the application by management of illiquidity discounts for a sample of properties held at year end. For a sample of properties acquired during the year, we tested 'cost' by reference to signed 'debt-for-asset' agreements entered into with borrowers, and we tested the 'net realisable value' at year end by reference to external valuation reports. We performed look-back procedures by comparing the price achieved for disposals during 2025 to the carrying values for those assets at 31 December 2024. We evaluated whether the disclosures address significant judgements and estimates and assessed their adequacy against the relevant accounting standards. We concluded that estimates used by management in determining the carrying amount of stock of property were reasonable.
Privileged user access over financial reporting systems	
The Group's financial reporting is reliant on a number of complex IT systems, some of which have been in place for a number of years and which are inherently complex.	With the assistance of PwC IT audit specialists, we obtained an understanding of the Group's IT environment and changes made during the financial year. We evaluated the design and tested the operating effectiveness of those IT General Controls (ITGCs) on IT systems that support financial reporting.

Privileged user access management controls are an integral part of the IT environment to ensure both system access and changes made to systems are authorised and appropriate. In the context of our audit scope, we consider privileged user access management controls contribute to mitigating the risk of potential fraud or error and an integral part of our audit testing is the effectiveness of the privilege user access management controls. We determined privileged user access to be a key audit matter as our audit approach relies on IT dependent controls and data.	We performed testing on the design, implementation and operating effectiveness of IT General Controls (ITGCs) over privileged user access provisioning, revocation, recertification and authentication. Where control deficiencies were identified we considered the mitigating controls in place and/or performed additional substantive audit procedures. Having completed the additional audit procedures we concluded that we obtained sufficient evidence for the purpose of our audit.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Forward Looking Statements and Notes, Management Report of Bank of Cyprus Public Company Limited, Risk and Capital Management Report, Sustainability Statement, Alternative Performance Measures Disclosures and Additional Information - EU Taxonomy Disclosure Tables, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Group on 2 April 2019 by the shareholder of the Company through an extraordinary general meeting for the audit of the consolidated financial statements for the year ended 31 December 2019. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 6 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 26 March 2025 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non- audit services which were provided by us to the Group and which have not been disclosed in the consolidated financial statements or the Management Report of Bank of Cyprus Public Company Limited .

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report of Bank of Cyprus Public Company Limited has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the consolidated financial statements.
- In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report of Bank of Cyprus Public Company Limited . We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Anna Loizou.

Anna Loizou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

26 March 2025

Consolidated Financial Statements 2024

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Consolidated Income Statement
for the year ended 31 December 2024

	Notes	**2024** **€000**	2023 €000
Interest income	*7*	**1,000,135**	931,407
Income similar to interest income	*7*	**10,163**	12,792
Interest expense	*8*	**(186,885)**	(149,714)
Expense similar to interest expense	*8*	**(1,289)**	(1,293)
Net interest income		**822,124**	793,192
Fee and commission income	*9*	**184,418**	188,343
Fee and commission expense	*9*	**(7,475)**	(7,320)
Net foreign exchange gains	*10*	**27,285**	28,588
Net gains on financial instruments	*11*	**10,672**	12,780
Net (losses)/gains on derecognition of financial assets measured at amortised cost		**(13)**	6,361
Net insurance finance income/(expense) and net reinsurance finance income/(expense)	*12*	**(3,907)**	960
Net insurance service result	*12*	**76,791**	73,528
Net reinsurance service result	*12*	**(26,693)**	(21,000)
Net (losses)/gains from revaluation and disposal of investment properties		**(1,430)**	1,043
Net gains on disposal of stock of property	*27*	**216**	8,972
Other income	*13*	**14,381**	18,337
Total operating income		**1,096,369**	1,103,784
Staff costs	*14*	**(203,062)**	(192,266)
Special levy on deposits and other levies/contributions	*15*	**(39,115)**	(42,380)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	*38*	**(11,775)**	(28,464)
Other operating expenses	*15*	**(161,876)**	(158,545)
Operating profit before credit losses and impairment		**680,541**	682,129
Credit losses on financial assets	*16*	**(31,797)**	(79,830)
Impairment net of reversals on non-financial assets	*16*	**(56,040)**	(46,852)
Profit before tax		**592,704**	555,447
Income tax	*17*	**(81,128)**	(72,938)
Profit after tax for the year		**511,576**	482,509
Attributable to:			
Owners of the Company		**510,621**	480,772
Non-controlling interests		**955**	1,737
Profit for the year		**511,576**	482,509
Basic and diluted profit per share attributable to the owners of the Company (€ cent)	*18*	**5.32**	5.01

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2024

	Notes	**2024** €000	2023 €000
Profit for the year		**511,576**	482,509
Other comprehensive income (OCI)			
OCI that may be reclassified in the consolidated income statement in subsequent periods		**(5,011)**	2,975
Fair value reserve (debt instruments)		**(5,028)**	3,069
Net (losses)/gains on investments in debt instruments measured at fair value through OCI (FVOCI)		**(5,028)**	3,401
Transfer to the consolidated income statement on disposal		**-**	(332)
Foreign currency translation reserve		**17**	(94)
Profit/(loss) on translation of net investments in foreign subsidiaries		**17**	(81)
Loss on hedging of net investments in foreign subsidiaries	*21*	**-**	(13)
OCI not to be reclassified in the consolidated income statement in subsequent periods		**1,428**	10,198
Fair value reserve (equity instruments)		**1,070**	(712)
Net gains/(losses) on investments in equity instruments designated at FVOCI		**1,070**	(712)
Property revaluation reserve		**542**	10,290
Net fair value gains before tax	*25*	**522**	13,524
Deferred tax credit/(charge)	*17*	**20**	(3,234)
Actuarial (losses)/gains on defined benefit plans		**(184)**	620
Remeasurement (losses)/gains on defined benefit plans	*14*	**(184)**	620
Other comprehensive (loss)/income for the year net of taxation		**(3,583)**	13,173
Total comprehensive income for the year		**507,993**	495,682
Attributable to:			
Owners of the Company		**507,060**	493,721
Non-controlling interests		**933**	1,961
Total comprehensive income for the year		**507,993**	495,682

Consolidated Balance Sheet
as at 31 December 2024

	Notes	2024 €000	2023 €000
Assets			
Cash and balances with central banks	19	**7,600,726**	9,614,502
Loans and advances to banks	19	**820,574**	384,802
Reverse repurchase agreements	44.11	**1,010,170**	403,199
Derivative financial assets	21	**95,273**	51,055
Investments at FVPL	20	**136,629**	135,275
Investments at FVOCI	20	**416,077**	443,420
Investments at amortised cost	20	**3,805,637**	3,116,714
Loans and advances to customers	23	**10,117,168**	9,823,127
Life insurance business assets attributable to policyholders	24	**772,757**	649,212
Prepayments, accrued income and other assets	28	**478,955**	584,816
Stock of property	27	**648,757**	826,115
Investment properties	22	**36,251**	62,105
Deferred tax assets	17	**166,844**	201,268
Property and equipment	25	**307,414**	285,568
Intangible assets	26	**49,747**	48,635
Non-current assets and disposal groups held for sale	23	**23,143**	-
Total assets		**26,486,122**	26,629,813
Liabilities			
Deposits by banks		**364,231**	471,556
Funding from central banks	29	**-**	2,043,868
Derivative financial liabilities	21	**4,664**	17,980
Customer deposits	30	**20,528,848**	19,338,880
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	21	**44,074**	-
Insurance contract liabilities	31	**743,684**	658,424
Accruals, deferred income, other liabilities and other provisions	33	**545,264**	466,421
Provisions for pending litigation, claims, regulatory and other matters	38	**92,620**	131,503
Debt securities in issue	32	**989,435**	671,632
Subordinated liabilities	32	**307,955**	308,049
Deferred tax liabilities	17	**31,943**	32,306
Total liabilities		**23,652,718**	24,140,619
Equity			
Share capital	34	**959,794**	959,794
Share premium	34	**1,250**	1,250
Revaluation and other reserves		**107,032**	111,383
Retained earnings	36	**1,525,134**	1,175,506
Equity attributable to the owners of the Company		**2,593,210**	2,247,933
Other equity instruments	34	**220,000**	220,000
Non-controlling interests		**20,194**	21,261
Total equity		**2,833,404**	2,489,194
Total liabilities and equity		**26,486,122**	26,629,813

Mr. E.G. Arapoglou
Chairman

Mr. P. Nicolaou
Chief Executive Officer

Mr. A.J. Lewis
Director

Mrs. E. Livadiotou
Executive Director Finance

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Attributable to the owners of the Company										
	Share capital (Note 34)	Share premium (Note 34)	Other capital reserves (Note 14)	Retained earnings (Note 36)	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	**Total**	Other equity instruments (Note 34)	Non-controlling interests	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	**€000**	€000	€000	**€000**
1 January 2024	959,794	1,250	917	1,175,506	84,239	9,553	16,674	**2,247,933**	220,000	21,261	**2,489,194**
Profit for the year	-	-	-	510,621	-	-	-	**510,621**	-	955	**511,576**
Other comprehensive (loss)/income after tax for the year	-	-	-	(184)	564	(3,958)	17	**(3,561)**	-	(22)	**(3,583)**
Total comprehensive income/(loss) after tax for the year	-	-	-	510,437	564	(3,958)	17	**507,060**	-	933	**507,993**
Dividends (Note 35)	-	-	-	(136,590)	-	-	-	**(136,590)**	-	-	**(136,590)**
Share-based benefits - cost (Note 14)	-	-	932	-	-	-	-	**932**	-	-	**932**
Payment of coupon to AT1 holders (Note 34)	-	-	-	(26,125)	-	-	-	**(26,125)**	-	-	**(26,125)**
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	**-**	-	(2,000)	**(2,000)**
Transfer to retained earnings	-	-	-	1,906	66	(1,972)	-	**-**	-	-	**-**
31 December 2024	**959,794**	**1,250**	**1,849**	**1,525,134**	**84,869**	**3,623**	**16,691**	**2,593,210**	**220,000**	**20,194**	**2,833,404**

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

	Attributable to the owners of the Company										
	Share capital (Note 34)	Share premium (Note 34)	Other capital reserves (Note 14)	Retained earnings (Note 36)	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	**Total**	Other equity instruments (Note 34)	Non-controlling interests	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	**€000**	€000	€000	**€000**
1 January 2023	959,794	1,250	322	750,578	74,170	7,142	16,768	**1,810,024**	220,000	22,300	**2,052,324**
Profit for the year	-	-	-	480,772	-	-	-	**480,772**	-	1,737	**482,509**
Other comprehensive income/(loss) after tax for the year	-	-	-	620	10,066	2,357	(94)	**12,949**	-	224	**13,173**
Total comprehensive income/(loss) after tax for the year	-	-	-	481,392	10,066	2,357	(94)	**493,721**	-	1,961	**495,682**
Shared-based benefits-cost (Note 14)	-	-	595	-	-	-	-	**595**	-	-	**595**
Dividends (Note 35)	-	-	-	(22,310)	-	-	-	**(22,310)**	-	-	**(22,310)**
Payment of coupon to AT1 holders (Note 34)	-	-	-	(27,339)	-	-	-	**(27,339)**	-	-	**(27,339)**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	**-**	-	(3,000)	**(3,000)**
Issue of other equity instruments (Note 34)	-	-	-	-	-	-	-	**-**	220,000	-	**220,000**
Repurchase of other equity instruments (Note 34)	-	-	-	(6,820)	-	-	-	**(6,820)**	(220,000)	-	**(226,820)**
Transfers to the consolidated income statement	-	-	-	-	62	-	-	**62**	-	-	**62**
Transfers to retained earnings	-	-	-	5	(59)	54	-	**-**	-	-	**-**
31 December 2023	**959,794**	**1,250**	**917**	**1,175,506**	**84,239**	**9,553**	**16,674**	**2,247,933**	**220,000**	**21,261**	**2,489,194**

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

		2024	2023
	Note	**€000**	€000
Profit before tax		**592,704**	555,447
Adjustments for:			
Depreciation of property and equipment and amortisation of intangible assets		**36,171**	34,253
Impairment net of reversals on non-financial assets		**56,040**	46,852
Credit losses on financial assets		**31,797**	79,830
Net gains on derecognition of financial assets measured at amortised cost		**13**	(6,361)
Amortisation of discounts/premiums and interest on debt securities		**(102,975)**	(64,185)
Dividend income		**(183)**	(856)
Net loss on disposal of investment in debt securities measured at FVOCI		**-**	438
Loss/(gain) from revaluation of financial instruments designated as fair value hedges		**40,312**	(1,655)
Interest on subordinated liabilities and debt securities in issue		**64,310**	39,409
Interest on reverse repurchase agreements		**(27,012)**	(3,219)
Interest on funding from central banks		**21,842**	67,194
Share-based benefits cost	*14*	**932**	595
Net gains on disposal of stock of property and investment properties		**(1,225)**	(11,400)
Profit on sale and write offs of property and equipment and intangible assets		**(28)**	(53)
Interest expense on lease liability		**493**	1,453
Premium tax included in net insurance service result as directly attributable expense		**2,558**	2,222
Net losses from revaluation of investment properties		**2,439**	1,385
Net exchange differences		**(18,135)**	7,966
		700,053	749,315
Change in:			
Loans and advances to banks		**(430,577)**	(30,478)
Deposits by banks		**(107,325)**	(36,102)
Obligatory balances with central banks		**(58,523)**	55,358
Balances with central banks for ancillary services		**(47,390)**	-
Customer deposits		**1,189,968**	340,561
Life insurance business assets attributable to policyholders and Insurance contract liabilities		**(38,285)**	(46,448)
Loans and advances to customers		**(380,944)**	55,619
Prepayments, accrued income and other assets		**91,995**	65,697
Provisions for pending litigation, claims, regulatory and other matters		**(38,883)**	3,129
Accruals, deferred income, other liabilities and other provisions		**64,982**	56,143
Derivative financial instruments		**(57,534)**	(1,091)
Investments measured at FVPL		**(1,354)**	54,934
Stock of property		**152,450**	132,979
		1,038,633	1,399,616
Tax paid		**(28,542)**	(20,135)
Net cash from operating activities		**1,010,091**	1,379,481
Cash flows from investing activities			
Purchases of debt securities, treasury bills and equity securities		**(1,433,813)**	(1,557,117)
Purchase of reverse repurchase agreements		**(600,000)**	(400,000)
Proceeds on disposal/redemption of investments in debt and equity securities		**834,618**	555,666
Interest received from debt securities		**66,125**	36,334
Interest received from reverse repurchase agreements		**20,032**	-
Dividend income from equity securities		**183**	856
Payment for purchase of Velocity 2		**-**	(3,649)
Purchases of property and equipment	*25*	**(21,055)**	(7,454)
Additions to intangible assets	*26*	**(19,736)**	(14,949)
Proceeds on disposal of property and equipment and intangible assets		**44**	77
Proceeds on disposal of investment properties		**24,622**	9,924
Net cash used in investing activities		**(1,128,980)**	(1,380,312)

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

		2024	2023
	Note	**€000**	€000
Cash flow from financing activities			
Payment of coupon to AT1 holders	*34*	**(26,125)**	(27,339)
Issue of other equity instruments (net of transaction costs)	*34*	**-**	220,000
Repurchase of other equity instruments	*34*	**-**	(226,820)
Repayment of funding from central banks		**(2,065,710)**	-
Proceeds from the issue of debt securities in issue (net of transaction costs)		**297,767**	347,689
Dividend paid on ordinary shares		**(136,590)**	(22,310)
Interest on subordinated liabilities		**(19,875)**	(19,875)
Interest on debt securities in issue		**(33,313)**	(7,500)
Principal elements of lease payments		**(9,741)**	(7,846)
Dividend paid by subsidiaries to non-controlling interests		**(2,000)**	(3,000)
Net cash (used in)/from financing activities		**(1,995,587)**	252,999
Net (decrease)/increase in cash and cash equivalents		**(2,114,476)**	252,168
Cash and cash equivalents 1 January		**9,838,321**	9,586,153
Cash and cash equivalents 31 December	*41*	**7,723,845**	9,838,321

Additional information on the cash flow statement is provided in Note 40.

1. Corporate information

Bank of Cyprus Public Company Limited (the 'Company') is the holding company of Bank of Cyprus Group (the 'Group'). The principal activities of the Group involve the provision of banking services, financial services, insurance services and the management and disposal of property predominately acquired in exchange of debt.

The Company is a significant credit institution for the purposes of the SSM Regulation and has been designated by the CBC as an 'Other Systemically Important Institution' (O-SII). The Group is subject to joint supervision by the ECB and the CBC for the purposes of its prudential requirements.

The Company is a limited liability company incorporated in 1930 under the Cyprus Companies Law.

The shares of the parent company Bank of Cyprus Holding Public Limited Company ('BOCH'), a company incorporated in Ireland, are listed and trading on the Cyprus Stock Exchange (CSE) and from 23 September 2024 the shares of BOCH are also listed and trading on the Athens Stock Exchange (ATHEX). During the year until 19 September 2024 the shares of BOCH were also listed and trading on London Stock Exchange (LSE). On 19 September 2024, BOCH's shares were delisted and trading was suspended from the LSE.

The Consolidated Financial Statements are available at the Company's registered office (51 Stassinos Street, Ayia Paraskevi, 2002 Strovolos, Nicosia, Cyprus) and on the Group's website www.bankofcyprus.com (Group/Investors Relations/Financial Results) (the Group's website).

The Annual Financial Report of Bank of Cyprus Holdings Public Limited Company Group (BOCH Group) is available on the Group's website.

Consolidated Financial Statements
The Consolidated Financial Statements of the Company for the year ended 31 December 2024 (the Consolidated Financial Statements) were authorised for issue by a resolution of the Board of Directors on 26 March 2025.

2. Summary of accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis, except for properties held for own use and investment properties, investments at fair value through other comprehensive income (FVOCI), financial assets (including loans and advances to customers and investments) at fair value through profit or loss (FVPL) and derivative financial assets and derivative financial liabilities that have been measured at fair value, non-current assets held for sale measured at fair value less costs to sell and stock of property measured at net realisable value where this is lower than cost. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

Statement of compliance
The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and with the requirements of the Cyprus Companies Law, Cap 113.

Presentation of the Consolidated Financial Statements
The Consolidated Financial Statements are presented in Euro (€) and all amounts are rounded to the nearest thousand, except where otherwise indicated. A comma is used to separate thousands and a dot is used to separate decimals.

The Group presents its balance sheet broadly in order of liquidity. An analysis regarding expected recovery or settlement of assets and liabilities within twelve months after the balance sheet date and more than twelve months after the balance sheet date is presented in Note 43.

2. Summary of accounting policies (continued)

2.1 Basis of preparation (continued)

Comparative information

Comparative information was restated following a change in the presentation of segmental analysis as detailed in Note 6. This change led to a respective restatement in Notes 14, 23, 30, 44.2, 44.3 and 44.5. where analysis by business line is presented. The relevant tables are identified as restated.

The restatements did not have an impact on the results for the year or equity of the Group.

Change in presentation

The Group has changed the presentation of the interest component of fair value hedging derivatives used in accounting hedges to more appropriately reflect the impact of the accounting hedges. As a result, the net interest income/expense on qualifying hedge derivatives designated as fair value hedges, is now presented within 'Interest income' where the derivative is used to hedge an asset and as 'Interest expense' where the derivative is used to hedge a liability, and is presented together with the interest component of the respective hedged asset and hedged liability. This was previously presented in 'Income similar to interest income' and 'Expense similar to interest expense'. The comparative amounts for 2023 have been represented.

2.2 Accounting policies and changes in accounting policies and disclosures

The Consolidated Financial Statements contain a summary of the accounting policies adopted in the preparation of the Consolidated Financial Statements.

The accounting policies adopted are consistent with those of the previous year, except for macro fair value hedging as explained below in Note 2.21, which was applied in 2024. The adoption of new and amended standards and interpretations that became effective on or after 1 January 2024 did not have an impact on the financial statements as explained in Note 2.2.1.

2.2.1 New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 and which are explained below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (amendments)

These amendments require the disclosures of an entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk, thus enhancing the transparency of the supplier finance arrangements. The amendments did not affect recognition or measurement principles. These amendments did not have an impact on the financial position and results of the Group during the year ended 31 December 2024.

IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. A sale and leaseback transaction involves the transfer of an asset by an entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee. The amendment did not have an impact on the financial position and results of the Group during the year ended 31 December 2024.

IAS 1 Presentation of Financial Statements: classification of Liabilities as Current or Non-current (amendments)

The IASB issued amendments to IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: (a) what is meant by a right to defer settlement, (b) that a right to defer must exist at the end of the reporting period and (c) that classification is unaffected by the likelihood that an entity will exercise its deferral right. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if, the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument. These amendments did not have an impact on the financial position and results of the Group during the year ended 31 December 2024.

2. Summary of accounting policies (continued)

2.3 Standards and Interpretations that are issued but not yet effective

2.3.1 Standards and Interpretations issued by the IASB and adopted by the EU

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (amendments)
These amendments help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. The amendments to IAS 21 do not provide detailed requirements on how to estimate the spot exchange rate. Instead, they set out a framework under which an entity can determine the spot exchange rate at the measurement date. When applying the new requirements, it is not permitted to restate comparative information. Rather, it is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted. The Group does not expect these amendments to have a material impact on its results and financial position.

2.3.2 Standards and Interpretations issued by the IASB but not yet adopted by the EU

IFRS 18 Presentation and Disclosure in Financial Statements (new standard)
The new standard on presentation and disclosure in financial statements focuses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures) and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. IFRS 18 will apply for reporting periods beginning on or after 1 January 2027 and will also apply to comparative information. The Group does not expect these amendments to have an impact on its results and financial position; however, presentational changes and additional disclosures may be required upon adoption.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (new standard)
The IASB issued a new accounting standard for subsidiaries. IFRS 19 Subsidiaries without Public Accountability will enable subsidiaries to keep only one set of accounting records in order to meet the needs of both their parent company and the users of their financial statements. In addition, the IFRS 19 will permit reduced disclosures better suited to the needs of the users of the financial statements while still maintaining the usefulness of the information. The new standard will be effective for annual periods beginning on or after 1 January 2027. The new standard does not apply to the financial statements of the Group.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (amendments)
The IASB issued targeted amendments to report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments will be effective for annual periods beginning on or after 1 January 2026. The Group does not expect these amendments to have a material impact on its results and financial position.

2. Summary of accounting policies (continued)

2.3 Standards and Interpretations that are issued but not yet effective (continued)

2.3.2 Standards and Interpretations issued by the IASB but not yet adopted by the EU (continued)

Annual Improvements to IFRS Accounting Standards — Volume 11
The amendments contained in the Annual Improvements relate to:
- (i) IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter
- (ii) IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7
- (iii) IFRS 9 Financial Instruments - Derecognition of lease liabilities and Transaction price
- (iv) IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'
- (v) IAS 7 Statement of Cash Flows - Cost Method.

These amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Group will be assessing the impact that these amendments might have on its results and financial position.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of financial Instruments (amendments)
The IASB issued amendments to IFRS 9 and IFRS 7. The amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, (b) add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, (c) add new disclosures for certain instruments with contractual terms that can change cash flows, (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). These amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The Group will be assessing the impact that these amendments might have on its results and financial position.

2.4 Basis of consolidation

The Consolidated Financial Statements comprise the Consolidated Financial Statements of the Company as at and for the year ended 31 December 2024. The financial statements of the subsidiaries are prepared as of the same reporting date as that of the Company, using consistent accounting policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Specifically, the Group controls an investee only if the Group has:
- i. power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii. exposure, or rights, to variable returns from its involvement with the investee
- iii. the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and in cases the Group has less than a majority of the voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee including any contractual arrangements with the other vote holders, rights arising from other contractual arrangements, and the Group's voting and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts indicate that there are changes to any of the three elements of control.

Assets, liabilities, income and expenses of subsidiaries acquired or disposed of during the year are included in the Consolidated Financial Statements from the date of acquisition or up to the date of disposal, respectively. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Non-controlling interests represent the portion of profit or loss and net assets not held by the Group, directly or indirectly. The non-controlling interests are presented separately in the consolidated income statement and within equity from the Company owners' equity.

All intra-group balances and transactions are eliminated on consolidation.

2. Summary of accounting policies (continued)

2.4 Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as a transaction between the owners, which affects equity. As a result, no goodwill arises and no gain/loss is recognised in the consolidated income statement from such transactions. The foreign exchange differences which relate to the share of non-controlling interests being sold/acquired are reclassified between the foreign currency reserve and non-controlling interests.

2.5 Foreign currency translation

The Consolidated Financial Statements are presented in Euro (€), which is the functional and presentation currency of the Company and its operating subsidiaries in Cyprus. Each subsidiary, overseas branch or overseas subsidiary of the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

2.5.1 Transactions and balances

Transactions in foreign currencies are recorded using the functional currency rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to 'Net foreign exchange gains' in the consolidated income statement, with the exception of differences on foreign currency assets/liabilities that provide a hedge against the net investments in subsidiaries and overseas branches. These differences are recognised in other comprehensive income in the 'Foreign currency translation reserve' until the disposal or liquidation of the net investment, at which time the cumulative amount is reclassified to the consolidated income statement.

Non-monetary items that are measured at historic cost in a foreign currency are translated using the exchange rates ruling as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates ruling at the date when the fair value is determined. The retranslation of non-monetary assets carried at fair value is reported as part of the fair value change.

2.5.2 Subsidiary companies and branches

At the reporting date, the assets and liabilities of subsidiaries (including special purpose entities that the Group consolidates) and branches whose functional currency is other than the Group's presentation currency are translated into the Group's presentation currency at the rate of exchange ruling at the reporting date, and their income statements are translated using the average exchange rates for the year.

Foreign exchange differences arising on translation are recognised in other comprehensive income in the 'Foreign currency translation reserve'. On disposal or liquidation of a subsidiary or branch, the cumulative amount of the foreign exchange differences relating to that particular overseas operation, is reclassified to the consolidated income statement as part of the profit/loss on disposal/dissolution of subsidiaries.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group of persons that allocate resources to and assess the performance of the operating segments.

The chief operating decision-maker of the Group is the Group Executive Committee.

2. Summary of accounting policies (continued)

2.7 Turnover

Group turnover is represented by the Total operating income which comprises of net interest income, net fee and commission income, net foreign exchange gains, net gains/(losses) on financial instruments, net gains/(losses) on derecognition of financial assets measured at amortised cost, net insurance result, net gains/(losses) from revaluation and disposal of investment properties, net gains/(losses) on disposal of stock of property and other income as these are presented in the Consolidated Income Statement and is presented in Note 6.

2.8 Revenue from contracts with customers

The Group recognises revenue when control of the promised goods or services is transferred to customers in return of an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The revenue recognition model applies the following five steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

The performance obligation notion in effect represents a promise in a contract with a customer to transfer to the customer either: (a) a good or service (or a bundle of goods or services) that is distinct; or (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

Contract balances
A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Receivables are recorded where the Group provides services to clients, consideration is due immediately upon satisfaction of a point in time service or at the end of a prespecified period for an over the time service. It is the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). The initial recognition and subsequent measurement of such receivables is disclosed in Notes 2.13 to 2.17.

Contract liabilities relate to payments received from customers where the Group is yet to satisfy its performance obligation. Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract assets and receivables are recorded within 'Prepayments, accrued income and other assets' and contract liabilities within 'Accruals, deferred income, other liabilities and other provisions' in the consolidated balance sheet.

2.8.1 Fee and commission income

The Group earns fee income from a diverse range of services it provides to its clients. Fee income can be divided into two broad categories:

i. fees earned from services that are provided over a certain period of time, such as asset or portfolio management, custody services and certain advisory services; and
ii. fees earned from point in time services such as executing transactions and brokerage fees (e.g. securities and derivative execution and clearing).

Over time services
For fees earned from services that are provided over a certain period of time revenue is recognised pro-rata over the service period, provided the fees are not contingent on successfully meeting specified performance criteria that are beyond the control of the Group. Costs to fulfil over time services are recorded in the consolidated income statement immediately, because such services are considered to be a series of services that are substantially the same from day to day and have the same pattern of transfer.

2. Summary of accounting policies (continued)

2.8 Revenue from contracts with customers (continued)

2.8.1 Fee and commission income (continued)

Point in time services
For fees earned from providing transaction-type services, revenue is recognised when the service has been completed, provided such fees are not subject to refund or another contingency beyond the control of the Group. Incremental costs to fulfil services provided at a point in time are typically incurred and recorded at the same time as the performance obligation is satisfied and revenue is earned, and are therefore not recognised as an asset, e.g. brokerage commissions.

Fee and commission income is measured based on consideration specified in a legally enforceable contract with a customer, excluding amounts such as taxes collected on behalf of third parties. Consideration can include both fixed and variable amounts. Variable consideration includes refunds, discounts and other amounts that are contingent on the occurrence or non-occurrence of a future event. Variable consideration that is contingent on an uncertain event can only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue for a contract will not occur.

In relation to sales of services for card processing activities the Group acts as an agent and therefore income is recognised on a net basis.

2.8.2 Dividend income

Dividend income is recognised in the consolidated income statement when the Group's right to receive payment is established, i.e. upon approval by the general meeting of the shareholders.

2.8.3 Rental income

Rental income from investment properties and stock of property is accounted for on a straight-line basis over the period of the lease and is recognised in the consolidated income statement in 'Other income'.

2.8.4 Gains on disposal of investment property

Gains on disposal of investment property are recognised in the consolidated income statement in 'Net gains/(losses) from revaluation and disposal of investment properties' when the buyer accepts delivery and the control of the property is transferred to the buyer.

2.8.5 Gains on disposal of stock of property

Gains on disposal of stock of property are recognised in the consolidated income statement in 'Net gains on disposal of stock of property' when the buyer accepts delivery and the control of the property is transferred to the buyer.

2. Summary of accounting policies (continued)

2.9 Recognition of interest income/expense and income/expense similar to interest

The Group calculates interest income/expense by applying the effective interest rate (EIR) to the gross carrying amount of financial assets, unless the asset is credit-impaired. For financial assets and financial liabilities measured at FVPL which accrue interest, the Group follows the principles of the effective interest method with the only difference being the treatment of fees that are integral to the financial asset/financial liabilities. That is, for financial assets and financial liabilities classified at FVPL the fees are recognised as revenue or expense when the instrument is initially recognised and not as part of the EIR calculation.

When a financial asset becomes credit-impaired and is therefore classified as Stage 3, interest income is calculated by applying the EIR to the amortised cost of the financial asset, being the gross carrying amount of the financial asset less any loss allowance. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on the gross carrying amount. In such cases, the Group unwinds the discount on the expected credit losses (ECL) through the 'Credit losses on financial assets' line in the consolidated income statement.

Interest income on purchased or originated credit-impaired (POCI) financial assets is recognised using the credit adjusted effective interest rate (CAEIR) calculated at initial recognition. The CAEIR is applied on the amortised cost of the financial asset, being the gross carrying amount of the financial asset less any loss allowance.

Interest income from financial assets at amortised cost and financial assets at FVOCI is presented within the caption 'Interest income', while interest income on financial instruments at FVPL is presented within the caption 'Income similar to interest income' in the consolidated income statement. Interest expense on financial liabilities at amortised cost is presented within the caption 'Interest expense', while interest expense on financial instruments at FVPL is presented within the caption 'Expense similar to interest expense' in the consolidated income statement. All form part of the 'Net interest income'.

The effective interest rate method
Interest income and expense are recognised in the consolidated income statement by applying the effective interest rate (EIR) for all financial instruments measured at amortised cost and debt instruments at FVOCI.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

The EIR, and therefore the amortised cost of the asset, is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Fees and incremental costs that are directly attributable to loans and advances to customers are also deferred and amortised as part of interest income using the effective interest rate method.

For floating-rate financial instruments, periodic re-estimation of cash flows to reflect the movements in the market rates of interest also alters the EIR, but when instruments were initially recognised at an amount equal to the principal, re-estimating the future interest payments does not significantly affect the carrying amount of the asset or the liability.

The carrying amount of a financial asset or liability is adjusted if the Group revises its estimates of payments or receipts for reasons other than credit risk. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded in 'Net gains/(losses) on financial instruments' for debt securities, or in 'Changes in expected cash flows' component of the 'Credit losses to cover credit risk on loans and advances to customers' for loans and advances to customers included within 'Credit losses on financial assets'.

2. Summary of accounting policies (continued)

2.10 Employee benefits

2.10.1 Retirement benefits

The Group operates both defined contribution and defined benefit retirement plans.

Defined contribution plans
The Group recognises obligations in respect of the accounting period in the consolidated income statement. Any unpaid contributions at the reporting date are included as a liability.

Defined benefit plans
The cost of providing benefits for defined benefit plans is estimated separately for each plan using the Projected Unit Credit Method of actuarial valuation.

The defined benefit asset or liability comprises the present value of the defined benefit obligations (using a discount rate based on high quality corporate bonds), reduced by the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a funded plan or qualifying insurance policies. Any net defined benefit surplus is limited to the present value of available refunds and reductions in future contributions to the plan. Fair value is based on market price information and in the case of quoted securities it is the published bid price.

The net charge to the consolidated income statement mainly comprises the service costs and the net interest on the net defined benefit asset or liability, and is presented in staff costs. Service costs comprise current service costs, past service costs, gains and losses or curtailments and non-routine settlements. Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling (excluding net interest), and the return on plan assets (excluding net interest), are recognised immediately on the consolidated balance sheet with a corresponding debit or credit in other comprehensive income. Re-measurements are not reclassified to profit or loss in subsequent periods.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), as well as the effects of changes in actuarial assumptions.

2.10.2 Short-term employee benefits

Short-term employee benefits, such as salaries and other benefits, are accounted for on an accrual basis over the period during which employees have provided services. Bonuses are recognised to the extent that the Group has a legal or constructive obligation to its employees that can be measured reliably.

2.10.3 Exit cost benefits

Exit cost benefits refer to termination benefits and are recognised as an expense at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring under IAS 37 Provisions, Contingent Liabilities and Contingent Assets, which includes the payment of termination benefits.

For termination benefits which become payable as a result of an employee's decision to accept an offer of voluntary redundancy, which is not within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Group recognises the expense at the earlier of when the employee accepts the offer and when a restriction on the Group's ability to withdraw the offer takes effect.

2.11 Tax

Current income tax and deferred tax
Tax on income is provided in accordance with the fiscal regulations and rates which apply in the countries where the Group operates and is recognised as an expense in the period in which the income arises. Deferred tax is provided using the liability method. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. Current income tax and deferred tax relating to items recognised directly in equity is recognised directly in equity.

2. Summary of accounting policies (continued)

2.11 Tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences between the tax basis of assets and liabilities and their carrying amounts at the reporting date, which will give rise to taxable amounts in future periods. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associate companies and branches, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and carry-forward of unutilised tax losses to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and carry-forward of unutilised tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise all or part of the deductible temporary differences or tax losses. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the amount that is expected to be paid to or recovered from the tax authorities, after taking into account the tax rates and legislation that have been enacted or substantially enacted by the reporting date.

The deferred tax assets arising from specific tax losses and which are subject to the Income Tax Law Amendment 28 (I) of 2019, are accounted for on the same basis as other deferred tax assets and can be converted into tax credits. These tax losses are converted into 11 equal annual instalments and each instalment could be claimed as a deductible expense in the determination of the taxable income for the relevant year. Any amount of the annual instalment not utilised is converted into a tax credit and can be utilised in the tax year following the tax year to which this tax credit relates to. Any unutilised tax credit in the relevant year is converted into a receivable from the Cyprus Government. Further details are disclosed in Note 17.

Current and deferred tax assets and liabilities are offset when they arise from the same tax reporting entity and relate to the same tax authority and when the legal right to offset exists.

Indirect tax-Value Added Tax (VAT)
Expenses and assets are recognised net of the amount of VAT, except:

i. when the VAT incurred on a purchase of assets or services is not recoverable from the tax authorities, in which case, the VAT suffered is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
ii. when receivables and payables are stated with the amount of VAT charged. The amount of VAT recoverable from, or payable to the tax authorities, is included as part of receivables or payables in the consolidated balance sheet.

2.12 Financial instruments - initial recognition

2.12.1 Date of recognition

'Balances with central banks', 'Loans and advances to banks', 'Loans and advances to customers', 'Deposits by banks', 'Funding from central banks' and 'Customer deposits' are recognised when cash is received by the Group or advanced to the borrowers. All other financial assets and financial liabilities are initially recognised on the trade date. Purchases or sales of financial assets, where delivery is required within a time frame established by regulations or by market convention, are also recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Derivatives are also recognised on a trade date basis.

2.12.2 Initial recognition and measurement of financial instruments

The classification of financial assets on initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Note 2.13.

All financial instruments are measured initially at their fair value plus, in the case of financial assets and liabilities not measured at FVPL, any directly attributable incremental costs of acquisition or issue.

2. Summary of accounting policies (continued)

2.12 Financial instruments - initial recognition (continued)

2.12.2 Initial recognition and measurement of financial instruments (continued)

When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described in Note 2.12.3 below.

2.12.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in 'Net gains/(losses) on financial instruments' caption. In the cases, where the fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

2.12.4 Measurement categories of financial assets and financial liabilities

Financial assets are measured either at amortised cost, FVOCI or FVPL.

The Group classifies and measures its derivatives and trading portfolios at FVPL. The Group may designate financial instruments at FVPL, if doing so eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost or at FVPL when they are held for trading or relate to derivative instruments.

2.13 Classification and measurement of financial assets and financial liabilities

The classification and measurement of financial assets depends on how these are managed as part of the business models the Group operates and their contractual cash flow characteristics (whether the cash flows represent solely payments of principal and interest (SPPI)).

Business model assessment
The Group assesses the business model at a portfolio level. The portfolio level is determined at the aggregation level that reflects how the Group manages its financial assets and the business model is based on observable factors which include:

i. How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel;
ii. The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;
iii. How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
iv. The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Contractual cash flows characteristics assessment (SPPI test)
The Group assesses whether the individual financial assets' cash flows represent solely payments of principal and interest on the principal amount outstanding at origination (SPPI test).

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

2. Summary of accounting policies (continued)

2.13 Classification and measurement of financial assets and financial liabilities (continued)

In assessing whether contractual cash flows are SPPI, the Group applies judgement and considers the terms that could change the contractual cash flows so that they would not meet the condition for SPPI, and be inconsistent to a basic lending arrangement, including: (i) contingent and leverage features, (ii) interest rates which are beyond the control of the Group or variable interest rate consideration, (iii) features that could modify the time value of money, (iv) prepayment and extension options, (v) non-recourse arrangements, and (vi) convertibility features.

Where the contractual terms of a financial asset introduce a more than de-minimis exposure to risks or volatility that are inconsistent with a basic lending arrangement, the related financial asset will be measured at FVPL.

2.13.1 Derivative financial instruments

Derivatives are recorded at fair value and classified as assets when their fair value is positive and as liabilities when their fair value is negative. Subsequently, derivatives are measured at fair value. Revaluations of trading derivatives are included in the consolidated income statement in 'Net foreign exchange gains' in the case of currency derivatives and in 'Net gains/(losses) on financial instruments' in the case of all other derivatives. Interest income and expense for derivatives not in accounting hedges are included in the 'Income similar to interest income' and 'Expense similar to interest expense' captions respectively in the consolidated income statement.

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

For hybrid contracts where the host contract is a financial asset within the scope of IFRS 9, the classification and measurement criteria are based on the business model and SPPI assessment as described in the classification of financial assets section of Note 2.13 and applied to the entire hybrid instrument.

Derivatives embedded in financial liabilities and non-financial host contracts, are treated as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contract, and the host contract is not itself measured at fair value with revaluation recognised in the consolidated income statement. The embedded derivatives separated from the host are carried at fair value, with revaluations recognised in 'Net gains/(losses) on financial instruments' in the consolidated income statement. The host contract is accounted for in accordance with the relevant standards.

2.13.2 Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they meet both of the following conditions:

i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;
ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

This classification relates to cash and balances with central banks, loans and advances to banks, reverse repurchase agreements, loans and advances to customers that pass the SPPI test, debt securities held under the 'Hold to collect' business model and other financial assets that pass the SPPI test.

After their initial recognition, financial instruments measured at amortised cost are measured at amortised cost using the effective interest rate method, less allowances for expected credit losses (ECL). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortisation is included in 'Interest income' in the consolidated income statement. The losses arising from impairment are recognised in the consolidated income statement in 'Credit losses on financial assets'.

2. Summary of accounting policies (continued)

2.13 Classification and measurement of financial assets and financial liabilities (continued)

2.13.3 Debt instruments measured at FVOCI

Debt instruments are measured at FVOCI if they meet both of the following conditions:

i. The financial asset is held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets;
ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

This classification relates to debt securities held under the 'Hold to collect and sell' business model that pass the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses due to changes in fair value recognised directly in other comprehensive income in the 'Net gains/(losses) on investments in debt instruments measured at FVOCI' caption. Upon derecognition of these instruments, any accumulated balances in other comprehensive income are reclassified to the consolidated income statement and reported within 'Net gains/(losses) on financial instruments' caption. The interest income, foreign exchange differences and ECL are recognised in the consolidated income statement in the respective lines in the same manner as for financial assets at amortised cost.

2.13.4 Financial assets or financial liabilities held for trading

Financial assets or financial liabilities held for trading represent assets and liabilities acquired or incurred principally for the purpose of selling or repurchasing them in the near term and are recognised in the consolidated balance sheet at fair value. Changes in the fair value are recognised in 'Net gains/(losses) on financial instruments' in the consolidated income statement. Interest income and expense are included in the captions 'Income similar to interest income' and 'Expense similar to interest expense' respectively in the consolidated income statement according to the terms of the relevant contract, while dividend income is recognised in 'Other income' when the right to receive payment has been established.

This classification relates to debt and equity instruments that have been acquired principally for the purposes of sale or repurchase in the near term.

2.13.5 Financial assets or financial liabilities at FVPL

Financial assets and financial liabilities, other than those held for trading, classified in this category are those that are designated by management on initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

Management only designates an instrument at FVPL at initial recognition when one of the following criteria are met:

(a) the designation eliminates or significantly reduces the inconsistency that would otherwise arise from the measurement of the assets or liabilities or the recognition of gains or losses on them on a different basis, or
(b) the liabilities are part of a group of financial liabilities or financial assets and financial liabilities which are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, or
(c) the liabilities contain an embedded derivative, unless the embedded derivative does not significantly modify the cash flows of the instrument or it is clear, with little or no analysis, that the embedded derivative could not be separated.

Such designation is determined on an instrument-by-instrument basis.

Assets held under unit-linked insurance contracts, certain non-linked insurance contracts and investment contracts issued by insurance subsidiaries are designated at FVPL.

Financial assets mandatorily classified at FVPL include certain loans and advances to customers, certain investment fund holdings and other securities and other assets for which the contractual cash flows do not meet the SPPI test, or the financial assets are part of a portfolio held within a business model under which they are managed and their performance is evaluated on a fair value basis.

2. Summary of accounting policies (continued)

2.13 Classification and measurement of financial assets and financial liabilities (continued)

2.13.5 Financial assets or financial liabilities at FVPL (continued)

Financial assets and financial liabilities at FVPL are recorded in the consolidated balance sheet at fair value. Changes in the fair value are recognised in 'Net gains/(losses) on financial instruments' in the consolidated income statement. Interest income and expense are included in the captions 'Income similar to interest income' and 'Expense similar to interest expense' respectively in the consolidated income statement. Dividend income is recognised in 'Other income' in the consolidated income statement when the right to receive payment has been established.

2.13.6 Equity instruments measured at FVOCI

At initial recognition, the Group can make an irrevocable election to classify an investment in an equity instrument at FVOCI, when that meets the definition of equity under IAS 32 Financial Instruments: 'Presentation', and is not held for trading. Such classification is determined on an instrument-by-instrument basis.

Fair value gains and losses on these equity instruments are recognised in other comprehensive income and are not recycled to profit or loss upon derecognition, but are transferred directly to retained earnings. Dividends on equity investments are recognised in the consolidated income statement and reported within 'Other Income' when the right to receive payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case it is recorded in other comprehensive income. Equity instruments measured at FVOCI are not subject to an impairment assessment.

2.13.7 Debt securities in issue and Subordinated liabilities

Debt securities in issue and Subordinated liabilities are initially measured at the fair value of the consideration received, net of any issue costs. They are subsequently measured at amortised cost using the effective interest rate method, in order to amortise the difference between the cost at inception and the redemption value, over the period to the earliest date that the Group has the right to redeem those instruments.

Interest on debt securities in issue and subordinated liabilities is included in 'Interest expense' in the consolidated income statement.

2.13.8 Other financial liabilities

Other financial liabilities include 'Customer deposits', 'Deposits by banks', 'Funding from central banks' and other financial liabilities.

Financial liabilities are recognised when the Group enters into the contractual provisions of the arrangements with counterparties, which is generally on trade date, and initially measured at fair value, which is normally the consideration received, net of directly attributable transaction costs incurred. Subsequent measurement of other financial liabilities is at amortised cost, using the effective interest method.

2.13.9 Determination of fair value - Valuation techniques

The following is a description of the determination of fair value for financial instruments which are recorded at fair value and for financial instruments which are not measured at fair value but for which fair value is disclosed, using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative financial instruments
Derivative financial instruments valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps, currency rate options, forward foreign exchange rate contracts and interest rate collars. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including foreign exchange spot and forward rates and interest rate curves.

2. Summary of accounting policies (continued)

2.13 Classification and measurement of financial assets and financial liabilities (continued)

2.13.9 Determination of fair value - Valuation techniques (continued)

Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA)
The CVA and DVA are incorporated into derivative valuations to reflect the impact on fair value of counterparty risk and the Company's own credit quality respectively.

The Group calculates the CVA by applying the PD of the counterparty, conditional on the non-default of the Group, to the Group's expected positive exposure to the counterparty and multiplying the result by the loss expected in the event of default. Conversely, the Group calculates the DVA by applying the Company's PD, conditional on the non-default of the counterparty, to the expected positive exposure of the counterparty to the Group and multiplying the result by the loss expected in the event of default.

The expected exposure of derivatives is calculated as per the CRR and takes into account the netting agreements where they exist. A standard Loss Given Default (LGD) assumption in line with industry norm is adopted. Alternative LGD assumptions may be adopted when both the nature of the exposure and the available data support this.

The Group does not hold any significant derivative instruments which are valued using a valuation technique with significant non-market observable inputs.

Investments at FVPL, investments at FVOCI and investments at amortised cost
Investments which are valued using a valuation technique or pricing models, primarily consist of unquoted equity securities and debt securities. These assets are valued using valuation models which sometimes only incorporate market observable data and at other times use both observable and non-observable data. The rest of the investments are valued using quoted prices in active markets.

Loans and advances to customers
The fair value of loans and advances to customers is based on the present value of expected future cash flows. Future cash flows have been based on the future expected loss rate per loan portfolio, taking into account expectations for the credit quality of the borrowers. The discount rate includes components that capture the risk-free rate per currency, funding cost, servicing cost and the cost of capital, considering the risk weight of each loan.

Customer deposits
The fair value of customer deposits is determined by calculating the present value of future cash flows. The discount rate takes into account current market rates and the credit profile of the Company. The fair value of deposits repayable on demand and deposits protected by the Deposit Protection Guarantee Scheme are approximated by their carrying values.

Loans and advances to banks
Loans and advances to banks with maturity over one year are discounted using an appropriate risk-free rate plus the appropriate credit spread. For short-term lending, the fair value is approximated by the carrying value.

Reverse repurchase agreements
Fair values of reverse repurchase agreements that are held on a non-trading basis are determined by calculating the present value of future cash flows. The cashflows are discounted using an appropriate risk-free rate plus the appropriate credit spread.

Cash flows relating to reverse repurchase agreements (including interest received) are presented as investing activities in the Consolidated Statement of Cash Flows.

Deposits by banks and funding from central banks
Deposits by banks and funding from central banks with maturity over one year are discounted using an appropriate risk-free rate plus the appropriate credit spread. For short-term funding, the fair value is approximated by the carrying value.

Debt securities in issue and Subordinated liabilities
Debt securities and subordinated liabilities issuances are traded in an active market with quoted prices.

Further details on the fair value of assets and liabilities are disclosed in Note 22.

2. Summary of accounting policies (continued)

2.14 Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from exceptional circumstances in which the Group changes its business model for managing financial assets and acquires, disposes of, or terminates a business line. Reclassification is applied prospectively from the reclassification date, which is the first day of the first reporting period following the change in business model that results in the reclassification. Any previously recognised gains, losses or interest are not restated.

Financial liabilities are never reclassified.

2.15 Derecognition of financial assets and financial liabilities

2.15.1 Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset have expired. The Group also derecognises a financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group transfers a financial asset if, and only if, either:
i. The Group transfers its contractual rights to receive cash flows from the financial asset; or
ii. The Group retains the rights to the cash flows, but assumes an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for derecognition if either:
i. The Group transfers substantially all the risks and rewards of the asset; or
ii. The Group neither transfers nor retains substantially all the risks and rewards of the asset, but it transfers control of the asset.

2.15.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Modifications to, and exchanges of, financial liabilities are treated as extinguishments and derecognised, when the revised terms are substantially different to the original term. The difference between the carrying amount of the original financial liability and the consideration paid is recognised in profit or loss.

2.16 Modification of financial assets

The contractual terms of a financial asset may be modified due to various reasons, either due to commercial renegotiations or as a response to a borrower's financial difficulties (forborne modified loans) with a view to maximise recovery.

In the event that the terms and conditions of a financial asset are renegotiated or otherwise modified, the Group considers whether the modification results in derecognition of the existing financial asset and the recognition of a new financial asset. A derecognition of a financial asset (or part of a financial asset) and a recognition of a new financial asset would occur where there has been a substantial modification on the revised terms to the original cash flows.

Judgement is required to assess whether a change in the contractual terms is substantial enough to lead to derecognition. The Group considers a series of factors of both qualitative and quantitative nature when making such judgements on a modification in the contractual cash flows, including change in the currency, change in counterparty, introduction of substantially different terms such as addition of equity conversion features, changes in the legal framework and other.

2. Summary of accounting policies (continued)

2.16 Modification of financial assets (continued)

Where the modification does not result in derecognition, the Group recognises a modification gain or loss, based on the difference between the modified cash flows discounted at the original EIR and the existing gross carrying value of the financial asset. The financial asset continues to be subject to the same assessments for significant increase in credit risk relative to initial recognition and credit-impairment. A modified financial asset will transfer out of Stage 3 if the conditions that led to it being identified as credit-impaired, as defined in Note 2.17.2, are no longer present. A modified financial asset will transfer out of Stage 2 when it no longer meets the criteria for significant increase in credit risk such as it satisfies relative thresholds, which are based on changes in its lifetime probability of default (PD), days past due are not considered to be forborne, and other considerations. The financial asset continues to be monitored for significant increases in credit risk and credit impairment.

Where the modification results in derecognition, the new financial asset is classified at amortised cost or FVOCI and an assessment is performed on whether it should be classified as Stage 1 or POCI for ECL measurement. For the purposes of assessing significant increases in credit risk, the date of initial recognition for the new financial asset is the date of the modification.

2.17 Impairment of financial assets

2.17.1 Overview of ECL principle

The Group uses a forward looking ECL model, requiring judgement, estimates and assumptions in determining the level of ECL. ECL is recorded for all financial assets measured at amortised cost and FVOCI, lease receivables, loan commitments and financial guarantee contracts. Equity instruments are not subject to impairment.

At initial recognition, impairment allowance (or provision in the case of commitments and guarantees) is required for ECL resulting from default events that are possible within the next 12 months (12-month ECL), unless assets are deemed as POCI whereby the ECL is measured on a lifetime basis. In the event of a significant increase in credit risk since initial recognition, impairment allowance is required resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 2.17.3.

The Group categorises its financial assets into Stage 1, Stage 2, Stage 3 and POCI for ECL measurement as described below:

Stage 1: Financial assets which did not have a significant increase in credit risk since initial recognition are considered to be Stage 1 and 12-month ECL is recognised.

Stage 2: Financial assets which are considered to have experienced a significant increase in credit risk since initial recognition are considered to be Stage 2 and lifetime ECL is recognised.

Stage 3: Financial assets which are considered to be credit-impaired (refer to Note 2.17.2 on how the Group defines credit-impaired and default) and lifetime ECL is recognised.

POCI: These are purchased or originated financial assets that are credit-impaired on initial recognition. POCI assets include loans purchased or originated at a deep discount that reflects incurred credit losses. Changes in lifetime ECL since initial recognition are recognised until a POCI loan is derecognised.

ECL is recognised in profit or loss with a corresponding ECL allowance reported as a decrease in the carrying value of financial assets measured at amortised cost on the balance sheet. For financial assets measured at FVOCI the carrying value is not reduced, but the accumulated amount of ECL allowance is recognised in OCI. For off-balance sheet instruments, accumulated provisions for ECL are reported in 'Accruals, deferred income, other liabilities and other provisions', except in the case of loan commitments where ECL on the loan commitment is recognised together with the loss allowance of the relevant on balance-sheet exposure, as the Group cannot separately identify the ECL on the loan commitment from those on the on-balance sheet exposure component. ECL for the period is recognised within the consolidated income statement in 'Credit losses on financial assets' and further analysed in Note 16 in 'Credit losses to cover credit risk on loans and advances to customers' for loans and advances to customers and loan commitments and financial guarantees, and in 'Credit losses on other financial instruments' for all other financial instruments.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.2 Credit impaired and definition of default

Loans and advances to customers, loan commitments and financial guarantees
The Group considers loans and advances to customers that meet the non-performing exposure (NPE) definition as per the European Banking Authority (EBA) standards to be in default and hence stage 3 (credit-impaired). Therefore such loans have ECL calculated on a lifetime basis and are considered to be in default for credit risk management purposes.

As per the EBA standards and European Central Bank's (ECB) Guidance to Banks on Non-Performing Loans (which was published in March 2017), 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 Capital Requirement Regulation (CRR), which would also trigger a default under specific credit adjustment, diminished financial obligation and obligor bankruptcy.
iii. Material exposures as set by the Central Bank of Cyprus (CBC), which are more than 90 days past due.
iv. Performing forborne exposures under probation for which additional forbearance measures are extended.
v. Performing forborne exposures previously classified as NPEs that present more than 30 days past due within the probation period.

From 1 January 2021 two regulatory guidelines came into force that affect NPE classification and Days-Past-Due calculation. More specifically, these are the RTS on the Materiality Threshold of Credit Obligations Past-Due (EBA/RTS/2016/06), and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07).

The Days-Past-Due (DPD) counter begins counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than as of the first day of presenting any amount of arrears or excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality threshold. Payments towards the exposure that do not reduce the arrears/excesses below the materiality threshold, will not impact the counter.

For retail debtors, when a specific part of the exposures of a customer that fulfils the NPE criteria set out above is greater than 20% of the gross carrying amount of all on-balance sheet exposures of that customer, then the total customer exposure is classified as non-performing; otherwise only the specific part of the exposure is classified as non-performing.

For non-retail debtors, when an exposure fulfils the NPE criteria set out above, then the total customer exposure is classified as non-performing.

Material arrears/excesses are defined as follows:

i. Retail exposures: Total arrears/excess amount greater than €100
ii. Exposures other than retail: Total arrears/excess amount greater than €500

and the amount in arrears/excess is at least 1% of the customer's total exposure.

The definitions of credit-impaired and default are aligned so that stage 3 represents loans which are considered defaulted or otherwise credit-impaired.

Exposures are classified as forborne when concessions are made to debtors who are facing or about to face financial difficulties and cannot meet their contractual obligations.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.2 Credit impaired and definition of default (continued)

Non-performing forborne exposures cease to be considered as NPEs and in such case are transferred out of Stage 3, 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. A period of one year has passed since the latest of the following events:
    a. The restructuring date
    b. The date the exposure was classified as non-performing
    c. The end of the grace period included in the restructuring arrangements.
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).

Non-performing non-forborne exposures cease to be considered as NPEs only when all of the following conditions are met:

i. At least three months have passed since the date that the conditions for which the exposure was classified as non-performing cease to be met, and within these three months there are no default triggers, and
ii. During the three-month period, the behaviour of the obligor should be taken into account, i.e. there are no arrears/excesses and instalments are being repaid normally, and
iii. During the three-month period, the financial situation of the obligor should be taken into account, i.e. the financial situation of the obligor has improved, and
iv. During the three-month period an Unlikely-to-Pay criteria assessment is carried out and it is assessed that the obligor can fulfil their obligations without resorting to the liquidation of collateral and there are no other Unlikely-to-Pay criteria, and
v. The obligor does not have any amount past due by more than 90 days.

When a loan facility exits Stage 3, it is transferred to Stage 2 for a probationary period of 6 months. At the end of this period, the significant increase in credit risk (SICR) assessment is performed by comparing the PD at the reporting date with the PD at initial recognition as described in Note 2.17.3 and if PD is assessed to have deteriorated beyond the set thresholds, the loan remains in Stage 2, otherwise the loan is transferred to Stage 1. The reversal of previous unrecognised interest on loans and advances to customers that no longer meet Stage 3 criteria is presented in 'Credit losses to cover credit risk on loans and advances to customers' within 'Credit losses on financial assets'.

Debt securities, reverse repurchase agreements, loans and advances to banks and balances with central banks

Debt securities, reverse repurchase agreements, loans and advances to banks and balances with central banks are considered defaulted and transferred to Stage 3 if the issuers have failed to pay either interest or principal. Moody's ratings indicate these exposures with a grade C which is the lowest Moody's rating category. In addition, a number of other criteria are considered such as adverse changes in business, financial and economic conditions as well as external market indicators (credit spreads, credit default swap (CDS) prices) in determining whether there has been a significant deterioration in the financial position that could lead to unlikeliness to pay.

2.17.3 Significant increase in credit risk (SICR)

IFRS 9 requires that in the event of a significant increase in credit risk since initial recognition, the calculation basis of the loss allowance would change from 12-month ECL to lifetime ECL.

The assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting date, by considering the change in the risk of default occurring over the remaining life of the financial instrument since initial recognition.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.3 Significant increase in credit risk (SICR) (continued)

Significant increase in credit risk for loans and advances to customers
Primarily, the Group uses the lifetime probability of default (PD) as the quantitative metric in order to assess transition from Stage 1 to Stage 2 for all portfolios. The Group considers an exposure to have experienced significant increase in credit risk (SICR) by comparing the PD at the reporting date with the PD at initial recognition to compute the relative increase in regards to the corresponding threshold. The threshold has been determined by using statistical analysis on historical information of credit migration exposures on the basis of days past due, for the different segments. The Group applies the thresholds presented in the table below to each portfolio/segment, based on the following characteristics: customer type, product type and rating at origination. The threshold is then assigned to each facility according to the facility's portfolio/segment.

The SICR trigger is activated based on the comparison of the ratio of current lifetime PD to the remaining Lifetime PD at origination (PD@O) to the pre-established threshold. If the resulting ratio is higher than the pre-established threshold then deterioration is assumed to have occurred and the exposure is transferred to Stage 2. In addition, to minimize Stage 2 volatility caused by facilities with small PD, the Group introduced during the first half of 2024 an absolute threshold where the annualized lifetime reporting PD of each facility should increase more than 1,06% with respect to the corresponding origination PD. The PD cut-off is based on the weighted PD of Stage 1.

The table below summarises the quantitative measure of the SICR trigger which varies depending on the credit quality at origination as follows, applied on 31 December 2024 and 2023:

Segment	Rating at origination	PD Deterioration thresholds applied at 31 December 2024 (median across IFRS 9 segments)	PD Deterioration thresholds applied at 31 December 2023 (median across IFRS 9 segments)
Retail	1-7	3 X PD@O	3 X PD@O
SME	1-7	3 X PD@O	6 X PD@O
Corporate	1-7	2 X PD@O	2 X PD@O

During the year ended 31 December 2024 PDs were calibrated and consequently the PD deterioration thresholds were also updated.

For exposures which are subject to individual impairment assessment, the following qualitative factors in addition to the ones incorporated in the PD calculation, are considered:

i. significant change in collateral value or guarantee or financial support provided by shareholders/directors,
ii. significant adverse changes in business, financial and/or economic conditions in which the borrower operates.

SICR is automatically triggered upon the granting of forbearance measures to performing borrowers. Stage 1 exposures that are classified as 'performing forborne' are automatically transferred to Stage 2.

The Group also considers, as a backstop criterion, that a significant increase in the credit risk occurs when contractual payments are more than 30 days past due (past due materiality is applied). Loans that meet this condition are classified in Stage 2. The transfer to Stage 2 does not take place in cases where certain exposures are past due for more than 30 days but certain materiality limits are not met (such as arrears up to €100 and the amount in arrears is lower than 1% of the customer's total exposure, in the case of retail exposures and arrears up to €500 and the amount in arrears is lower than 1% of the customer's total exposure, on all exposures other than retail). The materiality levels are set in accordance with the ECB Regulation (EU) 2018/1845.

The thresholds for movement between Stage 1 and Stage 2 are symmetrical. After a financial asset has been transferred to Stage 2, if its credit risk is no longer considered to have significantly increased relative to its initial recognition, the financial asset will move back to Stage 1.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.3 Significant increase in credit risk (SICR) (continued)

Significant increase in credit risk for financial instruments other than loans and advances to customers
Low credit risk simplification is adopted for debt securities, loans and advances to banks, reverse repurchase agreements and balances with central banks with external credit ratings that are rated as investment grade. The assessment of low credit risk is based on both the external credit rating and the internal scoring (which considers latest available information on the instrument and issuer). The combination of the two provides an adjusted credit rating. An adjusted credit rating which remains investment grade is considered as having low credit risk.

For debt securities, loans and advances to banks, reverse repurchase agreements and balances with central banks which are below investment grade, the low credit risk exemption does not apply and therefore an assessment of significant credit deterioration takes place, by comparing their credit rating at origination with the credit rating on the reporting date. Significant deterioration in credit risk is considered to have occurred when the adjusted rating of the exposures drops to such an extent that the new rating relates to a riskier category (i.e. from a non-investment grade to speculative and then to highly speculative), or when the PD of the exposure at the origination date compared to the PD at the reporting date has increased by a level greater than the pre-set threshold.

2.17.4 Measurement of ECLs

IFRS 9 ECL reflects an unbiased, probability-weighted estimate based on either loss expectations resulting from default events either over a maximum 12-month period from the reporting date, or over the remaining life of a financial instrument. The Group calculates lifetime ECL and 12-month ECL either on an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group calculates ECL based on three-weighted scenarios to measure the expected cash flow shortfalls, discounted at an approximation to the EIR as calculated at initial recognition. A cash flow shortfall is the difference between the cash flows that are due in accordance with the contract and the cash flows expected to be received.

The Group calculates ECL using the following three components:
i. exposure at default (EAD),
ii. probability of default (PD), and
iii. loss given default (LGD).

Exposure at default (EAD)
EAD represents the expected exposure in the event of a default during the life of a financial instrument, considering expected repayments, interest payments and accruals. EAD definition is differentiated for the following categories: revolving and non-revolving exposures.

For non-revolving exposures the term is based on the contractual term of the exposure and both on-balance sheet and off-balance sheet exposures are amortised in accordance with the principal contractual payment schedule of each exposure. For revolving exposures, the projected EAD is the carrying value plus the credit conversion factor applied on the undrawn amount. The credit conversion factor model is derived based on empirical data from 2014 onwards.

In regards to the credit-impaired exposures, the EAD is equal to the on balance sheet amount as at the reporting date.

Probability of default (PD)
PD represents the probability an exposure defaults and is calculated based on statistical rating models, calculated per segment and taking into consideration each individual’s exposure rating as well as forward looking information based on macroeconomic inputs.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.4 Measurement of ECLs (continued)

For each exposure, lifetime PD represents the probability of default within the lifetime horizon and is based on the underlying models of marginal probability of default through the cycle (MPD TTC), MPD individual, MPD individual (embedding also the NPE overlay), MPD point in time and Marginal Probability of Paid-off (MPP). In particular, the first element, MPD TTC is constructed per segment, illustrating the probability of default status depending on number of months since the origination date. The PD for each month since the origination date is calculated under the condition that exposures survived until the prior month. The MPD individual is allocated to linked individual exposures through a scaling factor constructed based on the current individual risk assessment, which is represented by the Group's PD per rating grade. It also embeds the NPE overlay, which is an add-on factor that calibrates the underlying models, such that they are aligned with the NPE definition. MPD is adjusted to reflect the current and forward looking information based on the macroeconomic inputs. The MPP Component is the curve that shows the probability of full payment of a particular exposure based on specific period in months since the open date of the exposure. MPP is estimated for each particular segment and depends on the contractual terms of the exposure. For revolving facilities where there is no contractual survival maturity, curves based on product type are developed. The combination of these models gives rise to a PD value for each month for the lifetime of the exposure.

The Company's internal rating process is summarised in Note 44.

Loss given default (LGD)
LGD represents an estimate of the loss if default occurs at a given time. It is usually expressed as a percentage of the EAD. Two distinct paths are taken into consideration for the LGD parameter. The first one is that of a cured facility where there is a full recovery thus no losses occur. In the second scenario, the facility remains non-performing resulting in the Company proceeding with collateral liquidation actions. To this end, the LGD model considers parameters such as historical loss and/or recovery rates as well as the collateral value which is discounted to the present value determining the amount of the expected shortfall. LGD rates are estimated for the Stage 1, Stage 2, Stage 3 and POCI segments of each asset class.

The structure of the LGD model considers the following:

i. Curing where the probability of cure model was derived based on historical observations.
ii. Non-curing including cash recovery, realisation through portfolio sales or realisation of collaterals, either voluntarily i.e. debt for asset swap, or through forced sale, auctions and foreclosure and receivership.

A model monitoring process is followed for PD, EAD and LGD models, where model outputs are back-tested against recent data points.

Individually assessed loans
The individual assessment is performed not only for individually significant performing and non-performing exposures, but also for other exposures meeting specific criteria and thresholds determined by Credit Risk Management. A risk-based approach is used on the selection criteria of the individually assessed population which include, among others, forborne exposures, exposures with significant decrease in the yearly credit turnover and/or in assigned collaterals. Also, significant Stage 1 exposures within sectors assessed by Credit Risk Management to be highly impacted by one or more factors or events (such as a global or local economic/market/regulatory/geopolitical development) are assessed for potential increase in credit risk and significant exposures that have transitioned to Stage 2 from Stage 1 are assessed for potential indications of unlikeness to pay.

The ECL for individually assessed Stage 3 assets is calculated on an individual basis and all relevant considerations of the expected future cash flows are taken into account (for example, the business prospects for the customer, the realisable value of collateral, the Group's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work out process).

Collectively assessed loans
All customer exposures that are not individually assessed are assessed on a collective basis. For the purposes of calculating ECL, exposures are grouped into granular portfolios/segments with shared risk characteristics. The granularity is based on different levels of segmentation which, among other factors include customer type, exposure class and portfolio type. The granularity of the IFRS 9 segments is aligned with the Internal Rating Based (IRB) segmentation of the CRR.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.4 Measurement of ECLs (continued)

When a financial asset has been identified as credit-impaired, ECL are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate.

2.17.5 Scenarios and scenario weights

The Group uses reasonable and supportable information, including forward-looking information, in the calculation of ECL. ECL are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. ECL are calculated for three macroeconomic scenarios, baseline, adverse and favourable and the output is the weighted average ECL based on the assigned probability of each scenario (Note 44).

Macroeconomic scenarios impact both the probability of default (PD) and the loss given default (LGD). Specifically, forward looking information is embedded in the PD based on regression equations derived on the basis of historical data. Using statistical analysis, the most significant and relevant macro-variables have been selected in order to predict more accurately the expected default rates. In regard to the LGD, the forward looking information is incorporated via the property indices for the relevant categories of properties (residential, commercial, industrial). In particular, for each collateral a forward-looking projection of the realisable value is calculated before discounting back to reporting date to quantify the expected cash shortfall.

Each macroeconomic scenario used in the ECL calculation includes a projection of all relevant macroeconomic variables used in the models for a five-year period, subsequently reverting to projections of long-run growth averages based on estimates of potential growth, and behavioural relationships between the targeted variables.

Regarding the scenario weights, these are determined using probability theory and severity analysis. Historical data for GDP growth (1995-2024) is analysed and a frequency distribution is produced. From that distribution probabilities are derived for all possible outcomes. Deviations of actual outcomes from the mean are calculated in terms of standard deviation ratios, and severity is higher at higher deviation ratios. The baseline scenario is defined over the range of values that correspond to 50% probability of equidistant deviations around the mean of the historical distribution. The favourable scenario is defined over the range of values to the right of the distribution that correspond to 25% probability. The adverse scenario is defined over the range of values to the left of the distribution that correspond to 25% probability. These benchmark probability points (50%, 25% and 25%), are decided using severity analysis which incorporates the average and standard deviation of the distribution.

The macroeconomic forecasts for the baseline, favourable and adverse scenarios are determined by the Economic Research Department of the Company. This process utilises a variety of external actual and forecast information (International Monetary Fund (IMF), European Commission and other). The corresponding weights are also determined by the Economic Research Department, as described above, by also applying discretion and expert judgement where necessary. The resulting scenarios and weights are reviewed and proposed by the Chief Risk Officer (CRO) and are submitted to the Provisions Committee for their endorsement.

Qualitative adjustments or overlays are occasionally made when inputs calculated do not capture all the characteristics of the market at the reporting date. Overlays performed are set out in Note 5.1 and are assessed/reconfirmed at each reporting date.

2.17.6 ECL measurement period

The period for which expected credit losses are determined (either for 12-month or lifetime horizon) is based on the stage classification of the facility and its contractual life. For non-revolving exposures the expected lifetime is the period from the reporting date to the termination date of the facility. For irrevocable loan commitments and financial guarantee contracts, the measurement period is determined similar to the period of the revolving facilities.

2. Summary of accounting policies (continued)

2.17 Impairment of financial assets (continued)

2.17.6 ECL measurement period (continued)

For revolving facilities, credit cards and corporate and retail overdrafts, the Company has the right to cancel and/or reduce the facilities with two months' notice. The Company does not limit its exposure to credit losses to the contractual notice period, but instead a behavioural maturity model is utilised where each revolving facility is assigned an expected time period to termination.

2.17.7 Purchased or originated credit-impaired financial assets (POCI)

POCI financial assets are recorded at fair value on initial recognition. ECL are only recognised or released to the extent that there is a subsequent change in the lifetime expected credit losses. For POCI financial assets, the Group only recognises the cumulative changes in lifetime ECL since initial recognition in the loss allowance. POCI remain a separate category until derecognition.

2.18 Write-offs

The Group reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering it. In such case, financial assets are written-off either partially or in full. Write-off refers to both contractual and non-contractual write-offs. A non-contractual write-off is defined as the accounting reduction of a debt, without waiving the legal claim against the debtor. The Company continues to seek recovery of the debt (e.g. restructuring arrangements, debt-for-assets swaps, full settlement, etc.) and the amount written-off for financial assets that are still subject to enforcement activity.

Indicative conditions for writing-off part or the full amount of the exposure include, but are not limited to, the following list of criteria. The criteria are applicable to both contractual and non-contractual write-offs and are not by default applicable to all cases, as individual assessment and judgement is required in order to evaluate each case on its own merits.

i. Cases which are close to realisation of a security or collateral may be deemed necessary to be considered for write-off. With regards to such financial assets for which the security or collateral has not yet been realised (but may be close to agreement or other arrangement for realising), the Company forms a reasonable expectation of future cash flows which would also take into account the collateral's realisable value.
ii. When the Company ceases all collection and debt enforcement actions, such remaining debt can be assessed for write-off. However, debt can be written-off even while collection and enforcement activities are proceeding.
iii. Debtor status is another indicator for assessment for write-off; for example, the debtor's insolvency status, or whether the debtor is deceased or cannot be traced. While such loans may already be impaired, the Company might be unable to form a reasonable expectation of future cash flows. Nevertheless, the Company takes all the legally available steps to recover the debt, where appropriate.
iv. Customers with exposures with significant number of days past due, provided that all other efforts for restructuring are exhausted and the exposure or part of the exposure is deemed as unrecoverable / uncollectable, are also assessed for write-off.

Write-offs are subject to the Groups internal governance process for review and approval.

Write-offs and partial write-offs represent derecognition/partial derecognition events. If the amount of write-off is greater than the amount of accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Recoveries in part or in full, of amounts previously written-off are credited to the consolidated income statement in 'Credit losses on financial assets' and separately identified in Note 16 within 'Credit losses to cover credit risk on loans and advances to customers'.

2. Summary of accounting policies (continued)

2.19 Financial guarantees, letters of credit and undrawn loan commitments

The Group issues financial guarantees to its customers, consisting of letters of guarantee and acceptances. Financial guarantees are initially recognised at fair value being the premium received, and presented on the consolidated balance sheet within 'Accruals, deferred income, other liabilities and other provisions'. Subsequently, the Group's liability under each guarantee is measured at the higher of: (a) the amount initially recognised reduced by the cumulative amortised premium which is periodically recognised in the consolidated income statement in 'Fee and commission income' in accordance with the terms of the guarantee, and (b) the amount of ECL provision.

ECL relating to financial guarantees is recorded in 'Credit losses on financial assets' and further identified in Note 16 in 'Credit losses to cover credit risk on loans and advances to customers'. The balance of the liability for financial guarantees that remains is recognised in 'Fee and commission income' in the consolidated income statement when the guarantee is fulfilled, cancelled or expired.

Undrawn loan commitments and letters of credit are commitments under which, over the duration of the commitment the Group is required to provide a loan with pre-specified terms to the customer. Corresponding ECL are presented within 'Accruals, deferred income, other liabilities and other provisions' on the Group's balance sheet, except in the case of loan commitments where ECL on the loan commitment is recognised together with the loss allowance of the relevant on balance-sheet exposure as the Group cannot separately identify the ECL on the loan commitment from those on the on-balance sheet exposure component. ECL relating to loan commitments and letters of credit is recorded in 'Credit losses on financial assets' and further identified in Note 16 in 'Credit losses to cover credit risk on loans and advances to customers'.

When a customer draws on a commitment, the resulting loan is presented within (i) financial assets at fair value held for trading, consistent with the associated derivative loan commitment, (ii) financial assets at fair value not held for trading, following loan commitments designated at FVPL, or (iii) loans and advances to customers, when the associated loan commitment is not fair valued through profit or loss.

2.20 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of either party.

2.21 Hedge accounting

The Group elected, as a policy choice permitted by IFRS 9, to continue to apply hedge accounting in accordance with IAS 39, including the provisions related to macro fair value hedge accounting (IAS 39 'carve-out').

The Group uses derivative financial instruments to hedge exposures to interest rate and foreign exchange risks and in the case of the hedge of net investments, the Group uses also non-derivative financial liabilities. The Group applies hedge accounting for transactions which meet the specified criteria.

Transactions that are entered into in accordance with the Group's hedging objectives, but do not qualify for hedge accounting, are referred to as economic hedge relationships.

At inception of the hedging relationship, the Group formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk and the objective and strategy for undertaking the hedge. The method that will be used to assess the effectiveness, both at the inception and at ongoing basis, of the hedging relationship also forms part of the Group's documentation.

2. Summary of accounting policies (continued)

2.21 Hedge accounting (continued)

At inception of the hedging relationship and at each hedge effectiveness assessment date, a formal assessment is undertaken to ensure that the hedging relationship is highly effective regarding the offsetting of the changes in fair value or the cash flows attributable to the hedged risk. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk of the hedging instrument and the hedged item during the period for which the hedge is designated, are expected to offset in a range of 80% to 125%. In the case of cash flow hedges where the hedged item is a forecast transaction, the Group assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the consolidated income statement.

Portfolio Hedging (Macro-Hedging)
The Group applies macro fair value hedging to non-maturing deposits (NMDs), in accordance with IAS 39, as adopted by the EU (IAS 39 carve-out). The hedged items are determined through behavioural modelling identifying the 'core' Non-Maturing Deposits (NMDs), which are stable demand deposits with behavioural maturity of up to ten years. Deposits within the identified portfolios are allocated to repricing/maturity time buckets based on expected, rather than contractual, maturity dates. The hedging instruments (pay floating/receive fixed rate interest rate swaps) are designated appropriately to those repricing/maturity time buckets. Hedge effectiveness is measured by comparing fair value movements of the hedged amount attributable to the hedged risk, against the fair value movements of the hedging derivatives, to ensure that they are within an 80% to 125% range.

2.21.1 Fair value hedges

In the case of fair value hedges that meet the criteria for hedge accounting, the change in the fair value of a hedging instrument is recognised in the consolidated income statement in 'Net gains/(losses) on financial instruments'. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated income statement in 'Net gains/(losses) on financial instruments'.

If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedging relationship is discontinued prospectively. For hedged items recorded at amortised cost, the difference between the carrying value of the hedged item on termination and the face value is amortised to the consolidated income statement, over the remaining term of the original hedge. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the consolidated income statement.

2.21.2 Hedges of net investments in foreign operations

Hedges of net investments in overseas branches or subsidiaries are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income in the 'Foreign currency translation reserve', while gains or losses relating to the ineffective portion are recognised in 'Net foreign exchange gains' in the consolidated income statement.

On disposal or liquidation of an overseas branch or subsidiary, the cumulative gains or losses recognised in other comprehensive income are transferred in the consolidated income statement as part of the gain/(loss) on the disposal or liquidation.

2.22 Cash and cash equivalents

Cash and cash equivalents for the purposes of the consolidated statement of cash flows consist of cash, non-obligatory balances with central banks, loans and advances to banks and other securities that are readily convertible into known amounts of cash and are repayable within three months of the date of their acquisition.

2.23 Insurance business

The Group undertakes both life insurance and non-life insurance business and issues insurance and investment contracts. An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

2. Summary of accounting policies (continued)

2.23 Insurance business (continued)

Once a contract has been classified as an insurance contract, it remains an insurance contract until expiry or until all the rights and obligations under the contract have been fulfilled, even if the insurance risk has been significantly reduced during its term.

Investment contracts are those contracts that transfer financial risk. Investment contracts can, however, be reclassified as insurance contracts after inception, if insurance risk becomes significant.

Identifying contracts
When identifying contracts there is a need to assess whether contracts need to be treated as a single contract and whether embedded derivatives, investment components and goods and services components need to be separated and accounted for under another standard.

Level of aggregation
Individual insurance contracts that are managed together and are subject to similar risks are identified as a group.

Contracts that are managed together usually belong to the same product line and have similar characteristics, such as being subject to a similar pricing framework or similar product management, and are issued by the same legal entity. If a contract is exposed to more than one risk, the dominant risk of the contract is used to assess whether the contract features similar risks.

Each group of contracts is then divided into annual cohorts (i.e. by year of issue) and each cohort into three groups, based on expected profitability: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and (iii) the remaining contracts.

The groups of insurance contracts are established at initial recognition without subsequent reassessment and form the unit of account at which the contracts are measured.

Recognition
Groups of insurance contracts issued are initially recognised from the earliest of the following:

i. the beginning of the coverage period;
ii. the date when the first payment from the policyholder is due or actually received, if there is no due date; and
iii. when the Group determines that a group of contracts becomes onerous.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

Contract boundaries
The measurement of a group of insurance contracts includes all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services. For multi-year (more than one year) non-life contracts, the Group has assessed that they are expected to equal their duration as the Group cannot reprice or terminate the insurance contract during the coverage period.

Measurement
The General Measurement Model (GMM) is the standard measurement model and the Premium Allocation Approach (PAA) is the simplified approach for the measurement of the contracts that fall under the scope of IFRS 17. The Variable Fee Approach (VFA) is mandatory to apply for insurance contracts with direct participation features upon meeting the eligibility criteria. While the GMM is the default measurement model, the Group applies the VFA primarily to insurance contracts in the unit-linked life portfolio. The PAA is an optional simplification applicable for measuring the Liability for Remaining Coverage (LRC) for contracts with coverage periods of one year or less, or when doing so approximates the GMM; it is primarily applied by the Group to non-life insurance contracts and to non-individual life insurance contracts, as well as to reinsurance contracts of the Group, except for the individual life reinsurance agreement, for which the GMM is applied. For the rest of the insurance contracts (individual protection life contracts, the acquired portfolio and health long-term portfolio), the Group applies the GMM approach.

2. Summary of accounting policies (continued)

2.23 Insurance business (continued)

Initial measurement
Groups of insurance contracts under the GMM or the VFA are initially measured as the total of:

a. Fulfilment cash flows, which comprise:
   i. an estimate of the present value of future cash flows that are expected to arise as the Group fulfils its service under the insurance contracts; and
   ii. an explicit risk adjustment for non-financial risk (i.e., the risk adjustment held on balance sheet).
b. Contractual Service Margin (CSM) which represents the unearned profit that the Group will recognise as it provides insurance contract services.

The fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect both the time value of money and financial risks, plus a risk adjustment for non-financial risk. The discount rate applied reflects the time value of money, the characteristics of the cash flows, the liquidity characteristics of the insurance contracts and, where appropriate, is consistent with observable current market prices.

The risk adjustment for non-financial risk for a group of insurance contracts is the compensation required for bearing the uncertainty in relation to the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment is explicit and determined separately from other fulfilment cash flows.

A CSM arises when, for a group of contracts, the sum of the discounted cash flows and the risk adjustment is a net inflow. If the sum of these is a net outflow, then the group of contracts is onerous and a loss equal to the net outflow is recognised in the consolidated income statement.

Under the PAA, the liability for remaining coverage is initially recognised as the premiums received at initial recognition, minus any insurance acquisition cash flows.

Subsequent measurement
GMM
At the end of each reporting period, insurance contracts are measured as the sum of:

i. Liability for remaining coverage (LRC), comprising fulfilment cash flows related to future service and the CSM at the reporting date; and
ii. Liability for incurred claims (LIC), comprising fulfilment cash flows related to past service at the reporting date (claims and expenses not yet paid, including claims incurred but not yet reported).

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

i. Changes related to future service are adjusted against the CSM, unless the group of contracts is onerous, in which case such changes are recognised in the net insurance service result in the consolidated income statement
ii. Changes related to past or current service are recognised in the net insurance service result in the consolidated income statement
iii. The effects of the time value of money and financial risk are recognised as net insurance finance income or expense in the consolidated income statement.

The amount of CSM recognised in income statement for services in a period is determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining expected coverage period of the group of insurance contracts based on coverage units. These coverage units reflect the quantity of benefits and the coverage duration. Adjustments relating to future service and thus adjust the CSM using locked-in discount rates (i.e. those that reflect the characteristics of the cash flows of initial recognition) except for changes in the risk adjustment for non-financial risk that relate to future service.

VFA
The VFA is applied for contracts with direct participation features (contracts where returns are based on the performance of underlying assets). For insurance contracts under the VFA, changes in the Group’s share of the underlying items, and economic experience and economic assumption changes adjust the CSM, whereas these changes do not adjust the CSM under the GMM but are recognised in profit or loss as they arise.

2. Summary of accounting policies (continued)

2.23 Insurance business (continued)

PAA
Subsequently to initial measurement, the carrying amount of the LRC is increased with premiums received in the period, minus insurance acquisition cash flows, plus amortisation of acquisition cash flows, minus the amount recognised as insurance revenue for coverage provided in that period. The LRC is not discounted, since at initial recognition, it is expected that the time between providing each part of the coverage and the due date of the related premium is not more than a year.

Reinsurance contracts
The Group applies the same accounting policies to measure a group of reinsurance contracts under PAA, with the following modifications to reflect features that differ from those of insurance contracts. The Group establishes a loss-recovery component on the carrying amount of the asset for remaining coverage for a group of reinsurance contracts, depicting the recovery of losses, where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

The subsequent measurement of reinsurance contracts follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts.

The measurement of reinsurance contracts under the individual life reinsurance agreement follows the same principles as those for insurance contracts measured under the GMM. The carrying amount of the reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods, and (b) any remaining CSM at that date.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

The CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance.

The Group has made the below elections in relation to the measurement of insurance and reinsurance contract assets and liabilities and related income/expense:

i. Recognition of total insurance finance income or expenses in the consolidated income statement in the period in which they arise i.e. not to apply disaggregation,
ii. Deferral of insurance acquisition cash flows for non-life insurance business other than the health insurance business, when applying the premium allocation approach, and
iii. Disaggregation of the change in risk adjustment for non-financial risk between the net insurance service result and net insurance finance income/(expense).

Contract derecognition
The Group derecognises an insurance contract issued when the obligation specified in the contract expires, is discharged, or is cancelled, or if its terms are modified significantly. When a contract is modified significantly, a new contract based on the modified terms is recognised.

On derecognition of an insurance contract, the Group:

i. adjusts the fulfilment cash flows to eliminate the present value of future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognised from the group of contracts,
ii. adjusts the CSM of the group of contracts for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
iii. adjusts the number of coverage units for the expected remaining services, to reflect the number of coverage units derecognised from the group of contracts.

2. Summary of accounting policies (continued)

2.23 Insurance business (continued)

Onerous groups of contracts
For portfolios measured under the PAA, the Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts not measured under the PAA, that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

i. major shifts in economic and regulatory environment;
ii. combined Loss Ratio (Claims plus expenses divided by premium);
iii. pricing strategy leading to loss;
iv. changes in claims handling policy (e.g. time – stamped period) etc.

The Group has based its assessment on the Combined Loss Ratio as one of the key indicators of whether there are facts and circumstances to conclude that a group of contracts is onerous, as it takes into account economic shifts, the Group's decision on the pricing strategy, as well as the Group's claims' handling processes.

For the portfolios measured under GMM and VFA models, the Group performs profitability assessment to assess the portfolio of insurance contracts issued into three profitability groups, if applicable, for the purpose of calculating the CSM. The grouping is performed per set of contracts at initial recognition based on assumed profitability (profit testing exercise).

Insurance acquisition cash flows
The Group includes the following acquisition cash flows within the insurance contract boundary that arise from selling and starting a group of insurance contracts and that are:

a. costs directly attributable to individual contracts and groups of contracts; and
b. costs directly attributable to the portfolio of insurance contracts to which the group belongs, which are allocated on a reasonable and consistent basis to measure the group of insurance contracts.

Directly attributable expenses
Expenses directly attributable to a group of insurance contracts, which include both acquisition and maintenance costs, are incorporated in actual and estimated future cash flows and recognised in the net insurance result. Insurance acquisition cash flows are amortised. Expenses that are not directly attributable are excluded from the measurement of insurance contract liabilities and are recognised in profit and loss as incurred.

2.24 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase (repos) at a specific future date are not derecognised from the consolidated balance sheet as the Group retains substantially all risks and rewards of ownership. The corresponding cash received, including accrued interest, is recognised on the consolidated balance sheet as 'Repurchase agreements', reflecting its economic substance as a loan to the Group. The difference between the sale price and repurchase price is treated as interest expense and is accrued over the life of the agreement using the effective interest rate method. The investments pledged as security for the repurchase agreements can be sold or repledged by the counterparty. When the counterparty has the right to sell or repledge the securities, the Group discloses those securities as 'Investments pledged as collateral'.

Securities purchased under agreements to resell (reverse repos) at a specific future date, are not recognised on the consolidated balance sheet, rather are recorded as 'Reverse Repurchase agreements' on the consolidated balance sheet. The difference between the purchase and the resale price is treated as interest income and is accrued over the life of the agreement using the effective interest rate method. Reverse repos outstanding at the reporting date relate to agreements with financial institutions. The investments received as security under reverse repurchase agreements can either be sold or repledged by the Group.

2.25 Leases

Group as a lessee
The Group recognises right of use assets (RoU assets) and lease liabilities for contracts that convey the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Summary of accounting policies (continued)

2.25 Leases (continued)

The Group has the right to direct the use of an identified asset throughout the period of use when it has the right to direct how and for what purpose the asset is used and has the right to change the purpose, throughout the period of use (i.e. the decision-making rights that most significantly affect the economic benefits that can be derived from the use of the underlying asset). Essentially, this right permits the Group to change its decisions throughout the contract term without approval from the lessor.

The lease liabilities are initially measured at the present value of the future lease payments, discounted at the lessee's incremental borrowing rate (IBR) given that the interest rate implicit in the lease cannot be readily determined. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. Interest is computed by unwinding the present value of the lease liability and charged to the consolidated income statement within 'Interest expense'.

RoU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of the RoU asset comprises the amount of the initial measurement of the lease liability, initial direct costs and the provision for restoration costs, adjusted for any related prepaid or accrued lease payments previously recognised. Depreciation is computed on a straight line basis up to the end of the lease term, and recognised in the consolidated income statement within 'Other operating expenses'. RoU assets are subject to impairment under IAS 36.

The Group elected to use the recognition exemption for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low value assets'). Payments associated with short-term leases and leases of low value assets are recognised on a straight line basis as an expense in the consolidated income statement.

Leases are monitored for significant changes that could trigger a change in the lease term and at the end of each reporting period the impact on the lease liability and the RoU asset is reassessed. Lease liability is remeasured if there is a change in future lease payments, a change in the lease term, or as appropriate, a change in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is remeasured, a corresponding adjustment is made to the RoU asset and/or profit or loss, as appropriate.

The lease term is calculated as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease (if reasonably certain to be exercised), or any periods covered by an option to terminate the lease (if reasonably certain not to be exercised). The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and RoU assets recognised. Judgement is used in calculating the lease term, as further disclosed in Note 5.12.

Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index).

Variable lease payments that are determined by reference to an index or a rate are taken into account in the lease liability only when there is a change in the cash flows resulting from a change in the reference index or rate. In cases where the lease contract includes a term relating to increase in the lease payment based on variable lease payments, this increase is applied on the lease when it becomes effective (when the actual cash outflow occurs). The assessment is performed at each reporting date. In cases where the lease contract includes a term with fixed increments in the lease payments, the increase is accounted for in the initial recognition of lease liability.

When a lease contains an extension or termination option that the Group considers reasonably certain to be exercised, the expected lease payments or costs of termination are included within the lease payments in determining the lease liability.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in 'Other income' in the consolidated income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2. Summary of accounting policies (continued)

2.26 Property and equipment

Owner-occupied property is property held by the Group for use in the supply of services or for administrative purposes. Investment property is property held by the Group to earn rentals and/or for capital appreciation, as further disclosed in Note 2.27. If a property of the Group includes a portion that is owner-occupied and another portion that is held to earn rentals or for capital appreciation, the classification is based on whether or not these portions can be sold separately. Otherwise, the whole property is classified as owner-occupied property unless the owner-occupied portion is insignificant. The classification of property is reviewed on a regular basis to account for major changes in its use.

Owner-occupied property is initially measured at cost and subsequently measured at fair value less accumulated depreciation and impairment. Valuations are carried out periodically between 3 to 5 years, (but more frequent revaluations may be performed where there are significant and volatile movement in values), by independent, qualified valuers or by the internal qualified valuers of the Group applying a valuation model recommended by internationally accepted valuation standards. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the property. Depreciation is calculated on the revalued amount less the estimated residual value of each building on a straight line basis over its estimated useful life. Gain from revaluations are recognised in other comprehensive income in ‘Property revaluation reserve', however to the extent it reverses an impairment previously recognised in the consolidated income statement, the increase is recognised in the consolidated income statement. A revaluation loss is recognised in the consolidated income statement, except to the extent it offsets an existing revaluation reserve surplus.

Useful life is in the range of 30 to 67 years. Freehold land is not depreciated. On disposal of freehold land and buildings, the relevant revaluation reserve balance is transferred to ‘Retained earnings’.

The cost of adapting/improving leasehold property is amortised over 5 years.

Equipment is measured at cost less accumulated depreciation. Depreciation of equipment is calculated on a straight line basis over its estimated useful life of 5 to 10 years.

RoU assets recognised as property are measured at cost less accumulated depreciation and adjusted for certain remeasurements of lease liabilities. Depreciation of the recognised RoU assets is calculated on a straight line basis over the lease term, as further disclosed in Note 2.25.

At the reporting date, when events or changes in circumstances indicate that the carrying value may not be recovered, property and equipment is assessed for impairment. Where the recoverable amount is less than the carrying amount, property and equipment is written down to its recoverable amount.

2.27 Investment properties

Investment properties comprise land and buildings that are not occupied for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and/or for capital appreciation. Additionally, leased properties which are acquired in exchange for debt and are leased out under operating leases are also usually classified as 'Investment properties'.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value as at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in ‘Net gains/(losses) from revaluation and disposal of investment properties’ in the consolidated income statement. Valuations are carried out by independent, qualified valuers or by the Group's internal qualified valuers applying a valuation model recommended by internationally accepted valuation standards.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from owner-occupied property to investment property, the Group accounts for such property in accordance with the policy described in Note 2.26 ‘Property and equipment’ up to the date of change in use. For a transfer from investment property to stock of property, the property’s deemed cost for subsequent accounting is its fair value at the date of change in use.

2. Summary of accounting policies (continued)

2.28 Stock of property

The Group in its normal course of business acquires properties in exchange of debt, which are held either directly by the Company or by entities set up and controlled by the Group for the sole purpose of managing these properties with an intention to be disposed of. These properties are recognised in the Consolidated Financial Statements as 'Stock of property', reflecting the substance of these transactions. Transfers from stock of property are made at their carrying value when there is a change in use of property.

Stock of property is initially measured at cost and subsequently measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price, less the estimated costs necessary to make the sale.

If net realisable value is below the cost of the stock of property, impairment is recognised in 'Impairment net of reversals on non-financial assets' in the consolidated income statement.

2.29 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use.

The condition for such classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Such non-current assets and disposal groups held for sale are measured at the lower of their carrying amount and fair value less costs to sell, except for those assets and liabilities that are not within the scope of the measurement requirements of IFRS 5 'Non-current assets held for sale and discontinued operations' such as deferred taxes, financial instruments, investment properties measured at fair value, insurance contracts and assets and liabilities arising from employee benefits. These are measured in accordance with the Group's relevant accounting policies described elsewhere in this note.

Immediately before the initial classification as held for sale, the carrying amount of the asset (or assets and liabilities in the disposal group) is measured in accordance with applicable IFRS Accounting Standards. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities noted above that are not within the scope of the measurement requirements of IFRS 5 are remeasured in accordance with applicable IFRS Accounting Standards.

Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

A disposal group qualifies as a discontinued operation if an entity or a component of an entity has been disposed of or is classified as held for sale and a) represents a separate major line of business or geographical area of operations, b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or c) is a subsidiary acquired exclusively with a view to resale. Net profit/loss from discontinued operations includes the net total of operating profit and loss before tax from discontinued operations (including net gain or loss on sale before tax and gain or loss on measurement to fair value less cost to sell of a disposal group constituting a discontinued operation) and discontinued operations tax expense.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount, as profit or loss after tax from discontinued operations in the consolidated income statement.

2. **Summary of accounting policies** (continued)

2.30 Intangible assets

Intangible assets comprise computer software (including internally developed software). Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. The Group recognises an intangible asset that arises from development or the development phase of an internal project if, and only if, it can demonstrate all of the following:

i. The technical feasibility of completing the intangible asset so that it will be available for use or sale;
ii. Its intention to complete the intangible asset and use or sell it;
iii. Its ability to use or sell the intangible asset;
iv. How the intangible asset will generate probable future economic benefits;
v. The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
vi. Its ability to reliably measure the expenditure attributable to the intangible asset during its development.

The expenditure arising on research or the research phase of an internal project are expensed as incurred and cannot be subsequently capitalised.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated on a straight line basis over the estimated useful life of the assets which is 3 to 8 years for computer software, including internally developed computer software.

Intangible assets are reviewed for impairment when events relating to changes in circumstances indicate that the carrying value may not be recoverable. If the carrying amount exceeds the recoverable amount then the intangible assets are written down to their recoverable amount and an impairment loss is recognised in 'Impairment net of reversals on non-financial assets' in the consolidated income statement.

2.31 Share capital

Ordinary shares are classified as equity.

Any difference between the issue price of share capital and the nominal value is recognised as share premium. The costs incurred attributable to the issue of share capital are deducted from equity.

2. Summary of accounting policies (continued)

2.32 Share-based compensation plans

The Group recognises expenses for deferred compensation awards over the period that the employee is required to provide service to become entitled to the award. Whereby employees render services in exchange for equity instruments these arrangements are classified as equity-settled transactions.

Share-based compensation benefits are provided to employees (senior management of the Group) via the Long-Term Incentive Plan, an employee share arrangement which satisfies an incentive based award through the issue of shares (equity-settled).

Share-based compensation expense is measured by reference to the fair value of the equity instruments on the date of grant, with a corresponding increase in equity (other capital reserves), taking into account the terms and conditions inherent in the award, including, where relevant, dividend rights, transfer restrictions in effect beyond the vesting date, market conditions, and non-vesting conditions. For equity-settled awards, fair value is not remeasured unless the terms of the award are modified such that there is an incremental increase in value.

The total expense is recognised on a per-tranche basis, over the service period based on an estimate of the number of shares expected to vest and are adjusted to reflect the actual outcomes of service or performance conditions. At the end of each reporting period, the Group revises its estimates of the number of shares that are expected to vest and recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity (other capital reserves). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of shares that will ultimately vest. The expense or credit in the consolidated income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The vesting period for these schemes may commence before the legal grant date if the employees have started to render services in respect of the award before the legal grant date, where there is a shared understanding of the terms and conditions of the arrangement. Expenses are recognised when the employee starts to render service to which the award relates.

2.33 Other equity instruments

An instrument is an equity instrument if the instrument includes no contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

Other equity instruments are recorded at their residual amount and are not subject to any re-measurement after initial recognition. The cost incurred attributable to the issue of other equity instruments is deducted from retained earnings. Any subsequent write-down or write-up results to a credit or debit in retained earnings respectively. Coupon payments are recorded directly in retained earnings.

2.34 Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the Company. Dividends for the year that are approved after the reporting date, are disclosed as an event after the reporting date.

2.35 Provisions for pending litigation, claims, regulatory and other matters

Provisions for pending litigation, claims, regulatory and other matters against the Group are made when: (a) there is a present obligation (legal or constructive) arising from past events, (b) the settlement of the obligation is expected to result in an outflow of resources embodying economic benefits, and (c) a reliable estimate of the amount of the obligation can be made.

2. Summary of accounting policies (continued)

2.36 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets acquired is recognised as goodwill on the consolidated balance sheet. Where the Group's share of the fair values of the identifiable net assets is greater than the cost of acquisition (i.e. negative goodwill), the difference is recognised directly in the consolidated income statement in the year of acquisition. Acquisition related costs are expensed as incurred and included in other operating expenses.

If the business combination is achieved in stages, the previously held equity interest is remeasured at fair value and any resulting gain or loss is recognised in the consolidated income statement.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

3. Going concern

The Directors have made an assessment of the ability of the Group and the Company to continue as a going concern for a period of 12 months (the period of assessment) from the date of approval of these Consolidated Financial Statements.

The Directors have concluded that there are no material uncertainties which would cast a significant doubt over the ability of the Group and the Company to continue to operate as a going concern for a period of 12 months from the date of approval of the Consolidated Financial Statements and the Financial Statements of the Company.

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, capital requirements and capital resources, liquidity and funding position, taking also into consideration the Group's Financial Plan approved by the Board in February 2025 (the 'Plan') and the operating environment. The Group has sensitised its projection to cater for a downside scenario and has used reasonable economic inputs to develop its medium-term strategy.

Capital
The Directors and management have considered the Group's forecasted capital position, including the potential impact of a deterioration in economic conditions. The Group has developed capital projections under a base and an adverse scenario and the Directors believe that the Group has sufficient capital to meet its regulatory capital requirements throughout the period of assessment.

Funding and liquidity
The Directors and management have considered the Group's funding and liquidity position and are satisfied that the Group has sufficient funding and liquidity throughout the period of assessment. The Group continues to hold a significant liquidity buffer at 31 December 2024 that can be monetised in a period of stress.

4. Economic and geopolitical environment

Cyprus is a small, open, services-based economy, with a large external sector and high reliance on tourism and international business and information and communication technology (ICT) services. As a result, external factors which are beyond the control of the Group, including developments in the European Union and in the global economy, or in specific countries with which Cyprus maintains close economic and investment links, can have a significant impact on domestic economic activity. A number of macro and market related risks, including weaker economic activity, a highly volatile interest rate environment, and higher competition in the financial services industry, could negatively affect the Group's business environment, results, and operations.

4. Economic and geopolitical environment (continued)

There are heightened geopolitical tensions between the world's largest economies adding uncertainty to the global economy outlook. War and geopolitics can be very disruptive to the economy. Continued uncertainties arise from the ongoing wars in Russia/Ukraine and the Middle East.

In this context, the Group is closely monitoring the developments, utilising dedicated governance structures including a Crisis Management Committee as required, and has assessed the impact the crisis has on the Group's operations and financial performance. Furthermore, the Group in its models includes related events in its stress testing scenarios in order to gain a better understanding of the potential capital impact.

Although, there have been distinct improvements in Cyprus' risk profile after the banking crisis, substantial risks remain. Cyprus' overall country risk is a combination of sovereign, currency, banking, political and economic structure risk, influenced by external developments. Given the above, the Group recognises that unforeseen political events can have negative effects on the Group's activities.

The Group is continuously monitoring the current affairs and the impact of the forecasted macroeconomic conditions and geopolitical developments on the Group's strategy to proactively manage emerging risks.

5. Significant and other judgements, estimates and assumptions

The preparation of the Consolidated Financial Statements requires the Company's Board of Directors and management to make judgements, estimates and assumptions that can have a material impact on the amounts recognised in the Consolidated Financial Statements and the accompanying disclosures, as well as the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affecting future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments may, however, change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The most significant judgements, estimates and assumptions relate to the calculation of expected credit losses (ECL), the estimation of the net realisable value of stock of property and the provisions for pending litigation and claims, which are presented in Notes 5.1 to 5.3 below. Other judgements, estimates and assumptions are disclosed in Notes 5.4 to 5.13.

5.1 Calculation of expected credit losses

The calculation of ECL requires management to apply significant judgement and make estimates and assumptions, involving significant uncertainty at the time these are made. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECL to be recognised. The Group's calculations are outputs of models, of underlying assumptions on the choice of variable inputs and their interdependencies.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Elements of ECL models that are considered accounting judgements and estimates include:

Assessment of significant increase in credit risk (SICR)
IFRS 9 does not include a definition of significant increase in credit risk. The Group assesses whether significant increase in credit risk has occurred since initial recognition using predominantly quantitative and in certain cases qualitative information and backstop indicators. The determination of the relevant criteria to determine whether a significant increase in credit risk has occurred, is based on statistical metrics and could be subject to management judgement. The relevant criteria are set, monitored and updated on a yearly basis by the Risk Management Division and endorsed by the Group Provisions Committee. Lifetime ECL applies when a significant increase in credit risk has occurred on an individual or collective basis.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

Determining the probability of default (PD) at initial recognition requires management estimates in particular cases. Specifically, in the case of exposures existing prior to the adoption of IFRS 9, a retrospective calculation of the PD is made in order to quantify the risk of each exposure at the time of the initial recognition. In certain cases, estimates about the date of initial recognition might be required.

For the retail portfolio, the Group uses a PD at origination incorporating behavioural information (score cards) whereas, for the corporate portfolio, the Group uses the internal credit rating information. For revolving facilities, management estimates are required with respect to the lifetime and hence a behavioural maturity model is utilised, assigning an expected maturity based on product and customer behaviour.

Scenarios and macroeconomic factors
The Group determines the ECL, which is a probability weighted amount, by evaluating a range of possible outcomes. Management uses forward looking scenarios and assesses the suitability of weights used. These are based on management's assumptions taking into account macroeconomic, market and other factors. Changes in these assumptions and in other external factors could significantly impact ECL. Macroeconomic inputs and weights per scenario are monitored by the Economic Research Department and are based on internal model analysis and expert judgement, considering also external forecasts.

The Cypriot economy has demonstrated remarkable resilience and growth in recent years, navigating through global uncertainties and regional challenges. In 2024, the economy achieved a growth rate of 3.4%, driven by rising exports and strong economic activity in key sectors such as tourism, information and communications, construction and trade. This follows a period of strong growth with an annual average of 5.1% in the period 2015-2023. The unemployment rate has remained low, dropping to 4.9% in 2024 indicating near-full employment conditions. Inflation has been successfully stabilized, with rates declining from 3.9% in 2023 to 2.3% in 2024. General government debt metrics have significantly improved in recent years. The government debt-to-GDP ratio dropped to 65.4% in December 2024 from 73.6% in 2023 and 113.6% at the end of 2020. Looking ahead, continued budgetary surpluses and favourable debt dynamics are expected to further reduce the debt ratio, potentially dropping below 60% by 2026. Growth in the medium term, is expected to continue to outpace eurozone peers. Growth is expected to average about 3% annually in 2025-2027, driven by services exports and private consumption on the expenditure side and by international business services and the ICT sector on the production side.

The credit profile of Cyprus has improved significantly in the more recent period, reflecting a solid medium-term growth outlook, good institutional strength and effective policy making.

However, substantial risks remain in terms of the domestic operating environment, as well as the external environment on which it depends. Public debt has dropped in relation to GDP, but government expenditures need more rationalisation. In the banking sector non-performing exposures need to drop further. The current account deficit remains sizable. At the same time long-term yields may remain elevated for longer, despite interest rate cuts by the monetary policy, if inflation pressures increase and geopolitical uncertainties escalate.

For the ECL, the Group updated its forward-looking scenarios, factoring in updated macroeconomic assumptions and other monetary and fiscal developments at the national and the EU level based on developments and events as at the reporting date.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

For the ECL calculations, the Group uses an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, as described in Note 2.17.5. The approach employed, involves scenario generation, where the scenarios applied by the Group are anchored to the baseline scenario. All scenarios are updated on a quarterly basis for the purposes of the ECL calculation in tandem with the baseline scenario. The updated macroeconomic inputs (incorporating any uncertainties and downside risks) are therefore reflected in the scenario parameters, starting from the baseline and updated in turn for the adverse and the favourable scenarios accordingly. If the baseline becomes more pessimistic, then both the favourable and downside scenarios would be adjusted accordingly, reflecting the fact that the economic variables used in the scenarios are not constant but are conditional on the economy's position in the business cycle. A dynamic scenario approach is followed as explained above where the scenario parameters derived, reflect the Group's view of the economic conditions. The probability weights attached to the scenarios are a function of their relative position on the distribution, with a lower probability weight attached to the scenarios that were assessed to be more distant from the centre of the distribution. The baseline scenario is defined over the range of values corresponding to 50% probability of equidistant deviations around the mean of the historical distribution. The favourable and adverse scenarios are defined over the range of values to the right and left of the distribution respectively, each corresponding to 25% probability.

The most significant macroeconomic variables for each of the scenarios used by the Group as at 31 December 2024 and 2023 are presented in the table below. The Group uses three different economic scenarios in the calculation of default probabilities and provisions. The scenarios factor-in updated macroeconomic assumptions and other monetary and fiscal developments based on events as at the reporting date. The Group has used the 30-50-20 probability structure for the adverse, baseline and favourable scenarios respectively compared to the 25-50-25 structure derived using the method described in Note 2.17.5 and above. This reflects management's view of specific characteristics of the Cyprus economy that render it more vulnerable to external and internal shocks.

31 December 2024

Year	Scenario	Weight %	Real GDP (% change)	Unemployment rate (% of labour force)	Consumer Price Index (average % change)	RICS House Properties Price Index (average % change)
2025	Adverse	30.0	-1.4	5.4	-0.7	-3.9
	Baseline	50.0	3.0	4.5	1.8	2.2
	Favourable	20.0	4.2	4.4	2.5	3.8
2026	Adverse	30.0	-0.9	5.6	1.2	-0.2
	Baseline	50.0	2.9	4.5	2.2	2.3
	Favourable	20.0	3.1	4.3	2.1	2.7
2027	Adverse	30.0	2.0	5.3	1.8	2.3
	Baseline	50.0	2.8	4.5	2.0	2.2
	Favourable	20.0	2.5	4.4	2.0	2.6
2028	Adverse	30.0	3.4	5.2	1.9	2.9
	Baseline	50.0	2.6	4.5	1.9	2.3
	Favourable	20.0	2.4	4.4	1.9	2.6
2029	Adverse	30.0	2.8	5.2	1.9	2.5
	Baseline	50.0	2.5	4.5	1.8	2.2
	Favourable	20.0	2.4	4.4	1.9	2.3

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

31 December 2023

Year	Scenario	Weight %	Real GDP (% change)	Unemployment rate (% of labour force)	Consumer Price Index (average % change)	RICS House Properties Price Index (average % change)
2024	Adverse	30.0	-1.6	6.3	0.9	-3.1
	Baseline	50.0	2.7	5.8	2.5	3.0
	Favourable	20.0	3.5	5.6	3.1	3.7
2025	Adverse	30.0	-0.7	6.9	1.2	0.6
	Baseline	50.0	2.6	5.4	2.5	2.3
	Favourable	20.0	3.1	5.2	2.6	2.5
2026	Adverse	30.0	2.2	7.0	1.2	1.9
	Baseline	50.0	2.6	5.1	2.1	2.2
	Favourable	20.0	2.7	4.9	2.0	2.3
2027	Adverse	30.0	3.6	6.7	2.3	2.4
	Baseline	50.0	2.4	4.9	2.3	2.2
	Favourable	20.0	2.6	4.6	2.2	2.3
2028	Adverse	30.0	3.5	6.4	2.2	2.4
	Baseline	50.0	2.3	4.6	2.2	2.3
	Favourable	20.0	2.5	4.2	2.3	2.4

The adverse scenarios may outpace the base and favourable scenarios after the initial shock has been adjusted to and the economy starts to expand from a lower base. Thus, in the adverse scenario GDP will follow a growth trajectory that will ultimately equal and surpass the baseline before converging. Property prices are determined by multiple factors with GDP growth featuring prominently.

The baseline scenario was updated for the 31 December 2024 reporting, considering available information and relevant developments until then, and is described next. Growth moderated in 2023 following strong recoveries in 2021-2022, but remained above the Euro area average, supported by the continued recovery in tourism and expanding services activity. Real GDP increased by 2.6% on average in 2023 and growth accelerated in 2024, averaging 3.4%. Tourist arrivals in Cyprus exceeded 4.0 million in 2024, up by an annual 5.1%. Under the baseline scenario the economy is expected to advance by 3.0% in 2025 and consumer price inflation will decelerate to 1.8%. House prices are expected to rise by 2.2% in 2025 following strong increases in 2022-2024.

The adverse scenario is consistent with assumptions for a global economic slowdown driven by geopolitical tensions, tariff wars, elevated inflation expectations and the steepening of yield curves. The Cypriot economy relies on services, particularly on tourism, international business, and information and communication services with an outward orientation. This makes the Cypriot economy more exposed than other economies to the international environment and terms of trade shocks. Weaker external demand will lead to a slowdown of economic activity. The adverse scenario assumes a deeper impact of these conditions on the real economy than under the baseline scenario. Under the adverse scenario, real GDP is expected to drop by 1.4% in 2025 as a whole, and contract further by 0.9% in 2026. In the labour market the unemployment rate will rise only modestly to 5.4% and inflation will actually turn negative by 0.7%. House prices will also slow in line with the contraction in real GDP.

The Group uses actual values for the input variables. These values are sourced from the Cyprus Statistical Service, the Eurostat, the Central Bank of Cyprus for the residential property price index, and the European Central Bank for interest rates. Interest rates are also sourced from the Eurostat. In the case of property prices, the Group additionally uses data from the Royal Institute of Chartered Surveyors. For the forward reference period, the Group uses the forecast values for the same variables, as prepared by the Company's Economic Research Department. The results of the internal forecast exercises are consistent with publicly available forecasts from official sources including the European Commission, the International Monetary Fund, the European Central Bank and the Ministry of Finance of the Republic of Cyprus.

Qualitative adjustments or overlays are occasionally made when inputs calculated do not capture all the characteristics of the market. These are reviewed and adjusted, if considered necessary, by the Risk Management Division, endorsed by the Group Provisions Committee and approved by the Board Risk and Audit Committees. Qualitative adjustments or overlays are described in the below sections as applicable.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

For Stage 3 customers, the calculation of individually assessed provisions is the weighted average of three scenarios: base, adverse and favourable. The base scenario focuses on the following variables, which are based on the specific facts and circumstances of each customer: the operational cash flows, the timing of recovery of collaterals and the haircuts from the realisation of collateral. The base scenario is used to derive additional either more favourable or more adverse scenarios. Under the adverse scenario, operational cash flows are decreased by 50%, applied haircuts on real estate collateral are increased by 50% and the timing of recovery of collaterals is increased by one year with reference to the baseline scenario, whereas under the favourable scenario applied haircuts are decreased by 5%, with no change in the recovery period with reference to the baseline scenario. Assumptions used in estimating expected future cash flows (including cash flows that may result from the realisation of collateral) reflect current and expected future economic conditions and are generally consistent with those used in the Stage 3 collectively assessed exposures.

The above assumptions are also influenced by the ongoing regulatory dialogue the Company maintains with its lead regulator, the ECB, and other regulatory guidance and interpretations issued by various regulatory and industry bodies such as the ECB and the EBA.

Any changes in these assumptions or difference between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

For collectively assessed customers the calculation is also the weighted average of three scenarios: base, adverse and favourable.

Assessment of loss given default (LGD)
For the estimation of loss given default (LGD) key estimates are the timing and net recoverable amount from repossession or realisation of collaterals (including through portfolio sales) which mainly comprise real estate assets.

Assumptions have been made about the future changes in property values, as well as the timing for the realisation of collateral, taxes and expenses on the repossession and subsequent sale of the collateral as well as any other applicable haircuts. Indexation has been used as the basis to estimate updated market values of properties, supplemented by management judgement where necessary, given the difficulty in differentiating between short-term impacts and long-term structural changes and the shortage of market evidence for comparison purposes. Assumptions were made on the basis of a macroeconomic scenario for future changes in property prices and qualitative adjustments or overlays were applied to the projected future property value increases to restrict the level of future property price growth to 0% for all scenarios for loans and advances to customers which are secured by property collaterals.

At 31 December 2024, the weighted average haircut (including liquidity haircut and selling expenses) used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) is approximately 42% under the baseline scenario, excluding those classified as held for sale (2023: approximately 31.3%). The increase in the haircut percentage is primarily due to the calibration of the collateral realisation model during the first half of 2024, as explained in section 'Calibration of IFRS 9 models and removal of overlays in relation to economic conditions'.

At 31 December 2024, the timing of recovery from real estate collaterals used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) has been estimated to be on average seven years under the baseline scenario, excluding those classified as held for sale (2023: average of six years).

In the 2023 Financial Statements the above disclosures in relation to the weighted average haircut and timing of recovery from real estate collaterals were by reference to exposures that were collectively assessed and not including exposures which were assessed for staging purposes on an individual basis. The comparative information presented above has been updated for aligning with the disclosure for the year ended 31 December 2024.

For the calculation of individually assessed provisions of Stage 3 exposures, the timing of recovery of collaterals as well as the haircuts used, are based on the specific facts and circumstances of each case. For specific cases judgement may also be exercised over staging during the individual assessment.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

Any changes in these assumptions or variance between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

Modelling adjustments
Forward looking models have been developed for ECL parameters (PD, EAD, LGD) for all portfolios and segments sharing similar characteristics. Model validation (initial and periodic) is performed by the independent validation unit within the Risk Management Division and involves assessment of a model under both quantitative (i.e. stability and performance) and qualitative terms. The frequency and level of rigour of model validation is commensurate to the overall use, complexity and materiality of the models, (i.e. risk tiering). In certain cases, judgement is exercised in the form of expert judgment and/or management overlay by applying adjustments on the modelled parameters. Governance of these models lies with the Risk Management Division, where a governance process is in place around the determination of the impairment measurement methodology including inputs, assumptions and overlays. Any management overlays are prepared by the Risk Management Division, endorsed by the Group Provisions Committee and approved by the Board Risk and Audit Committees.

Calibration of IFRS 9 models and removal of overlays in relation to economic conditions in 2024
During the year ended 31 December 2024, the Group performed a calibration of its IFRS 9 models which involved the reassessment and update of the ECL model parameters (PDs, LGDs and cure rates) and SICR thresholds so as to incorporate in the models the effects of the recent economic conditions and experience, which were previously reflected in the ECL through the use of overlays. Further, the calibration involved the Group updating and revising the LGD parameter, as part of the Group's ongoing review and update of models as to incorporate updated data information and to reflect an update on realisation paths and rates applied.

More specifically, the Group proceeded with model calibrations affecting the probability of default parameter (the 'PD-macro'), the SICR parameter, the probability of cure model and the collateral realisation model and introducing an LGD floor, as explained below:

i. The calibration of the PD-macro model included the introduction of inflation related variables and the inclusion of post-COVID period data to capture the low-default environment as well as the integration of a dynamic adjustment to calibrate (up or down) the model projection based on the relationship between the past model projections and the actual observed defaults (structural breaks in the relationship e.g. between a specific macro factor and the PD value). Refinement of the PD adjustment factor was also made during 2024, to include a more extended observation period for the SICR parameter. The net impact of this calibration was €4.2 million ECL release during the year ended 31 December 2024.
ii. As a result of the PD-macro calibration, the SICR model was revisited following a statistical model methodology calibration, whilst introducing an absolute threshold to increase stability. The corresponding impact was €1.4 million ECL release during the year ended 31 December 2024 and net transfer of related loans from Stage 2 to Stage 1.
iii. With respect to the probability of cure model, a different curability period was introduced for each macro-economic scenario following a detailed statistical analysis examining the relationship of cure rates with macro indicators and concluding that curability should differentiate at the level of the scenario. The respective impact was an ECL charge of €2.1 million during the year ended 31 December 2024.
iv. As a result of calibrations (i)-(iii), the Group removed the prior year overlays applied in the context of economic conditions with the resulting impact being €15.7 million ECL release during the year ended 31 December 2024.
v. For the collateral realisation model, the Group has updated its LGD parameter with respect to the path of realisation through portfolio sales, by increasing the likelihood of this realisation path. The resulting impact was an ECL charge of €19.2 million during the year ended 31 December 2024.
vi. Lastly, the Group has incorporated a minimum LGD rate which provides for a minimum loss rate (which acts as a floor) irrespective of the realisation path and value of collateral. This minimum LGD was introduced as to capture the subjectivity and uncertainty involved in the value of recovery assumptions (i.e. collateral recoverable amount, maximum recovery period, etc.) which impacts the realisation amount. The corresponding impact was an ECL charge of €20.0 million during the year ended 31 December 2024.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

Overlays applied in the prior year:

i. Overlays introduced in prior years in the context of economic conditions from the consequences of the Ukrainian crisis, in the collectively assessed population for exposures that were considered to be the most vulnerable to the implications of the crisis, were removed during 2024. The impact on the ECL from the application of these overlays was approximately €3.4 million ECL release during the year ended 31 December 2023.
ii. In addition, the overlay on the PD (PD floored to the maximum of 2018/2019 level), introduced in prior years to address specifically the high inflation environment affecting the economy, was removed during 2024. The impact on the ECL from the application of this overlay was €7.2 million charge during the year ended 31 December 2023.
iii. During the year ended 31 December 2023, an overlay for the LGD parameter has been integrated through reduced curability period for Stage 2 and Stage 3 exposures with a resulting impact on the ECL of €7 million charge during the year ended 31 December 2023.

The IFRS 9 models are reviewed regularly in order to incorporate the most recent information available and to ensure that they perform adequately and that they are suitably representative when applied to the current portfolio for the calculation of impairment loss allowances.

The Group has exercised critical judgement on a best effort basis, to consider all reasonable and supportable information available at the time of the assessment of the ECL allowance as at 31 December 2024. The Group will continue to evaluate the ECL allowance and the related economic outlook each quarter, so that any changes arising from the uncertainty on the macroeconomic outlook and geopolitical developments, are timely captured.

Portfolio segmentation
The individual assessment is performed not only for individually significant assets but also for other exposures meeting specific criteria determined by management. The selection criteria for the individually assessed exposures are based on management judgement and are reviewed on a quarterly basis by the Risk Management Division and are adjusted or enhanced, if deemed necessary. Following the wars in Ukraine and the Middle East, the selection criteria were further enhanced to include significant exposures to customers with passport of origin or residency in Russia, Ukraine or Belarus and/or business activity within these countries and significant exposures with repayment deriving from Israel.

Further details on impairment allowances and related credit information are set out in Note 44.

In addition to the above significant judgments and assumptions made for the calculation of the ECL, the Group also applies judgment for the following:

Expected lifetime of revolving facilities
The expected lifetime of revolving facilities is based on a behavioural maturity model for revolving facilities based on the Company's available historical data, where an expected maturity for each revolving facility based on the customer's profile is assigned. The behavioural model was updated in the third quarter of 2023 to reflect updates in customers' profile whilst maintaining the same model components.

Off-balance sheet credit exposures
ECL allowances also include allowances on off-balance sheet credit exposures represented by guarantees given and by irrevocable commitments to disburse funds. Off-balance sheet credit exposures of the individually assessed assets require assumptions on the probability, timing and amount of cash outflows. For the collectively assessed off-balance sheet credit exposures, the allowance for provisions is calculated using the Credit Conversion Factor (CCF) model.

5.2 Stock of property - estimation of net realisable value

Stock of property is measured at the lower of cost and net realisable value. The net realisable value is determined through valuation techniques, requiring significant judgement, taking into account all available reference points, such as expert valuation reports, current market conditions, applying an appropriate illiquidity discount where considered necessary, taking into consideration observed sales, the holding period of the asset, realisation strategy and any other relevant parameters. Selling expenses are deducted from the realisable value.

More details on the stock of property are presented in Note 27.

5. Significant and other judgements, estimates and assumptions (continued)

5.3 Provisions for pending litigation and claims

The accounting policy for provisions for pending litigation, claims, regulatory and other matters is described in Note 2.35.

Judgement is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Provisions for pending litigation and claims usually require a higher degree of judgement than other types of provisions. It is expected that the Group will continue to have a material exposure to litigation and regulatory proceedings and investigations relating to legacy issues in the medium term. The matters for which the Group determines that the probability of a future loss is more than remote will change from time to time, as will the matters as to which a reliable estimate can be made and the possible loss for such matters can be estimated. Actual results may prove to be significantly higher or lower than the estimated possible loss in those matters, where an estimate was made. In addition, loss may be incurred in matters with respect to which the Group believed the probability of loss was remote.

For a detailed description of the nature of uncertainties and assumptions and the effect on the amount and timing of pending litigation and claims refer to Note 38.

5.4 Tax

The Group, is subject to tax in Cyprus and in the countries that it has run-down operations mainly in Greece, Russia and Romania. Estimates are required in determining the provision for taxes at the reporting date. The Group recognises income tax liabilities for transactions and assessments whose tax treatment is uncertain. Where the final tax is different from the amounts initially recognised in the consolidated income statement, such differences will impact the income tax expense, the tax liabilities and deferred tax assets or liabilities of the period in which the final tax is agreed with the relevant tax authorities.

Deferred tax assets
In the absence of a specific accounting standard dedicated to the accounting of the asset that arose pursuant to amendments in the Income Tax Law effected in March 2019 which provides for the recoverability of tax assets arising from transfer of tax losses following resolution of a credit institution, within the framework of 'The Resolution of Credit and Other Institutions', to be guaranteed (Note 17), the Company had exercised judgement in applying the guidance of IAS 12 as the most relevant available standard and accounted for this asset item on the basis of IAS 12 principles relating to deferred tax assets.

For further details on such deferred tax assets refer to Note 17.

5.5 Fair value of investments and derivatives

The best evidence of fair value is a quoted price in an actively traded market. If the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employed by the Group use primarily observable market data and so the reliability of the fair value measurement is relatively high.

However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant inputs that are not observable. Valuation techniques that rely on non-observable inputs require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs.

Valuation techniques used to calculate fair values include comparisons with similar financial instruments for which market observable prices exist, discounted cash flow analysis and other valuation techniques commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, including assumptions about interest rate yield curves, exchange rates, volatilities and default rates. When valuing instruments by reference to comparable instruments, management takes into account the maturity, structure and rating of the instrument with which the position held is being compared.

The Group uses models with only unobservable inputs for the valuation of certain unquoted equity investments. In these cases, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm’s length transaction would occur under normal business conditions. Unobservable inputs are determined based on the best information available.

5. Significant and other judgements, estimates and assumptions (continued)

5.5 Fair value of investments and derivatives (continued)

Further details on the fair value of assets and liabilities are disclosed in Notes 2.13.9 and 22.

5.6 Retirement benefits

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, the expected rate of return on plan assets, future salary increases, mortality rates as well as future pension increases where necessary. The Group's management sets these assumptions based on market expectations at the reporting date using its best estimates for each parameter covering the period over which the obligations are to be settled. In determining the appropriate discount rate, management considers the yield curve of high quality corporate bonds. In determining other assumptions, a certain degree of judgement is required. Future salary increases are based on expected future inflation rates for the specific country plus a margin to reflect the best possible estimate relating to parameters such as productivity, workforce maturity and promotions. The expected return on plan assets is based on the composition of each fund's plan assets, estimating a different rate of return for each asset class. Estimates of future inflation rates on salaries and expected rates of return of plan assets represent management's best estimates for these variables. These estimates are derived after consultation with the Group's advisors, and involve a degree of judgement. Due to the long-term nature of these plans, such estimates are inherently uncertain.

Further details on retirement benefits are disclosed in Note 14.

5.7 Non-life insurance business

The Group is engaged in the provision of non-life insurance services. Risks under these policies usually cover a period of 12 months.

A summary of the significant judgements and estimates made in the measurement of insurance and reinsurance contract assets and liabilities is included in Note 5.9.

Further information on non-life insurance business is disclosed in Note 12.

5.8 Life insurance business

The Group is engaged in the provision of life insurance services. Whole life insurance plans (life plans) are unit-linked contracts associated with assets where the amount payable in the case of death is the greater of the sum insured and the value of investment units. Simple insurance or temporary term plans (term plans) relate to fixed term duration plans for protection against death. In case of death within the coverage period, the insured sum will be paid. Endowment insurance (such as investment plans/horizon plans/Capital builder and Lifestart) refer to specific duration plans linked to investments, to create capital through systematic investment in association with death insurance coverage whereby the higher of the sum insured and the value of investment units is payable on death within the contract term.

A summary of the significant judgements and estimates made in the measurement of insurance and reinsurance contract assets and liabilities is included in Note 5.9.

Further information on life insurance business is disclosed in Note 12.

5.9 Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of insurance and reinsurance assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available by the reporting date. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

5. Significant and other judgements, estimates and assumptions (continued)

5.9 Insurance and reinsurance contracts (continued)

Estimates of future cash flows

In estimating future cash flows, the Group incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

Cash flows within the boundary of a contract are those that relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders and other costs that are incurred in fulfilling contracts. These comprise both an allocation of fixed and variable overheads.

The estimates of future cash flows reflect the Group's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The following key assumptions were used when estimating future cash flows in relation to life insurance contracts:

a) Mortality and morbidity rates
b) Expenses and inflation
c) Lapse and surrender rates

Mortality and morbidity rates
Assumptions are based on standard international tables of mortality and morbidity, according to the type of contract. In addition, a study is performed based on the actual experience (actual deaths) of the insurance company for comparison purposes and if sufficient evidence exists which is statistically reliable, the results are incorporated in these tables. An increase in mortality rates will lead to a larger expected number of claims (or claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for shareholders.

The table below sets out the percentage estimated to apply to industry mortality and morbidity tables in estimating fulfilment cash flows:

Mortality Rates		**Mortality rates***	
		31 December 2024	31 December 2023
Males	Smokers	61% A67/70	68% A67/70
	Non-Smokers	43% A67/70	48.25% A67/70
Females	Smokers	61% A67/70 rated down by 4 years	68% A67/70 rated down by 4 years
	Non-Smokers	43% A67/70 rated down by 4 years	48.25% A67/70 rated down by 4 years

* The Group uses A67/70 UK standard mortality table in setting the mortality assumption, since the Group's own claim experience is not sufficient to allow the development of its own mortality table. To reflect the Group's specific claims experience more accurately, a percentage is applied on the A67/70 UK standard mortality table.

Expense and inflation
Expense assumptions are based on the actual costs of the insurance activities of the Group incurred within the year. To derive the per-policy expense assumption, every year the Group performs an expense analysis which is based on the Group's insurance subsidiaries actual expenses. For the purpose of the expense analysis, expenses are split into expenses which are attributable and non-attributable. The Group produces various metrics/ratios to allocate the costs to the underlying products. Non-attributable expenses are excluded from the analysis as these are not directly related to a group of insurance contracts.

An assumption is also made for the rate of increase in expenses in relation to the annual inflation rate. An increase in the level of expenses would reduce profitability.

5. Significant and other judgements, estimates and assumptions (continued)

5.9 Insurance and reinsurance contracts (continued)

	31 December 2024	31 December 2023
	€000	€000
Inflation rate	**4,00%**	4,00%

Lapse and surrender rates

An analysis of contract termination rates is performed every year, using actual data from the insurance company incorporation until the immediate preceding year. Rates vary according to the type and duration of the plan.

	Unit-Linked (protection)		**Unit-Linked (savings)**		**Non-Linked (term)**		**Non-Linked (Cap. Builder & Lifestart)**	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Year 1	**3%**	4%	**6%**	6%	**5%**	4%	**3%**	3%
Year 2	**4%**	5%	**6%**	6%	**6%**	6%	**6%**	7%
Year 3	**4%**	5%	**5%**	6%	**5%**	6%	**6%**	7%
Year 4	**4%**	5%	**5%**	6%	**6%**	7%	**6%**	6%
Year 5	**4%**	5%	**4%**	6%	**6%**	7%	**6%**	6%
Year 6+	**4%**	5%	**4%**	5%	**6%**	8%	**5%**	6%

Discount rates

Discount rates are applied to adjust the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows.

Discount rates should:

i. Reflect the time value of money, characteristics of the cash flows and liquidity characteristics of the insurance contract
ii. Be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts (e.g., timing, currency and liquidity)
iii. Exclude the effect of factors that influence such observable market prices, but do not affect the future cash flows of the insurance contracts

IFRS 17 does not require a particular estimation technique for determining discount rates but provides two alternative approaches that may be used to derive discount rates. The determination of discount rates may be derived from a yield curve that reflects the current market rates of return of an actual or reference portfolio of assets, adjusted to eliminate any factors that are not relevant to the insurance contracts (top-down approach), or discount rates may be derived based on a liquid risk-free yield curve adjusted for an illiquidity premium (bottom-up approach). The Group has elected to apply a bottom-up approach whereby discount rates are derived based on a liquid risk free yield curve adjusted for an illiquidity premium which is derived from each insurance subsidiary's own bond portfolio assets. Under the bottom-up approach, the risk free yield curve should be based on interest rates that are risk-free without including any component of credit risk and should be derived from each insurance subsidiary at which two parties are willing to exchange interest obligations. It is therefore necessary for these to be available for different times reflecting the liabilities of the insurance contracts. It should also be based on information from financial markets. The Group has elected to use the EIOPA risk-free rate curve as the liquid risk-free curve as it covers all the above requirements. An illiquidity premium is then added which is calculated by subtracting the credit risk premium and risk-free rate from the Yield to Maturity ('YTM') of the own bond portfolio of assets for each insurance subsidiary. The YTM represents the interest rate that would be required for the portfolio's future cash flows to equal its market price.

5. Significant and other judgements, estimates and assumptions (continued)

5.9 Insurance and reinsurance contracts (continued)

The rates applied for discounting future cash flows are listed below:

	Year 1		Year 3		Year 5		Year 10		Year 20	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
Life insurance contracts (unit-linked)	**2.5%**	3.5%	**2.4%**	2.5%	**2.4%**	2.4%	**2.5%**	2.5%	**2.5%**	2.5%
Life insurance contracts (non-linked)	**2.5%**	3.5%	**2.4%**	2.6%	**2.4%**	2.5%	**2.6%**	2.5%	**2.5%**	2.5%
Non-life insurance contracts	**2.8%**	4.6%	**2.5%**	3.8%	**2.5%**	3.7%	**2.6%**	3.7%	**2.6%**	3.7%

Investment return

The investment returns are the same as the discount rates applied.

Risk adjustment for non-financial risk

IFRS 17 provides limited prescriptive requirements as to the methodology to be used to calculate the risk adjustment for non-financial risk and allows an entity to apply judgement in determining an appropriate estimation technique.

Life insurance business and health insurance business
The Group has applied judgement in estimating the risk adjustment, in the following areas:

i. Risks included within the risk adjustment calculation – the risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from insurance risk and other non-financial risks as the insurance contract is fulfilled. In estimating the risk adjustment, the Group has considered the non-market risks which are also allowed in the calculation of the Solvency II Risk Margin. These include life and health underwriting risks whereas, as specified by the standard, counterparty and operational risks are excluded.
ii. Method of calculation - the Group calculates a margin, above best estimate assumptions, for each non-financial risk to which the Group is exposed through issuing insurance contracts. The margins are set so that (in combination) they would cover potential losses from movements in non-financial risks within a specified confidence level. The total of these margins is the risk adjustment. The Group has applied judgement in setting the confidence level applied in the risk adjustment calculation, based on the Group's appetite for accepting the risk inherent in writing insurance contracts and the compensation required for doing so.

The Group has estimated the risk adjustment using a hybrid of Cost of Capital (CoC) and Value at Risk (VaR) techniques. The Group first uses the CoC technique to calculate Risk Adjustment, which is then scaled up/down using the VaR technique, to reflect the Group's risk appetite and overall strategy.

The CoC methodology assesses the cost of holding capital sufficient to cover the relevant risks over the lifetime of the business. It determines a required compensation amount by discounting the projected cost of the calculated capital and translating that compensation amount to a corresponding confidence level. The Group uses the CoC technique to produce a normal distribution with:
i. the Best Estimate Liabilities (BEL) as the mean of the distribution, and
ii. the Best Estimate Liabilities plus the solvency capital requirement (SCR) as the 99,5% percentile of the distribution.

The Group estimated the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculates the risk adjustment for non-financial risk at value at risk of the target confidence level. The Group uses a target 90% (2023: 90%) percentile for the confidence level.

Non-life insurance business other than the health insurance business
For non-life insurance business the risk adjustment forms a key component of the LIC.

5. Significant and other judgements, estimates and assumptions (continued)

5.9 Insurance and reinsurance contracts (continued)

The risk adjustment for LRC forms part of the loss component calculation which is used to determine the groupings of contracts that are expected to be onerous.

Risk adjustment for non-financial risk is determined to reflect the compensation that the Group would require for bearing non-financial risk and its degree of risk aversion. It is determined separately for each non-life line of business and allocated to groups of contracts based on the total premiums for each group. It reflects the effects of the diversification benefits between the different lines of business, which are determined using a correlation matrix technique available from EIOPA.

The risk adjustment for non-financial risk is determined using a confidence level technique which stems from a hybrid CoC and VaR approach. To determine the risk adjustment for non-financial risk for non-life reinsurance contracts, the Group applies this technique to the gross amounts and then by using gross to net ratios it derives the amount of risk being transferred to the reinsurer as the difference between the two results.

The Group estimates the probability distribution of the expected present value of the future cash flows from the contracts at each reporting date and calculates the risk adjustment for non-financial risk at value at risk of the target confidence level. The Group uses a target 75% (2023:75%) percentile for the confidence level.

CSM

The CSM of a group of contracts is recognised in the consolidated income statement to reflect services provided in each year, by identifying the coverage units in the group, allocating the CSM remaining at the end of the year equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in consolidated income statement the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Further details on insurance liabilities are disclosed in Note 31.

5.10 Classification of properties

The Group determines whether a property is classified as investment property or stock of property as follows:

i. Investment properties comprise land and buildings that are not occupied for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and/or capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Additionally, they comprise leased properties which are acquired in exchange of debt and are leased out under operating leases.
ii. Stock of property comprises real estate assets held with an intention to be disposed of. This principally relates to properties acquired through debt-for-property swaps and properties acquired through the acquisition of certain operations of Laiki Bank in 2013 (except from those that are leased out and are classified as investment properties).

5.11 Fair value of properties held for own use and investment properties

In accordance with the Group’s accounting policy, property held for own use, as well as investment property, is measured at fair value. In the case of property held for own use, valuations are carried out periodically so that the carrying value is not materially different from the fair value, whereas in the case of investment property, the fair value is established at each reporting date. Valuations are carried out by qualified valuers by applying valuation models recommended by internationally accepted valuation standards.

In arriving at their estimates of the fair values of properties, the valuers use their market knowledge and professional judgement and do not rely solely on historical transactional comparable information, taking into consideration the greater degree of uncertainty that exists compared to a more active market. Depending on the nature of the underlying asset and available market information, the determination of the fair value of property may require the use of estimates such as future cash flows from assets and discount rates applicable to those assets. All these estimates are based on local market conditions existing at the reporting date.

5. Significant and other judgements, estimates and assumptions (continued)

5.11 Fair value of properties held for own use and investment properties (continued)

Further information on inputs used is disclosed in Note 22.

5.12 Leases

Incremental Borrowing Rate (IBR)
The determination of an IBR term structure which is used in the measurement of the present value of the future lease payments as described in Note 2.25, inherently involves significant judgement. The IBR used was based on the Cyprus Government yield curve, with no further adjustment, as a fair proxy for the Group's secured borrowing cost, for a time horizon in accordance to the lease term. The sensitivity analysis on the yield curve performed by the Company showed that the value of the lease liability and corresponding RoU assets is relatively insensitive to changes in the IBR.

Lease term
In determining the lease term, management considers all facts and circumstances that could make a contract enforceable, such as the economics of the contract. The following assumptions were made for the duration of lease term depending on the contract terms:

i. For cancellable leases, an assessment was made at the initial application of the standard and subsequently updated where considered appropriate, based on the horizon used in the Group's financial plan. The current medium term financial plan assessment is for a duration of 4 years. The lease term was therefore based on an assessment of either 4 years (being the medium time horizon) or 8 years (being an assessment of a longer time horizon).
ii. For non-cancellable leases, the lease term has been assessed to be the non-cancellable period.
iii. For leases with an option for renewal, the Group's past practice regarding the period over which it has typically used properties (whether leased or owned), and its economic reasons for doing so, provide information that is helpful in assessing whether the lessee is reasonably certain to exercise, or not to exercise, an option.

Low value assets
The Group has exercised judgement in determining the threshold of low value assets which was set at €5,000.

Further details on the leases are disclosed in Note 42.

5.13 Classification of financial assets

The Group exercises judgement upon determining the classification of its financial assets, in relation to business models and future cash flows.

Judgement is also required to determine the appropriate level at which the assessment of business models needs to be performed. In general, the assessment for the classification of financial assets into the business models is performed at the level of each business line. Further, the Group exercises judgement in determining the effect of sales of financial instruments on its business model assessment.

The Group also applies judgement upon considering whether contractual features including interest rate could significantly affect future cash flows. Furthermore, judgement is required when assessing whether compensation paid or received on early termination of lending arrangements results in cash flows that are not SPPI.

6. Segmental analysis

The Group's activities are mainly concentrated in Cyprus. Cyprus operations are organised into operating segments based on the line of business. The results of the overseas subsidiaries and branches of the Group, namely in Greece, Romania and Russia, are presented within segment 'Other', given the size of these operations which are in a run-down mode and relate to legacy operations of the Group. Further, the results of certain small subsidiaries of the Group are allocated to the segments based on their key activities.

6. Segmental analysis (continued)

As from the first quarter of 2024, following an internal re-organisation, the activities previously reported under segment 'Wealth Management' were reorganised and are now reported as follows: part of the activities were undertaken by the newly set up unit, Affluent Banking which is presented and monitored under 'Retail' and part of the activities are carried out by the Institutional Wealth Management and Custody, which was transferred under and is now presented and monitored as part of 'Treasury'. As a result of the changes, 'Wealth Management' no longer comprises a separately reportable segment. The activities of the subsidiary companies of the Group, CISCO and its subsidiary, which were part of the 'Wealth Management' segment and whose activities relate to investment banking, brokerage, discretionary asset management and investment advice services do not qualify as a material segment and are now presented within 'Other'. Comparative information in 'Analysis by business line', 'Analysis of total revenue' and 'Analysis of assets and liabilities' in this note and comparative information in the 'By business line' analysis in Notes 14, 23, 30, 44.2, 44.3 and 44.5 was restated to reflect this change.

The operating segments are analysed below:

i. The Corporate, Small and Medium-sized Enterprises (SME) and Retail business lines are managing loans and advances to customers. As from the first quarter of 2024, retail business line also includes the Affluent Banking unit, which offers banking and investment services to its clients. Categorisation of loans per customer group is detailed further below.
ii. IBU & International Corporate comprises of:
    1. IBU, which specialises in the offering of banking services to the international corporate customers based in Cyprus, particularly international business companies whose ownership and business activities lie outside Cyprus, and non resident individual customers of the Company.
    2. International Corporate, which comprises of International Corporate Banking, Project Finance & Loan Syndication and Shipping Centre. International Corporate Banking provides financing from Cyprus in respect of projects based overseas with main focus being in Greece and the United Kingdom. Project Finance & Loan Syndication acts as arranger or participant in large international loan syndication transactions. Shipping Centre provides shipping financing primarily for ocean-going cargo vessels.
iii. Restructuring and Recoveries is the specialised unit which was set up to tackle the Group's loan portfolio quality and manages exposures to borrowers in distress situation through innovative solutions.
iv. The Real Estate Management Unit (REMU) manages properties acquired through debt-for-property swaps and properties acquired through the acquisition of certain operations of Laiki Bank in 2013 and executes exit strategies in order to monetise these assets. REMU also includes other subsidiary property companies of the Group.
v. Treasury is responsible for managing assets and liabilities within the Risk Appetite Framework set by the Board of Directors. Treasury manages the Group's liquid assets, investing in fixed income securities and in the interbank market. This business line manages the interest rate and foreign exchange risks to which the Group is exposed to and is also responsible for liquidity management and for ensuring compliance with internal and regulatory liquidity guidelines. It is also responsible for raising funding through the issuance of debt in the wholesale markets. As from the first quarter of 2024, Treasury also reports and monitors the Institutional Wealth Management and Custody unit, which comprises of market execution and custody unit services along with asset management.
vi. The Insurance business line is involved in both life and non-life insurance business.
vii. Payment Services comprise the subsidiary company JCC, which is involved in the development of inter-banking systems, acquiring and processing of debit and credit card transactions, other payment services and other activities.
viii. The segment 'Other' includes central functions of the Company such as finance, risk management, compliance, legal, information technology, corporate affairs, human resources and other. These functions provide services to the operating segments. Segment 'Other' also includes the subsidiary company, CISCO and other small subsidiary companies in Cyprus (excluding the insurance subsidiaries, property companies under REMU and the payment services subsidiary of the Group (JCC)), as well as the overseas legacy activities of the Group.

The Company broadly categorises its loans per customer group, in the following customer sectors:

i. Retail – all individuals, regardless of the facility amount, and legal entities with facilities from the Company of up to €500 thousand, excluding business property loans, and/or annual credit turnover up to €1 million.
ii. Small and medium-sized enterprises (SME) – any company or group of companies (including personal and housing loans to the directors or shareholders of a company) with facilities from the Company in the range of €500 thousand to €4 million and/or annual credit turnover in the range of €1 million to €10 million.

6. Segmental analysis (continued)

iii. Corporate – any company or group of companies (including personal and housing loans to the directors or shareholders of a company) with available credit lines with the Company of over €4 million and/or having a minimum annual credit turnover of over €10 million. These companies are either local larger corporations or international companies or companies in the shipping sector. Lending includes direct lending or through syndications.

Management monitors the operating results of each business segment separately for the purposes of performance assessment and resource allocation. Segment performance is evaluated based on profit after tax and non-controlling interests. Inter-segment transactions and balances are eliminated on consolidation.

Operating segment disclosures are provided as presented to the Group Executive Committee.

Income and expenses associated with each business line are included within the business line results for determining its performance. Fund transfer pricing and internal charges methodologies are applied between the business lines as to reflect the performance of each business line. Income and expenses incurred directly by the business lines are allocated to the business lines as incurred. Indirect income and expenses are re-allocated from the central functions to the business lines. For the purposes of the Cyprus analysis by business line, notional tax rate is charged/credited to the profit or loss before tax of each business line.

The loans and advances to customers, the customer deposits and the related income and expense are generally included in the segment where the business is managed, instead of the segment where the transaction is recorded.

6. **Segmental analysis** (continued)

Analysis by business line

2024	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment services	Other	**Total**
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Net interest income/(expense)	157,910	159,223	58,978	419,895	14,656	(23,185)	19	38,009	-	(3,381)	**822,124**
Net fee and commission income/(expense)	20,203	48,744	9,698	66,834	2,178	(99)	(8,796)	4,324	28,271	5,586	**176,943**
Net foreign exchange gains/(losses)	1,351	6,813	775	2,683	36	-	-	15,546	(18)	99	**27,285**
Net gains on financial instruments	1,232	-	-	-	-	4	2,372	-	2,587	4,477	**10,672**
Net (losses)/gains on derecognition of financial assets measured at amortised cost	(8,843)	(670)	(309)	(1,416)	11,559	-	-	(326)	-	(8)	**(13)**
Net insurance result	-	-	-	-	-	-	46,191	-	-	-	**46,191**
Net losses from revaluation and disposal of investment properties	-	-	-	-	-	(118)	(446)	-	-	(866)	**(1,430)**
Net gains/(losses) on disposal of stock of property	-	-	-	-	-	693	-	-	-	(477)	**216**
Other income	14	10	14	219	70	4,321	2,647	-	3,828	3,258	**14,381**
Total operating income	171,867	214,120	69,156	488,215	28,499	(18,384)	41,987	57,553	34,668	8,688	**1,096,369**
Staff costs	(7,869)	(14,513)	(5,960)	(59,808)	(9,621)	(3,408)	(3,657)	(3,017)	(9,591)	(85,618)	**(203,062)**
Special levy on deposits and other levies/contributions	(4,439)	(7,843)	(2,143)	(24,355)	(40)	-	-	(295)	-	-	**(39,115)**
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	-	-	-	-	13,651	-	-	-	1,721	(27,147)	**(11,775)**
Other operating expenses	(32,501)	(19,885)	(15,170)	(100,734)	(8,900)	(14,827)	(5,058)	(12,711)	(13,974)	61,884	**(161,876)**
Operating profit/(loss) before credit losses and impairment	127,058	171,879	45,883	303,318	23,589	(36,619)	33,272	41,530	12,824	(42,193)	**680,541**
Credit losses on financial assets	10,879	(807)	(847)	(9,956)	(30,580)	(1,047)	(312)	869	-	4	**(31,797)**
Impairment net of reversals on non-financial assets	-	-	-	-	-	(50,041)	-	-	-	(5,999)	**(56,040)**
Profit/(loss) before tax	137,937	171,072	45,036	293,362	(6,991)	(87,707)	32,960	42,399	12,824	(48,188)	**592,704**
Income tax	(17,242)	(21,384)	(5,629)	(36,670)	874	9,531	(2,894)	(5,300)	(1,381)	(1,033)	**(81,128)**
Profit/(loss) after tax	120,695	149,688	39,407	256,692	(6,117)	(78,176)	30,066	37,099	11,443	(49,221)	**511,576**
Non-controlling interests-(profit)/loss	-	-	-	-	-	2,215	-	-	(2,856)	(314)	**(955)**
Profit/(loss) after tax attributable to the owners of the Company	**120,695**	**149,688**	**39,407**	**256,692**	**(6,117)**	**(75,961)**	**30,066**	**37,099**	**8,587**	**(49,535)**	**510,621**

6. Segmental analysis (continued)

Analysis by business line (continued)

2023 (restated)	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment services	Other	**Total**
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Net interest income/(expense)	165,640	155,678	56,351	394,125	17,702	(34,263)	(2)	39,264	-	(1,303)	**793,192**
Net fee and commission income/(expense)	19,798	51,679	10,452	65,020	2,844	(212)	(8,350)	3,838	29,537	6,417	**181,023**
Net foreign exchange gains/(losses)	2,010	5,212	700	2,372	(171)	(14)	-	18,897	(287)	(131)	**28,588**
Net gains on financial instruments	2,401	-	-	-	-	7	5,648	3,583	1,007	134	**12,780**
Net gains/(losses) on derecognition of financial assets measured at amortised cost	4,400	(246)	(2,299)	(461)	6,770	-	-	(1,783)	-	(20)	**6,361**
Net insurance result	-	-	-	-	-	-	53,350	-	-	138	**53,488**
Net gains/(losses) from revaluation and disposal of investment properties	-	-	-	-	-	1,548	(331)	-	-	(174)	**1,043**
Net gains on disposal of stock of property	-	-	-	-	-	8,476	-	-	-	496	**8,972**
Other income	24	5	16	209	67	7,551	5,594	12	3,775	1,084	**18,337**
Total operating income	194,273	212,328	65,220	461,265	27,212	(16,907)	55,909	63,811	34,032	6,641	**1,103,784**
Staff costs	(7,559)	(13,156)	(5,908)	(52,548)	(8,929)	(3,917)	(3,791)	(4,272)	(7,307)	(84,879)	**(192,266)**
Special levy on deposits and other levies/contributions	(4,340)	(8,765)	(2,176)	(26,789)	(109)	-	-	(201)	-	-	**(42,380)**
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	-	-	-	-	-	-	-	-	(380)	(28,084)	**(28,464)**
Other operating expenses	(36,392)	(18,959)	(14,597)	(85,511)	(11,506)	(15,341)	(4,591)	(9,057)	(12,342)	49,751	**(158,545)**
Operating profit/(loss) before credit losses and impairment	145,982	171,448	42,539	296,417	6,668	(36,165)	47,527	50,281	14,003	(56,571)	**682,129**
Credit losses on financial assets	(36,553)	(2,130)	625	(4,337)	(30,419)	(5,737)	(229)	548	-	(1,598)	**(79,830)**
Impairment net of reversals on non-financial assets	-	-	-	-	-	(46,307)	-	-	-	(545)	**(46,852)**
Profit/(loss) before tax	109,429	169,318	43,164	292,080	(23,751)	(88,209)	47,298	50,829	14,003	(58,714)	**555,447**
Income tax	(13,679)	(21,165)	(5,395)	(36,512)	2,969	16,296	(4,201)	(6,354)	(2,070)	(2,827)	**(72,938)**
Profit/(loss) after tax	95,750	148,153	37,769	255,568	(20,782)	(71,913)	43,097	44,475	11,933	(61,541)	**482,509**
Non-controlling interests-(profit)/loss	-	-	-	-	-	1,252	-	-	(2,984)	(5)	**(1,737)**
Profit/(loss) after tax attributable to the owners of the Company	**95,750**	**148,153**	**37,769**	**255,568**	**(20,782)**	**(70,661)**	**43,097**	**44,475**	**8,949**	**(61,546)**	480,772

6. Segmental analysis (continued)

Analysis of total revenue

Total revenue includes net interest income, net fee and commission income, net foreign exchange gains, net gains/(losses) on financial instruments, net gains/(losses) on derecognition of financial assets measured at amortised cost, net insurance result, net gains/(losses) from revaluation and disposal of investment properties, net gains/(losses) on disposal of stock of property and other income. There was no revenue deriving from transactions with a single external customer that amounted to 10% or more of Group revenue.

	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
2024	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Revenue from third parties	193,280	118,263	60,097	255,129	29,720	5,707	50,580	343,314	28,801	11,478	**1,096,369**
Inter-segment (expense)/revenue	(21,413)	95,857	9,059	233,086	(1,221)	(24,091)	(8,593)	(285,761)	5,867	(2,790)	**-**
Total revenue	**171,867**	**214,120**	**69,156**	**488,215**	**28,499**	**(18,384)**	**41,987**	**57,553**	**34,668**	**8,688**	**1,096,369**
2023 (restated)											
Revenue from third parties	219,193	124,579	56,574	250,424	27,719	17,778	64,101	307,002	28,889	7,525	**1,103,784**
Inter-segment (expense)/revenue	(24,920)	87,749	8,646	210,841	(507)	(34,685)	(8,192)	(243,191)	5,143	(884)	**-**
Total revenue	**194,273**	**212,328**	**65,220**	**461,265**	**27,212**	**(16,907)**	**55,909**	**63,811**	**34,032**	**6,641**	**1,103,784**

Analysis of assets and liabilities

	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
2024	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Assets											
Assets	3,506,922	1,078,202	960,321	4,544,575	113,338	742,194	1,053,971	13,640,957	133,198	916,746	**26,690,424**
Inter-segment assets	(65,959)	-	-	-	-	(67,834)	(19,446)	-	(24,883)	(26,180)	**(204,302)**
Total assets	**3,440,963**	**1,078,202**	**960,321**	**4,544,575**	**113,338**	**674,360**	**1,034,525**	**13,640,957**	**108,315**	**890,566**	**26,486,122**
2023 (restated)											
Assets											
Assets	3,469,090	880,219	942,490	4,351,607	213,477	895,374	919,427	13,971,313	93,536	1,056,935	**26,793,468**
Inter-segment assets	(35,367)	-	-	-	-	(39,843)	(19,443)	-	(33,058)	(35,944)	**(163,655)**
Total assets	**3,433,723**	**880,219**	**942,490**	**4,351,607**	**213,477**	**855,531**	**899,984**	**13,971,313**	**60,478**	**1,020,991**	**26,629,813**

6. Segmental analysis (continued)

Analysis of assets and liabilities (continued)

2024	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Liabilities											
Liabilities	2,445,790	4,313,738	1,161,464	12,600,526	20,139	21,366	895,120	1,818,808	104,856	475,213	**23,857,020**
Inter-segment liabilities	(135,625)	-	-	-	-	(14,636)	(2,275)	-	(27,895)	(23,871)	**(204,302)**
Total liabilities	**2,310,165**	**4,313,738**	**1,161,464**	**12,600,526**	**20,139**	**6,730**	**892,845**	**1,818,808**	**76,961**	**451,342**	**23,652,718**

2023 (restated)	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
Liabilities											
Liabilities	2,197,945	3,901,025	1,019,245	12,216,209	29,045	24,695	803,319	3,588,480	40,635	483,676	**24,304,274**
Inter-segment liabilities	(111,192)	-	-	-	-	(11,667)	(16,404)	-	-	(24,392)	**(163,655)**
Total liabilities	**2,086,753**	**3,901,025**	**1,019,245**	**12,216,209**	**29,045**	**13,028**	**786,915**	**3,588,480**	**40,635**	**459,284**	**24,140,619**

Segmental analysis of customer deposits and loans and advances to customers is presented in Notes 30 and Notes 23, 44.2 and 44.5 respectively.

6. Segmental analysis (continued)

Analysis of turnover

	2024	2023
	€000	€000
Net interest income	**822,124**	793,192
Net fee and commission income	**176,943**	181,023
Net foreign exchange gains	**27,285**	28,588
Net gains on financial instruments	**10,672**	12,780
Net (losses)/gains on derecognition of financial assets measured at amortised cost	**(13)**	6,361
Net insurance result (Note 12)	**46,191**	53,488
Net (losses)/gains from revaluation and disposal of investment properties	**(1,430)**	1,043
Net gains on disposal of stock of property	**216**	8,972
Other income	**14,381**	18,337
	1,096,369	1,103,784

Analysis of turnover for the Company

	2024	2023
	€000	€000
Net interest income	**823,300**	799,171
Net fee and commission income	**155,119**	157,978
Net foreign exchange gains	**27,285**	28,888
Net gains on financial instruments	**5,581**	4,632
Net (losses)/gains on derecognition of financial assets measured at amortised cost	**(13)**	6,361
Dividend income from subsidiaries	**22,958**	85,118
Net (losses)/gains from revaluation and disposal of investment properties	**(641)**	303
Net gains on disposal of stock of property	**5,054**	10,004
Other income	**3,447**	7,147
	1,042,090	1,099,602

7. Interest income and income similar to interest income

Interest income

	2024	2023
	€000	€000
Financial assets at amortised cost:		
- Loans and advances to customers	**538,712**	511,602
- Loans and advances to banks and central banks	**297,255**	321,828
- Reverse repurchase agreements	**27,012**	3,219
- Debt securities	**97,628**	56,906
- Other financial assets	**16,877**	19,774
Debt securities at FVOCI	**22,651**	18,078
	1,000,135	931,407

Income similar to interest income

	2024	2023
	€000	€000
Loans and advances to customers measured at FVPL	**8,841**	11,489
Derivative financial instruments	**1,322**	1,303
	10,163	12,792

8. Interest expense and expense similar to interest expense

Interest expense

	2024	2023
Financial liabilities at amortised cost:	**€000**	€000
- Customer deposits	**84,199**	32,358
- Funding from central banks and deposits by banks	**30,549**	74,393
- Debt securities in issue	**50,686**	22,091
- Subordinated liabilities	**21,189**	20,578
Interest expense on lease liabilities	**262**	294
	186,885	149,714

Expense similar to interest expense

	2024	2023
	€000	€000
Derivative financial instruments	**1,289**	1,293

9. Fee and commission income and expense

Fee and commission income

	2024	2023
	€000	€000
Credit-related fees and commissions	**55,939**	54,020
Other banking commissions	**86,885**	92,086
Fees on servicing loans disposed of under Project Helix 3	**-**	646
Mutual funds and asset management fees	**4,668**	4,079
Brokerage commissions	**1,375**	1,146
Other commissions	**35,551**	36,366
	184,418	188,343

Mutual funds and asset management fees relate to fiduciary and other similar activities.

Credit-related fees and commissions include commissions from credit card arrangements amounting to €33,190 thousand (2023: €32,522 thousand). Other banking commissions include commissions from payment orders amounting to €24,690 thousand (2023: €26,676 thousand) and account maintenance fees of €29,462 thousand (2023: €29,420 thousand).

Fee and commission income is further divided into:

Fees earned from services that are provided over time:

	2024	2023
	€000	€000
Credit-related fees and commissions	**25,132**	26,879
Other banking commissions	**43,710**	44,150
Fees on servicing loans disposed of under Project Helix 3	**-**	646
Mutual funds and asset management fees	**3,057**	2,878
	71,899	74,553

9. Fee and commission income and expense (continued)

Fees earned from point in time services:

	2024	2023
	€000	€000
Credit-related fees and commissions	**30,807**	27,141
Other banking commissions	**43,175**	47,936
Mutual funds and asset management fees	**1,611**	1,201
Brokerage commissions	**1,375**	1,146
Other commissions	**35,551**	36,366
	112,519	113,790

Fee and commission expense

	2024	2023
	€000	€000
Banking commissions	**6,681**	6,784
Mutual funds and asset management fees	**410**	343
Brokerage commissions	**384**	193
	7,475	7,320

10. Net foreign exchange gains

Net foreign exchange gains comprise of the conversion of monetary assets and liabilities in foreign currency at the reporting date, realised exchange gains/(losses) from transactions in foreign currency settled during the year, customer related foreign exchange and the revaluation of foreign exchange derivatives.

11. Net gains on financial instruments

	2024	2023
	€000	€000
Trading portfolio:		
- derivative financial instruments	**79**	26
Other investments at FVPL:		
- non-equity securities	**6,942**	1,268
- mutual funds	**2,500**	5,787
- equity securities	**(81)**	1,618
Net losses on disposal of FVOCI debt securities	**-**	(438)
Net gains on loans and advances to customers measured at FVPL (Note 22)	**1,232**	2,401
Revaluation of financial instruments designated as fair value hedges:		
- hedging instruments (Note 21)	**44,132**	(2,211)
- hedged items (Note 21)	**(44,132)**	4,329
	10,672	12,780

12. Net insurance result

	2024			2023		
	Life insurance	**Non-life insurance**	**Total**	Life insurance	Non-life insurance	Total
	€000	**€000**	**€000**	€000	€000	€000
Insurance finance income/(expense)	**(60,640)**	**(1,725)**	**(62,365)**	(43,820)	(1,269)	(45,089)
Reinsurance finance income/(expense)	**(1,375)**	**647**	**(728)**	2,114	449	2,563
Return on assets backing insurance liabilities	**59,186**	**-**	**59,186**	43,486	-	43,486
Net insurance finance income/(expense) and net reinsurance finance income/(expense)	**(2,829)**	**(1,078)**	**(3,907)**	1,780	(820)	960
Insurance revenue	**54,150**	**95,920**	**150,070**	57,081	88,694	145,775
Insurance service expenses	**(20,252)**	**(52,921)**	**(73,173)**	(25,259)	(46,273)	(71,532)
Other insurance related income/(expense)	**(106)**	**-**	**(106)**	(715)	-	(715)
Net insurance service result	**33,792**	**42,999**	**76,791**	31,107	42,421	73,528
Allocation of reinsurance premiums	**(18,340)**	**(37,685)**	**(56,025)**	(14,824)	(34,498)	(49,322)
Amounts recoverable from reinsurers for incurred claims	**12,325**	**17,007**	**29,332**	11,853	16,469	28,322
Net reinsurance service result	**(6,015)**	**(20,678)**	**(26,693)**	(2,971)	(18,029)	(21,000)
Net insurance result	**24,948**	**21,243**	**46,191**	29,916	23,572	53,488

The analysis of the insurance revenue recognised during the year is presented below:

	2024	2023
	€000	€000
Life insurance contracts		
Amounts relating to the changes in the liability for remaining coverage		
Expected incurred claims and insurance service expenses incurred in the year	**34,183**	37,129
Change in the risk adjustment for non-financial risk	**1,047**	1,306
Amount of CSM recognised in profit or loss	**8,893**	7,792
Other amounts, including experience adjustments for premium receipts	**859**	1,160
Amounts relating to recovery of insurance acquisition cash flows		
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	**349**	228
Insurance revenue from contracts measured under GMM and VFA	**45,331**	47,615
Insurance revenue from contracts measured under PAA	**8,819**	9,466
Insurance revenue - life	**54,150**	57,081
Non-life insurance contracts		
Insurance revenue from contracts measured under PAA	**95,920**	88,694
Insurance revenue - non-life	**95,920**	88,694
Insurance revenue	**150,070**	145,775

12. Net insurance result (continued)

The analysis of the insurance service expenses recognised during the year is presented below:

	2024			2023		
	Life insurance	**Non-life insurance**	**Total**	Life insurance	Non-life insurance	Total
	€000	**€000**	**€000**	€000	€000	€000
Incurred claims and directly attributable expenses	**(19,462)**	**(39,840)**	**(59,302)**	(24,446)	(32,964)	(57,410)
Amortisation of insurance acquisition cash flows	**(349)**	**(6,945)**	**(7,294)**	(227)	(5,541)	(5,768)
Insurance acquisition cash flows expensed as incurred	**(2,750)**	**(6,317)**	**(9,067)**	(2,581)	(5,907)	(8,488)
Reversals of losses/(losses) on onerous contracts	**413**	**(337)**	**76**	1,145	(108)	1,037
Changes to liabilities for incurred claims (LIC)	**1,896**	**518**	**2,414**	850	(1,753)	(903)
Insurance service expenses	**(20,252)**	**(52,921)**	**(73,173)**	(25,259)	(46,273)	(71,532)

The analysis of the net reinsurance service result from reinsurance contracts held, recognised during the year is presented below:

	2024	2023
Reinsurance contracts - life contracts	**€000**	€000
Amounts relating to the changes in the assets for remaining coverage		
Expected recovery for insurance service expenses incurred in the year	**(12,924)**	(10,087)
Change in the risk adjustment for non-financial risk	**(23)**	41
Net cost/gain recognised in profit or loss	**(2,665)**	(1,559)
Allocation of reinsurance premiums from contracts measured under GMM	**(15,612)**	(11,605)
Allocation of reinsurance premiums from contracts measured under PAA	**(2,728)**	(3,219)
Allocation of reinsurance premiums	**(18,340)**	(14,824)
Amounts recoverable for claims and other expenses incurred in the year	**12,810**	12,247
Changes in amounts recoverable arising from changes in liability for incurred claims	**(883)**	(394)
Changes in fulfilment cash flows which relate to onerous underlying contracts	**398**	-
Amounts recoverable from reinsurers for incurred claims	**12,325**	11,853
Net reinsurance service result - life	**(6,015)**	(2,971)
Reinsurance contracts - non-life contracts		
Allocation of reinsurance premiums from contracts measured under PAA	**(37,685)**	(34,498)
Allocation of reinsurance premiums	**(37,685)**	(34,498)
Amounts recoverable for claims and other expenses incurred in the year	**12,106**	13,346
Changes in amounts recoverable arising from changes in liability for incurred claims	**4,715**	3,072
Changes in fulfilment cash flows which relate to onerous underlying contracts	**186**	51
Amounts recoverable from reinsurers for incurred claims	**17,007**	16,469
Net reinsurance service result - non-life	**(20,678)**	(18,029)
Net reinsurance service result	**(26,693)**	(21,000)

12. Net insurance result (continued)

The analysis of insurance finance income/(expense) and reinsurance finance income/(expense) recognised during the year is presented below:

	2024			2023		
	Life insurance	**Non-life insurance**	**Total**	Life insurance	Non-life insurance	Total
	€000	**€000**	**€000**	€000	€000	€000
Changes in value of underlying assets of direct participating contracts	**(59,346)**	**-**	**(59,346)**	(42,949)	-	(42,949)
Interest accreted to insurance contracts using current financial assumptions	**(71)**	**(1,371)**	**(1,442)**	(307)	(1,297)	(1,604)
Interest accreted to insurance contracts using locked-in rates	**(60)**	**-**	**(60)**	13	-	13
Changes in interest rates and other financial assumptions	**(1,163)**	**(354)**	**(1,517)**	(577)	28	(549)
Insurance finance income/(expense)	**(60,640)**	**(1,725)**	**(62,365)**	(43,820)	(1,269)	(45,089)
Interest accreted to reinsurance contracts using current financial assumptions	**-**	**544**	**544**	-	465	465
Interest accreted to reinsurance contracts using locked-in rates	**639**	**-**	**639**	(85)	-	(85)
Changes in interest rates and other financial assumptions	**(2,014)**	**112**	**(1,902)**	2,199	(19)	2,180
Changes in non-performance risk of reinsurer	**-**	**(9)**	**(9)**	-	3	3
Reinsurance finance income/(expense)	**(1,375)**	**647**	**(728)**	2,114	449	2,563

13. Other income

	2024	2023
	€000	€000
Dividend income	**183**	856
Profit on sale and write-off of property and equipment and intangible assets	**28**	53
Rental income from investment properties	**2,153**	3,239
Rental income from stock of property	**204**	346
Income from hotel, golf and other leisure activities	**2,036**	3,463
Income from insurance compensation	**1,889**	5,093
Other income	**7,888**	5,287
	14,381	18,337

The income from hotel, golf and other leisure activities primarily relates to activities of subsidiaries acquired in debt satisfaction as part of loan restructuring activity.

14. Staff costs

Staff costs

	2024	2023
	€000	€000
Salaries	**143,115**	137,390
Employer's contributions	**26,604**	23,301
Variable compensation:		
Accrual for short-term incentive award (Note 14.3)	**10,090**	11,488
Share-based benefits expense (Note 14.2)	**932**	595
Retirement benefit plan costs	**12,782**	12,072
Exit cost and other termination benefits	**9,539**	7,420
	203,062	192,266

The number of persons employed by the Group as at 31 December 2024 was 2,880 (2023: 2,830).

Staff costs are presented in the Consolidated Income Statement net of software capitalisation costs and costs included in the insurance contracts fulfilment cash flow liabilities under IFRS 17. An analysis of expenses by nature incurred by the Group is included in Note 15.1.

The cost for the short-term incentive award comprises the cost for the short-term incentive award for the performance year 2024 which amounts to €11,968 thousand (2023: €11,488 thousand), of which an amount of €1,597 thousand (2023: €1,533 thousand) relates to employers' contributions accrual on 2024 STIP, and a credit amount of €1,878 thousand which relates to 2023 STIP.

During 2024, the Group provided for termination benefits to 57 (2023: 50) of the Group's full time employees at a total cost of €9,539 thousand (2023: €7,420 thousand).

The following table shows the analysis per geographical location of the Group’s average number of employees (full time) and analysis of the average number of employees in Cyprus per business line for 2024 and 2023.

	2024	2023 (restated)
Corporate	**52**	53
IBU & International corporate		
- IBU	**212**	211
- International corporate	**7**	14
Small and medium-sized enterprises	**83**	82
Retail	**879**	912
Restructuring and recoveries	**120**	132
REMU	**39**	41
Insurance	**209**	200
Treasury	**37**	30
Payment services	**117**	113
Other (primarily head office functions)	**1,096**	1,088
Total Cyprus	**2,851**	2,876
Other countries	**7**	7
	2,858	2,883

14. **Staff costs** (continued)

14.1 Retirement benefits

In addition to the employer's contributions to state social insurance, the Group operates plans for the provision of additional retirement benefits as described below:

	2024	2023
	€000	€000
Defined benefit plans	**261**	512
Defined contribution plans	**13,624**	12,226
	13,885	12,738

During the year ended 31 December 2024 retirement benefit costs of €1,103 thousand are included within net insurance service result as directly attributable expenses for the fulfilment of insurance contracts within the scope of IFRS 17 (2023: €666 thousand) (Note 15.1).

Cyprus
The main retirement plan for the Group's permanent employees in Cyprus (85% of total Group employees) is a defined contribution plan. This plan provided for employer contributions of 9% for 2024 and 2023 and employee contributions of 3%-10% of the employees' gross salaries for both 2024 and 2023. This plan is managed by an Administrative Committee appointed by the members.

A small number of employees of Group subsidiaries in Cyprus are also members of defined benefit plans. These plans are funded with assets backing the obligations held in separate legal vehicles.

Greece
Following IFRIC's decision in May 2021 about the periods of service to which an entity attributes benefit for a particular defined benefit plan, the Group as at 31 December 2024 and 2023 does not have any retirement benefits obligation for its employees in Greece, and as a result the accumulated actuarial gains/losses attributable to these plans were derecognised since 31 December 2021.

United Kingdom
The Group has assumed in prior years the obligation of the defined benefit plan of employees of the former subsidiary of the Group in the United Kingdom which was closed in December 2008 to future accrual of benefits for active members. As at 31 December 2024 and 2023 the Group's remaining retirement benefit obligation related to the UK pension plan.

In December 2024, the UK pension scheme undertook a bulk insurance buy-in transaction. The policy purchased is designed to provide cash flows that match the amount and timing of the benefits payable to the Scheme's members giving protection against demographic and investment risks and meet the members' corresponding defined benefit obligations. The buy-in policy is presented as a pension plan asset with the fair value being equal to the present value of the scheme's defined benefit obligation.

Analysis of the results of the actuarial valuations for the defined benefit plans

	2024	2023
Amounts recognised in the consolidated balance sheet	**€000**	€000
Liabilities (Note 33)	**-**	565
Assets (Note 28)	**(1,767)**	(669)
	(1,767)	(104)

Total funded status at a surplus, amounts to €992 thousand (2023: total funded status at a surplus of €7,141 thousand) that is not recognised as an asset on the basis that the Group has no unconditional right to future economic benefits either via a refund or a reduction in future contributions.

14. Staff costs (continued)

14.1 Retirement benefits (continued)

The amounts recognised in the consolidated balance sheet and the movement in the net defined benefit obligation for the years ended 31 December 2024 and 2023 are presented below:

	Present value of obligation	**Fair value of plan assets**	**Net amount before impact of asset ceiling**	**Impact of minimum funding requirement/ asset ceiling**	**Net defined benefit liability**
	€000	**€000**	**€000**	**€000**	**€000**
1 January 2024	58,018	(65,263)	**(7,245)**	7,141	**(104)**
Current service cost	119	-	**119**	-	**119**
Net interest expense/(income)	2,590	(2,637)	**(47)**	-	**(47)**
Administration cost	-	189	**189**	-	**189**
Total amount recognised in the consolidated income statement	2,709	(2,448)	**261**	-	**261**
Remeasurements:					
Return on plan assets, excluding amounts included in net interest expense	-	11,695	**11,695**	-	**11,695**
Actuarial gain from changes in financial assumptions	(2,697)	-	**(2,697)**	-	**(2,697)**
Demographic assumptions	(2,272)	-	**(2,272)**	-	**(2,272)**
Experience adjustments	298	-	**298**	-	**298**
Change in asset ceiling	-	-	**-**	(6,840)	**(6,840)**
Total amount recognised in the consolidated OCI	(4,671)	11,695	**7,024**	(6,840)	**184**
Exchange differences	2,806	(2,951)	**(145)**	691	**546**
Contributions:					
Employer	-	(2,654)	**(2,654)**	-	**(2,654)**
Plan participants	180	(180)	**-**	-	**-**
Benefits paid from the plans	(2,347)	2,347	**-**	-	**-**
31 December 2024	**56,695**	**(59,454)**	**(2,759)**	**992**	**(1,767)**

14. Staff costs (continued)

14.1 Retirement benefits (continued)

	Present value of obligation	Fair value of plan assets	Net amount before impact of asset ceiling	Impact of minimum funding requirement/ asset ceiling	**Net defined benefit liability**
	€000	€000	€000	€000	**€000**
1 January 2023	54,743	(62,605)	(7,862)	10,740	**2,878**
Current service cost	395	-	395	-	**395**
Net interest expense/(income)	2,624	(2,507)	117	-	**117**
Total amount recognised in the consolidated income statement	3,019	(2,507)	512	-	**512**
Remeasurements:					
Return on plan assets, excluding amounts included in net interest expense	-	394	394	-	**394**
Actuarial loss from changes in financial assumptions	1,623	-	1,623	-	**1,623**
Demographic assumptions	(605)	-	(605)	-	**(605)**
Experience adjustments	621	-	621	-	**621**
Asset adjustment	-	1,600	1,600	-	**1,600**
Change in asset ceiling	-	-	-	(4,253)	**(4,253)**
Total amount recognised in the consolidated OCI	1,639	1,994	3,633	(4,253)	**(620)**
Exchange differences	889	(1,465)	(576)	654	**78**
Contributions:					
Employer	-	(2,952)	(2,952)	-	**(2,952)**
Plan participants	177	(177)	-	-	**-**
Benefits paid from the plans	(2,449)	2,449	-	-	**-**
31 December 2023	58,018	(65,263)	(7,245)	7,141	**(104)**

14. Staff costs (continued)

14.1 Retirement benefits (continued)

The actual return on plan assets for year 2024 was a loss of €9,247 thousand (2023: gain of €2,113 thousand) mainly due to the assets for the UK pension fund measured so that the fair value matches the present value of the liability following the buy-in insurance policy.

The assets of funded plans are generally held in separately administered entities, either as specific assets or as a proportion of a general fund, or as insurance contracts and are governed by local regulations and practice in each country.

Pension plan assets are invested in different asset classes in order to maintain a balance between risk and return. Investments are well diversified to limit the financial effect of the failure of any individual investment. Through its defined benefit plans, the Group is exposed to a number of risks as outlined below:

Interest rate risk	The Group is exposed to interest rate risk due to the mismatch of the duration of assets and liabilities.
Changes in bond yields	A decrease in corporate bond yields will increase the liabilities, although this will be partially offset by an increase in the value of bond holdings.
Inflation risk	The Group faces inflation risk, since the liabilities are either directly (through increases in pensions) or indirectly (through wage increases) exposed to inflation risks. Investments to ensure inflation-linked returns (i.e. real returns through investments such as equities, index-linked bonds and assets whose return increases with increasing inflation) could be used to better match the expected increases in liabilities.
Asset volatility	The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, a deficit will be created.

The fair value of insurance policy related to buy-in transaction was estimated as the present value of the underlying obligations covered by the insurance policy, hence the fair value of this asset at each reporting date is impacted by the measurement uncertainty of the related scheme liabilities.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2024	2023
Equity securities	**8%**	10%
Debt securities	**11%**	66%
Loans and advances to banks	**6%**	21%
Funds	**4%**	3%
Buy-in insurance policy	**71%**	- %
	100%	100%

The Group expects to make additional contributions to defined benefit plans of €622 thousand during 2025.

At the end of the reporting period, the average duration of the defined benefit obligations was 13 years (2023: 14 years).

14. Staff costs (continued)

14.1 Retirement benefits (continued)

Principal actuarial assumptions used in the actuarial valuations
The present value of the defined benefit obligations of the retirement plans is estimated annually using the Projected Unit Credit Method of actuarial valuation, carried out by independent actuaries. The principal actuarial assumptions used for the valuations of the retirement plans of the Group during 2024 and 2023 are set out below:

2024	**Cyprus**	**UK**
Discount rate	**3.35%**	**5.15%**
Inflation rate	**2.00%**	**3.05%**
Future salary increases	**2.00%**	**n/a**
Rate of pension increase	**n/a**	**2.90%**
Life expectancy for pensioners at age 60	**n/a**	**n/a**
Life expectancy for pensioners at age 65	**n/a**	**22.6 years M 24.3 years F**
2023		
Discount rate	3.27%	4.75%
Inflation rate	2.25%	3.00%
Future salary increases	2.25%	n/a
Rate of pension increase	n/a	2.80%
Life expectancy for pensioners at age 60	23.5 years M 29.6 years F	n/a
Life expectancy for pensioners at age 65	n/a	23.0 years M 24.7 years F

The discount rate used in the actuarial valuations reflects the rate at which liabilities could effectively be settled and is set by reference to market yields at the reporting date of high quality corporate bonds of suitable maturity and currency. For the Group's plans in the Eurozone which comprise 21% of the defined benefit obligations, the Group adopted a full yield curve approach using AA- rated corporate bond data from the iBoxx Euro Corporates AA10+ index. For the Group's plan in the UK which comprises 79% of the defined benefit obligations, the Group adopted a full yield curve approach using the discount rate that has been set based on the yields on AA- rated corporate bonds with duration consistent with the scheme's liabilities. Under this approach, each future liability payment is discounted by a different discount rate that reflects its exact timing.

To develop the assumptions relating to the expected rates of return on plan assets, the Group, in consultation with its actuaries, uses forward-looking assumptions for each asset class reflecting market conditions and future expectations at the reporting date. Adjustments are made annually to the expected rate of return assumption based on revised expectations of future investment performance of asset classes, changes to local legislation that may affect investment strategy, as well as changes to the target strategic asset allocation.

The impact of significant assumptions' fluctuations on the defined benefit obligation as at 31 December 2024 and 2023 is presented below:

	2024		2023	
Variable	**Change +0.5%**	**Change -0.5%**	Change +0.5%	Change -0.5%
Discount rate	**-5.8%**	**6.2%**	-6.4%	6.8%
Inflation growth rate	**3.8%**	**-3.7%**	4.2%	-4.1%
Salary growth rate	**0.9%**	**-0.8%**	1.1%	-1.0%
Pension growth rate	**0.1%**	**-0.1%**	0.1%	-0.1%
	Plus 1 year	**Minus 1 year**	Plus 1 year	Minus 1 year
Life expectancy	**3.3%**	**-3.3%**	3.8%	-3.8%

14. Staff costs (continued)

14.1 Retirement benefits (continued)

The above sensitivity analysis (with the exception of the inflation sensitivity) is based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur and some changes of the assumptions may be correlated. The inflation sensitivity includes changes to any inflation-linked benefit increases. When calculating the sensitivity of the defined benefit obligation to significant assumptions, the same method has been applied as when calculating the pension liability recognised on the consolidated balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous years.

14.2 Share-based compensation plan

Long-Term Incentive Plan
At the Annual General Meeting of the shareholders of BOCH which took place on 20 May 2022, a special resolution was approved for the establishment and implementation of the share based Long-Term Incentive Plan (the 'LTIP') of Bank of Cyprus Holdings Public Limited Company.

The LTIP is an equity-settled share-based compensation plan for executive directors and senior management of the Group. The LTIP provides for an award in the form of ordinary shares of BOCH based on certain non-market performance and service vesting conditions. Performance is measured over a three-year period. The performance conditions are set by the Human Resources & Remuneration Committee (HRRC) each year and may be differentiated at the HRRC's discretion to reflect the Group's strategic targets and employees' personal performance. Performance will be assessed against an evaluation scorecard consistent with the Group's Medium-Term Strategic Targets containing both financial and non-financial objectives, and including targets in the areas of: (i) Profitability; (ii) Asset quality; (iii) Capital adequacy; (iv) Risk control & compliance; (v) Environmental, Social and Governance ('ESG'); and (vi) Customer Experience (targets in the area of Customer Experience have been introduced for non-control functions from 2024). The awards ordinarily vest in six tranches, with 40% vesting in the year following the year the performance period ends and the remaining 60% vesting in tranches (12%), on each of the first, second, third, fourth and fifth anniversary of the first vesting date. For any award to vest the employee must be in the employment of the Group up until the date of the vesting of such an award. Awards are subject to potential forfeiture under certain leaver scenarios. Under certain circumstances the HRRC has the discretion to determine whether the award will lapse and/or the extent to which the award will be vested.

The maximum number of shares that may be issued pursuant to the LTIP until the tenth anniversary of the relevant resolution shall not exceed 5% of the issued ordinary share capital of BOCH as at the date of the resolution (being 22,309,996 ordinary shares of €0.10 each), as adjusted for any issuance or cancellation of shares subsequently to the date of the resolution (excluding any issuances of shares pursuant to the LTIP).

Under the LTIP the following share awards were outstanding as of 31 December 2024:

i. On 3 April 2024 (grant date) a maximum of 403,990 share awards were granted by BOCH to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in April 2024 are subject to a three-year performance period 2024-2026 (with all performance conditions being non-market performance conditions).

ii. On 3 October 2023 (grant date) a maximum of 479,160 share awards were granted by BOCH to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in October 2023 are subject to a three-year performance period 2023-2025 (with all performance conditions being non-market performance conditions).

iii. On 22 December 2022 (grant date) a maximum of 819,860 share awards were granted by BOCH to 22 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in December 2022 were subject to a three-year performance period 2022-2024 (with all performance conditions being non-market performance conditions). The amounts awarded under this 2022 LTIP cycle in early 2025 are disclosed in Note 49 of the Consolidated Financial Statements.

The following table presents movements in outstanding share-based awards during 2024 and 2023.

14. Staff costs (continued)

14.2 Share-based compensation plan (continued)

	2024		2023	
	Number of shares	**Weighted average grant date fair value**	Number of shares	Weighted average grant date fair value
		€		€
As at 1 January	**1,209,036**	**2.15**	819,860	1.69
Granted during the year	**403,990**	**3.70**	479,160	2.95
Change in estimate of number of awards to vest	**39,004**	-	-	-
Vested during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**n/a**	(89,984)	n/a
31 December	**1,652,030**		1,209,036	

Assumptions

The fair value calculations as of the granting date for each of the share awards are calculated using the Black-Scholes model. As the award is a share award (and does not contain any market-based performance conditions) the fair value is based on the share price at the date of the grant.

14.3 Short-term incentive plan

Short-term incentive award refers to a Short-Term Incentive Plan first introduced by the BOCH Group in 2023. This is an annual incentive which involves variable remuneration in the form of cash, or a combination of cash and shares, to selected employees, and is driven by both delivery of the BOCH's Group's Strategy, as well as individual performance, in the relevant year. Executive Management are also eligible to be considered for the short-term incentive award. The short-term incentive award is generally paid in cash and is non-deferred, however, in cases where the total variable remuneration in a year (i.e including both amounts under STIP and LTIP) of an employee exceeds a specified threshold as per regulatory guidelines, then at least 50% of the total variable remuneration is awarded in shares. In cases where the total variable remuneration threshold is exceeded, the STIP award (both the cash and share component, if any) vests similarly to the vesting of LTIP award, i.e., 40% vests in the year following the performance year to which the incentive award relates to, and the remaining 60% vests in tranches (12%) over five years.

Shares vesting as part of the short-term incentive award are subject to one-year retention period and 100% of the award is subject to clawback provisions.

For the short-term incentive award for the performance year 2024 no amount is to be granted in the form of shares (2023: €250 thousand of the total STIP for 2023 was granted in the form of shares). Further information on the amounts awarded under the short-term incentive award for the performance year 2024 to Executive Directors and other key management personnel is disclosed in Note 49.

15. Other operating expenses

	2024	2023
	€000	€000
Technology and systems	**34,684**	31,159
Property-related costs	**14,348**	14,392
Consultancy, legal and other professional services fees	**18,425**	17,448
Insurance	**5,070**	5,739
Advertising and marketing	**13,281**	9,000
Incentives to performing customers	**2,300**	2,500
Depreciation of property and equipment (Note 15.1)	**16,075**	13,760
Amortisation of intangible assets (Note 15.1)	**14,901**	15,740
Communication expenses	**5,936**	6,119
Printing and stationery	**1,685**	1,641
Cash transfer expenses	**3,352**	3,193
Other operating expenses	**31,819**	35,601
	161,876	156,292
Advisory and other transformation costs (non-recurring)	**-**	2,253
	161,876	158,545

The Group has changed the description of the first line item in the table above to more appropriately reflect the nature of this expense and has changed this to 'Technology and systems' from 'Repairs and Maintenance'. As a result of this change, expenses of €2,678 thousand have been included in 'Property-related costs' and €31,159 thousand in 'Technology and systems' in respect of the comparative information.

Advisory and other transformation costs comprise mainly fees to external advisors in relation to the transformation program and other strategic projects of the Group and are considered to be non-recurring.

During the year ended 31 December 2024, the Group recognised €56 thousand relating to rent expense for short-term leases, included within 'Property-related costs' (2023: €57 thousand).

Incentives to performing customers of €2,300 thousand during the year ended 31 December 2024 (2023: €2,500 thousand relate to the Reward Programme launched in June 2023) relate to the Reward Programme launched in August 2024 to reward performing borrowers through the Antamivi reward scheme.

Within total other operating expenses, an amount of €542 thousand (2023: €777 thousand) relates to investment property that generated rental income.

Special levy on deposits and other levies/contributions as presented in the consolidated income statement are set out below:

	2024	2023
	€000	€000
Special levy on deposits of credit institutions in Cyprus	**29,448**	23,300
Single Resolution Fund contribution	**-**	5,477
Guarantee fee on annual deferred tax credit (Note 17)	**5,364**	5,364
Contribution to Deposit Guarantee Fund	**4,303**	8,239
	39,115	42,380

The special levy on credit institutions in Cyprus (the Special Levy) is imposed on the level of deposits as at the end of the previous quarter, at the rate of 0.0375% per quarter. Following an amendment of the Imposition of Special Credit Institution Tax Law in 2017, the Single Resolution Fund ('SRF') contribution, which is charged annually by the Single Resolution Board ('SRB'), reduces the charge of the Special Levy up to the level of the total annual Special Levy charge. In February 2024, the SRB announced that no regular annual contributions would be collected in 2024 from the institutions falling in scope of the SRF and contributions would only be collected in the event of specific circumstances.

15. Other operating expenses (continued)

As from 1 January 2020 and until 3 July 2024 the Company was subject to a contribution to the Deposit Guarantee Fund (DGF) on a semi-annual basis. The contributions were calculated based on the Risk Based Methodology (RBM) as approved by the management committee of the Deposit Guarantee and Resolution of Credit and Other Institutions Schemes (DGS) and is publicly available on the CBC's website. In line with the RBM, the contributions are broadly calculated on the covered deposits of all authorised institutions and the target level was to reach at least 0.8% of covered deposits by 3 July 2024. The management committee of the DGS can decide to collect additional ex-ante contributions to achieve a higher return.

Fees to the independent auditors of the Group for audit and other professional services provided both in Cyprus and overseas are presented in the table below:

	PwC Cyprus		**PwC Network firms**	
	2024	2023	**2024**	2023
	€000	€000	**€000**	€000
Audit of the individual and the Group financial statements	**1,575**	1,585	**315**	314
Other assurance services	**760**	402	**66**	140
Tax compliance and advisory services	**174**	149	**18**	18
Other non-assurance services	**288**	199	**95**	127
	1,222	750	**179**	285
	2,797	2,335	**494**	599

Fees are exclusive of VAT.

Other assurance services fees relate primarily to the fees for limited assurance review of the Sustainability Statement (2024 only), letters of comfort and interim review.

15.1 Expenses by nature

Analysis of staff costs and other operating expenses incurred by the Group by nature, is presented in the table below:

	2024				
	Directly attributable expenses (Note 12)	**Capitalised as internally developed computer software** (Note 26)	**Staff costs** (Note 14)	**Other operating expenses** (Note 15)	**Total**
	€000	**€000**	**€000**	**€000**	**€000**
Salaries and employer's contributions	**11,193**	**2,337**	**169,719**	**-**	**183,249**
Variable compensation:					
Accrual for short-term incentive award	**-**	**-**	**10,090**	**-**	**10,090**
Share-based benefits expense	**-**	**-**	**932**	**-**	**932**
Retirement benefit plan costs (Note 14.1)	**1,103**	**-**	**12,782**	**-**	**13,885**
Exit cost and other termination benefits	**-**	**-**	**9,539**	**-**	**9,539**
Depreciation (Note 25)	**453**	**-**	**-**	**7,698**	**8,151**
Depreciation of RoU assets (Note 25)	**1,451**	**-**	**-**	**8,377**	**9,828**
Amortisation of intangible assets (Note 26)	**3,291**	**-**	**-**	**14,901**	**18,192**
Other operating expenses	**4,148**	**-**	**-**	**130,900**	**135,048**
Total	**21,639**	**2,337**	**203,062**	**161,876**	**388,914**

15. Other operating expenses (continued)

15.1 Expenses by nature (continued)

	2023				
	Directly attributable expenses (Note 12)	Capitalised as internally developed computer software (Note 26)	Staff costs (Note 14)	Other operating expenses (Note 15)	Total
	€000	€000	€000	€000	€000
Salaries and employer's contributions	9,898	2,202	160,691	-	172,791
Variable compensation:					
Accrual for short-term incentive award	-	-	11,488	-	11,488
Share-based benefits expense	-	-	595	-	595
Retirement benefit plan costs (Note 14.1)	666	-	12,072	-	12,738
Exit cost and other termination benefits	-	-	7,420	-	7,420
Depreciation (Note 25)	387	-	-	8,270	8,657
Depreciation of RoU assets (Note 25)	1,246	-	-	5,490	6,736
Amortisation of intangible assets (Note 26)	3,120	-	-	15,740	18,860
Other operating expenses	4,088	-	-	129,045	133,133
Total	**19,405**	**2,202**	**192,266**	**158,545**	**372,418**

Directly attributable expenses are expenses incurred by the insurance subsidiaries of the Group that relate directly to the fulfilment of insurance and re-insurance contracts within the scope of IFRS 17.

16. Credit losses on financial assets and impairment net of reversals on non-financial assets

Credit losses on financial assets	**2024 €000**	2023 €000
Credit losses to cover credit risk on loans and advances to customers		
Impairment net of reversals on loans and advances to customers (Note 44.5)	**47,519**	81,764
Recoveries of loans and advances to customers previously written off	**(13,520)**	(15,057)
Changes in expected cash flows	**(1,080)**	4,824
Financial guarantees and commitments (Notes 44.6.1 and 44.6.2)	**(1,006)**	1,763
	31,913	73,294
Credit losses on other financial instruments		
Amortised cost debt securities (Note 20)	**(256)**	(531)
FVOCI debt securities (Note 20)	**(242)**	(380)
Loans and advances to banks (Note 19)	**19**	1
Balances with central banks (Note 19)	**(403)**	330
Reverse repurchase agreements	**9**	20
Other financial assets	**757**	7,096
	(116)	6,536
	31,797	79,830

Impairment net of reversals on non-financial assets	**2024 €000**	2023 €000
Stock of property (Note 27)	**55,612**	46,026
Other non-financial assets	**428**	826
	56,040	46,852

17. Income tax

	2024 €000	2023 €000
Current tax:		
- Cyprus	**45,214**	46,319
Cyprus special defence contribution	**121**	47
Deferred tax charge	**34,081**	26,001
Prior years' tax adjustments	**515**	(52)
Other tax charges	**1,197**	623
	81,128	72,938

The reconciliation between the income tax expense and the profit before tax as estimated using the current income tax rates is set out below:

	2024 €000	2023 €000
Profit before tax	**592,704**	555,447
Income tax at the normal tax rates in Cyprus	**74,088**	69,431
Income tax effect of:		
- expenses not deductible for income tax purposes	**20,456**	12,862
- income not subject to income tax	**(8,981)**	(6,556)
- other allowable deductions	**(6,268)**	(3,417)
	79,295	72,320
Cyprus special defence contribution	**121**	47
Prior years' tax adjustments	**515**	(52)
Other tax charges	**1,197**	623
	81,128	72,938

The corporate income tax rate in Cyprus is 12.5% on taxable income (2023: 12.5%). The tax rates prevailing in the countries the Group has entities incorporated, in the year ended 31 December 2024 were: Greece 22% (2023: 22%), Romania 16% (2023: 16%) and Russia 20% (2023: 20%).

For life insurance business there is a minimum income tax charge of 1.5% on gross premiums (this is included within 'Net insurance service result'), which amounted to €2,494 thousand for the year ended 31 December 2024 (2023: €2,148 thousand). Special defence contribution is payable on the 75% of rental income at a rate of 3% (2023: 3%) and on interest income from activities outside the ordinary course of business at a rate of 17% (2023: 30%).

The Group is subject to income tax in the various jurisdictions in which it operates and the calculation of the Group's income tax charge, top-up tax liability under Cyprus Pillar Two Law and provisions for income tax necessarily involves a degree of estimation and judgement. There are transactions and calculations for which the ultimate income tax treatment is uncertain and cannot be determined until resolution has been reached with the relevant tax authority. The Group has a number of open income tax returns with various income tax authorities and liabilities relating to these judgemental matters which are based on estimates of whether additional income taxes will be due. In case the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

On 22 December 2022, the European Commission approved Directive 2022/2523 which provides for a minimum effective tax rate of 15% for the global activities of large multinational groups (Pillar Two tax). The Directive (EU) 2022/2523 that follows closely the OECD Inclusive Framework on Base Erosion and Profit Shifting was voted into Law 151(I)/2024 (the 'Cyprus Pillar Two Law') in December 2024, effective for financial years starting from 31 December 2023. The Group is in scope of the Cyprus Pillar Two Law for the year ended 31 December 2024. The Group is eligible for the transitional provision under Article 55 of the Cyprus Pillar Two Law which results in zeroing any top-up tax liability in Cyprus computed in accordance with the rules laid out in the Cyprus Pillar Two Law for the year ended 31 December 2024. The Group does not anticipate any top-up tax liability arising from the foreign jurisdictions in which it has subsidiary entities.

17. **Income tax** (continued)

Deferred tax

The movement of the net deferred tax assets is set out below:

	Differences between capital allowances and depreciation	Own property revaluation	Stock of property and investment properties	Unutilised income tax losses carried forward (guaranteed deferred tax asset)	Other temporary differences (net)	**Total**
2024	€000	€000	€000	€000	€000	**€000**
Net Deferred tax asset/(liability) as at 1 January 2024	(10,329)	(16,546)	7,542	189,546	(1,251)	**168,962**
Income Statement - tax (charge)/credit	(762)	-	3,004	(37,909)	1,586	**(34,081)**
Other comprehensive income - tax credit	-	20	-	-	-	**20**
31 December 2024	**(11,091)**	**(16,526)**	**10,546**	**151,637**	**335**	**134,901**
Deferred tax assets	**87**	**29**	**13,393**	**151,637**	**1,698**	**166,844**
Deferred tax liabilities	**(11,178)**	**(16,555)**	**(2,847)**	**-**	**(1,363)**	**(31,943)**
31 December 2024	**(11,091)**	**(16,526)**	**10,546**	**151,637**	**335**	**134,901**
2023						
Net Deferred tax asset/(liability) as at 1 January 2023	(10,528)	(13,338)	(2,847)	227,455	(7,442)	193,300
Income Statement - tax credit/(charge)	199	-	10,389	(37,909)	1,320	(26,001)
Other comprehensive income - tax charge	-	(3,234)	-	-	-	(3,234)
Other transfers	-	26	-	-	-	26
Transfer to current tax payables following the adoption of IFRS 17	-	-	-	-	4,871	4,871
31 December 2023	(10,329)	(16,546)	7,542	189,546	(1,251)	168,962
Deferred tax assets	56	29	10,389	189,546	1,248	201,268
Deferred tax liabilities	(10,385)	(16,575)	(2,847)	-	(2,499)	(32,306)
31 December 2023	(10,329)	(16,546)	7,542	189,546	(1,251)	168,962

The deferred tax assets (DTA) relate to Cyprus operations.

17. Income tax (continued)

The Group offsets income tax assets and liabilities only if it has a legally enforceable right to set-off current income tax assets and current income tax liabilities.

Income Tax Law Amendment 28(I) of 2019
On 1 March 2019, the Cyprus Parliament adopted legislative amendments to the Income Tax Law (the 'Law') which were published in the Official Gazette of the Republic on 15 March 2019 ('the amendments').

The Company has DTA that meets the requirements of the Income Tax Law Amendment 28(I) of 2019 relating to income tax losses transferred to the Company as a result of the acquisition of certain operations of Laiki Bank, on 29 March 2013, under 'The Resolution of Credit and Other Institutions Law'. The DTA recognised upon the acquisition of certain operations of Laiki in 2013 amounted to €417 million (corresponding to €3.3 billion tax losses) for which the Company paid a consideration as part of the respective acquisition. The period of utilisation of the tax losses which may be converted into tax credits is eleven years following the amendment of the Law in 2019, starting from 2018 i.e., by end of 2028.

As a result of the above Law, the Group has DTA amounting to €151,637 thousand as at 31 December 2024 (2023: €189,546 thousand) that meet the requirements under this Law, the recovery of which is guaranteed. On an annual basis, an amount is either converted to annual tax credit and is reclassified from the DTA to current tax receivables or it is used in the determination of the taxable income of the relevant year, as the annual instalment can be claimed as a deductible expense. The annual instalment is reflected as a charge in the Consolidated Income Statement.

The DTA subject to the Law is accounted for on the same basis as described in Note 2.11.

The Law, provides that an annual fee is charged on an annual basis until expiration of such losses in 2028. The Group estimates that such fees could range to approximately €5,300 thousand per year (for each tax year in scope i.e., since 2018) although the Group understands that such fee may fluctuate annually as to be determined by the Ministry of Finance. An amount of €5,364 thousand that relates to the tax credit of year 2024 (2023: €5,364 thousand) was recorded during the year ended 31 December 2024.

Accumulated income tax losses

The accumulated income tax losses are presented in the table below:

	Total income tax losses	**Income tax losses for which a deferred tax asset was recognised**	**Income tax losses for which no deferred tax asset was recognised**
2024	**€000**	**€000**	**€000**
Expiring within 5 years	**464**	**-**	**464**
Utilisation in annual instalments up to 2028	**1,213,091**	**1,213,091**	**-**
	1,213,555	**1,213,091**	**464**
2023			
Expiring within 5 years	45,851	-	45,851
Utilisation in annual instalments up to 2028	1,516,364	1,516,364	-
	1,562,215	1,516,364	45,851

18. Earnings per share

Basic and diluted earnings per share

	2024	2023
Profit for the year attributable to the owners of the Company (€ thousand) (basic)	**510,621**	480,772
Weighted average number of shares in issue during the year, excluding treasury shares (thousand)	**9,597,945**	9,597,945
Basic and diluted profit per share attributable to the owners of the Company (€ cent)	**5.32**	5.01

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted for the dilutive effect of ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the Long-Term Incentive Plan (LTIP) for the performance years 2022-2024, 2023-2025 and 2024-2026 and the STIP award granted for the performance year 2023.

19. Cash, balances with central banks and loans and advances to banks

	2024	2023
	€000	€000
Cash	**94,991**	92,541
Balances with central banks	**7,505,855**	9,522,484
Allowance for expected credit losses (Note 16)	**(120)**	(523)
	7,600,726	9,614,502

	2024	2023
	€000	€000
Loans and advances to banks	**820,615**	384,824
Allowance for expected credit losses (Note 16)	**(41)**	(22)
	820,574	384,802

Balances with central banks are classified as Stage 1.

The ECL release (Note 16) on balances with central banks for the year ended 31 December 2024 amounted to €403 thousand (2023: ECL charge of €330 thousand).

An analysis of the movement of the gross carrying amount before ECL and ECL of loans and advances to banks is presented in the table below:

	2024		2023	
	Gross carrying amount	**ECL**	Gross carrying amount	ECL
	€000	**€000**	€000	€000
1 January	**384,824**	**(22)**	204,832	(21)
Net increase/(decrease)	**435,792**	**-**	180,043	-
Changes to models and inputs used for ECL calculation (Note 16)	**-**	**(19)**	-	(1)
Foreign exchange adjustments	**(1)**	**-**	(51)	-
31 December	**820,615**	**(41)**	384,824	(22)

All loans and advances to banks are classified as Stage 1.

Balances with central banks include obligatory deposits for liquidity purposes which amount to €117,702 thousand as at 31 December 2024 (2023: €59,179 thousand) (Note 41). The average balance of obligatory deposits that should be maintained with central banks was set at €194,636 thousand for the period of December 2024 to February 2025 (2023: €186,794 thousand for the period December 2023 to January 2024).

19. Cash, balances with central banks and loans and advances to banks (continued)

The credit rating analysis of balances with central banks and loans and advances to banks by independent credit rating agencies is set out in Note 44.11.

Loans and advances to banks earn interest based on the interbank rate of the relevant term and currency.

20. Investments

The analysis of the Group's investments is presented in the table below:

	2024	2023
	€000	€000
Investments at FVPL	**136,629**	135,275
Investments at FVOCI	**416,077**	443,420
Investments at amortised cost	**3,805,637**	3,116,714
	4,358,343	3,695,409

Out of these, the amounts pledged as collateral are shown below:

	2024	2023
Investments pledged as collateral	**€000**	€000
Investments at FVOCI	**-**	25,458
Investments at amortised cost	**39,958**	234,553
	39,958	260,011

Investments pledged as collateral as at 31 December 2024 are mainly used as supplementary assets for the covered bond (Note 46). As at 31 December 2023, debt securities collateralised were primarily used for the amounts borrowed from the ECB Targeted Longer-Term Refinancing Operations (TLTRO III) (Note 29) which was fully repaid in the year ended 31 December 2024. Encumbered assets are disclosed in Note 46.

The maximum exposure to credit risk for debt securities is disclosed in Note 44.1 and the debt securities price risk sensitivity analysis is disclosed in Note 45.

The increase in the investment portfolio as at 31 December 2024 is consistent with the strategy of the Group to grow the fixed income portfolio.

The credit rating analysis of investments is disclosed in Note 44.11.

Investments at fair value through profit or loss

	2024	2023
	€000	€000
Other non-equity securities	**10,702**	3,611
Equity securities	**837**	903
Mutual funds	**125,090**	130,761
	136,629	135,275

Investments at FVOCI

	2024	2023
	€000	€000
Debt securities	**406,540**	431,068
Equity securities	**9,537**	12,352
	416,077	443,420

20. Investments (continued)

Investments at amortised cost

	2024	2023
	€000	€000
Debt securities	3,805,637	3,116,714

Further analysis of the Group's investments is provided in the tables below.

Equity securities

2024	FVPL €000	FVOCI €000	Total €000
Listed on the Cyprus Stock Exchange	-	6	**6**
Listed on other stock exchanges	837	60	**897**
Unlisted	-	9,471	**9,471**
	837	**9,537**	**10,374**

2023	FVPL €000	FVOCI €000	Total €000
Listed on the Cyprus Stock Exchange	-	728	728
Listed on other stock exchanges	903	58	961
Unlisted	-	11,566	11,566
	903	12,352	13,255

The Group irrevocably made the election to classify its equity investments as equity investments at FVOCI on the basis that these are not held for trading. Their carrying value amounts to €9,537 thousand at 31 December 2024 and is equal to their fair value (2023: €12,352 thousand).

Equity investments at FVOCI comprise mainly investments in private Cyprus registered companies, acquired through loan restructuring activity and specifically through debt for equity swaps.

Dividend income amounting to €183 thousand has been received and recognised during the year ended 31 December 2024 in other income (2023: €856 thousand) (Note 13).

During the year ended 31 December 2024, holdings of equity investments measured at FVOCI with a carrying value of €812 thousand have been disposed of (2023: €702 thousand).

Mutual funds

2024	FVPL €000
Listed on other stock exchanges	30,740
Unlisted	94,350
	125,090

2023	FVPL €000
Listed on other stock exchanges	35,192
Unlisted	95,569
	130,761

The majority of the unlisted mutual funds relate to investments whose underlying assets are listed on stock exchanges and are therefore presented in Level 2 hierarchy in Note 22.

20. Investments (continued)

Debt securities and other non-equity securities

Analysis by issuer type	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	€000	€000	€000	**€000**
Cyprus government	-	287,590	735,617	**1,023,207**
Other governments	-	24,735	1,056,915	**1,081,650**
Financial institutions	-	65,822	1,084,888	**1,150,710**
Other financial corporations	10,702	-	57,258	**67,960**
Supranational organisations	-	23,462	696,260	**719,722**
Other non-financial corporations	-	4,972	175,431	**180,403**
Allowance for expected credit losses	-	(41)	(732)	**(773)**
	10,702	**406,540**	**3,805,637**	**4,222,879**

	FVPL	FVOCI	Amortised cost	Total
2023	€000	€000	€000	€000
Cyprus government	-	315,844	611,199	927,043
Other governments	-	10,317	751,399	761,716
Financial institutions	-	81,803	1,046,525	1,128,328
Other financial corporations	3,611	-	47,483	51,094
Supranational organisations	-	18,439	550,441	568,880
Other non-financial corporations	-	4,948	110,655	115,603
Allowance for expected credit losses	-	(283)	(988)	(1,271)
	3,611	431,068	3,116,714	3,551,393

Geographic dispersion by country of issuer	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	€000	€000	€000	**€000**
Cyprus	-	287,590	737,640	**1,025,230**
Greece	-	11,097	78,492	**89,589**
Germany	-	2,934	217,589	**220,523**
France	-	23,140	344,597	**367,737**
Other European Union countries	-	31,201	1,129,546	**1,160,747**
United Kingdom	-	-	18,094	**18,094**
USA and Canada	10,702	4,091	291,982	**306,775**
Other countries	-	23,066	292,169	**315,235**
Supranational organisations	-	23,462	696,260	**719,722**
Allowance for expected credit losses	-	(41)	(732)	**(773)**
	10,702	**406,540**	**3,805,637**	**4,222,879**

20. Investments (continued)

Geographic dispersion by country of issuer	FVPL	FVOCI	Amortised cost	Total
2023	€000	€000	€000	€000
Cyprus	-	315,844	621,617	937,461
Greece	-	18,793	60,516	79,309
Germany	-	-	210,519	210,519
France	-	31,662	283,256	314,918
Other European Union countries	-	20,345	741,331	761,676
United Kingdom	-	-	18,098	18,098
USA and Canada	3,611	4,078	273,471	281,160
Other countries	-	22,190	358,453	380,643
Supranational organisations	-	18,439	550,441	568,880
Allowance for expected credit losses	-	(283)	(988)	(1,271)
	3,611	431,068	3,116,714	3,551,393

'Other countries' include exposures in Israel amounting to €31,065 thousand as at 31 December 2024 (2023: €46,715 thousand).

Analysis by currency	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	€000	€000	€000	€000
Euro	-	387,000	3,510,264	**3,897,264**
US dollar	10,702	19,581	283,963	**314,246**
Pound sterling	-	-	12,142	**12,142**
Allowance for expected credit losses	-	(41)	(732)	**(773)**
	10,702	**406,540**	**3,805,637**	**4,222,879**

	FVPL	FVOCI	Amortised cost	Total
2023	€000	€000	€000	€000
Euro	-	412,913	2,877,334	3,290,247
US dollar	3,611	18,438	228,779	250,828
Pound sterling	-	-	11,589	11,589
Allowance for expected credit losses	-	(283)	(988)	(1,271)
	3,611	431,068	3,116,714	3,551,393

Listing analysis	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	€000	€000	€000	**€000**
Listed on the Cyprus Stock Exchange	-	-	33,884	**33,884**
Listed on other stock exchanges	-	406,581	3,772,485	**4,179,066**
Unlisted	10,702	-	-	**10,702**
Allowance for expected credit losses	-	(41)	(732)	**(773)**
	10,702	**406,540**	**3,805,637**	**4,222,879**

	FVPL	FVOCI	Amortised cost	Total
2023	€000	€000	€000	€000
Listed on the Cyprus Stock Exchange	-	-	4,567	4,567
Listed on other stock exchanges	-	431,351	3,113,135	3,544,486
Unlisted	3,611	-	-	3,611
Allowance for expected credit losses	-	(283)	(988)	(1,271)
	3,611	431,068	3,116,714	3,551,393

The Group uses fair value hedging to manage the interest rate risk in relation to its FVOCI bonds (Note 21).

20. Investments (continued)

An analysis of the movement of the gross debt securities at FVOCI and ECL of debt securities at FVOCI is presented in the table below:

	2024		2023	
	Gross debt securities	**ECL**	Gross debt securities	ECL
	€000	**€000**	€000	€000
1 January	**431,351**	**(283)**	454,438	(663)
New assets acquired in the year	**45,316**	**-**	84,700	-
Assets derecognised and/or redeemed in the year (Note 16)	**(75,871)**	**68**	(128,929)	39
Interest accrued and amortisation	**(2,959)**	**-**	(1,728)	-
Foreign exchange adjustments	**1,188**	**-**	(640)	-
Changes to models and inputs used for ECL calculations (Note 16)	**-**	**174**	-	341
Changes in fair value	**7,556**	**-**	23,510	-
31 December	**406,581**	**(41)**	431,351	(283)

All debt securities measured at FVOCI are classified as Stage 1 as at 31 December 2024 and 31 December 2023.

An analysis of the movement in the gross carrying amount and ECL of the debt securities at amortised cost is presented in the table below:

	2024		2023	
	Gross debt securities	**ECL**	Gross debt securities	ECL
	€000	**€000**	€000	€000
1 January	**3,117,702**	**(988)**	2,047,638	(1,519)
New assets acquired in the year	**1,388,497**	**-**	1,472,417	-
Assets derecognised and/or redeemed in the year (Note 16)	**(758,747)**	**177**	(428,958)	102
Fair value due to hedging relationship	**2,362**	**-**	2,674	-
Interest accrued and amortisation	**39,809**	**-**	31,326	-
Changes to models and inputs used for ECL calculation (Note 16)	**-**	**79**	-	429
Foreign exchange adjustments	**16,746**	**-**	(7,395)	-
31 December	**3,806,369**	**(732)**	3,117,702	(988)

All debt securities measured at amortised cost are classified as Stage 1 as at 31 December 2024 and 31 December 2023.

There were no reclassifications of investments during the year ended 31 December 2024 and 2023.

The fair value of the financial assets that have been reclassified out of FVPL to FVOCI on transition to IFRS 9, amounts to €6,932 thousand at 31 December 2024 (2023: €7,149 thousand). The fair value gain that would have been recognised in the consolidated income statement during the year ended 31 December 2024 if these financial assets had not been reclassified as part of the transition to IFRS 9, amounts to €6 thousand (2023: loss of €140 thousand). The effective interest rate of these instruments is 1.6%-5.0% (2023: 1.6%-5.0%) per annum and the respective interest income during the year ended 31 December 2024 amounts to €206 thousand (2023: €227 thousand).

21. Derivative financial instruments

The contract amount and fair value of the derivative financial instruments is set out below:

	2024			2023		
		Fair value			Fair value	
	Contract amount	**Assets**	**Liabilities**	Contract amount	Assets	Liabilities
	€000	**€000**	**€000**	€000	€000	€000
Trading derivatives						
Forward exchange rate contracts	**23,232**	**171**	**126**	23,960	205	184
Currency swaps	**926,195**	**7,662**	**517**	986,259	136	13,278
Interest rate swaps	**-**	**-**	**-**	13,460	189	181
Currency options	**472**	**455**	**17**	44	2	42
Interest rate caps/floors	**18,130**	**945**	**945**	166,075	1,843	1,844
	968,029	**9,233**	**1,605**	1,189,798	2,375	15,529
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	**1,637,500**	**58,299**	**2,918**	1,401,531	48,679	2,451
Portfolio fair value hedges - interest rate swaps	**2,914,362**	**27,741**	**140**	-	-	-
Net investments - forward exchange rate contracts	**985**	**-**	**1**	1,200	1	-
	4,552,847	**86,040**	**3,059**	1,402,731	48,680	2,451
Total	**5,520,876**	**95,273**	**4,664**	2,592,529	51,055	17,980

The use of derivatives is an integral part of the Group's activities. Derivatives are used to manage the Group's own exposure to fluctuations in interest rates and foreign currency exchange rates. Derivatives are also sold to customers as risk management products.

Credit risk for derivatives arises from the possibility of the counterparty's failure to meet the terms of any contract. In the case of derivatives, credit losses are a significantly smaller amount compared to the derivatives' notional amount. In order to manage credit risk, the Group sets derivative limits based on the creditworthiness of the involved counterparties and uses credit mitigation techniques such as netting, collateralisation, margin calls and clearing through Central Clearing House (CCP) where applicable.

Interest rate risk is explained in Note 45. The interest rate risk is managed through the use of own balance sheet solutions such as plain vanilla interest rate swaps and interest rate options. In fair value hedging of interest rate risk, fixed rate assets/liabilities are converted to floating. In cash flow hedging of interest rate risk, the Group converts floating rate assets/liabilities to fixed.

Currency risk is explained in Note 45. In order to manage currency risk, the Group hedges its open position by entering into foreign exchange deals such as: foreign exchange spot, foreign exchange forwards, foreign exchange swaps or foreign exchange options. The foreign currency risk mainly arises from customer-driven transactions on deposits and loans and advances.

Forward exchange rate contracts are irrevocable agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate.

Currency swaps involve the exchange of two currencies at the current market rate and the commitment to re-exchange them at a specified rate upon maturity of the swap. Cross-currency swaps are interest rate swaps in which the cash flows are in different currencies.

Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest, by means of periodic payments, based upon a notional principal amount and the interest rates defined in the contract.

Currency options are contracts that grant the holder the right, but not the obligation, to buy or sell currency at a specified exchange rate during a specified period of time.

Interest rate caps/floors protect the buyer from fluctuations of interest rates above or below a specified interest rate for a specified period of time.

21. Derivative financial instruments (continued)

The credit exposure of derivative financial instruments represents the cost to replace these contracts at the reporting date. The exposure arising from these transactions is managed as part of the Group's credit risk management process for credit facilities granted to customers and financial institutions.

The contract amount of certain types of derivative financial instruments provides a basis for comparison with other instruments recognised on the consolidated balance sheet, but does not necessarily indicate the amount of future cash flows involved or the current fair value of the instruments and, consequently, does not indicate the Group's exposure to credit or market risk.

The fair value of the derivatives can be either positive (asset) or negative (liability) as a result of fluctuations in market interest rates and foreign currency exchange rates in accordance with the terms of the relevant contract. The aggregate net fair value of derivatives may fluctuate significantly over time.

Hedge accounting

The Group elected, as a policy choice permitted by IFRS 9, to continue to apply hedge accounting in accordance with IAS 39.

The Group applies hedge accounting using derivatives when the required criteria for hedge accounting are met. The Group also uses derivatives for economic hedging (hedging the changes in interest rates, foreign currency exchange rates or other risks) which do not meet the criteria for hedge accounting. As a result, these derivatives are accounted for as trading derivatives and the gains or losses arising from revaluation are recognised in the consolidated income statement.

Derivatives held for trading comprise derivatives entered into with economic hedging intent to which the Group does not apply hedge accounting or derivative positions arise as a result of activity generated by corporate customers. Derivatives classified as held for hedging comprise only those derivatives to which the Group applies hedge accounting.

Fair value hedges
The Group uses interest rate swaps to hedge the interest rate risk arising as a result of the possible adverse movement in the fair value of fixed rate debt securities measured at FVOCI, debt securities in issue and subordinated liabilities, as well as customer deposits.

As part of its structural interest rate risk management, during the year ended 31 December 2024, the Group has contracted fixed-rate receiver swaps to hedge interest rate risk by setting up fair value hedges for a portfolio of liabilities being the core NMDs. This strategy is designated as a fair value hedge, under the IAS 39 as adopted by the EU (IAS 39 carve-out) and its effectiveness is assessed by comparing changes in the fair value of the designated hedged item, attributable to changes in the benchmark interest rate, with the respective changes in the fair value of the interest rate swaps used as hedging instruments.

Changes in the fair value of derivatives designated as fair value hedges (both for micro hedges and macro hedges) and the fair value of the hedged items in relation to the risk being hedged are recognised in the consolidated income statement.

In the case of fair value macro hedges, fair value changes of the hedged portfolios are recognised in the liability side of the consolidated balance sheet under caption 'Changes in the fair value of hedged items in portfolio hedges of interest rate risk', which as at 31 December 2024 amounted to a cumulative fair value change of €44,074 thousand (2023: n/a).

Hedges of net investments
The Group's consolidated balance sheet is impacted by foreign currency exchange differences between Euro and all non-Euro functional currencies of overseas subsidiaries and other foreign operations. The Group hedges its structural currency risk when it considers that the cost of such hedging is within an acceptable range (in relation to the underlying risk). This hedging is done through the use of forward exchange rate contracts.

As at 31 December 2024, forward exchange rate contracts amounting to €985 thousand (2023: €1,200 thousand) have been designated as hedging instruments and have given rise to approximately nil loss (2023: loss of €13 thousand) which was recognised in the 'Foreign currency translation reserve' in the consolidated statement of comprehensive income, against the profit or loss from the retranslation of the net assets of the overseas subsidiaries and other foreign operations.

21. Derivative financial instruments (continued)

2024	**Gains/(losses) attributable to hedged risk**		**Hedge in-effectiveness**
	Hedged items	**Hedging instruments**	
Derivatives qualifying for hedge accounting	**€000**	**€000**	**€000**
Fair value hedges - interest rate swaps			
-debt securities - investment	8,763	(8,763)	-
-debt securities in issue	(8,914)	8,914	-
-subordinated liabilities	93	(93)	-
-customer deposits (macro hedge)	(44,074)	44,074	-
Total	**(44,132)**	**44,132**	**-**

2023	Gains/(losses) attributable to hedged risk		Hedge in-effectiveness
	Hedged items	Hedging instruments	
Derivatives qualifying for hedge accounting	€000	€000	€000
Fair value hedges - interest rate swaps			
-debt securities - investments	22,840	(20,722)	2,118
-debt securities in issue	(14,274)	14,274	-
-subordinated liabilities	(4,237)	4,237	-
Net investments			
-forward exchange rate contracts	13	(13)	-
Total	4,342	(2,224)	2,118

21. Derivative financial instruments (continued)

The accumulated fair value adjustment arising from the hedging relationships is presented in the table below:

	Carrying amount of hedged items		**Accumulated amount of fair value hedging adjustments gains/(losses) on the hedged item**	
2024	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives qualifying for hedge accounting	**€000**	**€000**	**€000**	**€000**
Fair value hedges - interest rate swaps				
-debt securities - investments	379,937	-	(28,498)	-
-debt securities in issue	-	989,435	-	(18,335)
-subordinated liabilities	-	307,955	-	(4,144)
-customer deposits (macro hedge)	-	2,914,362	-	(44,074)
Net investments - forward exchange rate contracts				
Net assets/liabilities	-	985	-	1
Total	**379,937**	**4,212,737**	**(28,498)**	**(66,552)**

	Carrying amount of hedged items		Accumulated amount of fair value hedging adjustments gains/(losses) on the hedged item	
2023	Assets	Liabilities	Assets	Liabilities
Derivatives qualifying for hedge accounting	€000	€000	€000	€000
Fair value hedges - interest rate swaps				
-debt securities - investments	439,043	-	(43,441)	-
-debt securities in issue	-	671,632	-	(9,421)
-subordinated liabilities	-	306,787	-	(4,237)
Net investments - forward exchange rate contracts				
Net assets/liabilities	1,200	-	1	-
Total	440,243	978,419	(43,440)	(13,658)

For assets hedged using fair value hedges the applicable average rates of hedging instruments is 2.35% fixed rate as at 31 December 2024 (2023: 2.05%). For liabilities hedged using fair value hedges, the average fixed rate is 3.55% as at 31 December 2024 (2023: 5.44%).

21. Derivative financial instruments (continued)

The maturity of the Group's contract amount of the derivatives is presented in the table below:

2024	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total contract amount €000
Trading derivatives						
Forward exchange rate contracts	8,040	9,870	5,322	-	-	**23,232**
Currency swaps	719,764	206,213	218	-	-	**926,195**
Currency options	472	-	-	-	-	**472**
Interest rate caps/floors	-	-	-	18,130	-	**18,130**
	728,276	**216,083**	**5,540**	**18,130**	**-**	**968,029**
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	-	-	69,000	1,404,000	164,500	**1,637,500**
Portfolio fair value hedges - interest rate swaps	-	-	-	2,914,362	-	**2,914,362**
Net investments - forward exchange rate contracts	985	-	-	-	-	**985**
	985	**-**	**69,000**	**4,318,362**	**164,500**	**4,552,847**
Total	**729,261**	**216,083**	**74,540**	**4,336,492**	**164,500**	**5,520,876**

2023	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total contract amount €000
Trading derivatives						
Forward exchange rate contracts	9,734	9,657	4,569	-	-	23,960
Currency swaps	852,963	132,603	693	-	-	986,259
Interest rate swaps	-	4,372	9,088	-	-	13,460
Currency options	44	-	-	-	-	44
Interest rate caps/floors	-	-	-	166,075	-	166,075
	862,741	146,632	14,350	166,075	-	1,189,798
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	-	15,000	56,031	1,166,000	164,500	1,401,531
Net investments - forward exchange rate contracts	1,200	-	-	-	-	1,200
	1,200	15,000	56,031	1,166,000	164,500	1,402,731
Total	863,941	161,632	70,381	1,332,075	164,500	2,592,529

22. Fair value measurement

The following table presents the carrying value and fair value of the Group's financial assets and liabilities.

	2024		2023	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets	**€000**	**€000**	€000	€000
Cash and balances with central banks	**7,600,726**	**7,600,726**	9,614,502	9,614,502
Loans and advances to banks	**820,574**	**813,239**	384,802	370,853
Investments at FVPL	**136,629**	**136,629**	135,275	135,275
Investments at FVOCI	**416,077**	**416,077**	443,420	443,420
Investments at amortised cost	**3,805,637**	**3,837,774**	3,116,714	3,119,618
Reverse repurchase agreements	**1,010,170**	**1,026,046**	403,199	411,654
Derivative financial assets	**95,273**	**95,273**	51,055	51,055
Loans and advances to customers	**10,117,168**	**10,117,524**	9,823,127	9,973,588
Life insurance business assets attributable to policyholders	**761,127**	**761,127**	637,562	637,562
Financial assets classified as held for sale	**23,143**	**23,143**	-	-
Other financial assets	**295,632**	**300,606**	388,244	406,602
	25,082,156	**25,128,164**	24,997,900	25,164,129
Financial liabilities				
Funding from central banks and deposits by banks	**364,231**	**334,156**	2,515,424	2,472,718
Derivative financial liabilities	**4,664**	**4,664**	17,980	17,980
Customer deposits	**20,528,848**	**20,504,116**	19,338,880	19,302,832
Debt securities in issue	**989,435**	**1,024,400**	671,632	655,428
Subordinated liabilities	**307,955**	**314,195**	308,049	300,098
Other financial liabilities and lease liabilities	**430,561**	**430,561**	359,624	359,624
	22,625,694	**22,612,092**	23,211,589	23,108,680

The fair value of financial assets and liabilities in the above table is as at the reporting date and does not represent any expectations about their future value.

The Group uses the following hierarchy for determining and disclosing fair value:

Level 1: investments valued using quoted prices in active markets.

Level 2: investments valued using models for which all inputs that have a significant impact on fair value are market observable.

Level 3: investments valued using models for which inputs that have a significant impact on fair value are not based on market observable data.

Observable inputs to the models for the valuation of unquoted equity and debt securities include, where applicable, current and expected market interest rates, market expected default rates, market implied country and counterparty credit risk and market liquidity discounts.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

22. Fair value measurement (continued)

The following table presents the fair value measurement hierarchy of the Group's assets and liabilities recorded at fair value and financial assets and financial liabilities for which fair value is disclosed, by level of the fair value hierarchy.

2024	Level 1 €000	Level 2 €000	Level 3 €000	**Total €000**
Assets measured at fair value				
Investment properties				
Residential	-	-	4,584	**4,584**
Offices and other commercial properties	-	-	20,715	**20,715**
Manufacturing and industrial properties	-	-	8,662	**8,662**
Land (fields and plots)	-	-	2,290	**2,290**
	-	-	36,251	**36,251**
Freehold property				
Offices and other commercial properties	-	-	240,185	**240,185**
Loans and advances to customers measured at FVPL	-	-	131,008	**131,008**
Trading derivatives				
Forward exchange rate contracts	-	171	-	**171**
Currency swaps	-	7,662	-	**7,662**
Interest rate swaps	-	-	-	**-**
Currency options	-	455	-	**455**
Interest rate caps/floors	-	945	-	**945**
	-	9,233	-	**9,233**
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	58,299	-	**58,299**
Portfolio fair value hedges - interest rate swaps	-	27,741	-	**27,741**
	-	86,040	-	**86,040**
Investments at FVPL	31,577	94,350	10,702	**136,629**
Investments at FVOCI	406,600	6	9,471	**416,077**
Prepayments, accrued income and other assets	-	-	25,500	**25,500**
	438,177	**189,629**	**453,117**	**1,080,923**
Financial assets not measured at fair value				
Loans and advances to banks	-	813,239	-	**813,239**
Investments at amortised cost	3,604,367	233,407	-	**3,837,774**
Reverse repurchase agreements	-	1,026,046	-	**1,026,046**
Loans and advances to customers	-	-	9,986,516	**9,986,516**
	3,604,367	**2,072,692**	**9,986,516**	**15,663,575**

The discount rate used in the determination of the fair value of the loans and advances to customers measured at FVPL as at 31 December 2024 is 6.79% (2023: 7.56%).

For loans and advances to customers measured at FVPL categorised as Level 3 as at 31 December 2024, an increase in the discount factor by 10% would result in a decrease of €2,460 thousand in their fair value and a decrease in the discount factor by 10% would result in an increase of €591 thousand in their fair value.

For one investment included in other non-equity securities mandatorily measured at FVPL as a result of the SPPI assessment and categorised as Level 3 with a carrying amount of €10,702 thousand as at 31 December 2024, a change in the conversion factor by 10% would result in a change in the value of the other non-equity securities by €1,070 thousand.

For additional disclosures on sensitivity analysis of equity securities refer to Note 45.

22. Fair value measurement (continued)

The fair value measurement hierarchy for life insurance business assets attributable to policy holders is disclosed in Note 24.

2024	Level 1 €000	Level 2 €000	Level 3 €000	**Total €000**
Liabilities measured at fair value				
Trading derivatives				
Forward exchange rate contracts	-	126	-	**126**
Currency swaps	-	517	-	**517**
Currency options	-	17	-	**17**
Interest rate caps/floors	-	945	-	**945**
	-	1,605	-	**1,605**
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	2,918	-	**2,918**
Portfolio fair value hedges - interest rate swaps	-	140	-	**140**
Net investments - forward exchange rate contracts	-	1	-	**1**
	-	3,059	-	**3,059**
	-	**4,664**	**-**	**4,664**
Financial liabilities not measured at fair value				
Deposits by banks	-	334,156	-	**334,156**
Customer deposits	-	-	20,504,116	**20,504,116**
Debt securities in issue	1,024,400	-	-	**1,024,400**
Subordinated liabilities	-	314,195	-	**314,195**
	1,024,400	**648,351**	**20,504,116**	**22,176,867**

22. Fair value measurement (continued)

2023	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Assets measured at fair value				
Investment properties				
Residential	-	-	5,933	5,933
Offices and other commercial properties	-	-	34,369	34,369
Manufacturing and industrial properties	-	-	19,513	19,513
Land (fields and plots)	-	-	2,290	2,290
	-	-	62,105	62,105
Freehold property				
Offices and other commercial properties	-	-	232,235	232,235
Loans and advances to customers measured at FVPL	-	-	138,727	138,727
Trading derivatives				
Forward exchange rate contracts	-	205	-	205
Currency swaps	-	136	-	136
Interest rate swaps	-	189	-	189
Currency options	-	2	-	2
Interest rate caps/floors	-	1,843	-	1,843
	-	2,375	-	2,375
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	48,679	-	48,679
Net investments-forward exchange rate contracts	-	1	-	1
	-	48,680	-	48,680
Investments at FVPL	36,095	95,569	3,611	135,275
Investments at FVOCI	431,854	-	11,566	443,420
	467,949	146,624	448,244	1,062,817
Financial assets not measured at fair value				
Loans and advances to banks	-	370,853	-	370,853
Investments at amortised cost	2,958,793	160,825	-	3,119,618
Reverse repurchase agreements	-	411,654	-	411,654
Loans and advances to customers	-	-	9,834,861	9,834,861
	2,958,793	943,332	9,834,861	13,736,986

For loans and advances to customers measured at FVPL categorised as Level 3 as at 31 December 2023, an increase in the discount factor by 10% would result in a decrease of €2,714 thousand in their fair value and a decrease in the discount factor by 10% would result in an increase of €622 thousand in their fair value.

For one investment included in other non-equity securities mandatorily measured at FVPL as a result of the SPPI assessment and categorised as Level 3 with a carrying amount of €3,611 thousand as at 31 December 2023, a change in the conversion factor by 10% would result in a change in the value of the other non-equity securities by €361 thousand.

22. Fair value measurement (continued)

2023	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Liabilities measured at fair value				
Trading derivatives				
Forward exchange rate contracts	-	184	-	184
Currency swaps	-	13,278	-	13,278
Interest rate swaps	-	181	-	181
Currency options	-	42	-	42
Interest rate caps/floors	-	1,844	-	1,844
	-	15,529	-	15,529
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	2,451	-	2,451
	-	17,980	-	17,980
Financial liabilities not measured at fair value				
Funding from central banks	-	2,043,868	-	2,043,868
Deposits by banks	-	428,850	-	428,850
Customer deposits	-	-	19,302,832	19,302,832
Debt securities in issue	655,428	-	-	655,428
Subordinated liabilities	-	300,098	-	300,098
	655,428	2,772,816	19,302,832	22,731,076

The cash and balances with central banks are financial instruments whose carrying value is a reasonable approximation of fair value because they are mostly short-term in nature or are repriced to current market rates frequently. The carrying value of other financial assets, other than the deferred purchase payment consideration (Note 28), and other financial liabilities is a close approximation of their fair value and they are categorised as Level 3.

During the years ended 31 December 2024 and 2023 there were no significant transfers between Level 1 and Level 2.

22. Fair value measurement (continued)

Movements in Level 3 assets measured at fair value
Transfers from Level 3 to Level 2 occur when the market for some securities becomes more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Following a transfer to Level 2 the instruments are valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid and consequently, the Group requires significant unobservable inputs to calculate their fair value.

The movement in Level 3 assets which are measured at fair value is presented below:

	2024					2023			
	Investment properties	**Own use properties**	**Other financial assets**	**Loans and advances to customers**	**Financial instruments**	Investment properties	Own use properties	Loans and advances to customers	Financial instruments
	€000	**€000**	**€000**	**€000**	**€000**	€000	€000	€000	€000
1 January	**62,105**	**232,235**	**-**	**138,727**	**15,177**	85,099	203,658	214,359	21,233
Additions	**198**	**9,549**	**25,500**	**-**	**-**	1,390	836	-	-
Disposals	**(23,613)**	**-**	**-**	**-**	**-**	(23,797)	-	-	-
Transfers from own use properties to investment properties (Note 25)	**-**	**-**	**-**	**-**	**-**	798	(798)	-	-
Net transfers from stock of property (Note 25)	**-**	**-**	**-**	**-**	**-**	-	17,827	-	-
Conversion of instruments into common shares	**-**	**-**	**-**	**-**	**-**	-	-	-	(6,521)
Depreciation charge for the year	**-**	**(2,121)**	**-**	**-**	**-**	-	(2,047)	-	-
Impairment (Note 25)	**-**	**-**	**-**	**-**	**-**	-	(765)	-	-
Fair value (losses)/gains	**(2,439)**	**522**	**-**	**-**	**4,847**	(1,385)	13,524	-	569
Net gains on loans and advances to customers measured at FVPL (Note 11)	**-**	**-**	**-**	**1,232**	**-**	-	-	2,401	-
Repayments/derecognition of loans	**-**	**-**	**-**	**(17,792)**	**-**	-	-	(89,522)	-
Interest on loans (Note 7)	**-**	**-**	**-**	**8,841**	**-**	-	-	11,489	-
Foreign exchange adjustments	**-**	**-**	**-**	**-**	**149**	-	-	-	(104)
31 December	**36,251**	**240,185**	**25,500**	**131,008**	**20,173**	62,105	232,235	138,727	15,177

Valuation policy and sensitivity analysis

Investment properties and own use properties
The valuation technique mainly applied by the Group is the market comparable approach, adjusted for market and property specific conditions. In certain cases, the Group also utilises the income capitalisation approach. The key inputs used for the valuations of the investment properties and own use properties are presented in the tables below:

22. Fair value measurement (continued)

Valuation policy and sensitivity analysis (continued)

Analysis of investment properties

Type and country	2024	Estimated rental value per m^2 per annum	Estimated building cost per m^2	Yield	Estimated fair value per m^2	Estimated land value per m^2	Land	Building area	Age of building
Residential	**€000**						**m^2**	**m^2**	**Years**
Cyprus	1,638	€41-€108	€1,250-€1,542	3.0%-5.0%	€473-€1,886	€130-€380	607-725	142-420	12-59
Greece	2,946	€15-€118	€229-€3,018	2.7%-9.4%	€45-€2,038	€26-€479	24-5,147	51-825	19-52
	4,584								
Offices and other commercial properties									
Cyprus	17,942	€47-€349	n/a	4.0%-7.0%	€579-€5,833	€500-€3,900	348-1,872	16-3,292	18-70
Greece	2,773	€9-€219	€193-€1,161	4.9%-8.8%	€73-€3,648	€558-€3,451	100-8,582	6-4,692	20-66
	20,715								
Manufacturing and industrial									
Cyprus	2,679	€45-€67	€709	6.0%-7.0%	€920-€956	€150-€400	2,935-3,410	1,608-1,713	31
Greece	5,983	€1-€71	€214-€1,199	4.5%-10.3%	€12-€464	€52-€521	57-34,495	349-5,858	15-86
	8,662								
Land (fields and plots)									
Cyprus	2,290	n/a	n/a	n/a	n/a	€989	2,316	n/a	n/a
	2,290								
Total	**36,251**								

Analysis of own use properties

Type and country	2024	Estimated rental value per m^2 per annum	Estimated building cost per m^2	Yield	Estimated fair value per m^2	Estimated land value per m^2	Land	Building area	Age of building
Offices and other commercial properties	**€000**						**m^2**	**m^2**	**Years**
Cyprus	240,185	€36-€264	€1,063-€3,162	5.5%-6.0%	€383-€5,254	€150-€2,757	390-51,947	210-24,035	17-100
Total	**240,185**								

22. Fair value measurement (continued)

Valuation policy and sensitivity analysis (continued)

Analysis of investment properties

Type and country	2023	Estimated rental value per m² per annum	Estimated building cost per m²	Yield	Estimated fair value per m²	Estimated land value per m²	Land	Building area	Age of building
Residential	**€000**						**m²**	**m²**	**Years**
Cyprus	2,024	€41-€98	€1,090-€1,673	4.5%-5.5%	€380-€2,338	€130-€380	607-725	89-594	10-58
Greece	3,909	€6-€113	€164-€2,961	2%-9.4%	€46-€1,878	€16-€1,910	24-5,147	51-825	16-51
	5,933								
Offices and other commercial properties									
Cyprus	31,297	€36-€289	€470	3.9%-6.7%	€578-€5,781	€150-€3,900	348-11,301	0-4,605	11-68
Greece	3,072	€9-€219	€193-€1,404	4.9%-8.8%	€72-€3,648	€261-€289	100-8,582	6-4,692	19-65
	34,369								
Manufacturing and industrial									
Cyprus	12,583	€23-€67	€205-€709	4.5%-7.0%	€266-€1,225	€165-€500	2,202-14,590	743-8,007	20-37
Greece	6,930	€1-€99	€172-€684	4.4%-10.4%	€12-€439	€10-€191	57-34,495	349-5,858	14-85
	19,513								
Land (fields and plots)									
Cyprus	2,290	n/a	n/a	n/a	n/a	€989	2,316	n/a	n/a
	2,290								
Total	62,105								

Analysis of own use properties

Type and country	2023	Estimated rental value per m² per annum	Estimated building cost per m²	Yield	Estimated fair value per m²	Estimated land value per m²	Land	Building area	Age of building
Offices and other commercial properties	**€000**						**m²**	**m²**	**Years**
Cyprus	232,235	€30-€315	€1,063-€3,162	6%-6.5%	€65-€5,254	€65-€2,756	390-51,947	210-24,035	16-100
Total	232,235								

22. Fair value measurement (continued)

Valuation policy and sensitivity analysis (continued)

Sensitivity analysis
The fair value of the Group's properties have been classified as Level 3 in the fair value measurement hierarchy. Significant increases/decreases in estimated values per square meter for properties valued with the comparable approach or significant increases/decreases in estimated rental values or yields for properties valued with the income capitalisation approach could result in a significantly higher/lower fair value of the properties.

23. Loans and advances to customers

	2024	2023
	€000	€000
Gross loans and advances to customers at amortised cost	**10,130,405**	9,862,514
Allowance for ECL for impairment of loans and advances to customers (Note 44.5)	**(147,019)**	(179,453)
	9,983,386	9,683,061
Gross loans and advances to group companies at amortised cost	**2,774**	1,339
Loans and advances to customers measured at FVPL	**131,008**	138,727
	10,117,168	9,823,127

Gross loans and advances to group companies represent loans and advances to parent company classified as Stage 1 as at December 2024 and 2023.

The following tables present the Group's gross loans and advances to customers at amortised cost by staging.

	Stage 1	Stage 2	Stage 3	POCI	**Total**
2024	€000	€000	€000	€000	**€000**
Gross loans at amortised cost before residual fair value adjustment on initial recognition	9,176,411	785,674	169,189	59,810	**10,191,084**
Residual fair value adjustment on initial recognition	(49,916)	(10,594)	1,579	(1,748)	**(60,679)**
Gross loans at amortised cost	**9,126,495**	**775,080**	**170,768**	**58,062**	**10,130,405**

2023					
Gross loans at amortised cost before residual fair value adjustment on initial recognition	8,334,929	1,168,745	328,177	100,197	9,932,048
Residual fair value adjustment on initial recognition	(59,340)	(7,474)	(1,294)	(1,426)	(69,534)
Gross loans at amortised cost	8,275,589	1,161,271	326,883	98,771	9,862,514

Residual fair value adjustment
The residual fair value adjustment on initial recognition mainly relates to the loans and advances to customers acquired as part of the acquisition of certain operations of Laiki Bank in 2013. In accordance with the provisions of IFRS 3, this adjustment decreased the gross balance of loans and advances to customers. The residual fair value adjustment is included within the gross balances of loans and advances to customers as at each balance sheet date. However, for credit risk monitoring, the residual fair value adjustment as at each balance sheet date is presented separately from the gross balances of loans and advances, as shown in the tables above.

Loans and advances to customers measured at FVPL are managed in Cyprus.

23. Loans and advances to customers (continued)

The following tables present the Group's gross loans and advances to customers at amortised cost by staging and by business line concentration.

2024 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total** **€000**
Corporate	2,897,542	409,697	30,103	9,879	**3,347,221**
IBU & International corporate					
- IBU	104,327	16,124	126	117	**120,694**
- International corporate	935,383	25,634	-	4	**961,021**
SMEs	886,864	68,843	8,094	4,270	**968,071**
Retail					
- housing	3,327,631	179,619	18,206	9,893	**3,535,349**
- consumer, credit cards and other	959,787	61,415	8,463	10,729	**1,040,394**
Restructuring					
- corporate	1,424	3,184	2,469	10,357	**17,434**
- SMEs	6,447	3,928	8,205	1,966	**20,546**
- retail housing	5,062	5,898	24,281	1,143	**36,384**
- retail other	2,014	738	11,698	754	**15,204**
Recoveries					
- corporate	-	-	3,873	307	**4,180**
- SMEs	-	-	8,671	993	**9,664**
- retail housing	-	-	30,358	4,494	**34,852**
- retail other	14	-	16,221	3,156	**19,391**
	9,126,495	**775,080**	**170,768**	**58,062**	**10,130,405**

2023 (restated) **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	2,709,523	519,134	96,289	32,799	3,357,745
IBU & International corporate					
- IBU	99,009	21,409	320	140	120,878
- International corporate	744,955	17,220	38	15	762,228
SMEs	824,503	109,865	5,583	9,042	948,993
Retail					
- housing	3,038,339	345,135	23,508	9,897	3,416,879
- consumer, credit cards and other	836,679	103,710	9,814	13,839	964,042
Restructuring					
- corporate	3,770	21,747	13,461	10,073	49,051
- SMEs	9,831	8,089	13,715	2,431	34,066
- retail housing	6,450	12,429	39,696	1,912	60,487
- retail other	2,471	2,533	13,474	733	19,211
Recoveries					
- corporate	-	-	6,378	967	7,345
- SMEs	-	-	15,812	1,587	17,399
- retail housing	-	-	65,070	10,255	75,325
- retail other	59	-	23,725	5,081	28,865
	8,275,589	1,161,271	326,883	98,771	9,862,514

During 2023, the Company entered into an agreement with Cyprus Asset Management Company ('KEDIPES') to acquire a portfolio of performing and restructured loans with gross book value of approximately €58 million with reference date 31 December 2022 (the 'Transaction'). The Transaction was completed in March 2024.

Loans and advances to customers pledged as collateral are disclosed in Note 46.

23. Loans and advances to customers (continued)

Additional analysis and information on loans and advances to customers and related allowance for ECL are set out in Note 44.

The following portfolio of loans and advances to customers was classified as held for sale as at 31 December 2024. There were no loans and advances to customers classified as held for sale as at 31 December 2023.

	2024	2023
	€000	€000
Disposal group	**23,143**	-
	23,143	-

	2024	2023
	€000	€000
Gross loans and advances to customers (Note 44.3)	**54,921**	-
Allowance for ECL for impairment of loans and advances to customers (Note 44.5)	**(31,778)**	-
	23,143	-

Disposal Group
Disposal group comprises a portfolio of loans and advances to customers known as Project River, classified as held for sale as at 31 December 2024. The Group entered into agreement with funds associated with Cerberus Global Investments B.V. to sell two non-performing loan portfolios with a total gross book value of approximately €55 million as at 31 December 2024 (the 'Sale transaction'). The Sale transaction is subject to the necessary approvals and is expected to be completed within the first half of 2025.

The analysis of the gross book value and the allowance for ECL of loans and advances to customers classified as held for sale by staging is provided below:

	Stage 3	POCI	**Total**
2024	€000	€000	**€000**
Gross loans and advances to customers	49,589	5,332	**54,921**
Allowance for ECL for impairment of loans and advances to customers	(29,003)	(2,775)	**(31,778)**
31 December	**20,586**	**2,557**	**23,143**

The disposal portfolio relates mainly to corporate and retail exposures under the Restructuring & Recoveries business line.

24. Life insurance business assets attributable to policyholders

	2024	2023
	€000	€000
Equity securities	**2,145**	1,982
Debt securities	**81,299**	58,688
Mutual funds	**639,321**	549,592
Bank deposits and other receivables	**38,362**	27,300
	761,127	637,562
Property	**11,630**	11,650
	772,757	649,212

Financial assets of life insurance business attributable to policyholders are classified as investments at FVPL.

Bank deposits and other receivables include other financial receivables of €8,550 thousand (2023: €2,957 thousand).

24. Life insurance business assets attributable to policyholders (continued)

In addition to the above assets, the life insurance subsidiary of the Group holds shares of BOCH, as part of the assets attributable to policyholders with a carrying value as at 31 December 2024 of €654 thousand (2023: €476 thousand). Such shares are presented in the Consolidated Financial Statements of BOCH as treasury shares (Note 34).

The analysis of the financial assets of life insurance business attributable to policyholders measured at fair value by level of the fair value hierarchy is presented below:

	Level 1	Level 2	Level 3	Total
2024	**€000**	**€000**	**€000**	**€000**
Equity securities	**2,145**	**-**	**-**	**2,145**
Debt securities	**61,699**	**-**	**19,600**	**81,299**
Mutual funds	**636,240**	**-**	**3,081**	**639,321**
	700,084	**-**	**22,681**	**722,765**
2023				
Equity securities	1,982	-	-	1,982
Debt securities	38,378	-	20,310	58,688
Mutual funds	546,475	-	3,117	549,592
	586,835	-	23,427	610,262

Bank deposits are financial instruments whose carrying amount is a reasonable approximation of fair value, because they are short-term in nature or are repriced to current market rates frequently. The carrying value of other financial receivable is a close approximation of their fair value and they are categorised as Level 3.

The movement of financial assets classified as Level 3 is presented below:

	2024	2023
	€000	€000
1 January	**23,427**	22,503
Unrealised (losses)/gains recognised in the consolidated income statement	**(746)**	924
31 December	**22,681**	23,427

During the years ended 31 December 2024 and 2023 there were no significant transfers between Level 1 and Level 2.

The property asset of life insurance business attributable to policyholders is measured at fair value and is categorised as Level 3 in the fair value hierarchy.

25. Property and equipment

2024	Property €000	Equipment €000	**Total €000**
Net book value at 1 January	255,905	29,663	**285,568**
Additions	10,591	10,464	**21,055**
Revaluation	522	-	**522**
Disposals and write-offs	-	(11)	**(11)**
Depreciation charge for the year (Note 15.1)	(9,347)	(8,632)	**(17,979)**
New leases (Note 42)	1,575	895	**2,470**
Re-assessment of RoU assets (Note 42)	16,158	-	**16,158**
Derecognition of RoU assets (Note 42)	(369)	-	**(369)**
Net book value at 31 December	**275,035**	**32,379**	**307,414**

1 January 2024			
Cost or valuation	327,251	123,677	**450,928**
Accumulated depreciation	(71,346)	(94,014)	**(165,360)**
Net book value	**255,905**	**29,663**	**285,568**

31 December 2024			
Cost or valuation	354,363	134,622	**488,985**
Accumulated depreciation	(79,328)	(102,243)	**(181,571)**
Net book value	**275,035**	**32,379**	**307,414**

2023	Property €000	Equipment €000	**Total €000**
Net book value at 1 January	235,538	17,840	**253,378**
Additions	396	7,058	**7,454**
Revaluation	13,524	-	**13,524**
Impairment	(765)	-	**(765)**
Transfers to investment properties (Note 22)	(798)	-	**(798)**
Net transfers from stock of property (Note 27)	17,827	-	**17,827**
Disposals and write-offs	-	(24)	**(24)**
Depreciation charge for the year (Note 15.1)	(8,997)	(6,396)	**(15,393)**
New leases (Note 42)	168	11,185	**11,353**
Re-assessment of RoU assets (Note 42)	(988)	-	**(988)**
Net book value at 31 December	255,905	29,663	**285,568**

1 January 2023			
Cost or valuation	303,891	142,787	**446,678**
Accumulated depreciation	(68,353)	(124,947)	**(193,300)**
Net book value	235,538	17,840	**253,378**

31 December 2023			
Cost or valuation	327,251	123,677	**450,928**
Accumulated depreciation	(71,346)	(94,014)	**(165,360)**
Net book value	255,905	29,663	**285,568**

25. **Property and equipment** (continued)

As at 31 December 2024 the net book value of the Group's equipment includes an amount of €9,169 thousand that relates to RoU asset - Computer hardware (2023: €11,462 thousand).

The net book value of the Group's property comprises:

	2024	2023
	€000	€000
Freehold property	**240,185**	232,235
Improvements on leasehold property	**1,726**	1,270
RoU assets (Note 42)	**33,124**	22,400
Total	**275,035**	255,905

Freehold property includes land amounting to €93,409 thousand (2023: €92,751 thousand) for which no depreciation is charged. Further, freehold property includes an amount of €22,507 thousand (2023: €20,876 thousand) which relates to a property under construction.

The Group's policy is to revalue its properties periodically (between 3 to 5 years) but more frequent revaluations may be performed where there are significant and volatile movements in values. The Group performed revaluations during the year ended 31 December 2023. The valuations were carried out by independent qualified valuers, on the basis of market value using observable prices and/or recent market transactions depending on the location of the property. Details on valuation techniques and inputs are presented in Note 22.

There were no charges against the freehold property of the Group as at 31 December 2024 and 2023.

The net book value of freehold property, on a cost less accumulated depreciation basis, as at 31 December 2024 amounts to €166,126 thousand (2023: €158,900 thousand).

26. **Intangible assets**

	2024	2023
	€000	€000
Net book value at 1 January	**48,635**	52,546
Additions	**19,736**	14,949
Disposals and write-offs	**(432)**	-
Amortisation charge for the year (Note 15.1)	**(18,192)**	(18,860)
Net book value at 31 December	**49,747**	48,635

1 January		
Cost	**268,268**	253,353
Accumulated amortisation and impairment	**(219,633)**	(200,807)
Net book value	**48,635**	52,546

31 December		
Cost	**287,208**	268,268
Accumulated amortisation and impairment	**(237,461)**	(219,633)
Net book value	**49,747**	48,635

Computer software includes internally developed computer software with a net carrying amount of €5,570 thousand as at 31 December 2024 (2023: €4,679 thousand).

27. Stock of property

The carrying amount of stock of property is determined as the lower of cost and net realisable value. Impairment is recognised if the net realisable value is below the cost of the stock of property. During the year ended 31 December 2024 an impairment loss of €55,612 thousand (2023: €46,026 thousand) was recognised in 'Impairment net of reversals on non-financial assets' in the consolidated income statement. At 31 December 2024, stock of property of €405,520 thousand (2023: €445,009 thousand) is carried at net realisable value.

There is no stock of property pledged as collateral.

The carrying amount of the stock of property is analysed in the tables below:

	2024	2023
	€000	€000
Net book value at 1 January	**826,115**	1,041,032
Additions	**30,488**	19,531
Disposals	**(152,234)**	(170,595)
Net transfer to property and equipment (Note 25)	**-**	(17,827)
Impairment for the year (Note 16)	**(55,612)**	(46,026)
Net book value at 31 December	**648,757**	826,115

The result on the disposal of stock of property in the year is presented in the table below:

	2024	2023
	€000	€000
Net consideration	**152,450**	179,567
Carrying value of stock of property disposed of	**(152,234)**	(170,595)
Net gains on disposal of stock of property	**216**	8,972

Analysis by type and country	**Cyprus**	**Greece**	**Total**
2024	**€000**	**€000**	**€000**
Residential properties	44,327	3,216	**47,543**
Offices and other commercial properties	59,650	5,060	**64,710**
Manufacturing and industrial properties	12,532	3,993	**16,525**
Hotels	7,005	339	**7,344**
Land (fields and plots)	509,547	3,088	**512,635**
Total	**633,061**	**15,696**	**648,757**

2023	€000	€000	€000
Residential properties	47,841	8,091	55,932
Offices and other commercial properties	91,114	9,978	101,092
Manufacturing and industrial properties	23,373	9,263	32,636
Hotels	17,345	437	17,782
Land (fields and plots)	614,990	3,683	618,673
Total	794,663	31,452	826,115

28. Prepayments, accrued income and other assets

	2024	2023
	€000	€000
Financial assets		
Debtors	**33,340**	34,662
Insurance contract assets (Note 31)	**-**	1,255
Receivable relating to tax	**2,772**	3,263
Deferred purchase payment consideration	**143,604**	243,013
Other assets	**115,916**	106,051
	295,632	388,244
Non-financial assets		
Insurance and reinsurance contract assets (Note 31)	**50,612**	56,239
Current tax receivable	**61,890**	73,943
Prepaid expenses	**978**	767
Retirement benefit plan assets (Note 14.1)	**1,767**	669
Other assets	**68,076**	64,954
	183,323	196,572
	478,955	584,816

An analysis of the movement of the gross carrying amount of the financial assets included in prepayments, accrued income and other assets measured at amortised cost is presented in the table below:

	Stage 1	**Stage 3**	**Simplified method**	**Total**
2024	**€000**	**€000**	**€000**	**€000**
1 January	381,151	35,934	5,872	**422,957**
Net (decrease)/increase	(116,822)	(504)	(427)	**(117,753)**
31 December	**264,329**	**35,430**	**5,445**	**305,204**

2023				
1 January	394,814	37,512	4,919	437,245
Net (decrease)/increase	(13,663)	(1,578)	953	(14,288)
31 December	381,151	35,934	5,872	422,957

An analysis of the movement of the ECL of the above financial assets is presented in the table below:

	Stage 1	**Stage 3**	**Simplified method**	**Total**
2024	**€000**	**€000**	**€000**	**€000**
1 January	2,101	31,876	736	**34,713**
Changes to models and inputs used for ECL calculations	229	8	122	**359**
31 December	**2,330**	**31,884**	**858**	**35,072**

2023				
1 January	2,107	32,181	495	34,783
Write-offs	-	(82)	-	(82)
Changes to models and inputs used for ECL calculations	(6)	(223)	241	12
31 December	2,101	31,876	736	34,713

There were no financial assets classified as Stage 2 as at 31 December 2024 and 2023. In addition, financial assets amounting to €25,500 thousand were measured at FVPL as at 31 December 2024 (2023: nil).

28. Prepayments, accrued income and other assets (continued)

Within other non-financial assets an amount of €18,550 thousand as at 31 December 2024 (2023: €18,550 thousand) relates to contract assets from contracts with customers.

On the completion date of the sale of Project Helix 2 (the 'Transaction') in June 2021, the Group recognised an amount of €381,567 thousand in other financial assets, which represented the fair value of the deferred consideration receivable from the Transaction (the 'DPP'). The remaining amount outstanding is payable by December 2025. An amount of €16,042 thousand, which represents the interest income on the DPP has been recognised in the Consolidated Income Statement for the year ended 31 December 2024 (2023: €19,774 thousand) within 'Interest income - Financial assets at amortised cost - Other financial assets' (Note 7). There are no other conditions attached. The DPP is classified as Stage 1 as at 31 December 2024 and 2023.

29. Funding from central banks

Funding from central banks comprises funding from the ECB under Eurosystem monetary policy operations as set out in the table below:

	2024	2023
	€000	€000
Targeted Longer-Term Refinancing Operations (TLTRO III)	**-**	2,043,868

As at 31 December 2024, there was no outstanding ECB funding (2023: €2 billion) as the amount outstanding as at 31 December 2023 was fully repaid during the year ended 31 December 2024.

Details on encumbered assets are disclosed in Note 46.

30. Customer deposits

	2024 €000	2023 €000
By type of deposit		
Demand	**10,747,056**	10,169,587
Savings	**3,091,475**	2,979,275
Time or notice	**6,690,317**	6,190,018
	20,528,848	19,338,880
By geographical area		
Cyprus	**16,431,661**	15,357,410
Greece	**1,558,482**	1,473,491
United Kingdom	**396,972**	386,057
United States	**129,823**	166,673
Germany	**80,796**	77,288
Romania	**38,408**	29,729
Russia	**88,710**	128,489
Ukraine	**212,662**	183,316
Belarus	**1,583**	3,762
Israel	**214,547**	195,580
Other countries	**1,375,204**	1,337,085
	20,528,848	19,338,880

Deposits by geographical area are based on the country of residence of the Ultimate Beneficial Owner.

	2024 €000	2023 €000
By currency		
Euro	**18,568,911**	17,516,365
US Dollar	**1,589,240**	1,448,753
British Pound	**309,083**	300,867
Russian Rouble	**1,080**	1,322
Swiss Franc	**8,315**	8,947
Other currencies	**52,219**	62,626
	20,528,848	19,338,880

	2024	2023 (restated)
By business line	**€000**	€000
Corporate	**2,319,737**	2,088,718
IBU & International corporate		
- IBU	**4,139,368**	3,779,571
- International corporate	**174,370**	121,454
SMEs	**1,161,464**	1,019,245
Retail	**12,600,526**	12,216,209
Restructuring		
– corporate	**10,000**	12,565
– SMEs	**2,854**	5,954
– retail other	**6,306**	9,428
Recoveries		
– corporate	**979**	1,098
Institutional Wealth Management and Custody	**113,244**	84,638
	20,528,848	19,338,880

31. Insurance and reinsurance contracts

The breakdown of groups of insurance and reinsurance contracts, that are in an asset position and those in a liability position is set out in the table below:

	2024			2023		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
Insurance contracts	**€000**	**€000**	**€000**	€000	€000	€000
Life insurance	**-**	**(682,830)**	**(682,830)**	6,472	(604,233)	(597,761)
Non-life insurance	**-**	**(60,854)**	**(60,854)**	-	(54,191)	(54,191)
Total insurance contracts	**-**	**(743,684)**	**(743,684)**	6,472	(658,424)	(651,952)
Reinsurance contracts						
Life insurance	**24,039**	**-**	**24,039**	26,350	-	26,350
Non-life insurance	**26,573**	**-**	**26,573**	24,672	-	24,672
Total reinsurance contracts	**50,612**	**-**	**50,612**	51,022	-	51,022
Total insurance and reinsurance contracts	**50,612**	**(743,684)**	**(693,072)**	57,494	(658,424)	(600,930)

The table below presents a reconciliation of the measurement components of insurance and reinsurance contract balances showing estimates of the present value of future cash flows, risk adjustment and CSM for portfolios in the life insurance business measured under GMM and VFA.

	2024				2023			
	Estimates of the present value of future cash flows	**Risk adjustment for non-financial risk**	**Contractual Service Margin**	**Total**	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual Service Margin	Total
Insurance contracts	**€000**	**€000**	**€000**	**€000**	€000	€000	€000	€000
Insurance contracts liabilities	**(586,145)**	**(17,302)**	**(75,615)**	**(679,062)**	(528,955)	(13,940)	(58,331)	(601,226)
Insurance contracts assets	**-**	**-**	**-**	**-**	10,411	(2,004)	(1,935)	6,472
Reinsurance contracts								
Reinsurance contracts assets	**(915)**	**15**	**23,654**	**22,754**	7,896	220	16,979	25,095

31. Insurance and reinsurance contracts (continued)

The roll-forward of the net asset or liability for insurance contracts issued, showing the liabilities for remaining coverage and the liabilities for incurred claims for portfolio included in life and non-life insurance, is disclosed in the table below:

	2024				2023			
	Liabilities for remaining coverage LRC		Liabilities for incurred claims LIC	Total	Liabilities for remaining coverage LRC		Liabilities for incurred claims LIC	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
	€000	€000	€000	€000	€000	€000	€000	€000
Insurance contract liabilities as at 1 January	(580,410)	(5,713)	(72,301)	(658,424)	(522,191)	(6,278)	(69,512)	(597,981)
Insurance contract assets as at 1 January	7,175	(305)	(398)	6,472	4,110	(1,540)	(300)	2,270
Net insurance contract assets/(liabilities) as at 01 January	(573,235)	(6,018)	(72,699)	(651,952)	(518,081)	(7,818)	(69,812)	(595,711)
Insurance revenue	150,070	-	-	150,070	145,775	-	-	145,775
Insurance service expenses								
Incurred claims and directly attributable expenses	3,976	545	(63,823)	(59,302)	-	815	(58,225)	(57,410)
Amortisation of insurance acquisition cash flows	(7,294)	-	-	(7,294)	(5,768)	-	-	(5,768)
Insurance acquisition cash flows expensed as incurred	(9,067)	-	-	(9,067)	(8,488)	-	-	(8,488)
Reversals of losses/(losses) on onerous contracts	-	76	-	76	-	1,037	-	1,037
Changes to liabilities for incurred claims (LIC)	-	-	2,414	2,414	-	-	(903)	(903)
Investment component	65,973	-	(65,973)	-	55,325	-	(55,325)	-
Insurance finance income/(expense)	(60,630)	(10)	(1,725)	(62,365)	(43,778)	(42)	(1,269)	(45,089)
Total changes in the statement of profit or loss	143,028	611	(129,107)	14,532	143,066	1,810	(115,722)	29,154
Premiums received	(266,547)	-	-	(266,547)	(234,913)	-	-	(234,913)
Claims and other directly attributable expenses paid	-	-	119,760	119,760	-	-	112,670	112,670
Insurance acquisition cash flows	40,302	-	221	40,523	36,693	(10)	165	36,848
Total cash flows	(226,245)	-	119,981	(106,264)	(198,220)	(10)	112,835	(85,395)
Net insurance contract assets/(liabilities) as at 31 December	(656,452)	(5,407)	(81,825)	(743,684)	(573,235)	(6,018)	(72,699)	(651,952)
Insurance contract liabilities as at 31 December	(656,452)	(5,407)	(81,825)	(743,684)	(580,410)	(5,713)	(72,301)	(658,424)
Insurance contract assets as at 31 December	-	-	-	-	7,175	(305)	(398)	6,472
Net insurance contract assets/(liabilities) as at 31 December	(656,452)	(5,407)	(81,825)	(743,684)	(573,235)	(6,018)	(72,699)	(651,952)

31. Insurance and reinsurance contracts (continued)

The table below presents a roll-forward of the net asset or liability for insurance contacts issued, showing CSM for portfolios included in the life insurance business.

	2024	2023
	€000	€000
Insurance contract liabilities as at 1 January	**(58,331)**	(41,863)
Insurance contract assets as at 1 January	**(1,935)**	(180)
Contractual Service Margin as at 1 January	**(60,266)**	(42,043)
Changes that relate to current services		
Contractual service margin recognised for services provided	**8,893**	7,792
Changes that relate to future services		
Contracts initially recognised in the period	**(2,492)**	(282)
Changes in estimates that adjust the contractual service margin	**(21,691)**	(25,150)
Insurance service result	**(15,290)**	(17,640)
Insurance finance expenses	**(59)**	(583)
Total changes in the consolidated income statement	**(15,349)**	(18,223)
Contractual Service Margin as at 31 December	**(75,615)**	(60,266)
Insurance contract liabilities as at 31 December	**(75,615)**	(58,331)
Insurance contract assets as at 31 December	**-**	(1,935)
Contractual Service Margin as at 31 December	**(75,615)**	(60,266)

32. Debt securities in issue and Subordinated liabilities

		2024		2023	
		Nominal value	**Carrying value**	Nominal value	Carrying value
Subordinated liabilities	**Contractual interest rate**	**€000**	**€000**	€000	€000
Subordinated Tier 2 Capital Note - April 2021	6.625% up to 23 October 2026	**300,000**	**307,955**	300,000	308,049
Debt securities in issue					
Senior Preferred Notes - June 2021	2.50% up to 24 June 2026	**300,000**	**305,274**	300,000	303,466
Senior Preferred Notes - July 2023	7.375% up to 25 July 2027	**350,000**	**368,714**	350,000	368,166
Green Senior Preferred Notes - May 2024	5% up to 2 May 2028	**300,000**	**315,447**	-	-
		950,000	**989,435**	650,000	671,632

BOCH and the Company maintain a Euro Medium Term Note (EMTN) Programme with an aggregate nominal amount up to €4,000 million.

Subordinated Liabilities

Subordinated Tier 2 Capital Note - April 2021
In April 2021, BOCH issued a €300 million unsecured and subordinated Tier 2 Capital Note under the EMTN Programme and immediately after, BOCH and the Company entered into an agreement pursuant to which BOCH on-lent to the Company the entire €300 million proceeds of the issue of the Note (the 'T2 Loan') on terms substantially identical to the terms and conditions of the Note issued by BOCH. The T2 Loan was priced at par with a coupon of 6.625% per annum payable annually in arrear and resettable on 23 October 2026 at the then prevailing 5 year swap rate plus a margin of 6.902% per annum up to 23 October 2031, payable annually. The T2 Loan matures on 23 October 2031. The Company has the option to redeem the note early on any day during the six month period from 23 April 2026 to 23 October 2026, subject to applicable regulatory consents.

The fair value of the subordinated liabilities as at 31 December 2024 and 2023 is disclosed in Note 22.

32. Debt securities in issue and Subordinated liabilities (continued)

Debt securities in issue

Senior Preferred Notes - June 2021
In June 2021, the Company issued a €300 million senior preferred note under the EMTN Programme. The note was priced at par with a fixed coupon of 2.50% per annum, payable annually in arrear and resettable on 24 June 2026. The note matures on 24 June 2027. The Company has the option to redeem the note early on 24 June 2026, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange's Euro MTF market. The note complies with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and contributes towards the Company's MREL requirements.

Senior Preferred Notes - July 2023
In July 2023, the Company issued a €350 million senior preferred note under the EMTN Programme. The note was priced at par with a fixed coupon of 7.375% per annum, payable annually in arrear and resettable on 25 July 2027. The note matures on 25 July 2028. The Company has the option to redeem the note early on 25 July 2027, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange's Euro MTF market. The note complies with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and contributes towards the Company's MREL requirements.

Green Senior Preferred Notes - May 2024
In May 2024, the Company issued a €300 million green senior preferred note under the EMTN Programme. The note was priced at par with a fixed coupon of 5.00% per annum, payable annually in arrear and resettable on 2 May 2028. The note matures on 2 May 2029. the Company has the option to redeem the note early on 2 May 2028, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange's Euro MTF market. The note complies with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and contributes towards the Company's MREL requirements.

The fair value of the debt securities in issue as at 31 December 2024 and 2023 is disclosed in Note 22.

33. Accruals, deferred income, other liabilities and other provisions

	2024	2023
	€000	€000
Income tax payable and related provisions	**74,159**	66,163
Special defence contribution payable	**1,322**	1,308
Retirement benefit plan liabilities (Note 14.1)	**-**	565
Provisions for financial guarantees and commitments (Note 44.6.1)	**17,893**	19,192
Liabilities arising from non-participating investment contracts	**119,636**	87,756
Accrued expenses and other provisions	**89,972**	82,368
Deferred income	**20,130**	19,569
Items in the course of settlement	**61,078**	69,519
Lease liabilities (Note 42)	**36,903**	30,217
Other liabilities	**124,171**	89,764
	545,264	466,421

Other liabilities include an amount of €10,385 thousand (2023: €10,385 thousand) relating to the guarantee fee for the conversion of DTA into tax credits (Note 17) and an amount of €13,367 thousand (2023: €19,354 thousand) relating to card processing transactions. As at 31 December 2024, other liabilities include an amount of €19,495 thousand for the ancillary guarantee fund (2023: nil).

34. Share capital

	2024		2023	
	Number of shares (thousand)	**€000**	Number of shares (thousand)	€000
Authorised				
Ordinary shares of €0.10 each	**47,677,593**	**4,767,759**	47,677,593	4,767,759
Issued				
31 December	**9,597,945**	**959,794**	9,597,945	959,794

Authorised and issued share capital

All issued ordinary shares carry the same rights.

The authorise share capital of the Company is €4,767,759 thousand divided into 47,677,593 thousand shares of a nominal value of €0.10 each. There were no changes to the authorised or issued share capital during the years ended 31 December 2024 and 2023.

Share premium reserve

There were no changes to the share premium reserve during the years ended 31 December 2024 and 2023.

Other equity instruments

	2024	2023
	€000	€000
2023 Reset Perpetual Additional Tier 1 Capital Securities	**220,000**	220,000
	220,000	220,000

34. Share capital (continued)

In June 2023, BOCH issued €220,000 thousand Fixed Rate Reset Perpetual Additional Tier 1 Capital Securities (the '2023 Capital Securities'). On the same date, the Company and BOCH entered into an agreement pursuant to which BOCH on lent to the Company the entire €220,000 thousand proceeds of the issue of the BOCH Capital Securities ('2023 Capital Securities Loan') on terms substantially identical to the terms and conditions of the BOCH 2023 Capital Securities. The 2023 Capital Securities Loan constitutes an unsecured and subordinated obligation of the Company, is perpetual and is issued at par. The 2023 Capital Securities Loan carries an initial coupon of 11.875% per annum, payable semi annually, and resettable on 21 December 2028 and every five years thereafter. The Company may elect to cancel any interest payment for an unlimited period, on a non cumulative basis, whereas it mandatorily cancels interest payment under certain conditions. The 2023 Capital Securities Loan is perpetual and has no fixed date of redemption, but can be redeemed (in whole but not in part) at the Company's option from, and including, 21 June 2028 to, and including, 21 December 2028 and on each interest payment date thereafter, subject to applicable regulatory consents and the relevant conditions to redemption.

In addition, in June 2023 BOCH invited the holders of its outstanding €220,000 thousand 2018 Reset Perpetual Additional Tier 1 Capital Securities (the '2018 Capital Securities') to tender for cash purchase by BOCH at a price equal to 103% of the principal amount. At the same time the Company invited BOCH to tender its outstanding €220,000 thousand 2018 Capital Securities Loan for cash purchase by the Company, at a price equal to 103% of the principal amount, on same terms as the tender by BOCH of its external 2018 Capital Securities. As a result of the tender offer, €204,483 thousand in aggregate nominal amount were purchased and cancelled by the Company as at 30 June 2023. In July 2023, the Company purchased approximately €7,000 thousand of the outstanding nominal amount of the 2018 Capital Securities Loan. In November 2023, the Board of Directors resolved to exercise the option to redeem the remaining nominal amount outstanding of the 2018 Capital Securities Loan in December 2023. As a result of the buyback, a total cost of €6,820 thousand was recorded directly in equity during the year ended 31 December 2023.

During the year ended 31 December 2024, coupon payments for the total amount of €26,125 thousand (2023: €27,339 thousand) were made to the holders of the AT1 Capital Securities and have been recognised in retained earnings.

35. Distributions

Based on the relevant SREP decisions applicable in the years 2023 and 2024, any equity dividend distribution was subject to regulatory approval, both for the Company and BOCH. The requirement for approval did not apply if the distributions were made via the issuance of new ordinary shares to the shareholders which were eligible as Common Equity Tier 1 Capital nor to the payment of coupons on any AT1 capital instruments issued by the Company or BOCH. Following the SREP decision received in December 2024 the requirement for approval was lifted effective from 1 January 2025.

In March 2024, the Company obtained the approval of the European Central Bank to pay a cash dividend of €136,590 thousand in respect of earnings for the year ended 31 December 2023. The AGM, on 17 May 2024, approved a final cash dividend of €0.01 per ordinary share in respect of earnings for the year ended 31 December 2023.

In April 2023, the Company obtained the approval of the European Central Bank to pay a dividend in respect of earnings for the year ended 31 December 2022. The AGM, on 26 May 2023, declared a final cash dividend of €0.002 per ordinary share in respect of earnings for the year ended 31 December 2022. The dividend amounted to €22,310 thousand in total.

Information on distribution in respect of 2024 earnings is disclosed in Note 54 of the Consolidated Financial Statements.

36. Retained earnings

For the purpose of dividend distribution, retained earnings determined at the Company level are the only distributable reserve.

Companies, tax resident in Cyprus, which do not distribute at least 70% of their profits after tax as defined by the Special Defence Contribution Law during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special defence contribution (SDC) at 17% is payable on such deemed dividend distribution to the extent that the shareholders of the Company at the end of the period of two years from the end of the year of assessment to which the profits refer, are directly or indirectly Cyprus tax residents and/or individuals who are Cyprus tax resident and domiciled in Cyprus. Deemed dividend distribution does not apply in respect of profits that are directly or indirectly attributable to shareholders that are non-Cyprus tax residents and individual shareholders who are not domiciled in Cyprus. The deemed dividend distribution is subject to 2.65% contribution to the General Health System (GHS).

The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year.

This SDC and GHS are paid by the Company on account of the shareholders. During the year ended 31 December 2024, no SDC and GHS on deemed dividend distribution were accrued by the Company (2023: SDC and GHS of €313 thousand were accrued).

37. Fiduciary transactions

The Group offers fund management and custody services that result in holding or investing financial assets on behalf of its customers. The Group is not liable to its customers for any default by other banks or organisations. The assets under management and custody are not included in the consolidated balance sheet of the Group unless they are placed with the Group. Total assets under management at 31 December 2024, measured at fair value, amounted to €2,183,775 thousand (2023: €1,967,686 thousand).

38. Provisions for pending litigation, claims, regulatory and other matters

The Group, in the ordinary course of business, is involved in various disputes and legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators, governmental and other public bodies, actual and threatened, relating to the suitability and adequacy of advice given to clients or the absence of advice, lending and pricing practices, selling and disclosure requirements, reporting and information security requirements and a variety of other matters. In addition, as a result of the deterioration of the Cypriot economy and banking sector in 2012 and the subsequent restructuring of the Company in 2013 as a result of the bail-in Decrees, the Company is subject to a number of proceedings that either precede or result from the events that occurred during the period of the bail-in Decrees.

Apart from what is described below, the Group considers that none of these matters are material, either individually or in aggregate. Nevertheless, provisions have been made where: (a) there is a present obligation (legal or constructive) arising from past events, (b) the settlement of the obligation is expected to result in an outflow of resources embodying economic benefits, and (c) a reliable estimate of the amount of the obligation can be made. The Group has not disclosed an estimate of the potential financial effect on its contingent liabilities arising from these matters where it is not practicable to do so, because it is too early or the outcome is too uncertain or, in cases where it is practicable, where disclosure could prejudice conduct of the matters. Provisions have been recognised for those cases where the Group is able to reliably estimate probable losses (Note 5.3). Where an individual provision is material, the fact that a provision has been made is stated except to the extent that doing so would be prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. There are also situations where the Group may enter into a settlement agreement. This may occur only if such settlement is in the Group's interest (such settlement does not constitute an admission of wrongdoing) and only takes place after obtaining legal advice and all approvals by the appropriate bodies of management. While the outcome of these matters is inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of legal proceedings, regulatory and other matters as at 31 December 2024 and hence it is not believed that such matters, when concluded, will have a material impact upon the financial position of the Group.

38. Provisions for pending litigation, claims, regulatory and other matters (continued)

38.1 Pending litigation and claims

Investigations and litigation relating to securities issued by the Company
A number of institutional and retail customers have filed various separate actions against the Company alleging that the Company is guilty of misselling in relation to securities issued by the Company between 2007 and 2011. Remedies sought include the return of the money investors paid for these securities. Claims are currently pending before the courts in Cyprus and in Greece.

The bonds and capital securities in respect of which claims have been brought are the following: 2007 Capital Securities, 2008 Convertible Bonds, 2009 Convertible Capital Securities (CCS) and 2011 Convertible Enhanced Capital Securities (CECS).

The Company is defending these claims, particularly with respect to institutional investors and retail purchasers who received investment advice from independent investment advisors. In the case of retail investors, if it can be demonstrated that the relevant the Company's officers 'persuaded' them to proceed with the purchase and/or purported to offer 'investment advice', the Company may face significant difficulties.

To date, a number of cases have been tried in Greece. The Company has appealed against any such cases which were not ruled in its favour, except for cases adjudicated against the Company at Areios Pagos (Supreme Court of Greece) which are deemed as concluded.

Similarly, a number of cases have been tried in Cyprus and some are pending at appeal. It is to be noted that the statutory limitation period for filing claims in the courts of Cyprus with respect to this for which the cause of action arose prior and up to 31 December 2015, expired on 31 December 2021.

The resolution of the claims brought in the courts of Greece and Cyprus is expected to take a number of years.

Provision has been made based on management's best estimate of probable outflows for capital securities related litigation.

Bail-in related litigation
Depositors
A number of the Company's depositors, who allege that they were adversely affected by the bail-in, filed claims against the Company and other parties (such as the CBC and the Ministry of Finance of Cyprus) including against the Company as the alleged successor of Laiki Bank on the grounds that, inter alia, the 'Resolution Law of 2013' and the Bail-in Decrees were in conflict with the Constitution of the Republic of Cyprus and the European Convention on Human Rights. They are seeking damages for their alleged losses resulting from the bail-in of their deposits. Cases could relate to bail-in related litigation (on failure to follow instructions), bail-in decree related cases and bail-in wrongful application. The Company is defending these actions. In relation to the bail-in decree related cases, the court ruled in favour of the Company on the grounds that the measures that the government implemented were necessary to prevent the collapse of the financial sector, which would have detrimental consequences for the country's economy. Under the circumstances the government could rely on the doctrine of necessity when it imposed the bail-in. To date, a number of cases have been tried however the resolution of the claims brought is expected to take a number of years.

Provision has been made based on management's best estimate of probable outflows for depositors related litigation.

Shareholders
A number of actions for damages have been filed with the District Courts of Cyprus alleging either the unconstitutionality of the Resolution Law and the Bail-in Decrees, or a misapplication of same by the Company (as regards the way and methodology whereby such Decrees have been implemented), or that the Company failed to follow instructions promptly prior to the bail-in coming into force. As at the present date, both the Resolution Law and the Bail-in Decrees have not been annulled by a court of law and thus remain legally valid and in effect. The Company contests all of these claims.

38. Provisions for pending litigation, claims, regulatory and other matters (continued)

38.1 Pending litigation and claims (continued)

Legal position of the Group
All of the above claims are being vigorously disputed by the Group, in close consultation with the appropriate state and governmental authorities. The position of the Group is that the Resolution Law and the Decrees take precedence over all other laws. As matters now stand, both the Resolution Law and the Decrees issued thereunder are constitutional and lawful, in that they were properly enacted and have not so far been annulled by any court.

Provident fund case
In December 2015, the Bank of Cyprus Employees Provident Fund (the Provident Fund) filed an action against the Company claiming €70 million allegedly owed as part of the Company's contribution by virtue of an agreement with the Union dated 31 December 2011. Towards the end of 2024, the Group has reached a final settlement arrangement, which has received final court approval so that the case was permanently withdrawn with no right to be reinstated, and as a result of which, the Group has recognised a provision as at 31 December 2024. The financial settlement took place early in 2025. This matter is now concluded, without anything pending at court.

Employment litigation
Former employees of the Group have instituted a number of employment claims including unfair dismissals. The Group does not consider that the pending cases in relation to employment will have a material impact on its financial position. A judgment has been issued in one of the unfair dismissal cases and the Company lost. The Company has filed an appeal with respect to this case and similarly, the plaintiff has also filed an appeal. The facts of this case are unique and it is not expected to affect the rest of the cases where unfair dismissal is claimed.

Additionally, a number of former employees have filed claims against the Company contesting entitlements received relating to the various voluntary exit plans. As at the reporting date, most of these cases have been withdrawn with only two such cases remaining. The Group does not expect that these actions will have a material impact on its financial position.

Banking business cases
There is a number of banking business cases where the amounts claimed are significant. These cases primarily concern allegations as to the Company's standard policies and procedures allegedly resulting to damages and other losses for the claimants (including cases where it is alleged that the Company misled borrowers and/or misrepresented matters, in violation of applicable laws for matters such as foreign currency lending and advancing/misselling loans for the purchase of property in Cyprus by UK nationals). Further, there are several other banking claims, where the amounts involved are not as significant. Management has assessed either the probability of loss as remote and/or does not expect any future outflows with respect to these cases to have a material impact on the financial position of the Group. Such matters arise as a result of the Group’s activities and management appropriately assesses the facts and the risks of each case accordingly.

General criminal investigations and proceedings
The Attorney General and the Cypriot Police (the Police) are conducting various investigations and inquiries following and relating to the financial crisis which culminated in March 2013. The Company is cooperating fully with the Attorney General and the Police and is providing all information requested of it. Based on the currently available information, the Group is of the view that any further investigations or claims resulting from these investigations will not have a material impact on its financial position.

Others
An investigation is in process related to potentially overstated and/or fictitious claims paid by the non-life insurance subsidiary of the Group. The information usually required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is not disclosed on the grounds that it is expected to seriously prejudice the outcome of the investigation and/or the possible taking of legal action. Based on the information available at present, management considers that it is unlikely for this matter to have a material adverse impact on the financial position and capital adequacy of the non-life insurance subsidiary and thereby the Group, also taking into account that it is virtually certain that compensations will be received from a relevant insurance coverage, upon the settlement of any obligation that may arise.

38. Provisions for pending litigation, claims, regulatory and other matters (continued)

38.2 Regulatory matters

The Hellenic Capital Market Commission (HCMC) Investigation
The HCMC has been in the process of investigating matters concerning the Group's investment in Greek Government Bonds from 2009 to 2011, including, inter alia, related non-disclosure of material information in the Company's CCS, CECS and rights issue prospectuses (tracking the investigation carried out by CySEC in 2013), Greek government bonds' reclassification, ELA disclosures and allegations by some investors regarding the Company's non-compliance with Markets in Financial Instruments Directive (MiFID) in respect of investors' direct investments in Greek Government Bonds.

A specific estimate of the outcome of the investigations or of the amount of possible fines cannot be given at this stage, though it is not expected that any resulting liability or damages will have a material impact on the financial position of the Group.

Central Bank of Cyprus (CBC)
The CBC had conducted an investigation in the past into the Company's issuance of capital securities and concluded that the Company breached certain regulatory requirements concerning the issuance of Convertible Capital Securities (Perpetual) in 2009, but not in relation to the CECS in 2011. The CBC had, in 2013, imposed a fine of €4 thousand upon the Company, who filed a recourse. The Administrative Court cancelled both the CBC's decision and the fine that was imposed upon the Company in a respective judgment dated in 2020. In 2021, CBC decided to re-examine this matter and to re-open the investigation. This matter is still pending as at the year end.

Commission for the Protection of Competition Investigation (CPC)
In April 2014, following an investigation which began in 2010, CPC issued a statement of objections, alleging violations of Cypriot and EU competition law relating to the activities and/or omissions in respect of card payment transactions by, among others, the Company and JCC Payment Systems Ltd (JCC), a card processing business currently 75% owned by the Company. There was also an allegation concerning the Company's arrangements with American Express, namely that such exclusive arrangements violated Cypriot and EU competition law. On both matters, the CPC has concluded that the Company (in common with other banks and JCC) has breached the relevant provisions of the applicable law for the protection of competition and imposed a fine of €18 million upon the Company. The Company filed a recourse against the decision and the fine. In June 2018, the Administrative Court accepted the Company's position and cancelled the decision as well as the fine imposed upon the Company. During 2018, the Attorney General has filed an appeal before the Supreme court with respect to such decision. Following the decision of the appeal court in the CySEC case mentioned above, the Attorney General acting on behalf of CPC withdrew his appeal. In July 2024, the Group was informed that the CPC had resolved to refrain from re-opening the investigation and the matter is now considered closed.

Consumer Protection Service (CPS)
In July 2017, CPS imposed a fine of €170 thousand upon the Company after concluding an ex officio investigation regarding some terms in both the Company's and Marfin Popular Bank's loan documentation, that were found to constitute unfair commercial practices. Decisions of the CPS (according to rulings of the Administrative Court) are not binding but merely an expression of opinion. The Company has filed a recourse before the Administrative Court against this decision. The Administrative Court has issued its judgment in 2022 in favour of the Company, and the CPS decision along with the fine have been cancelled. An appeal has been submitted by CPS with regards to this judgment, which is still pending as at 31 December 2024.

In March 2020, the Company has been served with an application by the director of CPS seeking for an order of the court, with immediate effect, the result of which will be for the Company to cease the use of a number of terms in the contracts of the Company relating to 2006-2007 deemed to be unfair under the said order. This application was withdrawn in November 2024 and the matter is considered closed.

In April 2021, the director of CPS filed an application for the issuance of a court order against the Company, prohibiting the use of a number of contractual terms included in the Company's consumer contracts and requiring the amendment of any such contracts (present and future) so as to remove such unfair terms. This matter is still pending before the court as at 31 December 2024.

38. Provisions for pending litigation, claims, regulatory and other matters (continued)

38.2 Regulatory matters (continued)

Cyprus Consumers' Association (CCA)
In March 2021, the Company was served with an application filed by the CCA for the issuance of a court order prohibiting the use of a number of contractual terms included in the Company's consumer contracts and requiring the amendment of any such contracts (present and future) so as to remove such terms deemed as unfair. The said contractual terms were determined as unfair pursuant to the decisions issued by the Consumer Protection Service of the Ministry of Energy, Commerce, Industry and Tourism against the Company in 2016 and 2017. The Company will take all necessary steps for the protection of its interests. This matter is still pending before the court as at 31 December 2024.

The Consumer Protection Law 2021 brings under one umbrella the existing legislation on unfair contract terms and practices with some enhanced powers vested in the Consumer Protection Service, i.e. power to impose increased fines which are immediately payable. The Consumer Protection Law 2021 has a retrospective effect in that it also applies to all contracts/practices entered into and/or terminated prior to this law coming into effect as opposed to contracts/practices which are only entered into/adopted as from the date of publication of the new Law on Consumer Protection.

There are many factors that may affect the range of outcomes and the resulting financial impact of these matters is unknown.

UK regulatory matters
During the year ended 31 December 2024, the obligation undertaken in regards to UK regulatory matters as part of the sale of Bank of Cyprus UK Ltd expired and was terminated, thus the respective provision balance was released.

38.3 Other matters

Other matters include among others, provisions for various other open examination requests by governmental and other public bodies, legal matters and provisions for warranties and indemnities related to the disposal process of certain operations of the Group.

The provisions for pending litigation and claims, regulatory and other matters described above and provided in the tables below do not include insurance claims arising in the ordinary course of business of the Group's insurance subsidiaries as these are included in 'Insurance contract liabilities'.

38.4 Provisions for pending litigation, claims, regulatory and other matters

	Pending litigation and claims (Note 38.1)	Regulatory matters (Note 38.2)	Other matters (Note 38.3)	**Total**
2024	€000	€000	€000	**€000**
1 January	60,968	14,741	55,794	**131,503**
Net increase in provisions including unwinding of discount	42,714	-	11,374	**54,088**
Utilisation of provisions	(24,274)	(58)	(29,802)	**(54,134)**
Release of provisions	(10,896)	(11,618)	(16,601)	**(39,115)**
Transfer	-	-	234	**234**
Foreign exchange adjustments	-	44	-	**44**
31 December	**68,512**	**3,109**	**20,999**	**92,620**
Provisions expected to be settled within 12 months post reporting date	**39,897**	**-**	**7,661**	**47,558**

38. Provisions for pending litigation, claims, regulatory and other matters (continued)

38.4 Provisions for pending litigation, claims, regulatory and other matters (continued)

2023				
1 January	63,947	14,918	48,742	127,607
Net increase in provisions including unwinding of discount	36,227	527	4,940	41,694
Utilisation of provisions	(28,777)	(727)	(108)	(29,612)
Release of provisions	(10,429)	-	-	(10,429)
Transfer	-	-	2,220	2,220
Foreign exchange adjustments	-	23	-	23
31 December	60,968	14,741	55,794	131,503
Provisions expected to be settled within 12 months post reporting date	24,814	-	29,606	54,420

Provisions for pending litigation, claims, regulatory and other matters recorded in the consolidated income statement during the year ended 31 December 2024 amounted to €11,775 thousand (2023: €28,464 thousand), include a credit amount of €3,198 thousand representing an amount recovered on the conclusion of open examinations of governmental bodies and amounts from litigation settled, directly recognised in the consolidated income statement (2023: €2,801 thousand).

Some information required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation or the outcome of the negotiation in relation to provisions for warranties and indemnities related to the disposal process of certain operations of the Group.

39. Contingent liabilities and commitments

As part of the services provided to its customers, the Group enters into various irrevocable commitments and contingent liabilities. These consist of financial and other guarantees, letters of credit and other undrawn commitments to lend.

Even though these obligations may not be recognised on the consolidated balance sheet, they do entail credit risk and are therefore part of the overall credit risk exposure of the Group (Notes 44.1 and 44.6).

39.1 Capital commitments

Capital commitments for the acquisition of property, equipment and intangible assets as at 31 December 2024 amount to €22,456 thousand (2023: €20,139 thousand).

39.2 Contingent liabilities

The Group, as part of the disposal process of certain of its operations, has provided various representations, warranties and indemnities to the buyers. These relate to, among other things, the ownership of the loans, the validity of the liens, tax exposures and other matters agreed with the buyers. As a result, the Group may be obliged to compensate the buyers in the event of a valid claim by the buyers with respect to the above representations, warranties and indemnities.

A provision has been recognised, based on management’s best estimate of probable outflows, where it was assessed that such an outflow is probable (Note 38.3).

40. Additional information on cash flow statement

Non-cash transactions

Repossession of collaterals
During the year ended 31 December 2024, the Group acquired properties by taking possession of collaterals held as security for loans and advances to customers of €25,833 thousand (2023: €20,921 thousand).

Recognition of RoU assets and lease liabilities
During 2024 the Group recognised RoU assets and corresponding lease liabilities of €2,470 thousand (2023: €11,353 thousand).

40. Additional information on cash flow statement (continued)

Net cash flow from operating activities - interest and dividends

	2024	2023
	€000	€000
Interest paid	**(156,839)**	(121,340)
Interest received	**995,064**	1,038,969
Dividends received (Note 13)	**183**	856
	838,408	918,485

Changes in liabilities arising from financing activities

	Funding from central banks (Note 29)	Debt securities in issue and Subordinated liabilities (Note 32)	**Total**
2024	€000	€000	**€000**
1 January	2,043,868	979,681	**3,023,549**
Cash flows	(2,065,710)	244,579	**(1,821,131)**
Other non-cash movements	21,842	73,130	**94,972**
31 December	**-**	**1,297,390**	**1,297,390**
2023			
1 January	1,976,674	601,448	2,578,122
Cash flows	-	320,314	320,314
Other non-cash movements	67,194	57,919	125,113
31 December	2,043,868	979,681	3,023,549

Further information relating to the change in lease liabilities is disclosed in Note 42.

41. Cash and cash equivalents

Cash and cash equivalents comprise:

	2024	2023
	€000	€000
Cash and non-obligatory balances with central banks	**7,435,634**	9,555,323
Loans and advances to banks with original maturity less than three months	**288,211**	282,998
	7,723,845	9,838,321

Analysis of cash and balances with central banks and loans and advances to banks

	2024	2023
	€000	€000
Cash and non-obligatory balances with central banks	**7,435,634**	9,555,323
Obligatory balances with central banks (Note 19)	**117,702**	59,179
Balances with central banks for ancillary systems (restricted)	**47,390**	-
Total cash and balances with central banks (Note 19)	**7,600,726**	9,614,502
Loans and advances to banks with original maturity less than three months	**288,211**	282,998
Loans and advances to banks with original maturity more than three months	**472,163**	-
Restricted loans and advances to banks	**60,200**	101,804
Total loans and advances to banks (Note 19)	**820,574**	384,802

41. Cash and cash equivalents (continued)

Restricted loans and advances to banks include nil collaterals under derivative transactions (2023: €13,970 thousand) which are not immediately available for use by the Group, but are released once the transactions are terminated. As at 31 December 2024, €6,685 thousand were placed as collateral for the reverse repurchase agreements (2023: €29,524 thousand) (Note 44.11).

42. Leases

The Group is a lessee for commercial properties such as office and branch buildings. The basic terms for lease contracts relating to the branch network are primarily uniform, irrespective of lessors, with the non-cancellable rental period being two years. The Group has the option to extend the tenancy for four further periods of two years each. The Group has the right at any time after the expiry of the initial term to terminate the present rental agreement by providing notice (usually 3 or 6 months' notice) to the lessor. Depending on the terms agreed, the rent is adjusted at the end of each renewal period, according to the current rates of the area and considering the relevant legislation.

Office buildings are leased by the Group for the operation of administrative functions. The basic terms for new lease contracts and the current practice are substantially the same with those for lease contracts of branches.

As at 31 December 2024, the lease term for branches and other buildings was re-assessed using the assumptions as detailed in Note 5.12, resulting in a remeasurement of the lease liability for those contracts.

The carrying amounts of the Group's RoU assets and lease liabilities and the movement during the year ended 31 December 2024 and the year ended 31 December 2023 is presented in the table below:

2024	**RoU assets (Note 25)**	**Lease Liabilities (Note 33)**
	€000	**€000**
1 January	**33,862**	**(30,217)**
Depreciation charge for the year (Note 15.1)	**(9,828)**	**-**
New leases (Note 25)	**2,470**	**(1,489)**
Re-assesment of lease terms (Note 25)	**16,158**	**(16,158)**
Assets derecognised (Note 25)	**(369)**	**1,713**
Interest expense	**-**	**(493)**
Cash outflows-payments	**-**	**9,741**
31 December	**42,293**	**(36,903)**

2023	RoU assets (Note 25)	Lease Liabilities (Note 33)
	€000	€000
1 January	30,233	(30,190)
Depreciation charge for the year (Note 15.1)	(6,736)	-
New leases (Note 25)	11,353	(7,113)
Re-assesment of lease terms (Note 25)	(988)	693
Interest expense	-	(1,453)
Cash outflows-payments	-	7,846
31 December	33,862	(30,217)

As at 31 December 2024 RoU assets comprised of leases of buildings of a carrying amount of €33,124 thousand (2023: €22,400 thousand) and computer hardware of a carrying amount of €9,169 thousand (2023: €11,462 thousand), and are presented within Property and equipment in Note 25.

Interest expense on lease liabilities of €231 thousand is included within net insurance service result as it is directly attributable expense for the fulfilment of insurance contracts within IFRS 17 scope (2023: €1,159 thousand).

42. **Leases** (continued)

Cash outflows relate to lease payments made during the year.

The analysis of lease liabilities based on remaining contractual maturity is disclosed in Note 46.

43. Analysis of assets and liabilities by expected maturity

	2024			2023		
	Less than one year	**Over one year**	**Total**	Less than one year	Over one year	Total
Assets	**€000**	**€000**	**€000**	€000	€000	€000
Cash and balances with central banks	**7,435,634**	**165,092**	**7,600,726**	9,555,323	59,179	9,614,502
Loans and advances to banks	**760,374**	**60,200**	**820,574**	282,998	101,804	384,802
Derivative financial assets	**8,742**	**86,531**	**95,273**	859	50,196	51,055
Investments	**714,954**	**3,643,389**	**4,358,343**	736,664	2,958,745	3,695,409
Reverse repurchase agreements	**-**	**1,010,170**	**1,010,170**	-	403,199	403,199
Loans and advances to customers	**1,216,995**	**8,900,173**	**10,117,168**	1,194,139	8,628,988	9,823,127
Life insurance business assets attributable to policyholders	**34,373**	**738,384**	**772,757**	27,632	621,580	649,212
Prepayments, accrued income and other assets	**378,841**	**100,114**	**478,955**	349,723	235,093	584,816
Stock of property	**155,015**	**493,742**	**648,757**	191,818	634,297	826,115
Investment properties	**11,985**	**24,266**	**36,251**	10,605	51,500	62,105
Deferred tax assets	**37,909**	**128,935**	**166,844**	37,909	163,359	201,268
Property, equipment and intangible assets	**-**	**357,161**	**357,161**	-	334,203	334,203
Non-current assets and disposal groups held for sale	**23,143**	**-**	**23,143**	-	-	-
	10,777,965	**15,708,157**	**26,486,122**	12,387,670	14,242,143	26,629,813
Liabilities						
Deposits by banks	**140,694**	**223,537**	**364,231**	202,850	268,706	471,556
Funding from central banks	**-**	**-**	**-**	2,043,868	-	2,043,868
Derivative financial liabilities	**798**	**3,866**	**4,664**	14,079	3,901	17,980
Customer deposits	**6,538,212**	**13,990,636**	**20,528,848**	5,986,765	13,352,115	19,338,880
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	**-**	**44,074**	**44,074**	-	-	-
Insurance liabilities	**100,390**	**643,294**	**743,684**	88,616	569,808	658,424
Accruals, deferred income and other liabilities and provisions for pending litigation, claims, regulatory and other matters	**382,000**	**255,884**	**637,884**	368,652	229,272	597,924
Debt securities in issue and subordinated liabilities	**-**	**1,297,390**	**1,297,390**	-	979,681	979,681
Deferred tax liabilities	**-**	**31,943**	**31,943**	1,622	30,684	32,306
	7,162,094	**16,490,624**	**23,652,718**	8,706,452	15,434,167	24,140,619

The main assumptions used in determining the expected maturity of assets and liabilities are set out below.

43. Analysis of assets and liabilities by expected maturity (continued)

Cash and balances with central banks, loans and advances to banks and reverse repurchase agreements are classified in the relevant time band based on the contractual maturity, with the exception of obligatory balances with central banks and balances with central banks for ancillary systems and restricted balances with other banks which are classified in the 'Over one year' time band.

The investments and life insurance assets attributable to policy holders are classified in the relevant time band based on expectations as to their realisation. In most cases this is the maturity date, unless there is an indication that the maturity will be prolonged or there is an intention to sell, roll or replace the security with a similar one.

Performing loans and advances to customers in Cyprus are classified based on the contractual repayment schedule. Overdraft accounts are classified in the 'Over one year' time band. The Stage 3 Loans are classified in the 'Over one year' time band except cash flows from expected receipts which are included within time bands, according to historic amounts of receipts in the recent months.

Stock of property and investment property are classified in the relevant time band based on expectations as to their realisation.

A percentage of customer deposits maturing within one year is classified in the 'Over one year' time band, based on the observed behavioural analysis.

Deposits by banks are classified based on contractual maturity.

The expected maturity of all prepayments, accrued income and other assets and accruals, deferred income and other liabilities is the same as their contractual maturity. If they do not have a contractual maturity, the expected maturity is based on the timing the asset is expected to be realised and the liability is expected to be settled.

44. Risk management - Credit risk

Credit risk is the risk that arises from the possible failure of one or more customers to discharge their credit obligations towards the Group, together with the counterparty credit risk arising from investment in debt securities.

In the ordinary course of its business the Group is exposed to credit risk which is monitored through various control mechanisms across all Group entities in order to identify and measure credit risk, control risk taking including preventing undue risk concentrations.

In order to manage this risk, management has in place established credit risk policies on which the Group's lending and investment procedures are based on. The credit risk policies are complemented by the methods/models used for the assessment of the customers' credit worthiness (credit rating and credit scoring systems) as disclosed in Note 44.4.

Management and structure

The Credit Risk Management department, develops and sets credit risk policies, guidelines and approval limits which are necessary to manage and control or mitigate the credit and concentration risk of the Group. The Credit Risk Control and Monitoring department monitors compliance with credit risk policies applicable to each business line and the quality of the Group's loans and advances portfolio. The credit exposures of related accounts are aggregated and monitored on a consolidated basis.

The Credit Risk Management department, in co-operation with the Credit Risk Control and Monitoring department, also safeguards the effective management of credit risk at all stages of the credit cycle, monitors the quality of decisions and processes and ensures that the credit sanctioning function is being properly managed.

The credit risk exposure of the Group is diversified across the various sectors of the economy. Credit Risk Management department determines concentration limits for each sector, sets prohibited sectors and defines sectors which may require prior approval before credit applications are submitted.

The loan portfolio is analysed on the basis of the customers' creditworthiness, their economic sector of activity and geographical concentration.

44. Risk management - Credit risk (continued)

The debt securities portfolio is managed by the Treasury Division in line with limits and parameters set in the various policies and frameworks. The Market & Liquidity Risk department assesses the credit risk relating to exposures to credit institutions and governments and other exposures of both the debt securities portfolio as well as reverse repurchase agreements.

The Group sets credit risk control limits and country risk exposure limits to mitigate concentration risk.

Models and limits are presented to and approved by the Board of Directors, through the relevant authority based on the authorisation level limits.

The Group's significant judgements, estimates and assumptions regarding the determination of the level of provisions for impairment are described in Note 5.

Monitoring process and credit risk mitigation

Loans and advances to customers

The Credit Risk Management department determines the effective credit standards required for the granting of new loans to customers. The assessment of financial position/repayment ability is the determining factor when assessing the granting of a new loan. Furthermore, post-approval monitoring is in place to ensure adherence to both terms and conditions set in the approval process and credit risk policies and procedures. A key aspect of credit risk is credit risk concentration which is defined as the risk that arises from the uneven distribution of exposures to individual borrowers, specific industry or economic sectors, geographical regions, product types or currencies. The monitoring and control of concentration risk is achieved by limit setting (e.g. sector and name limits) and reporting them to senior management. In addition, the Group obtains collaterals which are used for risk mitigation, as they act as a secondary source of repayment.

The main types of collateral obtained by the Group are mortgages on real estate, cash collateral/blocked deposits, bank guarantees, government guarantees, pledges of equity securities and debt instruments of public companies, fixed and floating charges over corporate assets, assignment of life insurance policies, assignment of rights on contracts of sale and personal and corporate guarantees.

The Group regularly monitors the changes in the market value of the collateral and, where necessary, requests the pledging of additional collateral in accordance with the relevant agreement.

The Group's requirements on obtaining collateral, valuation and management of collateral are set out in relevant policies of the Group.

Off-balance sheet exposures

The Group enters into various irrecoverable commitments and contingent liabilities, by offering guarantee facilities, documentary credits and other commitments to extend credit lines of its customers to secure their liquidity needs. Even though these obligations may not be recognised on the statement of financial position, such commitments expose the Group to risks similar to those of loans and advances and are therefore monitored by the same policies and control processes.

The Group makes available to its customers guarantees that may require that the Bank makes payments on their behalf. The Group also enters into commitments, such as documentary credits which commit the Group to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods.

Policies and procedures for managing, monitoring and mitigating credit risk on off-balance sheet exposures apply as for loans and advances to customers.

Other financial instruments

Collateral held as security for financial assets other than loans and advances to customers and off-balance sheet exposures is determined by the nature of the financial instrument. Debt securities and other eligible bills are generally unsecured with the exception of asset-backed securities and similar instruments, which are secured by pools of financial assets. In addition, some debt securities are government-guaranteed. Reverse repurchase agreements are generally secured by bonds.

The Market & Liquidity Risk Unit monitors the debt security investment and reverse repo arrangement limits in place for governing the level of riskiness of the overall portfolio, as well as the credit limits per issuer. Analysis of the positions the Group maintains per issuer type is presented in Note 20 and information for the credit quality is presented in Note 44.11.

44. Risk management - Credit risk (continued)

The Group has chosen the ISDA Master Agreement for documenting its derivatives activity. It provides the contractual framework within which dealing activity across a full range of over-the-counter (OTC) products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults. In most cases the parties execute a Credit Support Annex (CSA) in conjunction with the ISDA Master Agreement. Under a CSA, the collateral is passed between the parties in order to mitigate the market contingent counterparty risk inherent in their open positions. As at 31 December 2024, the majority of derivative exposures are covered by ISDA netting arrangements. The effect of potential effect of netting arrangements on the Group's financial position is presented in Note 52. An analysis of derivative asset and liability exposures is available in Note 21. Information about the Group’s level of collateral under derivative transactions as at 31 December is provided in Note 41.

44.1 Maximum exposure to credit risk and collateral and other credit enhancements

The table below presents the maximum exposure to credit risk, the tangible and measurable collateral and credit enhancements held and the net exposure to credit risk, that is the exposure after taking into account the impairment loss and tangible and measurable collateral and credit enhancements held. Personal guarantees are an additional form of collateral, but are not included in the information below since it is impracticable to estimate their fair value.

The fair value of the collateral presented in the tables below is capped to the carrying value of the loans and advances to customers.

44. Risk management - Credit risk (continued)

44.1 Maximum exposure to credit risk and collateral and other credit enhancements (continued)

		Fair value of collateral and credit enhancements held by the Group							
	Maximum exposure to credit risk	Cash	Securities	Letters of credit/ guarantee	Property	Other	Surplus collateral	Net collateral	**Net exposure to credit risk**
2024	**€000**	€000	€000	€000	€000	€000	€000	€000	**€000**
Balances with central banks (Note 19)	**7,505,735**	-	-	-	-	-	-	-	**7,505,735**
Loans and advances to banks (Note 19)	**820,574**	-	-	-	-	-	-	-	**820,574**
Reverse repurchase agreements (Note 44.11)	**1,010,170**	13,068	1,006,856	-	-	-	(9,754)	1,010,170	**-**
FVPL non-equity securities (Note 20)	**10,702**	-	-	-	-	-	-	-	**10,702**
Debt securities classified at amortised cost and FVOCI (Note 20)	**4,212,177**	-	-	-	-	-	-	-	**4,212,177**
Derivative financial instruments (Note 21)	**95,273**	-	-	-	-	-	-	-	**95,273**
Loans and advances to customers (Note 23)	**10,117,168**	577,972	659,723	233,160	17,141,516	292,621	(10,037,307)	8,867,685	**1,249,483**
Loans and advances to customers classified as held for sale (Note 23)	**23,143**	-	-	-	-	-	-	-	**23,143**
Debtors (Note 28)	**33,340**	-	-	-	-	-	-	-	**33,340**
Insurance and reinsurance contract assets (Note 28)	**50,612**	-	-	-	-	-	-	-	**50,612**
Deferred purchase payment consideration (Note 28)	**143,604**	-	-	-	-	-	-	-	**143,604**
Other financial assets (Note 28)	**118,688**	57,481	-	-	-	-	-	57,481	**61,207**
On-balance sheet total	**24,141,186**	**648,521**	**1,666,579**	**233,160**	**17,141,516**	**292,621**	**(10,047,061)**	**9,935,336**	**14,205,850**
Contingent liabilities									
Acceptances and endorsements	**5,271**	-	-	-	5,269	2	-	5,271	**-**
Guarantees	**705,774**	72,744	209	4,099	148,199	224	-	225,475	**480,299**
Commitments									
Documentary credits	**14,768**	844	-	-	166	-	-	1,010	**13,758**
Undrawn formal stand-by facilities, credit lines and other commitments to lend	**2,009,698**	26,529	20,349	2,459	439,691	22,722	-	511,750	**1,497,948**
Off-balance sheet total	**2,735,511**	**100,117**	**20,558**	**6,558**	**593,325**	**22,948**	**-**	**743,506**	**1,992,005**
	26,876,697	**748,638**	**1,687,137**	**239,718**	**17,734,841**	**315,569**	**(10,047,061)**	**10,678,842**	**16,197,855**

44. Risk management - Credit risk (continued)

44.1 Maximum exposure to credit risk and collateral and other credit enhancements (continued)

	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held by the Group							Net exposure to credit risk
		Cash	Securities	Letters of credit/ guarantee	Property	Other	Surplus collateral	Net collateral	
2023	**€000**	€000	€000	€000	€000	€000	€000	€000	**€000**
Balances with central banks (Note 19)	**9,521,961**	-	-	-	-	-	-	-	**9,521,961**
Loans and advances to banks (Note 19)	**384,802**	39,344	-	-	-	-	-	39,344	**345,458**
FVPL non-equity securities (Note 20)	**3,611**	-	-	-	-	-	-	-	**3,611**
Debt securities classified at amortised cost and FVOCI (Note 20)	**3,547,782**	-	-	-	-	-	-	-	**3,547,782**
Reverse repurchase agreements (Note 44.11)	**403,199**	-	426,419	-	-	-	(29,524)	396,895	**6,304**
Derivative financial instruments (Note 21)	**51,055**	-	-	-	-	-	-	-	**51,055**
Loans and advances to customers (Note 23)	**9,823,127**	475,241	743,890	149,415	16,755,799	275,344	(9,615,735)	8,783,954	**1,039,173**
Debtors (Note 28)	**34,662**	-	-	-	-	-	-	-	**34,662**
Insurance and reinsurance contract assets (Note 28)	**57,494**	-	-	-	-	-	-	-	**57,494**
Deferred purchase payment consideration (Note 28)	**243,013**	-	-	-	-	-	-	-	**243,013**
Other financial assets (Note 28)	**109,314**	-	-	-	-	-	-	-	**109,314**
On-balance sheet total	**24,180,020**	**514,585**	**1,170,309**	**149,415**	**16,755,799**	**275,344**	**(9,645,259)**	**9,220,193**	**14,959,827**
Contingent liabilities									
Acceptances and endorsements	**2,580**	8	-	-	2,570	2	-	2,580	**-**
Guarantees	**703,044**	71,752	1,874	6,797	145,545	255	-	226,223	**476,821**
Commitments									
Documentary credits	**10,251**	140	-	-	21	-	-	161	**10,090**
Undrawn formal stand-by facilities, credit lines and other commitments to lend	**1,948,482**	22,980	10,648	9,764	455,964	17,231	-	516,587	**1,431,895**
Off-balance sheet total	**2,664,357**	**94,880**	**12,522**	**16,561**	**604,100**	**17,488**	**-**	**745,551**	**1,918,806**
	26,844,377	**609,465**	**1,182,831**	**165,976**	**17,359,899**	**292,832**	**(9,645,259)**	**9,965,744**	**16,878,633**

44. Risk management - Credit risk (continued)

44.2 Credit risk concentration of loans and advances to customers

There are restrictions on loan concentrations which are imposed by the Banking Law in Cyprus, the relevant CBC Directives and CRR. The Group's Risk Appetite Statement may impose stricter concentration limits which are monitored by the Group.

The credit risk concentration, which is based on industry (economic activity) and business line, as well as the geographical concentration, is presented below.

The geographical analysis, for credit risk concentration purposes, is based on the Group's Country Risk Policy which is followed for monitoring the Group's exposures. Market and Liquidity Risk department is responsible for analysing the country risk of exposures. ALCO reviews the country risk of exposures on a quarterly basis and the Board, through its Risk Committee, reviews the country risk of exposures and any breaches of country risk limits on a regular basis and at least annually.

The table below presents the geographical concentration of loans and advances to customers by country of risk based on the country of residency for individuals and the country of registration for companies.

2024	Cyprus	Greece	United Kingdom	Russia	Other countries	**Gross loans at amortised cost**
By economic activity	€000	€000	€000	€000	€000	**€000**
Trade	880,142	8,405	1	-	15,283	**903,831**
Manufacturing	275,779	9,691	193	-	31,412	**317,075**
Hotels and catering	914,460	33,500	38,355	-	36,329	**1,022,644**
Construction	453,362	36,629	-	-	297	**490,288**
Real estate	757,099	114,289	2	-	34,565	**905,955**
Private individuals	4,670,608	7,842	34,513	7,534	40,083	**4,760,580**
Professional and other services	568,294	567	5,171	6	61,550	**635,588**
Shipping	36,874	12	-	-	302,279	**339,165**
Other sectors	606,598	106,116	-	5	42,560	**755,279**
	9,163,216	**317,051**	**78,235**	**7,545**	**564,358**	**10,130,405**

2024	Cyprus	Greece	United Kingdom	Russia	Other countries	**Gross loans at amortised cost**
By business line	€000	€000	€000	€000	€000	**€000**
Corporate	3,286,902	59,961	195	-	163	**3,347,221**
IBU & International corporate						
- IBU	92,206	1,638	4,769	5,214	16,867	**120,694**
- International corporate	147,180	251,140	43,245	-	519,456	**961,021**
SMEs	964,412	402	1,054	-	2,203	**968,071**
Retail						
- housing	3,496,469	2,544	22,185	80	14,071	**3,535,349**
- consumer, credit cards and other	1,033,208	1,339	337	-	5,510	**1,040,394**
Restructuring						
- corporate	16,015	-	1,241	112	66	**17,434**
- SMEs	20,289	-	157	-	100	**20,546**
- retail housing	35,644	-	534	126	80	**36,384**
- retail other	15,169	2	3	-	30	**15,204**
Recoveries						
- corporate	3,627	-	32	144	377	**4,180**
- SMEs	7,760	4	390	876	634	**9,664**
- retail housing	25,795	5	3,571	907	4,574	**34,852**
- retail other	18,540	16	522	86	227	**19,391**
	9,163,216	**317,051**	**78,235**	**7,545**	**564,358**	**10,130,405**

44. Risk management - Credit risk (continued)

44.2 Credit risk concentration of loans and advances to customers (continued)

2023	Cyprus	Greece	United Kingdom	Russia	Other countries	Gross loans at amortised cost
By economic activity	€000	€000	€000	€000	€000	€000
Trade	868,039	277	40	-	15,340	883,696
Manufacturing	287,524	43,971	192	-	31,194	362,881
Hotels and catering	928,910	29,454	36,704	-	39,368	1,034,436
Construction	486,622	8,332	14	-	331	495,299
Real estate	871,544	108,635	1,863	-	51,349	1,033,391
Private individuals	4,543,985	9,680	56,074	12,075	48,080	4,669,894
Professional and other services	535,994	572	5,242	352	54,846	597,006
Shipping	20,622	15	-	-	222,422	243,059
Other sectors	512,666	-	-	2	30,184	542,852
	9,055,906	200,936	100,129	12,429	493,114	9,862,514

2023 (restated)	Cyprus	Greece	United Kingdom	Russia	Other countries	Gross loans at amortised cost
By business line	€000	€000	€000	€000	€000	€000
Corporate	3,326,556	30,487	193	324	185	3,357,745
IBU & International corporate						
- IBU	87,127	1,688	6,544	6,901	18,618	120,878
- International corporate	115,212	164,103	43,401	-	439,512	762,228
SMEs	945,018	482	1,177	-	2,316	948,993
Retail						
- housing	3,369,111	2,320	27,728	86	17,634	3,416,879
- consumer, credit cards and other	956,834	1,775	480	-	4,953	964,042
Restructuring						
- corporate	48,440	-	611	-	-	49,051
- SMEs	33,212	-	261	532	61	34,066
- retail housing	57,685	-	2,468	122	212	60,487
- retail other	19,164	22	2	-	23	19,211
Recoveries						
- corporate	6,079	-	182	173	911	7,345
- SMEs	13,419	1	1,173	1,623	1,183	17,399
- retail housing	50,927	50	14,718	2,399	7,231	75,325
- retail other	27,122	8	1,191	269	275	28,865
	9,055,906	200,936	100,129	12,429	493,114	9,862,514

The loans and advances to customers include lending exposures in Cyprus with collaterals in Greece with a carrying value as at 31 December 2024 of €176,890 thousand (2023: €128,705 thousand).

The loans and advances to customers reported within 'Other countries' as at 31 December 2024 include exposures of €0,6 million in Ukraine (2023: €1,7 million) and €4,9 million in Israel (2023: €4,9 million).

44. Risk management - Credit risk (continued)

44.3 Analysis of loans and advances to customers

The movement of the gross loans and advances to customers at amortised cost by staging, including the loans and advances to customers classified as held for sale is presented in the tables below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total** **€000**
1 January	8,275,589	1,161,271	326,883	98,771	**9,862,514**
Transfers to stage 1	565,289	(564,134)	(1,155)	-	**-**
Transfers to stage 2	(228,889)	265,111	(36,222)	-	**-**
Transfers to stage 3	(14,037)	(19,442)	33,479	-	**-**
Foreign exchange and other adjustments	-	-	(5)	-	**(5)**
Write offs	(801)	(619)	(47,106)	(4,951)	**(53,477)**
Interest accrued and other adjustments	417,918	74,717	43,137	7,703	**543,475**
New loans originated or purchased and drawdowns of existing facilities	2,252,251	69,200	1,877	11,336	**2,334,664**
Loans derecognised or repaid (excluding write offs)	(2,140,595)	(212,439)	(100,651)	(49,241)	**(2,502,926)**
Changes to contractual cash flows due to modifications	(230)	1,415	120	(224)	**1,081**
31 December	**9,126,495**	**775,080**	**220,357**	**63,394**	**10,185,326**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
1 January	7,867,256	1,565,603	371,018	113,458	9,917,335
Transfers to stage 1	786,990	(785,026)	(1,964)	-	-
Transfers to stage 2	(514,415)	546,249	(31,834)	-	-
Transfers to stage 3	(38,959)	(83,436)	122,395	-	-
Foreign exchange and other adjustments	-	-	10	-	10
Write offs	(594)	(588)	(79,286)	(5,282)	(85,750)
Interest accrued and other adjustments	388,970	39,662	47,804	8,001	484,437
New loans originated or purchased and drawdowns of existing facilities	1,827,530	89,118	8,125	1,847	1,926,620
Loans derecognised or repaid (excluding write offs)	(2,038,389)	(210,331)	(107,490)	(22,753)	(2,378,963)
Changes to contractual cash flows due to modifications	(2,800)	20	(1,895)	(149)	(4,824)
Acquisition of Velocity 2 portfolio	-	-	-	3,649	3,649
31 December	8,275,589	1,161,271	326,883	98,771	9,862,514

As at 31 December 2023 no loans and advances to customers were classified as held for sale.

For revolving facilities, overdrafts and credit cards, the net positive change in balance by stage excluding write-offs is reported in 'New loans originated' and the net negative change is reported in 'Loans derecognised or repaid'.

The analysis of gross loans and advances to customers at amortised cost by staging and by business line concentration is included in Note 23.

44. Risk management - Credit risk (continued)

44.3 Analysis of loans and advances to customers (continued)

The movement of gross loans and advances to customers at amortised cost, in the Corporate, IBU & International corporate, SME and Retail business lines in Cyprus (the country where the loans are managed), are presented in the tables below:

2024	**Corporate** €000	**IBU & International corporate** €000	**SME** €000	**Retail** €000
1 January	3,357,421	883,106	948,624	4,380,921
Transfers (out of)/in business line	(19,487)	(3,596)	21,822	(5,792)
Write offs	(4,597)	(189)	(144)	(1,458)
Interest accrued	179,997	77,373	44,709	201,869
New loans originated or purchased	933,201	426,906	204,860	761,804
Loans derecognised or repaid (excluding write offs)	(1,098,155)	(302,429)	(252,530)	(762,789)
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,159)	544	396	1,188
31 December	**3,347,221**	**1,081,715**	**967,737**	**4,575,743**

2023 (restated)	Corporate €000	IBU & International corporate €000	SME €000	Retail €000
1 January	3,398,475	823,182	1,026,608	4,264,777
Transfers in/(out of) business line	111,905	(35,005)	(38,809)	36,081
Write offs	(25,277)	(173)	(142)	(1,165)
Interest accrued	166,290	56,142	59,465	159,108
New loans originated or purchased	748,197	218,979	192,439	696,146
Loans derecognised or repaid (excluding write offs)	(1,037,422)	(179,763)	(291,534)	(775,774)
Changes to contractual cash flows due to modifications not resulting in derecognition	(4,747)	(256)	597	1,748
31 December	3,357,421	883,106	948,624	4,380,921

44.4 Credit quality of loans and advances to customers based on the internal credit rating

Credit scoring is the primary risk rating system for assessing obligor and transaction risk for the key portfolios of the Company. For the purposes of credit scoring, these portfolios are Corporate, Retail and SMEs. Corporate and SME portfolios include legal entities. Retail portfolio includes individuals.

Scoring models use internal and external data to assess and 'score' borrowers and their credit quality, in order to provide further input on managing limits for existing loans and collection activities. The data is specific to the borrower but additional data which could affect the borrower's behaviour is also used.

Credit score is one of the factors employed on new clients and management of existing clients. The credit score of the borrower is used to assess the credit quality for each independent acquisition or account management action, leading to an automated decision or guidance for an adjudicator. Credit scoring enhances the credit decision quality and facilitates risk-based pricing where feasible.

Borrower score defines the rating of the borrower from a range of 1-8 where 8 is defined as defaulted. The 12-months probability of default (PD) is calculated per rating. The following table presents weighted PD per risk level's rating for corporate, retail and SME exposures.

Unrated corporate exposures are assessed using the Group's in-house behavioural scorecard model for corporate legal entities. Unrated retail exposures include qualifying revolving facilities without scoring (i.e. prepaid cards) and other revolving facilities (i.e. financial guarantees) which are assigned a more generic curve. Similarly unrated SME exposures are assigned a more generic segment curve.

44. Risk management - Credit risk (continued)

44.4 Credit quality of loans and advances to customers based on the internal credit rating (continued)

New customers' lending to corporate and SME legal entities and new lending to retail individuals are separately disclosed since a time span of seven months is necessary in order to provide an accurate rating.

The portfolios weighted PD per rating is presented below.

2024	**12-month PD**		
Rating	**Corporate legal entities %**	**Retail individuals %**	**SME legal entities %**
1	0.52	0.04	0.08
2	0.55	0.06	0.17
3	0.71	0.11	0.35
4	0.98	0.16	1.26
5	1.43	0.50	3.73
6	1.74	3.34	8.44
7	2.07	8.80	15.62

2023	**12-month PD**		
Rating	**Corporate legal entities %**	**Retail individuals %**	**SME legal entities %**
1	1.32	0.10	0.18
2	1.42	0.17	0.46
3	1.75	0.28	0.96
4	2.38	0.42	3.37
5	3.68	0.89	8.92
6	3.82	7.20	18.16
7	4.88	15.21	36.65

Lower rating exposures demonstrate a better capacity to meet financial commitments, with lower probability of default, whereas higher rating exposures require varying degrees of special attention and default risk is of greater concern.

As disclosed in Note 5.1 under section 'Calibration of IFRS 9 models and removal of overlays in relation to economic conditions', the Group during 2024 proceeded with model calibrations affecting the probability of default parameter (the 'PD-macro') which led to a reduction in portfolios weighted PDs, when compared to last year.

The tables below show the gross loans and advances to customers at amortised cost which are managed in Cyprus, using the corporate legal entities, SMEs legal entities and retail individuals definition as per the internal rating of the Company.

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Corporate legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	795,970	7,675	**803,645**	654,192	8,681	662,873
Rating 2	414,627	12,266	**426,893**	404,127	2,604	406,731
Rating 3	840,468	17,460	**857,928**	857,583	17,943	875,526
Rating 4	617,084	181,452	**798,536**	420,299	75,912	496,211
Rating 5	446,603	85,994	**532,597**	593,987	210,143	804,130
Rating 6	58,029	61,365	**119,394**	97,182	176,247	273,429
Rating 7	6,217	21,329	**27,546**	30,182	10,713	40,895
Unrated	231,861	22,225	**254,086**	230,024	34,157	264,181
New customers	654,183	48,048	**702,231**	397,922	14,956	412,878
	4,065,042	**457,814**	**4,522,856**	3,685,498	551,356	4,236,854
Total Stage 3 and POCI			**58,171**			157,455
			4,581,027			4,394,309

44. Risk management - Credit risk (continued)

44.4 Credit quality of loans and advances to customers based on the internal credit rating (continued)

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Retail individuals	€000	€000	**€000**	€000	€000	€000
Rating 1	404,639	1,263	**405,902**	410,510	886	411,396
Rating 2	309,996	898	**310,894**	296,784	1,182	297,966
Rating 3	539,982	1,155	**541,137**	531,271	8,583	539,854
Rating 4	1,523,523	12,369	**1,535,892**	1,387,960	59,067	1,447,027
Rating 5	1,107,575	48,957	**1,156,532**	915,585	195,178	1,110,763
Rating 6	59,245	81,998	**141,243**	63,506	91,634	155,140
Rating 7	82,361	120,555	**202,916**	104,288	121,092	225,380
Unrated	-	2,215	**2,215**	-	2,099	2,099
New customers	380,491	6,629	**387,120**	308,043	13,166	321,209
	4,407,812	**276,039**	**4,683,851**	4,017,947	492,887	4,510,834
Total Stage 3 and POCI			**146,115**			230,837
			4,829,966			4,741,671

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
SMEs legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	125,714	1,235	**126,949**	120,165	3,360	123,525
Rating 2	260,609	2,266	**262,875**	210,856	47,818	258,674
Rating 3	125,330	8,654	**133,984**	108,742	29,117	137,859
Rating 4	47,228	15,261	**62,489**	45,841	14,490	60,331
Rating 5	10,668	4,285	**14,953**	13,021	5,771	18,792
Rating 6	3,414	4,361	**7,775**	5,300	3,328	8,628
Rating 7	3,172	1,415	**4,587**	3,324	2,534	5,858
Unrated	-	670	**670**	-	6,312	6,312
New customers	77,368	3,080	**80,448**	64,722	4,298	69,020
	653,503	**41,227**	**694,730**	571,971	117,028	688,999
Total Stage 3 and POCI			**24,348**			36,842
			719,078			725,841

44. Risk management - Credit risk (continued)

44.5 Credit losses of loans and advances to customers

The movement in ECL of loans and advances to customers, including those classified as held for sale, is as follows:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total** **€000**
1 January	24,205	30,257	103,996	20,995	**179,453**
Transfers to stage 1	11,706	(11,386)	(320)	-	**-**
Transfers to stage 2	(660)	4,411	(3,751)	-	**-**
Transfers to stage 3	(131)	(984)	1,115	-	**-**
Impact on transfer between stages during the year*	(8,970)	1,221	7,638	(173)	**(284)**
Foreign exchange and other adjustments	-	-	41	-	**41**
Write offs	(801)	(619)	(47,106)	(4,951)	**(53,477)**
Interest (provided) not recognised in the income statement	-	-	4,156	1,105	**5,261**
New loans originated or purchased*	5,043	-	-	385	**5,428**
Loans derecognised or repaid (excluding write offs)*	(4,390)	(1,177)	(14,213)	(801)	**(20,581)**
Write offs*	748	325	12,193	295	**13,561**
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations*	(14,380)	15,373	43,693	3,684	**48,370**
Changes to contractual cash flows due to modifications not resulting in derecognition*	(365)	1,318	77	(5)	**1,025**
31 December	**12,005**	**38,739**	**107,519**	**20,534**	**178,797**
Individually assessed	3,378	17,069	21,286	10,485	**52,218**
Collectively assessed	8,627	21,670	86,233	10,049	**126,579**
	12,005	**38,739**	**107,519**	**20,534**	**178,797**

* Individual components of the 'Impairment net of reversals on loans and advances to customers' (Note 16).

The main driver of the ECL charge are the 'Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations' which includes the calibration of the provisioning models as set out in Note 5.1 together with the impact of the agreement for disposal of NPE portfolio (Project River).

As at 31 December 2023 no loans and advances to customers were classified as held for sale.

44. Risk management - Credit risk (continued)

44.5 Credit losses of loans and advances to customers (continued)

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
1 January	22,288	27,041	113,573	15,540	178,442
Transfers to stage 1	10,985	(10,504)	(481)	-	-
Transfers to stage 2	(1,532)	6,677	(5,145)	-	-
Transfers to stage 3	(481)	(2,576)	3,057	-	-
Impact on transfer between stages during the year*	(8,860)	3,450	24,888	-	19,478
Foreign exchange and other adjustments	-	-	91	-	91
Write offs	(594)	(588)	(79,286)	(5,282)	(85,750)
Interest (provided) not recognised in the income statement	-	-	3,827	1,079	4,906
New loans originated or purchased*	5,953	-	-	992	6,945
Loans derecognised or repaid (excluding write offs)*	(2,798)	(782)	(5,433)	(162)	(9,175)
Write offs*	455	340	7,981	1,118	9,894
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations*	258	7,021	39,891	7,935	55,105
Changes to contractual cash flows due to modifications not resulting in derecognition*	(1,469)	178	1,033	(225)	(483)
31 December	24,205	30,257	103,996	20,995	179,453
Individually assessed	8,287	11,983	45,178	13,480	78,928
Collectively assessed	15,918	18,274	58,818	7,515	100,525
	24,205	30,257	103,996	20,995	179,453

* Individual components of the 'Impairment net of reversals on loans and advances to customers' (Note 16).

The analysis of credit losses of loans and advances to customers by business line, excluding those classified as held for sale is presented in the table below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
Corporate	4,468	17,645	14,830	323	**37,266**
IBU & International corporate					
- IBU	84	378	51	5	**518**
- International corporate	1,925	1,070	-	-	**2,995**
SMEs	958	3,209	3,303	142	**7,612**
Retail					
- housing	2,604	10,895	4,911	526	**18,936**
- consumer, credit cards and other	1,836	4,856	4,790	750	**12,232**
Restructuring					
- corporate	2	127	1,627	10,178	**11,934**
- SMEs	47	123	2,997	515	**3,682**
- retail housing	53	371	10,686	341	**11,451**
- retail other	28	65	7,524	475	**8,092**
Recoveries					
- corporate	-	-	2,053	158	**2,211**
- SMEs	-	-	4,714	470	**5,184**
- retail housing	-	-	11,686	2,600	**14,286**
- retail other	-	-	9,344	1,276	**10,620**
	12,005	**38,739**	**78,516**	**17,759**	**147,019**

44. Risk management - Credit risk (continued)

44.5 Credit losses of loans and advances to customers (continued)

2023 (restated)	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	12,993	11,727	32,761	5,169	62,650
IBU & International corporate					
- IBU	161	323	40	5	529
- International corporate	1,498	816	38	6	2,358
SMEs	2,424	2,403	1,200	303	6,330
Retail					
- housing	3,098	6,435	3,804	486	13,823
- consumer, credit cards and other	3,693	5,665	4,969	1,164	15,491
Restructuring					
- corporate	21	1,635	6,962	9,964	18,582
- SMEs	134	589	4,334	553	5,610
- retail housing	75	440	12,393	204	13,112
- retail other	108	224	7,060	489	7,881
Recoveries					
- corporate	-	-	3,342	267	3,609
- SMEs	-	-	4,794	150	4,944
- retail housing	-	-	13,772	1,094	14,866
- retail other	-	-	8,527	1,141	9,668
	24,205	30,257	103,996	20,995	179,453

The movement of the ECL allowance for the loans and advances to customers in the Corporate, IBU & International corporate, SME and Retail business lines in Cyprus (the country where the loans are managed), is presented in the table below:

2024	**Corporate €000**	**IBU & International corporate €000**	**SME €000**	**Retail €000**
1 January	62,425	2,887	6,134	29,314
Transfer (out of)/in the business line	(10,684)	91	921	(1,409)
Write offs	(4,597)	(189)	(144)	(1,458)
Interest (provided) not recognised in the income statement	987	2	116	458
New loans originated or purchased	1,998	1,029	287	1,688
Loans derecognised or repaid (excluding write offs)	(10,004)	(487)	(216)	(2,183)
Write offs	10	21	79	979
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations	(1,078)	(52)	105	4,317
Changes to contractual cash flows due to modifications not resulting in derecognition	800	(2)	174	64
Impact on transfer between stages during the year	(2,591)	213	(40)	(602)
31 December	**37,266**	**3,513**	**7,416**	**31,168**

44. Risk management - Credit risk (continued)

44.5 Credit losses of loans and advances to customers (continued)

2023 (restated)	Corporate €000	IBU & International corporate €000	SME €000	Retail €000
1 January	56,359	1,087	5,879	24,827
Transfer in/(out of) the business line	(660)	112	76	(1,813)
Write offs	(25,276)	(173)	(142)	(1,165)
Interest (provided) not recognised in the income statement	287	-	-	464
New loans originated or purchased	4,058	470	616	1,804
Loans derecognised or repaid (excluding write offs)	(2,627)	(315)	-	(1,615)
Write offs	18	28	135	740
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations	12,120	885	242	6,236
Changes to contractual cash flows due to modifications not resulting in derecognition	481	4	(469)	(283)
Impact on transfer between stages during the year	17,665	789	(203)	119
31 December	62,425	2,887	6,134	29,314

During the year ended 31 December 2024 the total non-contractual write-offs recorded by the Group amounted to €25,391 thousand (2023: €66,547 thousand). The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2024 and that are still subject to enforcement activity is €187,288 thousand (2023: €566,451 thousand).

Sensitivity analysis
The Group has performed sensitivity analysis relating to the loan portfolio in Cyprus, which represents more than 99% of the total loan portfolio of the Group with reference date 31 December 2024 and 2023.

The Group has applied sensitivity analysis to the below parameters and the impact on the ECL, for both individually and collectively assessed ECL calculations, is presented in the table below:

	Increase/(decrease) on ECL for loans and advances to customers at amortised cost	
	2024	2023
	€000	€000
Increase the adverse weight by 5% and decrease the favourable weight by 5%	**1,560**	1,297
Decrease the adverse weight by 5% and increase the favourable weight by 5%	**(1,677)**	(1,629)
Increase the expected recovery period by 1 year	**1,965**	6,090
Decrease the expected recovery period by 1 year	**(2,047)**	(7,863)
Increase the collateral realisation haircut by 5%	**4,429**	8,816
Decrease the collateral realisation haircut by 5%	**(3,771)**	(9,495)
Increase in the PDs of stages 1 and 2 by 20%*	**18,232**	5,424
Decrease in the PDs of stages 1 and 2 by 20%*	**(8,273)**	(5,880)

44. Risk management - Credit risk (continued)

44.5 Credit losses of loans and advances to customers (continued)

The increase/(decrease) on ECL, for loans and advances to customers at amortised cost is presented per stage in the table below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total** **€000**
Increase the adverse weight by 5% and decrease the favourable weight by 5%	186	931	443	**1,560**
Decrease the adverse weight by 5% and increase the favourable weight by 5%	(213)	(522)	(942)	**(1,677)**
Increase the expected recovery period by 1 year	139	870	956	**1,965**
Decrease the expected recovery period by 1 year	(111)	(687)	(1,249)	**(2,047)**
Increase the collateral realisation haircut by 5%	265	1,579	2,585	**4,429**
Decrease the collateral realisation haircut by 5%	(182)	(1,067)	(2,522)	**(3,771)**
Increase in the PDs of stages 1 and 2 by 20%*	1,810	16,422	-	**18,232**
Decrease in the PDs of stages 1 and 2 by 20%*	(2,059)	(6,214)	-	**(8,273)**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
Increase the adverse weight by 5% and decrease the favourable weight by 5%	295	204	798	1,297
Decrease the adverse weight by 5% and increase the favourable weight by 5%	(235)	(267)	(1,127)	(1,629)
Increase the expected recovery period by 1 year	727	1,201	4,162	6,090
Decrease the expected recovery period by 1 year	(695)	(1,121)	(6,047)	(7,863)
Increase the collateral realisation haircut by 5%	1,037	1,692	6,087	8,816
Decrease the collateral realisation haircut by 5%	(900)	(1,406)	(7,189)	(9,495)
Increase in the PDs of stages 1 and 2 by 20%*	2,624	2,800	-	5,424
Decrease in the PDs of stages 1 and 2 by 20%*	(1,325)	(4,555)	-	(5,880)

*The impact on the ECL also includes the transfer between stages of the loans and advances to customers following the increase/decrease in the PD.

44. Risk management - Credit risk (continued)

44.5 Credit losses of loans and advances to customers (continued)

The sensitivity analysis performed on the collateral realisation haircut and its impact on the ECL by business line is presented in the table below:

	Increase the collateral realisation haircut by 5%	**Decrease the collateral realisation haircut by 5%**	Increase the collateral realisation haircut by 5%	Decrease the collateral realisation haircut by 5%
	2024	**2024**	2023 (restated)	2023 (restated)
	€000	**€000**	€000	€000
Corporate	**553**	**(1,061)**	2,708	(2,521)
IBU & International corporate				
- IBU	**3**	**(2)**	9	(6)
- International corporate	**17**	**(14)**	65	(55)
SMEs	**464**	**(382)**	365	(324)
Retail				
- housing	**940**	**(638)**	1,128	(811)
- consumer, credit cards and other	**200**	**(137)**	336	(286)
Restructuring				
- corporate	**34**	**(29)**	1,029	(3,337)
- SMEs	**109**	**(88)**	233	(300)
- retail housing	**660**	**(576)**	694	(616)
- retail other	**148**	**(140)**	196	(175)
Recoveries				
- corporate	**22**	**(87)**	123	(111)
- SMEs	**209**	**(146)**	932	(319)
- retail housing	**671**	**(346)**	693	(455)
- retail other	**399**	**(125)**	305	(179)
	4,429	**(3,771)**	8,816	(9,495)

44.6 Contingent liabilities and commitments

The Group enters into various irrevocable commitments and contingent liabilities. These consist of acceptances and endorsements, guarantees, documentary credits and undrawn formal stand-by facilities, credit lines and other commitments to lend.

44.6.1 Contingent liabilities

An analysis of changes in the outstanding nominal amount of exposures and the corresponding ECL are disclosed in the tables below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total €000**
Exposures				
1 January	483,831	184,827	36,966	**705,624**
Transfers to stage 1	51,626	(51,626)	-	**-**
Transfers to stage 2	(16,549)	17,453	(904)	**-**
Transfers to stage 3	(147)	(3,121)	3,268	**-**
Net increase/(decrease)	45,157	(32,736)	(7,000)	**5,421**
31 December	**563,918**	**114,797**	**32,330**	**711,045**

44. Risk management - Credit risk (continued)

44.6 Contingent liabilities and commitments (continued)

44.6.1 Contingent liabilities (continued)

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
Exposures				
1 January	509,186	110,626	36,582	656,394
Transfers to stage 1	8,820	(8,755)	(65)	-
Transfers to stage 2	(88,817)	91,722	(2,905)	-
Transfers to stage 3	(585)	(3,763)	4,348	-
Net increase/(decrease)	55,227	(5,003)	(994)	49,230
31 December	483,831	184,827	36,966	705,624

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total €000**
ECL				
1 January	-	18	19,174	**19,192**
Net decrease	-	-	(293)	**(293)**
Credit for the year	-	(4)	(1,002)	**(1,006)**
31 December	**-**	**14**	**17,879**	**17,893**
Individually assessed	-	-	17,879	**17,879**
Collectively assessed	-	14	-	**14**
	-	**14**	**17,879**	**17,893**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
ECL				
1 January	119	110	17,013	17,242
Transfers to stage 3	(35)	(4)	39	-
Charge/(credit) for the year	(84)	(88)	2,122	1,950
31 December	-	18	19,174	19,192
Individually assessed	-	-	19,174	19,174
Collectively assessed	-	18	-	18
	-	18	19,174	19,192

The credit quality of contingent liabilities as per the internal rating system of the Company is disclosed in the table below.

	2024			2023		
Corporate legal entities	Stage 1 €000	Stage 2 €000	**Total €000**	Stage 1 €000	Stage 2 €000	Total €000
Rating 1	98,192	2,161	**100,353**	130,436	266	130,702
Rating 2	17,055	151	**17,206**	16,168	2	16,170
Rating 3	92,078	63	**92,141**	33,253	29,663	62,916
Rating 4	27,905	421	**28,326**	26,279	2,686	28,965
Rating 5	73,886	17,939	**91,825**	25,253	30,270	55,523
Rating 6	1,768	5,700	**7,468**	19,494	281	19,775
Rating 7	1,817	66	**1,883**	6,485	33	6,518
Unrated	64,565	23,683	**88,248**	26,003	33,737	59,740
New customers	56,061	500	**56,561**	102,235	6,174	108,409
	433,327	**50,684**	**484,011**	385,606	103,112	488,718
Total Stage 3			**6,038**			8,314
			490,049			497,032

44. Risk management - Credit risk (continued)

44.6 Contingent liabilities and commitments (continued)

44.6.1 Contingent liabilities (continued)

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
SME legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	57,714	1,147	**58,861**	42,683	2,796	45,479
Rating 2	20,390	74	**20,464**	6,435	8,181	14,616
Rating 3	3,149	536	**3,685**	1,599	1,950	3,549
Rating 4	672	916	**1,588**	329	907	1,236
Rating 5	6	2	**8**	31	7	38
Rating 6	17	2	**19**	3	14	17
Rating 7	27	136	**163**	4	137	141
Unrated	-	43,046	**43,046**	-	50,393	50,393
New customers	48,616	1,213	**49,829**	47,141	122	47,263
	130,591	**47,072**	**177,663**	98,225	64,507	162,732
Total Stage 3			**26,190**			28,232
			203,853			190,964

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Retail individuals	€000	€000	**€000**	€000	€000	€000
Unrated	-	17,041	**17,041**	-	17,208	17,208
	-	**17,041**	**17,041**	-	17,208	17,208
Total Stage 3			**102**			420
			17,143			17,628

44.6.2 Commitments

An analysis of changes in the outstanding exposures and the corresponding ECL are disclosed in the tables below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total** **€000**
Exposure				
1 January	1,665,479	271,766	21,488	**1,958,733**
Transfers to stage 1	156,132	(155,983)	(149)	**-**
Transfers to stage 2	(23,419)	23,754	(335)	**-**
Transfers to stage 3	(441)	(2,736)	3,177	**-**
Net increase/(decrease)	62,616	7,353	(4,236)	**65,733**
31 December	**1,860,367**	**144,154**	**19,945**	**2,024,466**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
Exposure				
1 January	1,564,964	319,114	43,033	1,927,111
Transfers to stage 1	121,814	(121,602)	(212)	-
Transfers to stage 2	(100,140)	102,838	(2,698)	-
Transfers to stage 3	(4,872)	(3,783)	8,655	-
Net increase/(decrease)	83,713	(24,801)	(27,290)	31,622
31 December	1,665,479	271,766	21,488	1,958,733

44. Risk management - Credit risk (continued)

44.6 Contingent liabilities and commitments (continued)

44.6.2 Commitments (continued)

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
ECL				
1 January	90	97	-	187
Charge/(credit) for the year	(90)	(97)	-	(187)
31 December	-	-	-	-

There is no ECL on commitments as at 31 December 2024 and 2023.

The credit quality of commitments, as per the internal rating system of the Company is disclosed in the table below.

	2024			2023		
Corporate legal entities	Stage 1 €000	Stage 2 €000	**Total €000**	Stage 1 €000	Stage 2 €000	Total €000
Rating 1	287,501	4,488	**291,989**	280,836	10,252	291,088
Rating 2	48,996	2,543	**51,539**	63,694	1,672	65,366
Rating 3	90,481	1,897	**92,378**	78,107	8,560	86,667
Rating 4	106,090	6,608	**112,698**	77,465	3,669	81,134
Rating 5	63,889	12,487	**76,376**	45,954	22,251	68,205
Rating 6	1,691	4,919	**6,610**	14,720	4,892	19,612
Rating 7	1,883	555	**2,438**	2,074	336	2,410
Unrated	131,778	45,041	**176,819**	90,986	51,113	142,099
New customers	91,060	2,359	**93,419**	86,953	707	87,660
	823,369	**80,897**	**904,266**	740,789	103,452	844,241
Total Stage 3			**11,035**			11,981
			915,301			856,222

	2024			2023		
SME legal entities	Stage 1 €000	Stage 2 €000	**Total €000**	Stage 1 €000	Stage 2 €000	Total €000
Rating 1	306,438	17,151	**323,589**	275,684	34,643	310,327
Rating 2	104,628	1,473	**106,101**	54,993	56,903	111,896
Rating 3	18,280	1,916	**20,196**	11,146	13,215	24,361
Rating 4	3,529	1,196	**4,725**	2,698	1,811	4,509
Rating 5	558	100	**658**	530	322	852
Rating 6	128	152	**280**	173	152	325
Rating 7	13	9	**22**	7	192	199
Unrated	-	5,242	**5,242**	-	8,577	8,577
New customers	11,375	692	**12,067**	16,658	915	17,573
	444,949	**27,931**	**472,880**	361,889	116,730	478,619
Total Stage 3			**5,125**			5,742
			478,005			484,361

44. Risk management - Credit risk (continued)

44.6 Contingent liabilities and commitments (continued)

44.6.2 Commitments (continued)

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Retail individuals	€000	€000	**€000**	€000	€000	€000
Rating 1	143,334	8,115	**151,449**	145,977	11,477	157,454
Rating 2	83,886	4,617	**88,503**	85,690	5,503	91,193
Rating 3	136,728	6,649	**143,377**	135,923	10,084	146,007
Rating 4	88,827	3,502	**92,329**	90,081	6,541	96,622
Rating 5	27,224	1,519	**28,743**	22,724	5,899	28,623
Rating 6	4,704	1,778	**6,482**	5,317	2,645	7,962
Rating 7	931	1,213	**2,144**	1,142	1,459	2,601
Unrated	30	7,038	**7,068**	-	6,832	6,832
New customers	106,385	895	**107,280**	75,947	1,144	77,091
	592,049	**35,326**	**627,375**	562,801	51,584	614,385
Total Stage 3			**3,785**			3,765
			631,160			618,150

44.7 Collateral and other credit enhancements obtained

The carrying value of assets obtained during 2024 and 2023 by taking possession of collateral held as security, was as follows:

	2024	2023
	€000	€000
Residential property	**7,968**	5,980
Commercial and other property	**11,388**	14,560
Land (fields and plots)	**6,477**	-
	25,833	20,540

The total carrying value of stock of property and investment properties obtained over the years by taking possession of collateral held as security for customer loans and advances and held by the Group as at 31 December 2024, including any expenses capitalised during the year, amounted to €659,976 thousand (2023: €861,675 thousand).

The disposals of repossessed assets during 2024 amounted to €174,840 thousand (2023: €173,587 thousand).

44.8 Currency concentration of loans and advances to customers

The following table presents the currency concentration of the Group's loans and advances to customers at amortised cost.

	2024	2023
Gross loans at amortised cost	**€000**	€000
Euro	**9,475,479**	9,336,828
US Dollar	**573,140**	409,555
British Pound	**72,361**	87,610
Russian Rouble	**-**	324
Swiss Franc	**8,935**	27,358
Other currencies	**490**	839
	10,130,405	9,862,514

44. Risk management - Credit risk (continued)

44.9 Modified loans and advances to customers

Modified loans and advances to customers are those loans where the original contractual terms of the loans
i. have been modified due to financial difficulties of the borrower and are considered as forborne/restructured (as explained in Note 44.10), and
ii. have been modified due to commercial renegotiations and such loans are considered as non-forborne.

Customers classified as Stage 2 and Stage 3 as at 31 December 2023, that had facilities modified (in a prior or the current period), and are classified as Stage 1 as at 31 December 2024 amount to €157,066 thousand (2023: €137,357 thousand) and their corresponding ECL amount to €251 thousand (2023: €547 thousand).

Previously classified Stage 2 and Stage 3 customers (with a carrying amount as at 31 December 2023 of €95,331 thousand (2022: €30,012 thousand)) that had facilities modified during the year and are classified as Stage 1 at 31 December 2024 amount to €88,935 thousand (2023: €19,113 thousand) and their corresponding ECL amount to €118 thousand (2023: €36 thousand). Their related modification loss amounted to €277 thousand (2023: €55 thousand).

Stage 2 and Stage 3 loans that were forborne during the year amounted to €148,112 thousand (2023: €44,827 thousand). Their related modification loss amounted to €5,941 thousand (2023: €3,036 thousand).

Facilities that reverted to Stage 2 and Stage 3 having once cured during the year amount to €44,655 thousand (2023: €51,720 thousand) and their corresponding ECL amount to €3,243 thousand (2023: €1,984 thousand) as at 31 December 2024.

44.10 Forbearance/Restructuring

Forborne/restructured loans and advances are those loans and advances that have been modified because the borrower is considered unable to meet the terms and conditions of the contract due to financial difficulties. Taking into consideration these difficulties, the Group decides to modify the terms and conditions of the contract to provide the borrower with the ability to service the debt or refinance the contract, either partially or fully. They include the facilities for which the Group has modified the repayment programme (e.g. provision of a grace period, suspension of the obligation to repay one or more instalments, reduction in the instalment amount and/or elimination of overdue instalments relating to capital or interest).

The practice of extending forbearance/restructuring measures constitutes a grant of a concession whether temporarily or permanently to that borrower. A concession may involve restructuring the contractual terms of a debt or payment in some form other than cash, such as an arrangement whereby the borrower transfers collateral pledged to the Group.

For an account to qualify for forbearance/restructuring it must meet certain criteria including the viability of the customer. The extent to which the Group reschedules accounts that are eligible under its existing policies may vary depending on its view of the prevailing economic conditions and other factors which may change from year to year. In addition, exceptions to policies and practices may be allowed in specific situations in response to legal or regulatory requirements.

Forbearance/restructuring activities may include measures that restructure the borrower's business (operational restructuring) and/or measures that restructure the borrower's financing (financial restructuring).

Forbearance/restructuring options may be of a short or long-term nature or a combination thereof. The Group has developed and deployed sustainable restructuring solutions, which are suitable for the borrower and acceptable for the Group.

Short-term restructuring solutions are defined as restructured repayment solutions of duration of less than two years. In the case of loans for the construction of commercial property and project finance, a short-term solution may not exceed one year.

Short-term restructuring solutions can include the following:
i. Suspension of capital or capital and interest: granting to the borrower a grace period in the payment of capital (i.e. during this period only interest is paid) or capital and interest, for a specific period of time.

44. Risk management - Credit risk (continued)

44.10 Forbearance/Restructuring (continued)

ii. Reduced payments: decrease of the amount of repayment instalments over a defined short-term period in order to accommodate the borrower's new cash flow position.
iii. Arrears and/or interest capitalisation: capitalisation of the arrears and of any unpaid interest to the outstanding principal balance for repayment under a rescheduled program.

Long-term restructuring solutions can include the following:
i. Interest rate reduction: permanent or temporary reduction of interest rate (fixed or variable) into a fair and sustainable rate.
ii. Extension of maturity: extension of the maturity of the loan which allows a reduction in instalment amounts by spreading the repayments over a longer period.
iii. Sale of Assets: Part of the restructuring can be the agreement with the borrower for immediate or over time sale of assets (mainly real estate) to reduce borrowing.
iv. Modification of existing terms of previous decisions: In the context of the new sustainable restructuring solution, any terms of previous decisions that are assessed not feasible to be met are revisited.
v. Consolidation/refinancing of existing facilities that: In cases where the borrower maintains several separate loans with different collaterals, these can be consolidated and a new repayment schedule can be set and the new loan can be secured with all existing collaterals.
vi. Hard Core Current Account Limit: In such cases a loan with a longer repayment may be offered to replace/reduce the current account limit.
vii. Split and freeze: the customer's debt is split into sustainable and unsustainable parts. The sustainable part is restructured to a sustainable repayment program. The unsustainable part is 'frozen' for the restructured duration of the sustainable part. At the maturity of the restructuring, the frozen part is either forgiven pro rata (based on the actual repayment of the sustainable part) or restructured.
viii. Rescheduling of payments: the existing contractual repayment schedule is adjusted to a new sustainable repayment program based on a realistic, current and forecasted assessment of the cash flow generation of the borrower.
ix. Liquidation Collateral: An agreement between the Company and a borrower for the voluntary sale of mortgaged assets, for partial or full repayment of the debt.
x. Currency Conversion: This solution is provided to match the credit facility currency and the borrower's income currency.
xi. Additional Financing: This solution can be granted, simultaneously with the restructuring of the existing credit facilities of the borrower, to cover any financing gap.
xii. Partial or total write off: This solution corresponds to the Group forfeiting the right to legally recover part or the whole of the amount of debt outstanding by the borrower.
xiii. Debt/equity swaps: debt restructuring that allows partial or full repayment of the debt in exchange of obtaining an equivalent amount of equity in the company by the Group, with the remaining debt right sized to the cash flows of the borrower to allow repayment. This solution is used only in exceptional cases and only where all other efforts for restructuring are exhausted and after ensuring compliance with the banking law.
xiv. Debt/asset swaps: agreement between the Group and the borrower to voluntarily transfer the mortgaged asset or other immovable property to the Group, to partially or fully repay the debt. Any residual debt may be restructured with an appropriate repayment schedule in line with the borrower's reassessed repayment ability.

The loans forborne continue to be classified as Stage 3 in the case they are performing forborne exposures under probation for which additional forbearance measures are extended, or performing forborne exposures, previously classified as NPEs that present more than 30 days past due within the probation period.

Forbearance modifications of loans and advances that do not affect payment arrangements, such as restructuring of collateral or security arrangements, are not regarded as sufficient to categorise the facility as credit impaired, as by themselves do not necessarily indicate credit distress affecting payment ability such that would require the facility to be classified as NPE.

The forbearance characteristic contributes in two specific ways for the calculation of lifetime ECL for each individual facility. Specifically, it is taken into consideration in the scorecard development, where, if this characteristic is identified as statistically significant, it affects negatively the rating of each facility. It also contributes in the construction through the cycle probability of default and cure curves, where, when feasible, a specific curve for the forborne products is calculated and assigned accordingly.

44. Risk management - Credit risk (continued)

44.10 Forbearance/Restructuring (continued)

The below table presents the movement of the Group's forborne loans and advances to customers measured at amortised cost.

	2024	2023
	€000	€000
1 January	**455,740**	1,106,298
New loans and advances forborne in the year	**148,348**	47,366
Loans no longer classified as forborne and repayments	**(249,742)**	(705,103)
Write off of forborne loans and advances	**(11,983)**	(41,996)
Interest accrued on forborne loans and advances	**24,427**	49,102
Foreign exchange adjustments	**49**	73
31 December	**366,839**	455,740

The forborne loans classification is discontinued when all EBA criteria for the discontinuation of the classification as forborne exposure are met. The criteria are set out in the EBA Final draft Implementing Technical Standards (ITS) on supervisory reporting and non-performing exposures.

The below tables present the Group's forborne loans and advances to customers by staging, economic activity and business line classification, as well as the ECL allowance and tangible collateral held for such forborne loans.

	2024	2023
	€000	€000
Stage 1	**-**	-
Stage 2	**253,862**	261,091
Stage 3	**86,639**	173,728
POCI	**26,338**	20,921
	366,839	455,740

Fair value of collateral

	2024	2023
	€000	€000
Stage 1	**-**	-
Stage 2	**234,794**	241,983
Stage 3	**75,515**	154,051
POCI	**24,965**	19,734
	335,274	415,768

The fair value of collateral presented above has been computed to the extent that the collateral mitigates credit risk.

44. Risk management - Credit risk (continued)

44.10 Forbearance/Restructuring (continued)

Credit risk concentration

By economic activity	2024 €000	2023 €000
Trade	**10,155**	15,578
Manufacturing	**3,325**	10,195
Hotels and catering	**6,058**	60,129
Construction	**132,011**	82,849
Real estate	**26,614**	61,550
Private individuals	**116,063**	187,537
Professional and other services	**36,621**	35,197
Other sectors	**35,992**	2,705
	366,839	455,740

By business line	2024 €000	2023 €000
Corporate	**224,271**	207,534
IBU & International corporate		
- IBU	**944**	2,386
- International corporate	**653**	768
SMEs	**19,046**	20,823
Retail		
- housing	**47,506**	67,087
- consumer, credit cards and other	**8,411**	17,265
Restructuring		
- corporate	**12,555**	33,098
- SMEs	**7,726**	11,749
- retail housing	**18,818**	34,538
- retail other	**4,764**	7,399
Recoveries		
- corporate	**966**	2,480
- SMEs	**2,511**	6,157
- retail housing	**13,960**	34,496
- retail other	**4,708**	9,960
	366,839	455,740

44. Risk management - Credit risk (continued)

44.10 Forbearance/Restructuring (continued)

2024 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total** **€000**
Corporate	-	189,064	25,745	9,462	**224,271**
IBU & International corporate					
- IBU	-	943	1	-	**944**
- International corporate	-	653	-	-	**653**
SMEs	-	13,519	5,527	-	**19,046**
Retail					
- housing	-	34,818	10,508	2,180	**47,506**
- consumer, credit cards and other	-	5,942	2,413	56	**8,411**
Restructuring					
- corporate	-	1,431	1,006	10,118	**12,555**
- SMEs	-	2,507	4,350	869	**7,726**
- retail housing	-	4,444	13,458	916	**18,818**
- retail other	-	541	3,825	398	**4,764**
Recoveries					
- corporate	-	-	934	32	**966**
- SMEs	-	-	2,280	231	**2,511**
- retail housing	-	-	12,356	1,604	**13,960**
- retail other	-	-	4,236	472	**4,708**
	-	**253,862**	**86,639**	**26,338**	**366,839**

2023 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	-	136,097	71,330	107	207,534
IBU & International corporate					
- IBU	-	2,091	295	-	2,386
- International corporate	-	768	-	-	768
SMEs	-	19,414	1,409	-	20,823
Retail					
- housing	-	51,588	13,479	2,020	67,087
- consumer, credit cards and other	-	13,047	4,089	129	17,265
Restructuring					
- corporate	-	21,254	1,807	10,037	33,098
- SMEs	-	3,686	6,760	1,303	11,749
- retail housing	-	11,341	21,633	1,564	34,538
- retail other	-	1,805	5,249	345	7,399
Recoveries					
- corporate	-	-	2,250	230	2,480
- SMEs	-	-	5,668	489	6,157
- retail housing	-	-	30,643	3,853	34,496
- retail other	-	-	9,116	844	9,960
	-	261,091	173,728	20,921	455,740

44. Risk management - Credit risk (continued)

44.10 Forbearance/Restructuring (continued)

ECL allowance

	2024	2023
	€000	€000
Stage 1	-	-
Stage 2	9,525	8,643
Stage 3	36,503	47,840
POCI	12,462	11,510
	58,490	67,993

44.11 Credit quality of Group assets exposed to credit risk other than loans and advances to customers - analysis by rating agency designation

Balances with central banks and loans and advances to banks
Balances with central banks and loans and advances to banks are analysed by Moody’s Investors Service rating as follows:

	2024	2023
	€000	€000
Aaa - Aa3	468,981	227,075
A1 - A3	7,743,265	23,647
Baa1 - Baa3	17,983	9,550,286
Ba1 - Ba3	3,642	4,545
B1 - B3	-	254
Caa - C	-	2,148
Unrated	23,910	64,276
Other receivables from banks	68,528	34,532
	8,326,309	9,906,763

All balances with central banks and loans and advances to banks are classified as Stage 1 (Note 19).

Reverse repurchase agreements
Reverse repurchase agreements counterparties are analysed by Moody's Investors Service rating as follows:

	2024	2023
	€000	€000
A1 - A3	306,053	-
Unrated	704,117	403,199
	1,010,170	403,199

The average rating of the collateral received was Aa2 as at 31 December 2024 (2023: Aa1).

In accordance with the terms of the reverse repurchase agreements of a carrying value of €1,010 million (2023: €403 million) that are held by the Group as at 31 December 2024, the Group accepts collateral that it is permitted to sell. At 31 December 2024, the total fair value of the collateral received was €1,007 million (2023: €426 million), none of which had been resold or repledged. As at 31 December 2024, cash collateral of €7 million has been placed with counterparties and €13 million has been received from the counterparties (2023: cash collateral of €30 million was placed with the counterparties). The effective yield of the reverse repurchase agreements is approximately 3% p.a. (2023: 3% p.a.) and the average duration is estimated at approximately 2.1 years (2023: 2.8 years).

44. Risk management - Credit risk (continued)

44.11 Credit quality of Group assets exposed to credit risk other than loans and advances to customers - analysis by rating agency designation (continued)

Debt securities and other non-equity securities
Investments in debt securities and other non-equity securities are analysed by Moody's Investors Service rating as follows:

Moody's rating	**2024** **€000**	2023 €000
Aaa - Aa3	**2,459,365**	1,969,693
A1 - A3	**1,506,802**	442,968
Baa1 - Baa3	**254,698**	1,049,328
Ba1 - Ba3	**2,014**	89,404
	4,222,879	3,551,393

The tables below present the Moody's Investors Service rating of the Group's investments in debt securities:

2024	FVOCI Stage 1 €000	Amortised cost Stage 1 €000
Aaa - Aa3	75,598	2,373,065
A1 - A3	319,855	1,186,947
Baa1 - Baa3	11,087	243,611
Ba1 - Ba3	-	2,014
	406,540	**3,805,637**

2023	FVOCI Stage 1 €000	Amortised cost Stage 1 €000
Aaa - Aa3	62,469	1,903,613
A1 - A3	34,234	408,734
Baa1 - Baa3	315,640	733,688
Ba1 - Ba3	18,725	70,679
	431,068	3,116,714

The ratings are provided for the ISIN or if not available for the specific issuance, the rating of the counterparty is used.

45. Risk management - Market risk

Market risk is the risk of loss from adverse changes in market prices namely from changes in interest rates, credit spreads, foreign currency exchange rates, property and security prices. The Market and Liquidity Risk department is responsible for monitoring the risk on financial instruments resulting from such changes with the objective to minimise the impact on earnings and capital. The department also monitors property price risk, liquidity risk and credit risk from counterparties and countries. It is also responsible for monitoring compliance with the various market risk policies and procedures.

45. Risk management - Market risk (continued)

Interest rate risk

Interest rate risk refers to the current or prospective risk to Group's capital and earnings arising from adverse movements in interest rates that affect the Group's banking book positions.

Interest rate fluctuations affect the economic value of the Group’s assets, liabilities and off-balance sheet items, through corresponding changes in the cash flow amounts and discount rates and therefore their present value. Changes in interest rates also affect the earnings by increasing or decreasing the net interest income of other interest rate-sensitive items. As such, interest rate risk is measured primarily by reference to the impact on net interest income and impact on economic value.

The Group’s balance sheet composition is characterized by floating rate assets and fixed or non-rate sensitive liabilities, resulting in an increased volatility on net interest income, with a negative impact when interest rates decrease and a positive impact when interest rates increase. In addition, this balance sheet composition results in relatively low volatility of the Economic Value. This is due to the floating rate nature of assets which are longer term in terms of maturity such as loans and advances and the short term nature of the sizable central bank balances. On the liability side, term deposits, although fixed rate in nature, have short contractual maturities (mainly up to one year). In addition, the economic value impact from fixed rate assets is mitigated by the impact of core NMDs which behave as fixed rate liabilities.

Interest rate risk is managed through internal and regulatory limits on the change in net interest income and economic value of equity under various adverse interest rate shock scenarios. Internal limits on net interest income are set as a percentage of the annualised net interest income while regulatory limits on net interest income and economic value of equity are set as a percentage of the Group Tier 1 regulatory capital.

Treasury is responsible for the management of the interest rate risk arising from the banking book and asset and liability positions, effected through the hedging strategy. This involves the set of techniques and the financial instruments used to manage the risk of adverse changes in interest rates, affecting the net interest income and the economic value of the Group and aims to ensure financial stability and robust risk management. The Group uses derivatives and currently applies fair value hedge accounting. The Group applies macro fair value hedging to NMDs and micro fair value hedging to fixed rate debt securities measured at FVOCI, debt securities in issue and subordinated liabilities. For fair value hedges the Group uses interest rate swaps to manage the fair value movements of fixed rate financial instruments due to changes in the benchmark rate.

The Group assesses and measures hedge effectiveness of a hedging relationship based on the change in the fair value of the derivative instrument relative to the change in the fair value of the hedged item attributable to the hedged risk.

The Market and Liquidity Risk department is responsible to measure, monitor and control the interest rate risk on the banking book (IRRBB) based on the established Risk Appetit Framework (RAF) of the Group. One of the risk metrics that Market and Liquidity Risk department uses for monitoring and controlling the IRRBB is the Net Interest Income Sensitivity, which measures changes to interest income under varying interest rate scenarios over a one-year horizon and assuming a constant balance sheet over this period. Its main purpose is to measure the vulnerability of the profitability to changing interest rate conditions. In addition, another risk metric employed by the Group for this purpose is the Economic Value of Equity Sensitivity. This represents the change in the net present value of all cash flows in the balance sheet under a set of interest rate stress scenarios and is calculated on the entire balance sheet under a run-off assumption, i.e., no replenishment of matured transactions.

The Group does not maintain a trading book.

Sensitivity analysis
The table below sets out the impact on the Group’s net interest income, over a one-year period, from reasonably possible changes in the interest rates of the Euro and the US Dollar, being the main currencies, using the assumptions of the prevailing market risk policy as at 31 December 2024 and 2023 respectively.

45. Risk management - Market risk (continued)

Currency	Interest Rate Scenario	Impact on Net Interest Income €000	
		2024 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)	2023 (+140 bps/-120 bps for Euro and +170 bps/-110 bps for US Dollar)
All	Parallel up	102,061	147,348
All	Parallel down	(84,200)	(135,973)
All	Steepening	(51,175)	(81,265)
All	Flattening	79,770	112,104
All	Short up	106,190	150,679
All	Short down	(88,788)	(140,778)
Euro	Parallel up	98,728	142,318
Euro	Parallel down	(82,267)	(132,297)
Euro	Steepening	(51,731)	(79,595)
Euro	Flattening	79,588	108,998
Euro	Short up	104,647	145,795
Euro	Short down	(88,085)	(137,046)
US Dollar	Parallel up	3,333	5,030
US Dollar	Parallel down	(1,932)	(3,676)
US Dollar	Steepening	556	(1,670)
US Dollar	Flattening	182	3,106
US Dollar	Short up	1,543	4,884
US Dollar	Short down	(703)	(3,732)

The above sensitivities incorporate assumptions on the pass-through rate of time deposits of 40% for the upside scenario and 50% for the downside scenario for Euro denominated deposits for the year ended 31 December 2024 (2023: 40% for the upside scenario and 50% for the downside scenario for Euro denominated deposits). The above sensitivities are computed under the assumption of a constant balance sheet and that all market rates move upwards or downwards in parallel.

45. Risk management - Market risk (continued)

The table below sets out the impact on the Group's equity, from reasonably possible changes in the interest rates under various interest rate scenarios for the Euro and the US Dollar in line with the EBA guidelines.

Currency	Interest Rate Scenario	Impact on Equity €000	
		2024 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)	2023 (+140 bps/-120 bps for Euro and +170 bps/-110 bps for US Dollar)
All	Parallel up	(16,380)	62,584
All	Parallel down	613	(89,615)
All	Steepening	41,074	(511)
All	Flattening	(113,840)	(11,035)
All	Short up	(112,972)	14,117
All	Short down	40,990	(40,727)
Euro	Parallel up	(15,355)	114,640
Euro	Parallel down	953	(60,469)
Euro	Steepening	78,258	6,669
Euro	Flattening	(107,390)	20,775
Euro	Short up	(106,983)	48,756
Euro	Short down	78,078	(27,450)
US Dollar	Parallel up	(1,025)	10,529
US Dollar	Parallel down	273	(29,146)
US Dollar	Steepening	3,890	(3,846)
US Dollar	Flattening	(6,450)	(21,422)
US Dollar	Short up	(5,990)	(10,261)
US Dollar	Short down	3,903	(13,277)

The aggregation of the impact on equity was performed as per the EBA guidelines by adding the negative and 50% of the positive impact of each scenario. The increased IRRBB hedging that took place during the year ended 31 December 2024 and the different magnitude of the shocks impact the sensitivity scenarios year-on-year.

In addition to the above fluctuations in net interest income, interest rate changes can result in fluctuations in the fair value of investments at FVPL (including investments held for trading) and in the fair value of derivative financial instruments impacting the profit and loss of the Group.

The equity of the Group is also affected by changes in market interest rates. The impact on the Group's equity arises from changes in the fair value of mainly fixed rate debt securities classified at FVOCI.

The sensitivity analysis is based on the assumption of a parallel shift of the yield curve. The table below sets out the impact on the Group's profit/loss before tax and equity as a result of reasonably possible changes in the interest rates of the major currencies.

Parallel change in interest rates	**Impact on profit/loss before tax**	**Impact on equity**
2024	**€000**	**€000**
+1.6% for US Dollar +1.35% for Euro +3% for British Pound	**(934)**	**(1,982)**
-1% for US Dollar -1% for Euro -3% for British Pound	**692**	**1,468**

45. Risk management - Market risk (continued)

Parallel change in interest rates	Impact on profit/loss before tax €000	Impact on equity €000
2023		
+1.7% for US Dollar +1.4% for Euro +3% for British Pound	(2,468)	(773)
-1.1% for US Dollar -1.2% for Euro -3% for British Pound	2,115	663

The hedging relationships have been taken into account in the Net Interest Income (NII) and Economic Value of Equity (EVE) Sensitivity tables.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

In order to manage currency risk, the ALCO has approved open position limits for the total foreign currency positions. The foreign currency position limits are lower than those prescribed by the regulator. These limits are managed by Treasury Division and monitored daily by Market and Liquidity Risk department.

The Group does not maintain a currency trading book.

The table below sets out the Group's currency risk resulting from the Group's open FX position. The analysis assumes reasonably possible changes in the exchange rates of major currencies against the Euro, based mainly on historical price fluctuations. The impact on profit/loss after tax includes the change in net interest income that arises from the change of currency rate.

The impact on equity arises from the hedging instruments that are used to hedge part of the net assets of the subsidiaries whose functional currency is not the Euro. The net assets of foreign operations are also revalued and affect equity (by an approximately equal and opposite impact), but their impact is not taken into account in the below sensitivity analysis as the below relates only to financial instruments which have a direct impact either on profit/loss after tax or on equity.

2024	**Change in foreign exchange rate %**	**Impact on profit/loss after tax €000**	**Impact on equity €000**
US Dollar	**+5**	**1,566**	**-**
Russian Rouble	**+60**	**1,231**	**-**
Romanian Lei	**+5**	**4**	**(49)**
Swiss Franc	**+5**	**91**	**-**
British Pound	**+5**	**235**	**-**
Japanese Yen	**+5**	**1**	**-**
Other currencies	**+5**	**54**	**-**
US Dollar	**-5**	**(1,417)**	**-**
Russian Rouble	**-30**	**(189)**	**-**
Romanian Lei	**-5**	**(4)**	**44**
Swiss Franc	**-5**	**(82)**	**-**
British Pound	**-5**	**(212)**	**-**
Japanese Yen	**-5**	**(1)**	**-**
Other currencies	**-5**	**(49)**	**-**

45. Risk management - Market risk (continued)

2023	Change in foreign exchange rate %	Impact on profit/loss after tax €000	Impact on equity €000
US Dollar	+5	1,622	-
Russian Rouble	+60	1,364	-
Romanian Lei	+5	3	(63)
Swiss Franc	+5	92	-
British Pound	+5	307	-
Japanese Yen	+5	2	-
Other currencies	+5	48	-

	Change in foreign exchange rate	Impact on profit/loss after tax	Impact on equity
US Dollar	-5	(1,467)	-
Russian Rouble	-30	(210)	-
Romanian Lei	-5	(3)	57
Swiss Franc	-5	(84)	-
British Pound	-5	(278)	-
Japanese Yen	-5	(2)	-
Other currencies	-5	(53)	-

Price risk

Equity securities price risk
The risk of loss from changes in the price of equity securities arises when there is an unfavourable change in the prices of equity securities held by the Group as investments.

Investments in equities are outside the Group's risk appetite, but may be acquired in the context of delinquent loan workouts. The Group monitors the current portfolio mostly acquired by the Group as part of the acquisition of certain operations of Laiki Bank, or through delinquent loan workouts, with the objective to gradually liquidate all positions for which there is a market. Equity securities are disposed of by the Group as soon as practicable.

Changes in the prices of equity securities that are classified as investments at FVPL affect the results of the Group, whereas changes in the value of equity securities classified as FVOCI affect directly the equity of the Group.

The table below shows the impact on the profit/loss before tax and on equity of the Group from a change in the price of the equity securities held, as a result of reasonably possible changes in the relevant stock exchange indices.

2024	Change in index %	Impact on profit/loss before tax €000	Impact on equity €000
Cyprus Stock Exchange	**+40**	**-**	**575**
Athens Exchange	**+50**	**419**	**-**
New York Exchange	**+40**	**-**	**-**
Other stock exchanges and unlisted	**+40**	**-**	**1,343**
Non-listed (Real Estate)	**+10**	**-**	**693**
Cyprus Stock Exchange	**-40**	**-**	**(575)**
Athens Exchange	**-50**	**(419)**	**-**
New York Exchange	**-10**	**-**	**-**
Other stock exchanges and unlisted	**-40**	**-**	**(1,343)**
Non-listed (Real Estate)	**-10**	**-**	**(693)**

45. Risk management - Market risk (continued)

2023	Change in index %	Impact on profit/loss before tax €000	Impact on equity €000
Cyprus Stock Exchange	+40	1	900
Athens Exchange	+50	419	-
New York Exchange	+45	-	-
Other stock exchanges and unlisted	+40	26	1,270
Non-listed (Real Estate)	+25	-	1,732
Cyprus Stock Exchange	-40	(1)	(900)
Athens Exchange	-50	(419)	-
New York Exchange	-10	-	-
Other stock exchanges and unlisted	-40	(26)	(1,270)
Non-listed (Real Estate)	-10	-	(693)

Debt securities price risk
Debt securities price risk is the risk of loss as a result of adverse changes in the prices of debt securities held by the Group. Debt security prices change as the credit risk of the issuer changes and/or as the market interest rates change mainly for fixed rate securities. The Group invests a significant part of its liquid assets in highly rated debt securities. The average Moody's Investors Service rating of the debt securities portfolio of the Group as at 31 December 2024 was Aa2 (2023: A1). Further information on ratings of debt securities is disclosed in Note 44.11.

Changes in the prices of debt securities classified as investments at FVPL, affect the profit or loss of the Group, whereas changes in the value of debt securities classified as FVOCI affect directly the equity of the Group.

The table below indicates how the profit/loss before tax and equity of the Group will be affected from reasonably possible changes in the price of the debt securities held, based on Value at Risk.

2024	Impact on profit/loss before tax €000	Impact on equity €000
Up scenario:		
Aa3 and above rated bonds	**1,250**	**2,168**
A3 and above rated bonds	**281**	**655**
Baa1 and below rated bonds	**6**	**437**
Cyprus Government bonds	**-**	**12,273**
Down scenario:		
Aa3 and above rated bonds	**(1,250)**	**(2,168)**
A3 and above rated bonds	**(281)**	**(655)**
Baa1 and below rated bonds	**(6)**	**(437)**
Cyprus Government bonds	**-**	**(12,273)**

45. Risk management - Market risk (continued)

2023	Impact on profit/loss before tax €000	Impact on equity €000
Up scenario:		
Aa3 and above rated bonds	2,614	4,068
A3 and above rated bonds	151	1,938
Baa1 and below rated bonds	53	430
Cyprus Government bonds	-	27,618
Down scenario:		
Aa3 and above rated bonds	(2,614)	(4,068)
A3 and above rated bonds	(151)	(1,938)
Baa1 and below rated bonds	(53)	(430)
Cyprus Government bonds	-	(27,618)

Other non-equity instruments price risk
The table below shows the impact on the profit/loss before tax and equity of the Group from a change in the price of other non-equity instruments held, as a result of reasonably possible changes in the price index of the relevant instruments.

	Change in index	Impact on profit/loss before tax	Impact on equity
2024	**%**	**€000**	**€000**
Other non-equity instruments	**+40**	**4,281**	**-**
Other non-equity instruments	**-10**	**(1,070)**	**-**
2023			
Other non-equity instruments	+45	1,625	-
Other non-equity instruments	-10	(361)	-

Property price risk

A significant part of the Group's loan portfolio is secured by real estate, the majority of which is located in Cyprus. Furthermore, the Group holds a substantial number of properties mainly arising from loan restructuring activities; the enforcement of loan collateral and debt for asset swaps. These properties are held by the Group primarily as stock of property and some are held as investment properties.

Property risk is the risk that the Group's business and financial position will be affected by adverse changes in the demand for, and prices of, real estate, or by regulatory capital requirements relating to increased charges with respect to the stock of property held.

46. Risk management - Liquidity and funding risk

Liquidity Risk

Liquidity risk is the risk that the Group is unable to fully or promptly meet current and future payment obligations as and when they fall due. This risk includes the possibility that the Group may have to raise funding at high cost or sell assets at a discount to fully and promptly satisfy its obligations.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayment and unexpectedly high payment outflows. Liquidity risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets and the risk of being unable to liquidate a position in a timely manner on reasonable terms.

In order to limit this risk, management has in place an established Liquidity Risk Policy of managing assets, taking liquidity into consideration and monitoring cash flows and liquidity on a regular basis. The Group has developed internal control processes and contingency plans for managing liquidity risk.

46. Risk management - Liquidity and funding risk (continued)

Management and structure

The Board of Directors sets the Group's Liquidity Risk Appetite which defines the level of risk at which the Group should operate.

The Board of Directors, through its Risk Committee, approves the Liquidity Risk Policy and reviews at frequent intervals the liquidity position of the Group.

The ALCO is responsible for setting the policies for the effective management and monitoring of liquidity risk across the Group.

The Treasury Division is responsible for liquidity management at Group level, ensuring compliance with internal policies and regulatory liquidity requirements and providing direction as to the actions to be taken regarding liquidity needs. The Treasury Division assesses on a regular basis the adequacy of the liquid assets and takes the necessary actions to ensure adequate liquidity position.

Liquidity is also monitored by Market and Liquidity Risk department, to ensure compliance with both internal policies and limits, and with the limits set by the regulatory authorities. Market and Liquidity Risk department reports the liquidity position to ALCO at least monthly. It also provides the results of various stress tests to ALCO and the Board Risk Committee at least quarterly.

Liquidity is monitored and managed on an ongoing basis through:

(i) Risk appetite: establishes the Group's Risk Appetite Statement together with the appropriate limits for the management of all risks including liquidity risk.

(ii) Liquidity Risk Policy: sets the principles, the roles and responsibilities for managing liquidity risk as well as the liquidity and funding risk management framework, stress testing and the reporting on liquidity and funding.

(iii) Liquidity limits: a number of internal and regulatory limits are monitored on a regular basis. Where applicable, a traffic light system (RAG) is used for ratios, in order to raise flags and take action when the ratios deteriorate.

(iv) Early Warning Indicators: monitoring of a range of indicators for early signs of liquidity risk in the market or specific to the Group. These are designed to immediately identify the emergence of increased liquidity risk so as to maximise the time available to execute appropriate mitigating actions.

(v) Liquidity Contingency Plan: maintenance of a Liquidity Contingency Plan (LCP) which is designed to provide a framework where a liquidity stress could be effectively identified and managed. The LCP provides a communication plan and includes management actions to respond to liquidity stresses.

(vi) Recovery Plan: the Group has developed a Recovery Plan (RP), the key objectives of which are, among others, to set key Recovery and Early Warning Indicators and to set in advance a range of recovery options to enable the Group to be adequately prepared to respond to stressed conditions and restore the Group’s liquidity position.

Monitoring process

Daily

The daily monitoring of the stock of highly liquid assets is important to safeguard and ensure the uninterrupted operations of the Group’s activities. Market and Liquidity Risk department prepares a daily report analysing the internal liquidity buffer and comparing it to the previous day’s buffer. Results are made available to members of the Risk and Treasury Divisions. In addition, Treasury monitors daily and intraday the customer inflows and outflows in the main currencies used by the Group.

The liquidity buffer is made up of: Banknotes, CBC balances (excluding the Minimum Reserve Requirements (MRR)), unpledged cash and nostro current accounts, as well as money market placements up to the stress horizon, available ECB credit line and market value net of haircut of unencumbered/available liquid bonds.

46. Risk management - Liquidity and funding risk (continued)

The designing of the stress tests follows guidance and is based on the liquidity risk drivers which are recognised internationally by both the Prudential Regulation Authority (PRA) and EBA. In addition, it takes into account SREP recommendations, as well as the Annual Risk Identification Process of the Group. The stress test assumptions are reviewed on an annual basis and approved by the Board of Directors through its Risk Committee. Whenever it is considered appropriate to amend the assumptions during the year, approval is requested from ALCO and the Board Risk Committee. The main items shocked in the different scenarios are: deposit outflows, wholesale funding, loan repayments, off balance sheet commitments, marketable securities, own issue covered bond, additional credit claims, interbank takings and cash collateral for derivatives and repos.

Weekly
Market and Liquidity Risk department prepares a report indicating the level of liquid assets including Credit Institutions Money-Market Placements as per LCR definitions.

Market and Liquidity Risk department also prepares the liquidity stress testing for bank specific, market wide and combined scenarios on a weekly basis. The requirement is to have sufficient liquidity buffer to enable the Company to survive a twelve-month stress period, including capacity to raise funding under all scenarios.

Furthermore, a report is submitted to the regulator on a weekly basis. The report includes information on deposits breakdown, cash flow information, survival period, LCR ratio, rollover of funding, funding gap (through the Maturity Ladder analysis), concentration of funding and collateral details. It concludes on the overall liquidity position of the Company and describes the measures already implemented and those which will be implemented in the short-term to improve liquidity position if needed.

Monthly
Market and Liquidity Risk department prepares reports monitoring compliance with internal and regulatory liquidity requirements and submits them to the ALCO, the Executive Committee and the Board Risk Committee. It also calculates the surplus liquidity buffer following stress outflows. The fixed deposit renewal rates, the percentage of International business unit deposits over total deposits and the percentage of instant access deposits are also presented. The liquidity mismatch in the form of the Maturity Ladder report (for both contractual and behavioural flows) is presented to ALCO and the resulting mismatch between assets and liabilities is compared to previous month's mismatch.

Market and Liquidity Risk department also reports the Liquidity Coverage Ratio (LCR) and Additional Liquidity Monitoring Metrics (ALMM) to the CBC/ECB on a monthly basis.

Quarterly
The results of the stress testing scenarios are reported to ALCO and the Board Risk Committee quarterly as part of the quarterly Internal Liquidity Adequacy Assessment Process (ILAAP) review. Market and Liquidity Risk department also reports the Net Stable Funding Ratio (NSFR) to the CBC/ECB quarterly.

Annually
The Group prepares on an annual basis its ILAAP package. The ILAAP package provides a holistic view of the Group's liquidity adequacy under normal and stress conditions. Within ILAAP, the Group evaluates its liquidity risk in the context of established policies and processes for the identification, measurement, management and monitoring of liquidity risk as implemented by the Group.

The Market and Liquidity Risk department also prepares annually an ECB/SRB liquidity report, the 'Joint liquidity template' that runs for five consecutive days. The report includes information on deposits breakdown, cash flow information, survival period, LCR ratio, rollover of funding, funding gap (through the Maturity Ladder analysis), concentration of funding and collateral details. It concludes on the overall liquidity position of the Company and describes the measures implemented and to be implemented in the short-term to improve liquidity position if needed.

As part of the Group's procedures for monitoring and managing liquidity risk, there is a Group Liquidity Contingency Plan (LCP) for handling liquidity difficulties. The LCP details the steps to be taken in the event that liquidity problems arise, which escalate to a special meeting of the Crisis Management Committee for LCP (CMC-LCP). The LCP sets out the members of this committee and a series of the possible actions that can be taken. The LCP is reviewed and tested at least annually.

46. Risk management - Liquidity and funding risk (continued)

Liquidity ratios

The Group LCR is calculated based on the Delegated Regulation (EU) 2015/61. It is designed to establish a minimum level of high quality liquid assets sufficient to meet an acute stress lasting for 30 calendar days. The minimum regulatory requirement is 100%. The Group also calculates its NSFR as per Capital Requirements Regulation II (CRR II), with the limit set at 100%. The NSFR is the ratio of available stable funding to required stable funding. NSFR has been developed to promote a sustainable maturity structure of assets and liabilities.

Funding risk

Funding risk is the risk that the Group does not have sufficiently stable sources of funding or access to sources of funding may not always be available at a reasonable cost, and thus the Group may fail to meet its obligations, including regulatory ones (e.g. MREL).

Main sources of funding

As at 31 December 2024, the Group's main sources of funding were its deposit base and wholesale funding. Wholesale funding is becoming an important source of funding, with the issuance of Tier 2 of a nominal amount of €300 million, the issuances of senior preferred debt of an aggregate nominal amount of €950 million and the AT1 issuance for €220 million. As at 31 December 2024, the wholesale funding nominal amount was €1,470 million (2023: €1,170 million) as further described in Notes 32 and 34.

With respect to funding from TLTRO III operations, this was fully repaid in the year ended 31 December 2024.

Funding to subsidiaries

The funding provided by the Company to its subsidiaries for liquidity purposes is repayable as per the terms of the respective agreements.

The subsidiaries may proceed with dividend distributions in the form of cash to the Company, provided that they are not in breach of their regulatory capital and liquidity requirements, where applicable.

Collateral requirements and other disclosures

Collateral requirements
The carrying values of the Group's encumbered assets as at 31 December 2024 and 2023 are summarised below:

	2024	2023
	€000	€000
Cash and other liquid assets	**55,434**	72,800
Investments	**39,958**	260,011
Loans and advances	**3,470,859**	3,349,118
	3,566,251	3,681,929

Cash is mainly used to cover collateral required for derivatives, trade finance transactions and guarantees issued. It may also be used as part of the supplementary assets for the covered bond.

As at 31 December 2024 investments are used as supplementary assets for the covered bond. As at 31 December 2023 investments were mainly used as collateral for ECB funding or as supplementary assets for the covered bond.

As at 31 December 2024, loans and advances indicated as encumbered are mainly pledged for any potential use of the funding facilities of the ECB and for the covered bond. As at 31 December 2023, loans and advances indicated as encumbered were mainly used as collateral for funding from the ECB and the covered bond.

46. Risk management - Liquidity and funding risk (continued)

Loans and advances to customers include mortgage loans of a nominal amount of €1,010 million as at 31 December 2024 (2023: €1,008 million) in Cyprus, pledged as collateral for the covered bond issued by the Company in 2011 under its Covered Bond Programme. As at 31 December 2024, although there is no outstanding funding from the ECB, housing loans of a nominal amount of €2,431 million (2023: €2,329 million) in Cyprus, remain in the collateral pool of the CBC part of the available credit line.

The Company maintains a Covered Bond Programme set up under the Cyprus Covered Bonds legislation and the Covered Bonds Directive of the CBC. Under the Covered Bond Programme, the Company has in issue covered bonds of €650 million secured by residential mortgages originated in Cyprus. The Covered Bonds have a maturity date of 12 December 2026 and pay an interest rate of 3-month Euribor plus 1.25% on a quarterly basis. On 9 August 2022, the Company proceeded with an amendment to the terms and conditions of the covered bonds following the implementation of Directive (EU) 2019/2162 in Cyprus. The covered bonds are listed on the Luxemburg Bourse. The covered bonds have a conditional Pass-Through structure. All the bonds are held by the Company. The covered bonds are eligible collateral for the Eurosystem credit operations and are placed as collateral for accessing funding from the ECB.

In addition to the encumbered assets presented above, as at 31 December 2024 cash collateral of €7 million has been placed with counterparties in relation to the reverse repurchase agreements (2023: €30 million) (Note 44.11).

Other disclosures
Deposits by banks include balances of €13,870 thousand as at 31 December 2024 (2023: €20,462 thousand) relating to borrowings from international financial and similar institutions for funding, aiming to facilitate access to finance and improve funding conditions for small or medium sized enterprises, active in Cyprus. The carrying value of the respective loans and advances granted to such enterprises serving this agreement amounts to €27,341 thousand as at 31 December 2024 (2023: €40,049 thousand).

Analysis of financial assets and liabilities based on remaining contractual maturity

The analysis of the Group’s financial assets and liabilities based on the remaining contractual maturity at 31 December is based on undiscounted cash flows, analysed in time bands according to the number of days remaining from 31 December to the contractual maturity date.

Financial assets
The analysis of financial assets does not include any interest receivable cash flows. Financial assets have a much longer duration than financial liabilities and non-discounted interest receivable cash flows are higher than non-discounted interest payable cash flows (based on remaining contractual maturity). As a result, non-discounted cash inflows from interest receivable would have greatly exceeded non-discounted cash outflows on interest payable, thus artificially improving liquidity.

Cash and balances with central banks are classified in the relevant time band based on the contractual maturity, with the exception of obligatory balances with central banks and balances with central banks for ancillary systems. Obligatory balances with central banks are assigned to different time bands proportionally according to the allocation of customer deposits and deposits by banks. Balances with central banks for ancillary systems are classified in the 'over five years' time band.

Current accounts, overdrafts and amounts in arrears are included within the first maturity time band which reflects their contractual maturity. All other loans and advances to customers are analysed according to their contractual repayment schedule.

Loans and advances to banks are analysed in the time bands according to the number of days remaining from 31 December until their contractual maturity date. Amounts placed as collateral (primarily for derivatives) are assigned to different time bands based on either their maturity, or proportionally according to the maturities of derivatives (where the collateral had no fixed maturity).

Financial assets with no contractual maturity (such as equity securities) are included in the 'Over five years' time band, unless classified as at FVPL, in which case they are included in the 'On demand and up to one month' time band.

The investments are classified in the relevant time band according to their contractual maturity.

46. Risk management - Liquidity and funding risk (continued)

Financial liabilities
All financial liabilities for the repayment of which notice is required, are included in the relevant time bands as if notice had been given on 31 December, despite the fact that the Group expects that the majority of its customers will not demand repayment of such liabilities on the earliest possible date. Fixed deposits are classified in time bands based on their remaining contractual maturity. Although customers may demand repayment of time deposits (subject to penalties depending on the type of the deposit account), the Group has the discretion not to accept such early termination of deposits.

Debt securities in issue and subordinated liabilities are classified in the relevant time band according to the remaining contractual maturity.

The amounts presented in the table below are not equal to the amounts presented on the balance sheet, since the table below presents all cash flows (including interest to maturity) on an undiscounted basis.

Derivative financial instruments
The fair value of the derivatives is included in financial assets or in financial liabilities in the time band corresponding to the remaining maturity of the derivative.

Gross settled derivatives are presented in a separate table and the corresponding cash flows are classified accordingly in the time bands which relate to the number of days until their receipt or payment.

Contingent liabilities and Commitments
Amounts of contingent liabilities and commitments are included in the time band on the basis of their remaining contractual maturities except for amounts of undrawn facilities and guarantees which are included in the earliest date on which the Group can be required to pay. For guarantees to give rise to a payment obligation to the Group, certain conditions must be met specific to the guarantee contract in order for an outflow to arise. Given that guarantees could be called at any time by the counterparty, subject to the occurrence of the relevant event, they are included in the 'On demand and up to one month' time band. The analysis in the time bands of the amounts for the guarantees for the comparative period has been changed from being included in the time bands on the basis of their remaining contractual maturities to the ‘On demand and up to one month’ time band to align to the above. The total amount presented for guarantees for the comparative period is not impacted.

As a significant portion of the contingent liabilities and commitments expire without being utilised the total of the nominal principal amounts is not indicative of future liquidity requirements.

46. Risk management - Liquidity and funding risk (continued)

2024	On demand and up to one month	Between one and three months	Between three months and one year	Between one and five years	Over five years	**Total**
	€000	€000	€000	€000	€000	**€000**
Financial assets						
Cash and balances with central banks	7,512,616	14,685	23,759	2,061	47,605	**7,600,726**
Loans and advances to banks	289,133	1,566	472,188	57,687	-	**820,574**
Reverse repurchase agreements	-	-	-	1,010,170	-	**1,010,170**
Fair value of derivative assets	7,907	332	503	75,197	11,334	**95,273**
Investments at FVPL	128,996	-	5,335	2,298	-	**136,629**
Investments not at FVPL	119,238	97,899	400,429	1,965,335	1,638,813	**4,221,714**
Loans and advances to customers	1,059,779	214,529	744,076	3,078,961	5,019,823	**10,117,168**
Other assets	73,560	4,214	158,119	49,289	10,450	**295,632**
	9,191,229	**333,225**	**1,804,409**	**6,240,998**	**6,728,025**	**24,297,886**
Financial liabilities						
Deposits by banks	100,558	11,533	32,434	207,342	23,284	**375,151**
Customer deposits	16,448,840	1,550,780	2,535,228	15,440	-	**20,550,288**
Debt securities in issue	-	-	48,313	1,104,057	-	**1,152,370**
Subordinated liabilities	-	-	19,875	102,615	356,162	**478,652**
Fair value of derivative liabilities	585	34	178	2,077	1,790	**4,664**
Lease liabilities	870	1,269	4,383	22,127	9,911	**38,560**
Other liabilities	272,725	543	188	33,972	86,230	**393,658**
	16,823,578	**1,564,159**	**2,640,599**	**1,487,630**	**477,377**	**22,993,343**
Net financial (liabilities)/assets	**(7,632,349)**	**(1,230,934)**	**(836,190)**	**4,753,368**	**6,250,648**	**1,304,543**

46. Risk management - Liquidity and funding risk (continued)

2023	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Financial assets						
Cash and balances with central banks	9,571,884	14,810	23,159	3,995	654	9,614,502
Loans and advances to banks	292,546	1,609	467	79,899	10,281	384,802
Reverse repurchase agreements	-	-	-	403,199	-	403,199
Fair value of derivative assets	220	99	540	35,263	14,933	51,055
Investments at FVPL	131,664	-	-	3,611	-	135,275
Investments not at FVPL	86,322	76,184	483,759	1,816,464	1,097,405	3,560,134
Loans and advances to customers	1,101,513	188,261	723,535	2,798,404	5,011,414	9,823,127
Other assets	95,211	2,649	123,783	151,298	15,303	388,244
	11,279,360	283,612	1,355,243	5,292,133	6,149,990	24,360,338
Financial liabilities						
Deposits by banks	153,942	18,737	35,481	210,135	69,494	487,789
Funding from central banks	-	1,752,836	313,174	-	-	2,066,010
Customer deposits	15,177,652	1,538,792	2,424,392	214,190	-	19,355,026
Debt securities in issue	-	-	33,323	779,464	-	812,787
Subordinated liabilities	-	-	19,885	94,663	384,739	499,287
Fair value of derivative liabilities	13,362	516	201	2,515	1,386	17,980
Lease liabilities	1,710	2,193	4,583	20,304	1,427	30,217
Other liabilities	181,959	17,640	35,090	32,836	61,882	329,407
	15,528,625	3,330,714	2,866,129	1,354,107	518,928	23,598,503
Net financial (liabilities)/assets	(4,249,265)	(3,047,102)	(1,510,886)	3,938,026	5,631,062	761,835

2024	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	**Total €000**
Gross settled derivatives						
Financial assets						
Contractual amounts receivable	667,289	181,962	2,991	-	-	**852,242**
Contractual amounts payable	(659,663)	(181,323)	(2,927)	-	-	**(843,913)**
	7,626	**639**	**64**	**-**	**-**	**8,329**
Financial liabilities						
Contractual amounts receivable	144,527	34,120	2,549	-	-	**181,196**
Contractual amounts payable	(144,633)	(34,119)	(2,605)	-	-	**(181,357)**
	(106)	**1**	**(56)**	**-**	**-**	**(161)**

46. Risk management - Liquidity and funding risk (continued)

2024	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Contingent liabilities and commitments						
Contingent liabilities						
Acceptances and endorsements	4,097	711	463	-	-	**5,271**
Guarantees	705,774	-	-	-	-	**705,774**
Commitments						
Documentary credits	7,318	1,539	5,911	-	-	**14,768**
Undrawn formal standby facilities, credit lines and other commitments to lend	2,009,698	-	-	-	-	**2,009,698**
	2,726,887	**2,250**	**6,374**	**-**	**-**	**2,735,511**

2023	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Gross settled derivatives						
Financial assets						
Contractual amounts receivable	56,545	6,059	2,646	-	-	65,250
Contractual amounts payable	(56,310)	(5,992)	(2,599)	-	-	(64,901)
	235	67	47	-	-	349
Financial liabilities						
Contractual amounts receivable	907,453	136,201	2,617	-	-	1,046,271
Contractual amounts payable	(920,105)	(136,063)	(2,637)	-	-	(1,058,805)
	(12,652)	138	(20)	-	-	(12,534)

2023 (restated)	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Contingent liabilities and commitments						
Contingent liabilities						
Acceptances and endorsements	1,321	879	380	-	-	2,580
Guarantees	703,044	-	-	-	-	703,044
Commitments						
Documentary credits	1,242	3,830	5,179	-	-	10,251
Undrawn formal standby facilities, credit lines and other commitments to lend	1,948,482	-	-	-	-	1,948,482
	2,654,089	4,709	5,559	-	-	2,664,357

47. Risk management - Insurance risk

Insurance risk is the risk that an insured event under an insurance contract occurs and the related uncertainty of the amount and the timing of the resulting claim. By the very nature of an insurance contract, this risk is largely random and therefore unpredictable.

47. Risk management - Insurance risk (continued)

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces is that the actual claims and benefit payments will exceed the carrying amount of insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are largely random and the actual volume and cost of claims and benefits will vary from year to year compared to the estimate established using statistical or actuarial techniques.

The above risk exposure is mitigated by the Group through the diversification across a large portfolio of insurance contracts. The variability of risks is also reduced by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. Although the Group has reinsurance coverage, it is not relieved of its direct obligations to policyholders and is thus exposed to credit risk with respect to ceded insurance, to the extent that any reinsurer is unable to meet the obligations assumed under such reinsurance arrangements. For that reason, the creditworthiness of reinsurers is evaluated by considering their solvency and credit rating.

Life and Accident and Health insurance contracts
The main factors that could affect the overall frequency of claims are epidemics, major lifestyle changes, pandemics and natural disasters.

The underwriting strategy and risk assessment is designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through the use of medical screening in order to ensure that pricing takes account of the current medical conditions and family medical history and through the regular review of actual claims and product pricing. The Group has the right to decline policy applications, it can impose additional charges and it has the right to reject the payment of fraudulent claims.

The most significant risks relating to accident and health insurance contracts result from lifestyle changes and from climate and environmental changes. The risks are mitigated by the use of strategic selection and risk-taking at the underwriting stage and by thorough investigation for possible fraudulent claims.

The following sensitivity analysis shows the impact on profit before tax and equity for reasonably possible movements in key assumptions, with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions are changed on an individual basis while holding all other assumptions constant. Movements in these assumptions are non–linear. Sensitivity information also varies according to the current economic assumptions.

2024	**Change in assumptions**	**Impact on profit before tax**	**Impact on equity**
	%	**€000**	**€000**
Change in mortality rates	**-10%**	**609**	**533**
Change in lapsation and surrender rates	**+10%**	**(419)**	**(479)**
Change in expenses	**+5%**	**(1,107)**	**(1,265)**
Change in inflation	**+1%**	**(2,210)**	**(2,526)**
Change in discount rate curve at each projection year	**-0,25%**	**221**	**193**

2023	Change in assumptions	Impact on Profit before tax	Impact on equity
	%	€000	€000
Change in mortality rates	-10%	1,956	1,711
Change in lapsation and surrender rates	+10%	(143)	(163)
Change in expenses	+5%	(891)	(1,019)
Change in inflation	+1%	(1,673)	(1,912)
Change in discount rate curve at each projection year	-0,25%	119	104

Some of the sensitivity scenarios shown in respect of changes to both economic and non–economic variables may have a consequential effect on the valuation basis when a product is valued on an active basis which is updated to reflect current economic conditions.

47. Risk management - Insurance risk (continued)

Non-life insurance contracts other than accident and health
Non-life insurance business is concentrated in Cyprus and the main claims during the year ended 31 December 2024 and 2023 related to fire and natural forces and other damage to property, motor vehicle liability and general liability.

Risks under these policies are usually covered for a period of 12 months, with the exception of the goods in transit class that covers shorter periods and the contractors all risks class that covers longer periods.

The liabilities for outstanding claims arising from insurance contracts issued by the Group are based on experts' estimates and facts known at the balance sheet date. With time, these estimates are reconsidered and any adjustments are recognised in the financial statements in the period in which they arise.

The principal assumptions underlying the estimates for each claim are based on experience and market trends, taking into consideration claims handling costs, inflation and claim numbers for each accident year. Also, external factors that may affect the estimate of claims, such as recent court rulings and the introduction of new legislation, are taken into consideration.

The insurance contract liabilities are sensitive to changes in the above key assumptions. The sensitivity of certain assumptions, such as the introduction of new legislation and the rulings of court cases, is very difficult to be quantified. Furthermore, the delays that arise between the occurrence of a claim and its subsequent notification and eventual settlement increase the uncertainty over the cost of claims at the reporting date.

The risk of a non-life insurance contract occurs from the uncertainty of the amount and time of presentation of the claim. Therefore, the level of risk is determined by the frequency of such claims, their severity and their evolution from one period to the next.

The main risks for the non-life insurance business arise from major catastrophic events like natural disasters. These risks vary depending on location, type and nature. The variability of risks is mitigated by the diversification of risk of loss to a large portfolio of insurance contracts, as a more diversified portfolio is less likely to be affected by changes in any subset of the portfolio. The Group's exposure to insurance risks from non-life insurance contracts is also mitigated by the following measures: adherence to underwriting policies, frequent review and processing of claims to minimise the possibility of negative developments in the future, and use of effective reinsurance arrangements to minimise the impact of risks, especially for catastrophic events.

48. Capital management

The primary objective of the Group's capital management is to ensure compliance with the relevant regulatory capital requirements and to maintain healthy capital adequacy ratios to cover the risks of its business, support its strategy and maximise shareholders' value.

The capital adequacy framework, as in force, was incorporated through the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) which came into effect on 1 January 2014 with certain specified provisions implemented gradually. The CRR and CRD transposed the capital, liquidity and leverage standards of Basel III into the European Union's legal framework. CRR establishes the prudential requirements for capital, liquidity and leverage for credit institutions. It is directly applicable in all EU member states. CRD governs access to deposit taking activities and internal governance arrangements including remuneration, board composition and transparency. Unlike the CRR, member states were required to transpose the CRD into national law and national regulators were allowed to impose additional capital buffer requirements.

On 27 June 2019, the revised rules on capital and liquidity (Regulation (EU) 2019/876 (CRR II) and Directive (EU) 2019/878 (CRD V)) came into force. As an amending regulation, the existing provisions of CRR apply unless they are amended by CRR II. Certain provisions took immediate effect (primarily relating to Minimum Requirement for Own Funds and Eligible Liabilities (MREL)), but most changes became effective as of June 2021. The key changes introduced consist of, among others, changes to qualifying criteria for Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) instruments, introduction of requirements for MREL and a binding Leverage Ratio requirement (as defined in the CRR) and a Net Stable Funding Ratio (NSFR).

48. Capital management (continued)

The amendments that came into effect on 28 June 2021 are in addition to those introduced in June 2020 through Regulation (EU) 2020/873, which among other, brought forward certain CRR II changes in light of the COVID-19 pandemic. The main adjustments of Regulation (EU) 2020/873 that had an impact on the Group's capital ratio relate to the acceleration of the implementation of the new SME discount factor (lower RWAs), extending the IFRS 9 transitional arrangements and introducing further relief measures to CET1 allowing to fully add back to CET1 any increase in ECL recognised in 2020 and 2021 for non-credit impaired financial assets and phasing-in this starting from 2022 (phasing-in at 25% in 2022, 50% in 2023 and 75% in 2024) and advancing the application of prudential treatment of software assets as amended by CRR II (which came into force in December 2020).

In October 2021, the European Commission adopted legislative proposals for further amendments to the CRR, CRD and the BRRD (the '2021 Banking Package'). Amongst other things, the 2021 Banking Package would implement certain elements of Basel III that had not yet been transposed into EU law. In addition, in the case of the proposed amendments to CRD and the BRRD, their terms and effect will depend, in part, on how they are transposed in each member state. In December 2023, the preparatory bodies of the Council and European Parliament endorsed the amendments to the CRR and the CRD and the legal texts were published on the Council and the Parliament websites. In April 2024, the European Parliament voted to adopt the amendments to the CRR and the CRD; Regulation (EU 2024/1623 (known as CRR III) and Directive (EU) 2024/1619 (known as CRD VI) were published in the EU's official journal in June 2024, with entry into force 20 days from the date of the publication. Most provisions of CRR III have become effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased in over time. Member states shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and shall apply most of those measures by 11 January 2026.

The Group and the Company have complied with the minimum capital requirements (Pillar I and Pillar II).

The insurance subsidiaries of the Group, the General Insurance of Cyprus Ltd and EuroLife Ltd, comply with the requirements of the Superintendent of Insurance including the minimum solvency ratio. The regulated Cyprus Investment Firm (CIF) of the Group, The Cyprus Investment and Securities Corporation Ltd (CISCO) complies with the minimum capital adequacy ratio requirements. The payment services subsidiary of the Group, JCC Payment Services Ltd, complies with regulatory capital requirements under the Provision and Use of Payment Services and Access to Payment Systems Laws of 2018 to 2023.

49. Related party transactions

Related parties of the Group include associates and joint ventures, key management personnel, members of the Board of Directors and their connected persons. Connected persons for the purpose of this disclosure include spouses, minor/dependent children and companies in which the directors/key management personnel, hold directly or indirectly, at least 50% of the voting shares in a general meeting, or act as executive director or exercise control of the entities in any way.

(a) Transactions with subsidiaries

The Company is the holding company of the Group. The Company enters into transactions with its subsidiaries in the normal course of business. Balances and transactions between the Company and its subsidiaries are disclosed in Note 17 of the Company's financial statements. Transactions with the subsidiaries have been eliminated on consolidation.

(b) Transactions with associates

From time to time, the Group provides to and receives from its associates certain banking and financial services. These are not material to the Group and all the transactions are made on normal business terms as for comparable transactions with other customers of a similar type.

(c) Compensation of the Board of Directors and key management personnel

The following disclosures are made in accordance with the provisions of IAS 24 Related Party Disclosures, in respect of the compensation of the Board of Directors and key management personnel.

Fees and emoluments of members of the Board of Directors and key management personnel

Directors' emoluments	**2024 €000**	2023 €000
Executives		
Salaries and other short-term benefits	**1,151**	1,061
Variable remuneration - STIP	**72**	400
Variable remuneration - LTIP	**1,180**	-
Retirement benefit plan costs	**102**	94
	2,505	1,555
Non-executives		
Fees	**942**	1,077
Total directors' emoluments	**3,447**	2,632
Key management personnel emoluments		
Salaries and other short-term benefits	**3,241**	3,058
Termination benefits	**-**	200
Variable remuneration - STIP	**600**	610
Variable remuneration - LTIP	**2,161**	-
Retirement benefit plan costs	**275**	262
Total key management personnel emoluments	**6,277**	4,130
Total	**9,724**	6,762

Fees and emoluments of members of the Board of Directors and key management personnel are included for the period that they serve as members of the Board of Directors and as key management personnel respectively.

The retirement benefit plan costs relate to contributions paid for defined contribution plans.

49. Related party transactions (continued)

Variable remuneration amounts (amounts for STIP and LTIP) presented in the tables above and further below in the tables in this Note represent the award amount awarded in respect of the performance year 2024 for STIP and of the performance period 2022-2024 for the 2022 LTIP (2022 LTIP cycle awarded), and include both amounts expected to vest in 2025 and amounts to be deferred in following years. In respect of the 2022 LTIP, the amount of the award disclosed is different from the annual cost amount recorded in the consolidated income statement as the annual cost is calculated under the IFRS 2 provisions as per the accounting policy disclosed in Note 2.32. The LTIP amount included in the tables in this Note represents the amount awarded, calculated as the final amount of shares to be delivered (subject to continuing employment) (determined by reference to the performance scorecard assessment outcome) based on the average closing share price on the Cyprus Stock Exchange for the period from 1 December 2024 to 17 January 2025 of €4.62. The final number of shares to be delivered to the CEO have been set to 192,883, to the EDF to 62,614 and for the key management personnel to 467,662. No LTIP cycle had a performance period ending in the year ended 31 December 2023 and therefore no amounts are included in the tables in respect of variable remuneration under LTIP for the comparative period. The annual expense amounts recorded in the consolidated income statement for the year ended 31 December 2024 and 2023 in accordance with IFRS 2 in respect of the Executive Directors and key management personnel are disclosed below.

As disclosed in Note 14.3, the short-term incentive award is primarily awarded in the form of cash. Where the total amount of variable remuneration for a financial year awarded under STIP and LTIP for an individual exceeds a threshold as per regulatory guidelines, then at least 50% of the variable remuneration must be awarded in the form of shares. In the case of the Executive Directors and key management personnel for the year ended 31 December 2024, the amounts awarded under STIP will be in the form of cash as the LTIP award is awarded in the form of shares and it is in excess of 50% of the variable remuneration for 2024 (2023: in the case of the Executive Directors, the 2023 STIP award was 50% in the form of cash and 50% in the form of shares and in the case of the other key management personnel an amount of €560 thousand was in the form of cash and an amount of €50 thousand in the form of shares). In the context of establishing the final amount of variable remuneration for the performance year 2024, following the outcome of the assessment of the predetermined performance targets, the amounts awarded under the 2022 LTIP cycle were determined first, followed by the STIP amount to be awarded so that the total variable remuneration is within the 100% fixed to variable remuneration ratio threshold. Therefore, for year 2024, where for a participant the entire of the 100% threshold was utilised for the LTIP, no STIP amount has been awarded.

In case the total variable remuneration award to an individual exceeds a certain regulatory threshold, then vesting conditions as described in Note 14.3, apply for both the cash and the share component and remain subject to malus and clawback conditions as per the applicable regulatory framework and the LTIP Plan rules.

Executive Directors' emoluments
A cost of €317 thousand has been recorded by the Group in its Consolidated Income Statement in relation to awards granted in 2022, 2023 and 2024 to the Executive Directors under the Long-Term Incentive Plan (LTIP) as described in Note 14.2 (2023: cost of €235 thousand for awards granted in 2022 and 2023). The recognition of such cost is in accordance with the Group accounting policy described in Note 2.32.

Key management personnel
The emoluments of key management personnel include the remuneration of the members of the Executive Committee and the emoluments of other members of the Senior Management team (Extended EXCO) since the date of their appointment to the Committees.

Further, employer's contributions in relation to the emoluments of key management personnel of €391 thousand have been recorded in the Consolidated Income Statement during the year ended 31 December 2024 (2023: €351 thousand). Such amounts are not considered part of the remuneration, but rather an incremental cost to the Group, and as such not included in the table above.

Further, a cost of €615 thousand has been recorded by the Group in its Consolidated Income Statement in relation to awards granted in 2022, 2023 and 2024 to the key management personnel under the Long-Term Incentive Plan (LTIP) as described in Note 14.2 (2023: cost of €360 thousand for awards granted in 2022 and 2023). The recognition of such cost is in accordance with the Group accounting policy described in Note 2.32.

49. Related party transactions (continued)

Executive Directors
The fees and emoluments of the Executive Directors are analysed as follows:

	2024	2023
	€000	€000
Panicos Nicolaou (Chief Executive Officer)		
Salaries and other short-term benefits	**819**	761
Variable remuneration - STIP	**-**	300
Variable remuneration - LTIP	**891**	-
Retirement benefit plan costs	**73**	68
	1,783	1,129
Eliza Livadiotou (Executive Director Finance)		
Salaries and other short-term benefits	**332**	300
Variable remuneration - STIP	**72**	100
Variable remuneration - LTIP	**289**	-
Retirement benefit plan costs	**29**	26
	722	426
Total	**2,505**	1,555

The share-based benefits expense recorded in the Consolidated Income Statement during the year ended 31 December 2024 for the share awards granted under the LTIP for LTIP Cycles 2022, 2023 and 2024 amounts to €240 thousand (2023: €186 thousand) for the Chief Executive Officer and to €77 thousand (2023: €49 thousand) for the Executive Director Finance.

Further, employer's contributions of €63 thousand have been recorded in the Consolidated Income Statement during the year ended 31 December 2024, of which €34 thousand relate to the Chief Executive Officer and €29 thousand relate to the Executive Director Finance (2023: total employer's contributions of €64 thousand, of which €38 thousand relate to the Chief Executive Officer and €26 thousand to the Executive Director Finance). Such amounts are not considered part of the remuneration of Directors, but rather an incremental cost to the Group, and as such have not been included in the table above.

Non-executive Directors
The fees of Non-executive Directors are analysed as follows:

	2024	2023
	€000	€000
Efstratios-Georgios Arapoglou	**261**	250
Lyn Grobler	**165**	155
Constantine Iordanou (1)	**81**	148
Monique Eugenie Hemerijck(2)	**152**	38
Adrian John Lewis(3)	**159**	8
Christian Philipp Hansmeyer(4)	**62**	-
William Stuart Birrell(4)	**62**	-
Arne Berggren(5)	**-**	30
Ioannis Zographakis(6)	**-**	113
Nicolaos Sofianos (7)	**-**	117
Paula Hadjisotiriou(6)	**-**	141
Maria Philippou(8)	**-**	77
	942	1,077

Further, employer's contributions in relation to non-executive Directors of €24 thousand have been recorded in the Consolidated Income Statement during the year ended 31 December 2024 (2023: €31 thousand). Such amounts are not considered part of the remuneration of Directors, but rather an incremental cost to the Group, and as such have not been included in the table above.

49. Related party transactions (continued)

(1) Passed away on 16 June 2024.

(2) ECB approved the appointment of Mrs Monique Eugenie Hemerijck on 10 August 2023.

(3) ECB approved the appointment of Mr Adrian John Lewis on 17 November 2023.

(4) On 29 April 2024, ECB approved the appointment of Mr Christian Philipp Hansmeyer and Mr William Stuart Birrell as members of the Board of Directors and during the AGM on 17 May 2024, they were appointed to the Board of Directors.

(5) On 31 March 2023, Mr Arne Berggren resigned as a member of the Board of Directors.

(6) On 31 December 2023, both Mrs Paula Hadjisotiriou and Mr Ioannis Zographakis resigned from their respective positions as members of the Board of Directors.

(7) On 11 December 2023, Mr Nicolaos Sofianos resigned as a member of the Board of Directors.

(8) On 13 October 2023, Mrs Maria Philippou resigned as a member of the Board of Directors.

The fees of the non-executive Directors include fees as members of the Board of Directors of the Company and its subsidiaries, as well as fees as members of committees of the Board of Directors. Fees are included for the period that they serve as members of the Board of Directors, upon approval of appointment by the ECB, and for the period that they serve as members of the committees of the Board of Directors, upon their appointment in the respective committee.

(d) Transactions with Directors and key management personnel

The tables below show the deposits, loans and advances and other credit balances held by the members of the Board of Directors and key management personnel and their connected persons, as at the balance sheet date and other relevant information as required by the provisions of IAS 24 Related Party Disclosures.

Loans to Directors

For the purposes of these disclosures, 'Directors' means the current Board of Directors of the Company and any past Directors who were members of the Board of Directors of the Company during the year.

All transactions with members of the Board of Directors and their connected persons are made on normal business terms as for comparable transactions, including interest rates, with customers of a similar credit standing.

There were nine Directors in office during the year (2023: twelve Directors), two of whom availed of credit facilities (2023: three Directors). Two of the Directors who availed of credit facilities had balances outstanding at 31 December 2024 (2023: two of the Directors who availed of credit facilities had balances outstanding). The balances outstanding are disclosed below.

The value of arrangements at the beginning and end of the current and preceding financial years as stated below, expressed as a percentage of the net assets of the Group at the beginning and end of the current and preceding financial years is less than 1%. No amounts have been waived during the year ended 31 December 2024.

49. Related party transactions (continued)

Board of Directors

Details of transactions with the Directors and their connected persons, where indicated, for the years ended 31 December 2024 and 2023 are as follows:

	Balance as at 1 January	Amounts advanced during the year	Amounts repaid during the year	Balance as at 31 December	Aggregate maximum amount outstanding during the year	Unused credit facilities
Panicos Nicolaou	€000	€000	€000	€000	€000	€000
2024						
Overdrafts/ credit cards	2	n/a	n/a	3	5	54
Panicos Nicolaou						
2023						
Overdrafts/ credit cards	2	n/a	n/a	2	4	54

	Balance as at 1 January	Amounts advanced during the year	Amounts repaid during the year	Balance as at 31 December	Aggregate maximum amount outstanding during the year	Unused credit facilities
Eliza Livadiotou	€000	€000	€000	€000	€000	€000
2024						
Loans	71	-	14	60	71	-
Overdrafts/ credit cards	4	n/a	n/a	8	8	55
	75			68	79	55
Eliza Livadiotou						
2023						
Loans	87	-	19	71	87	-
Overdrafts/ credit cards	14	n/a	n/a	4	14	59
	101			75	101	59

	Balance as at 1 January	Amounts advanced during the year	Amounts repaid during the year	Balance as at 31 December	Aggregate maximum amount outstanding during the year	Unused credit facilities
Ioannis Zographakis	€000	€000	€000	€000	€000	€000
2023						
Overdrafts/ credit cards	2	n/a	n/a	n/a	2	-

The balances included in the table above include principal and interest. Also, amounts approved and repaid are not shown for overdraft and credit card facilities as these are revolving in nature. The aggregate maximum amount outstanding includes credit card exposures at the maximum statement balance.

No other Directors had any loan facilities or overdraft/credit card balances with the Group during the year ended 31 December 2024 (2023: nil).

The aggregate expected credit loss allowance on the above loans and credit facilities is below €5 thousand as at 31 December 2024 (2023: below €5 thousand). All principal and interest that has fallen due on these loans or credit facilities has been paid.

49. Related party transactions (continued)

Connected persons of the Board of Directors

The aggregate of loans to connected persons of Directors in office at 31 December 2024 are as follows (2024: aggregate of two persons; 2023: aggregate of two persons):

	Balance as at 1 January	Amounts advanced during the year	Amounts repaid during the year	Balance as at 31 December	Aggregate maximum amount outstanding during the year
Panicos Nicolaou	**€000**	**€000**	**€000**	**€000**	**€000**
2024					
Overdrafts/credit cards	1	n/a	n/a	1	3
2023					
Overdrafts/credit cards	2	n/a	n/a	1	2

	Balance as at 1 January	Amounts advanced during the year	Amounts repaid during the year	Balance as at 31 December	Aggregate maximum amount outstanding during the year
Eliza Livadiotou	**€000**	**€000**	**€000**	**€000**	**€000**
2024					
Loans	66	-	13	57	66
Overdrafts/credit cards	18	n/a	n/a	15	18
	84			72	84
2023					
Loans	74	-	13	66	74
Overdrafts/credit cards	10	n/a	n/a	18	18
	84			84	92

The balances included in the table above include principal and interest. Also, amounts approved and repaid are not shown for overdraft and credit card facilities as these are revolving in nature. The aggregate maximum amount outstanding includes credit card exposures at the maximum statement balance.

The aggregate expected credit loss allowance on the above loans and credit facilities is below €5 thousand as at 31 December 2024 (2023: below €5 thousand). All principal and interest that has fallen due on these loans or credit facilities has been paid.

Key management personnel in office during the year and their connected persons

There were 19 key management personnel in office during the year (2023: 20 key management personnel), 19 of whom availed of credit facilities (2023: 20 key management personnel). All of the key management personnel who availed of credit facilities had balances outstanding at 31 December 2024 and 2023.

A number of loans and advances have been extended to key management personnel on the same terms as those applicable to the rest of the Group's employees and to their connected persons on the same terms as those of customers of a similar credit standing.

Where no amount is shown in the tables below, this indicates a credit balance, a nil balance, or a balance of less than €500.

49. Related party transactions (continued)

Details of transactions with key management personnel and their connected persons for the years ended 31 December 2024 and 2023 are as follows:

	Balance as at 1 January	Balances of key management personnel appointed in the year	Other movements on balances of key management personnel and their connected persons during the year	Amounts advanced during the year	Amounts repaid during the year	Balance as at 31 December	Aggregate maximum amount outstanding during the year (since appointment date)
2024	€000	€000	€000	€000	€000	**€000**	**€000**
Loans	2,092	n/a	-	142	477	1,967	2,303
Overdrafts/credit cards	249	n/a	n/a	n/a	n/a	269	437
	2,341					2,236	2,740
2023							
Loans	2,400	-	-	605	490	2,092	2,439
Overdrafts/credit cards	386	n/a	n/a	n/a	n/a	249	568
	2,786					2,341	3,007

The balances included in the table above include principal and interest. Also, amounts approved and repaid are not shown for overdraft and credit card facilities as these are revolving in nature. The aggregate maximum amount outstanding includes credit card exposures at the maximum statement balance.

The aggregate expected credit loss allowance on the above loans and credit facilities is below €26 thousand as at 31 December 2024 (2023: below €11 thousand). All principal and interest that has fallen due on these loans or credit facilities has been paid.

Aggregate amounts outstanding at year end and additional transactions

	2024	2023
	€000	€000
Loans and advances as at 31 December		
Board of Directors	**71**	77
Key management personnel	**1,706**	1,849
Connected persons - Board of Directors	**73**	85
Connected persons - Key management personnel	**530**	492
	2,380	2,503
Deposits as at 31 December		
Board of Directors	**644**	1,919
Key management personnel	**2,945**	2,004
Connected persons - Board of Directors	**308**	969
Connected persons - Key management personnel	**4,541**	2,402
	8,438	7,294
Interest income for the year	**113**	119
Interest expense for the year	**37**	9
Insurance premium income for the year	**487**	497
Insurance expenses for the year	**6**	5

The above table does not include year-end balances for members of the Board of Directors, key management personnel and their connected persons who resigned during the year, nor balances of customers that do not meet the definition of connected persons as at 31 December 2024.

49. Related party transactions (continued)

As at 31 December 2024 there were nine Directors in office (2023: seven) and 19 key management personnel in office (2023: 18).

Interest income and expense are disclosed for the period during which they were members of the Board of Directors or served as key management personnel.

During the year ended 31 December 2024 an amount of €871 thousand has been paid to connected persons of key management personnel for the cost of services capitalised within property and equipment. These services were rendered on normal business terms as for comparable services received from third parties.

In addition to loans and advances, there were contingent liabilities and commitments in respect of members of the Board of Directors and their connected persons, mainly in the form of documentary credits, guarantees and commitments to lend, amounting to €114 thousand as at 31 December 2024 (2023: €116 thousand).

There were also contingent liabilities and commitments to key management personnel and their connected persons amounting to €1,379 thousand as at 31 December 2024 (2023: €1,197 thousand).

The total unsecured amount of the loans and advances and contingent liabilities and commitments to members of the Board of Directors, key management personnel and their connected persons (using forced-sale values for tangible collaterals and assigning no value to other types of collaterals) at 31 December 2024 amounted to €1,485 thousand (2023: €1,489 thousand).

During the year ended 31 December 2024 premiums of €177 thousand (2023: €220 thousand) and nil claims (2023: nil) were paid by/to the members of the Board of Directors of the Company and their connected persons to/from the insurance subsidiaries of the Group.

There were no other transactions during the year ended 31 December 2024 and 2023 with connected persons of the current members of the Board of Directors or with any members who resigned during the years.

50. Group companies

The main subsidiary companies and branches included in the Consolidated Financial Statements of the Company, their country of incorporation, their activities and the percentage held by the Company (directly or indirectly) as at 31 December 2024 are:

Company	Country of incorporation	Activities	Percentage holding (%)
EuroLife Ltd	Cyprus	Life insurance	100
General Insurance of Cyprus Ltd	Cyprus	Non-life insurance	100
JCC Payment Systems Ltd	Cyprus	Development of inter-banking systems, acquiring and processing of card transactions, other payment services and other activities	75
The Cyprus Investment and Securities Corporation Ltd (CISCO)	Cyprus	Investment banking, brokerage, discretionary asset management and investment advice services	100
Jinius Ltd	Cyprus	Digital Economy Platform	100
LCP Holdings and Investments Public Ltd	Cyprus	Investments in securities and participations in companies and schemes that are active in various business sectors and projects	67
Kermia Ltd	Cyprus	Property trading and development	100
Kermia Properties & Investments Ltd	Cyprus	Property trading and development	100
S.Z. Eliades Leisure Ltd	Cyprus	Land development and operation of a golf resort	70
Auction Yard Ltd	Cyprus	Auction company	100
BOC Secretarial Company Ltd	Cyprus	Secretarial services	100
Bank of Cyprus Public Company Limited (branch of the Company)	Greece	Administration of guarantees and holding of real estate properties	n/a
BOC Asset Management Romania S.A.	Romania	In run-down	100
MC Investment Assets Management LLC	Russia	Problem asset management company - In run-down	100
Fortuna Astrum Ltd	Serbia	Problem asset management company - In run-down	100

In addition to the above companies, as at 31 December 2024, the Company had 100% shareholding, either directly or indirectly, in the companies listed below, whose activity is the ownership and management of immovable property:

Cyprus: Tolmeco Properties Ltd, Pelika Properties Ltd, Cobhan Properties Ltd, Nalmosa Properties Ltd, Emovera Properties Ltd, Blodar Properties Ltd, Cranmer Properties Ltd, Les Coraux Estates Ltd, Natakon Company Ltd, Oceania Ltd, Dominion Industries Ltd, Ledra Estate Ltd, Laiki Lefkothea Center Ltd, Labancor Ltd, Joberco Ltd, Domita Estates Ltd, Memdes Estates Ltd, Kernland Properties Ltd, Jobelis Properties Ltd, Melsolia Properties Ltd, Spacous Properties Ltd, Solomaco Properties Ltd, Linaland Properties Ltd, Unital Properties Ltd, Neraland Properties Ltd, Wingstreet Properties Ltd, Nolory Properties Ltd, Lisbo Properties Ltd, Mantinec Properties Ltd, Provezaco Properties Ltd, Hillbay Properties Ltd, Forenaco Properties Ltd, Hovita Properties Ltd, Astromeria Properties Ltd, Barosca Properties Ltd, Fogland Properties Ltd, Tebasco Properties Ltd, Valecross Properties Ltd, Altco Properties Ltd, Olivero Properties Ltd, Jaselo Properties Ltd, Elosa Properties Ltd, Flona Properties Ltd, Toreva Properties Ltd, Resoma Properties Ltd, Mostero Properties Ltd, Helal Properties Ltd, Pendalo Properties Ltd, Frontyard Properties Ltd, Bonsova Properties Ltd, Thermano Properties Ltd, Venicous Properties Ltd, Lorman Properties Ltd, Eracor Properties Ltd, Rulemon Properties Ltd, Maledico Properties Ltd, Balasec Properties Ltd, Diafor Properties Ltd, Kartama Properties Ltd, Paramina Properties Ltd, Nouralia Properties Ltd, Resocot Properties Ltd, Soblano Properties Ltd, Talamon Properties Ltd, Weinar Properties Ltd, Zemialand Properties Ltd, Coeval Properties Ltd, Finevo Properties Ltd, Mazima Properties Ltd, Riveland Properties Ltd, Rosalica Properties Ltd, Secretsky Properties Ltd, Senadaco Properties Ltd, Tasabo Properties Ltd, Venetolio Properties Ltd, Zandexo Properties Ltd, Odolo Properties Ltd, Molemo Properties Ltd, Samilo Properties Ltd, Alezia Properties Ltd, Enelo Properties Ltd, Monata Properties Ltd, Amary Properties Ltd, Aparno Properties Ltd, Lomenia Properties Ltd, Midelox Properties Ltd, Montira Properties Ltd, Orilema Properties Ltd, Carilo Properties Ltd, Olisto Properties Ltd, Holstone Properties Ltd, Gelimo Properties Ltd, Larizemo Properties Ltd and Philiki Ltd.

50. Group companies (continued)

Romania: Otherland Properties Dorobanti SRL.

Further, at 31 December 2024, the Company had 100% shareholding in Stamoland Properties Ltd, Unoplan Properties Ltd, Petrassimo Properties Ltd and Gosman Properties Ltd.

The main activities of the above companies are the holding of shares and other investments and the provision of services.

At 31 December 2024, the Company had 100% shareholding in BOC Terra AIF V.C.I.C. Plc which is a real estate alternative investment fund, currently inactive.

At 31 December 2024, the Company had 100% shareholding, either directly or indirectly, in the companies listed below which are reserved to accept property:

Cyprus: Rifelo Properties Ltd, Dadela Properties Ltd, Leziga Properties Ltd, Bavara Properties Ltd, Fernia Properties Ltd, Wolfenia Properties Ltd, Ortizelo Properties Ltd and Ellagio Properties Ltd.

In addition, the Company holds 100% of the following intermediate holding companies:

Cyprus: Otherland Properties Ltd, Battersee Properties Ltd, Bonayia Properties Ltd, Janoland Properties Ltd, Imoreth Properties Ltd, Inroda Properties Ltd, Zunimar Properties Ltd, Nikaba Properties Ltd, Allioma Properties Ltd and Hydrobius Ltd.

The Company also holds 100% of the following companies which are inactive:

Cyprus: Laiki Bank (Nominees) Ltd, Paneuropean Ltd, Nelcon Transport Co. Ltd, Canosa Properties Ltd, Homirova Properties Ltd and Finerose Properties Ltd.

Greece: Kyprou Zois (branch of EuroLife Ltd), Kyprou Asfalistiki (branch of General Insurance of Cyprus Ltd), Kyprou Commercial SA and Kyprou Properties SA.

The Company also holds indirectly 75% of Settle Cyprus Ltd, which is inactive.

All Group companies are accounted for as subsidiaries using the full consolidation method. All companies listed above have share capital consisting of ordinary shares.

Acquisitions of subsidiaries

During the years ended 31 December 2024 and 2023 there were no acquisitions of subsidiaries.

Dissolution and disposal of subsidiaries

There were no material disposals of subsidiaries during the year ended 31 December 2024. CYCMC IV Ltd, Blindingqueen Properties Ltd, Prodino Properties Ltd, Ensolo Properties Ltd, Fairford Properties Ltd, Sylvesta Properties Ltd and Iperi Property Ltd were dissolved during the year ended 31 December 2024. Regetona Properties Ltd, Soluto Properties Ltd, Camela Properties Ltd, Baleland Properties Ltd, Ramendi Properties Ltd, Fitrus Properties Ltd, Estaga Properties Ltd, Avaleto Properties Ltd, Zecomex Ltd, Bendolio Properties Ltd, Cramonco Properties Ltd, Zenoplus Properties Ltd, Hamura Properties Ltd, Vertilia Properties Ltd, Colar Properties Ltd, Koralmon Properties Ltd and Skellom Properties Ltd were disposed of during the year ended 31 December 2024.

As at 31 December 2024, the following subsidiaries were in the process of dissolution or in the process of being struck off: Fantasio Properties Ltd, Demoro Properties Ltd, Bramwell Properties Ltd, Battersee Real Estate SRL,Thryan Properties Ltd, Obafemi Holdings Ltd, Birkdale Properties Ltd, Green Hills Properties SRL, Imoreth Properties SRL, Inroda Properties SRL, Zunimar Properties SRL, Allioma Properties SRL, Landanafield Properties Ltd and Nikaba Properties SRL.

51. Investments in associates and joint venture

Investments in associates	Percentage holding (%)
Aris Capital Management LLC	**30.0**
Fairways Automotive Holdings Ltd	**45.0**

During the year ended 31 December 2024, Rosequeens Properties Limited (33.3% holding) was dissolved.

The carrying values of the investments in associates are assessed as fully impaired and their value has been restricted to zero.

Investment in joint venture	Percentage holding (%)
Tsiros (Agios Tychon) Ltd	**50.0**

The carrying value of the investment in the joint venture is assessed as fully impaired and its value has been restricted to zero.

52. Offsetting financial assets and liabilities

The following tables set out the effect or potential effect of netting arrangements on the Group's financial position. This includes the effect or potential effect of rights of set off associated with the Group's recognised financial assets and recognised financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are set off in accordance with paragraph 42 of IAS 32.

The 'Amounts subject to master netting agreements' column identifies financial assets and liabilities that are subject to set off under netting provisions included in counterparties' agreements such as an ISDA Master Agreement.

The agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities are settled on a gross basis; however each party, for which the netting provisions apply under an ISDA Master Agreement, has the option to settle all such amounts on a net basis in the event of default of the other party.

				Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial assets	**Gross amounts of recognised financial liabilities set off in the balance sheet**	**Net amounts of financial assets presented in the balance sheet**	**Amounts subject to master netting agreements**	**Financial collateral (including cash collateral)**	**Net amount**
Assets	**€000**	**€000**	**€000**	€000	€000	€000
2024						
Derivative financial assets	95,273	-	95,273	(3,421)	(91,202)	**650**
Reverse repurchase agreements	1,010,170	-	1,010,170	-	(13,068)	**997,102**
Total	**1,105,443**	**-**	**1,105,443**	**(3,421)**	**(104,270)**	**997,752**
2023						
Derivative financial assets	51,055	-	51,055	(3,705)	(47,179)	171
Reverse repurchase agreements	403,199	-	403,199	-	-	403,199
Total	454,254	-	454,254	(3,705)	(47,179)	403,370

52. Offsetting financial assets and liabilities (continued)

The gross amounts of recognised derivative financial assets, include amounts of €3,421 thousand that do not meet the offsetting criteria, but are subject to enforceable master netting arrangements (2023: €3,705 thousand). Financial collateral (including cash collateral) disclosed is limited to the net position exposure and hence may differ from the maximum collateral available for offset and is reported in 'Deposits by banks'.

				Related amounts not set off in the balance sheet		
	Gross amounts of recognised financial liabilities	**Gross amounts of recognised financial assets set off in the balance sheet**	**Net amounts of financial liabilities presented in the balance sheet**	**Amounts subject to master netting agreements**	**Financial collateral (including cash collateral)**	**Net amount**
Liabilities	**€000**	**€000**	**€000**	€000	€000	€000
2024						
Derivative financial liabilities	4,664	-	4,664	(3,421)	-	**1,243**
Total	**4,664**	**-**	**4,664**	**(3,421)**	**-**	**1,243**
2023						
Derivative financial liabilities	17,980	-	17,980	(3,705)	(11,896)	2,379
Total	17,980	-	17,980	(3,705)	(11,896)	2,379

The gross amounts of recognised derivative financial liabilities, include amounts of €3,421 thousand that do not meet the offsetting criteria, but are subject to enforceable master netting arrangements (2023: €3,705 thousand). Financial collateral (including cash collateral) disclosed is limited to the net position exposure and hence may differ from the maximum collateral available for offset and is reported in 'Loans and advances to banks'.

53. Country by country reporting

Article 89 of CRD IV requires banks to disclose on a consolidated basis the following information for all countries where the Group operates. The table below provides information on the following items of the Group for year 2024:

Country	Total operating income/(expense) €000	Average number of employees	Profit/(loss) before tax €000	Accounting tax expense on profit/(loss) €000	Corporation tax paid/(refunded) €000	Public subsidies received €000
Cyprus	1,096,640	2,851	602,426	45,214	28,515	-
Russia	-	1	(250)	-	-	-
Romania	10	-	(269)	-	-	-
Greece	(281)	6	(9,203)	-	-	-
Total	**1,096,369**	**2,858**	**592,704**	**45,214**	**28,515**	**-**

Total operating income/(expense), profit/(loss) before tax and accounting tax expense on profit/(loss) are prepared on the same basis as the figures reported elsewhere in these financial statements.

The activities of Group companies by geographical area are disclosed in Note 50.

Total operating income/(expense): comprises net interest income, net fee and commission income, net foreign exchange gains, net gains on financial instruments, net losses on derecognition of financial assets measured at amortised cost, net insurance result, net losses from revaluation and disposal of investment properties, net gains on disposal of stock of property and other income.

Number of employees: the number of employees has been calculated as the average number of employees, on a quarterly basis, who were employed by the Group during the year ended 31 December 2024.

Profit/(loss) before tax: profit/(loss) before tax represents profits/(losses) after the deduction of inter-segment revenues/(expenses).

Accounting tax expense on profit/(loss): represents the corporation tax expense for the current year and excludes deferred taxes, adjustments in respect of prior years and other tax provisions.

Corporation tax paid/(refunded) includes actual payments made during 2024 for corporation tax (including insurance premium taxes) and Cyprus special defence contribution.

54. Events after the reporting period

Distribution in respect of 2024 earnings

The Board of Directors of the Company has resolved to propose to the AGM that will be held on 16 May 2025 for approval, a final cash dividend of €0.03 per ordinary share in respect of earnings for the year ended 31 December 2024, which amounts to an agreegate distribution of €241 million. The financial statements for the year ended 31 December 2024 do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

Dividends are funded out of distributable reserves.

No other significant non-adjusting events have taken place since 31 December 2024.

pwc

Independent Auditor's Report

To the Members of Bank of Cyprus Public Company Limited

Report on the Audit of the Separate Financial Statements

Our opinion

In our opinion, the accompanying separate financial statements of parent company Bank of Cyprus Public Company Limited (the "Company") give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the separate financial statements which are presented in pages 457 to 595 and comprise:

- the Balance Sheet as at 31 December 2024;
- the Income Statement for the year then ended;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the Notes to the Separate Financial Statements, which include a summary of accounting policies.

The financial reporting framework that has been applied in the preparation of the separate financial statements is IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Separate Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company throughout the period of our appointment in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the separate financial statements in Cyprus and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

- Overall materiality: €27,7 million, which represents approximately 5% of the Company's profit before tax as presented on the Income Statement by line item 'Profit before tax'.

We have identified the following key audit matters:

- Impairment of loans and advances to customers
- Provisions for pending litigation and claims
- Valuation of stock of properties held directly and indirectly through investment in subsidiaries
- Privileged user access over financial reporting systems

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the separate financial statements as a whole.

Overall materiality	€27,7 million.
How we determined it	Based on approximately 5% of the Company's profit before tax as presented on the Income Statement by line item 'Profit before tax'.
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark, because in our view, this is a metric against which the recurring performance of the Company is commonly measured to assess its performance. We chose 5%, which is within the range of acceptable quantitative materiality thresholds in auditing standards.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €1,385 thousand as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment of loans and advances to customers Refer to Note 5.1 "Calculation of expected credit losses" within Note 5 "Significant and other judgements, estimates and assumptions", Note 21 "Loans and advances to customers "and Note 42 "Risk management - Credit risk". The Company has developed complex models to calculate expected credit losses ("ECL") on its loans and advances to customers. Impairment provisions are calculated on a collective basis for portfolios of loans of similar credit risk characteristics and on an individual basis for loans that are individually significant or which meet specific criteria determined by management.	We understood and evaluated the design of the overall control framework relevant to the measurement of impairment of loans and advances to customers and tested the operating effectiveness of key controls across processes relevant to the calculation of ECL. We assessed the appropriateness of the key assumptions used in the methodologies and collective ECL model developed by the Company and their compliance with the requirements of IFRS 9.

We determined this to be a key audit matter due to the greater levels of management judgement exercised in the following areas:

- Methodology and model changes;
- Estimation uncertainty with respect to the future cash flows of Stage 3 individually assessed exposures;
- The application of staging requirements to identify a 'significant increase in credit risk' and specifically in relation to the quantitative thresholds and qualitative criteria used for manual intervention; and
- Incorporation of forward-looking economic scenarios and the related inputs, assumptions and probability weights assigned to multiple economic scenarios as used by the Company.

We challenged the appropriateness and application of the qualitative criteria used to assess significant increase in credit risk in accordance with IFRS 9. We assessed the quantitative thresholds and other triggers identified by management to determine the appropriate staging of loans within Stages 1, 2 or 3 and tested, on a sample basis, the allocation of loans and advances to customers to Stages 1, 2 or 3 with reference to those thresholds and/or triggers.

We compared, with the assistance of PwC credit risk experts, the forward-looking macroeconomic assumptions used in the base, favourable and adverse scenarios to publicly available information. We also assessed the reasonableness of the adverse and favourable assumptions together with the scenario-weightings applied by management.

We tested, with the assistance of PwC credit risk experts, the assumptions, inputs and formulas used in the calculation of collective ECL. This included considering the appropriateness of the collective ECL model methodology (including changes in the current year) and challenging the assumptions used (e.g., Exposure at Default, Loss Given Default and Probability of Default).

We tested the completeness and accuracy of data inputs to the collective ECL model on a sample basis.

We tested the mathematically accuracy of the calculation of the collective ECL.

We evaluated the Company's individual loan impairment assessments for a sample of Stage 3 exposures for compliance with IFRS 9 requirements; significant data inputs were tested with reference to appropriate supporting documentation, such as collateral valuations and Land Registry records.

	We evaluated the appropriateness of the Company's disclosures particularly in relation to significant judgements and estimates. We concluded that the methodologies and judgements used by management in determining the impairment of loans and advances to customers were reasonable.
Provision for pending litigation and claims Refer to Note 5.3 "Provisions for pending litigation and claims, within Note 5 “Significant and other judgements, estimates and assumptions” and Note 36 “Provisions for pending litigation, claims, regulatory and other matters”. The Company is subject to various legal claims, investigations and other proceedings. Provisions for pending litigation, claims, regulatory and other matters amounted to c.€93 million as at 31 December 2024, of which c.€68 million amounts to provisions for pending litigation and claims. Management together with the Company’s compliance and legal departments and, where necessary, the risk management department, review all existing and potential legal cases, prepare an assessment of potential outcomes for cases assessed individually and collectively, and evaluate the probability of economic outflow from the Company. We determined this to be a key audit matter as the recognition and measurement of provisions in respect of pending litigation and claims requires a significant level of judgement by management. The judgements relate to the probability of obligating events requiring an outflow of resources to settle the obligation and estimation of the extent of any economic outflow.	We obtained an understanding of and evaluated the design of controls relevant to the recognition and measurement of pending litigation and claims. We tested the operating effectiveness of controls we sought to place reliance on. We tested a risk based sample of management's assessment of individual cases, including whether economic outflow was assessed as probable. We assessed management's provisions against information contained in case files, information obtained from external legal advisors and where applicable post year end information. Where deemed necessary, we confirmed case facts and judgements with external legal advisors. For a sample of cases where management assessed economic outflow as probable, and therefore a provision was recorded, we recalculated the provision and performed sensitivity analysis on key assumptions used by management. We understood the basis of management’s collective provisions, in circumstances where these are applied, assessed the key assumptions used by reference to past experience and recalculated provisions booked. We inspected the minutes of meetings of the Board of Directors and certain of its committees for evidence of any unidentified legal cases or relevant developments in current cases, including the minutes of the Settlement of Legal Cases Committee.

	We evaluated whether the disclosures made addressed significant uncertainties and assessed their adequacy against the relevant accounting standards for both provisions and contingencies as at 31 December 2024. Based on evidence obtained, while noting the inherent uncertainty in such matters, we concluded that the recorded provisions for pending litigation and claims were reasonable.
Valuation of stock of properties held directly and indirectly through investment in subsidiaries Refer to Note 5.2 “Stock of property - estimation of net realisable value” within Note 5 “Significant and other judgements, estimates and assumptions", Note 26 “Stock of property” and Note 47 “Subsidiary companies”. The Company has over the years acquired a significant number of properties as a result of restructuring agreements with customers. These properties are held by the Company either i) directly and accounted for as stock of property and measured at the lower of their cost or net realisable value in accordance with IAS 2, or ii) held through investment in subsidiaries and their valuation impacts the recoverable amount of the subsidiaries which are held at cost less impairment in line with IAS 36. Valuations obtained from external valuers and the holding periods for assets are key inputs to determine the appropriate carrying value. We determined this to be a key audit matter in light of the large volume of properties held and the uncertainty around market conditions when estimating the carrying amount.	We understood and evaluated the design of the overall control framework relevant to repossessed properties and tested the operating effectiveness of key controls around their valuation. We focused on the key inputs and assumptions underlying the valuation of the properties. We evaluated the competence, capability and objectivity of management’s external experts (property valuers). For a sample of external valuation reports, we assessed the methodology and assumptions used with the assistance of PwC valuation experts, where relevant. We tested the accuracy of the application by management of illiquidity discounts for a sample of properties held at year end. For a sample of properties acquired during the year, we tested ‘cost’ by reference to signed ‘debt-for-asset’ agreements entered into with borrowers, and we tested the ‘net realisable value’ at year end by reference to external valuation reports. We performed look-back procedures by comparing the price achieved for disposals during 2025 to the carrying values for those assets at 31 December 2024. We evaluated whether the disclosures address significant judgements and estimates and assessed their adequacy against the relevant accounting standards.

	We concluded that estimates used by management in determining the carrying amount of stock of property and investment in subsidiaries were reasonable.
Privileged user access over financial reporting systems The Company's financial reporting is reliant on a number of complex IT systems, some of which have been in place for a number of years and which are inherently complex. Privileged user access management controls are an integral part of the IT environment to ensure both system access and changes made to systems are authorised and appropriate. In the context of our audit scope, we consider privileged user access management controls contribute to mitigating the risk of potential fraud or error and an integral part of our audit testing is the effectiveness of the privilege user access management controls. We determined privileged user access to be a key audit matter as our audit approach relies on IT dependent controls and data.	With the assistance of PwC IT audit specialists, we obtained an understanding of the Company's IT environment and changes made during the financial year. We evaluated the design and tested the operating effectiveness of those IT General Controls (ITGCs) on IT systems that support financial reporting. We performed testing on the design, implementation and operating effectiveness of IT General Controls (ITGCs) over privileged user access provisioning, revocation, recertification and authentication. Where control deficiencies were identified we considered the mitigating controls in place and/or performed additional substantive audit procedures. Having completed the additional audit procedures we concluded that we obtained sufficient evidence for the purpose of our audit.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Forward Looking Statements and Notes, Management Report of Bank of Cyprus Public Company Limited, Risk and Capital Management Report, Sustainability Statement, Alternative Performance Measures Disclosures and the Additional Information - EU Taxonomy Disclosure Tables, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Separate Financial Statements

The Board of Directors is responsible for the preparation of the separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 2 April 2019 by the shareholder of the Company through an extraordinary general meeting for the audit of the separate financial statements for the year ended 31 December 2019. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 6 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the separate financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 26 March 2025 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non- audit services which were provided by us to the Company and which have not been disclosed in the separate financial statements or the Management Report of Bank of Cyprus Public Company Limited.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report of Bank of Cyprus Public Company Limited has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the separate financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report of Bank of Cyprus Public Company Limited. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024.

The engagement partner on the audit resulting in this independent auditor's report is Anna Loizou.

Anna Loizou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue
CY-1080 Nicosia, Cyprus

26 March 2025

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Income Statement
for the year ended 31 December 2024

	Notes	2024 €000	2023 €000
Interest income	6	**1,000,936**	932,109
Income similar to interest income	6	**10,466**	18,052
Interest expense	7	**(186,813)**	(149,697)
Expense similar to interest expense	7	**(1,289)**	(1,293)
Net interest income		**823,300**	799,171
Fee and commission income	8	**168,077**	170,244
Fee and commission expense	8	**(12,958)**	(12,266)
Net foreign exchange gains	9	**27,285**	28,888
Net gains on financial instruments	10	**5,581**	4,632
Net (losses)/gains on derecognition of financial assets measured at amortised cost		**(13)**	6,361
Dividend income from subsidiaries	22	**22,958**	85,118
Net (losses)/gains from revaluation and disposal of investment properties		**(641)**	303
Net gains on disposal of stock of property	26	**5,054**	10,004
Other income	11	**3,447**	7,147
Total operating income		**1,042,090**	1,099,602
Staff costs	12	**(186,752)**	(177,965)
Special levy on deposits and other levies/contributions	13	**(39,115)**	(42,380)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	36	**(14,288)**	(28,084)
Other operating expenses	13	**(136,755)**	(136,154)
Operating profit before credit losses and impairment		**665,180**	715,019
Credit losses on financial assets	14	**(32,376)**	(69,335)
Impairment net of reversals on non-financial assets	14	**(78,588)**	(69,598)
Profit before tax		**554,216**	576,086
Income tax	15	**(77,650)**	(66,271)
Profit after tax for the year		**476,566**	509,815
Basic and diluted profit per share (€ cent)	16	**5.0**	5.3

Information about the Company's turnover is analysed in Note 6 of the Consolidated Financial Statements of the Company.

	Notes	2024 €000	2023 €000
Profit for the year		**476,566**	509,815
Other comprehensive income (OCI)			
OCI that may be reclassified in the income statement in subsequent periods		**(5,492)**	2,972
Fair value reserve (debt instruments)		**(5,492)**	2,972
Net (losses)/gains on investments in debt instruments measured at fair value through OCI (FVOCI)		**(5,492)**	3,304
Transfer to the income statement on disposal		**-**	(332)
OCI not to be reclassified in the income statement in subsequent periods		**(749)**	9,506
Fair value reserve (equity instruments)		**324**	25
Net gains on investments in equity instruments designated at FVOCI		**324**	25
Property revaluation reserve		**208**	8,642
Net fair value gains before tax	*24*	**-**	11,916
Deferred tax credit/(charge)	*15*	**208**	(3,274)
Actuarial (losses)/gains on defined benefit plans		**(1,281)**	839
Remeasurement (losses)/gains on defined benefit plans	*12*	**(1,281)**	839
Other comprehensive (loss)/income for the year net of taxation		**(6,241)**	12,478
Total comprehensive income for the year		**470,325**	522,293

Balance Sheet
as at 31 December 2024

	Notes	2024 €000	2023 €000
Assets			
Cash and balances with central banks	17	**7,553,183**	9,614,321
Loans and advances to banks	17	**787,304**	353,083
Reverse repurchase agreements	42.11	**1,010,170**	403,199
Derivative financial assets	19	**95,273**	51,055
Investments at FVPL	18	**7,627**	3,123
Investments at FVOCI	18	**384,495**	433,901
Investments at amortised cost	18	**3,805,637**	3,116,714
Loans and advances to customers	21	**10,114,273**	9,821,533
Balances with Group companies	22	**65,785**	28,327
Prepayments, accrued income and other assets	27	**369,767**	471,632
Stock of property	26	**281,862**	346,531
Investment properties	20	**16,151**	22,656
Deferred tax assets	15	**166,257**	201,183
Property and equipment	24	**255,057**	233,472
Intangible assets	25	**28,824**	29,504
Investment in subsidiaries	47	**427,422**	552,577
Non-current assets and disposal groups held for sale	21	**23,143**	-
Total assets		**25,392,230**	25,682,811
Liabilities			
Deposits by banks		**360,010**	463,330
Funding from central banks	28	**-**	2,043,868
Derivative financial liabilities	19	**4,664**	17,980
Customer deposits	29	**20,519,276**	19,336,915
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	19	**44,074**	-
Balances with Group companies	22	**135,511**	111,087
Accruals, deferred income, other liabilities and other provisions	31	**319,878**	295,535
Provisions for pending litigation, claims, regulatory and other matters	36	**92,593**	124,571
Debt securities in issue	30	**989,435**	671,632
Subordinated liabilities	30	**307,955**	308,049
Deferred tax liabilities	15	**23,084**	22,636
Total liabilities		**22,796,480**	23,395,603
Equity			
Share capital	32	**959,794**	959,794
Revaluation and other reserves		**66,241**	70,888
Retained earnings	34	**1,349,715**	1,036,526
Other equity instruments	32	**220,000**	220,000
Total equity		**2,595,750**	2,287,208
Total liabilities and equity		**25,392,230**	25,682,811

Mr. E.G. Arapoglou
Chairman

Mr. P. Nicolaou
Chief Executive Officer

Mr. A.J. Lewis
Director

Mrs. E. Livadiotou
Executive Director Finance

	Attributable to shareholders of the Company							
	Share capital (Note 32)	Retained earnings (Note 34)	Other capital reserves (Note 12)	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	Other equity instruments (Note 32)	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	**€000**
1 January 2024	959,794	1,036,526	917	59,926	11,311	(1,266)	220,000	**2,287,208**
Profit for the year	-	476,566	-	-	-	-	-	**476,566**
Other comprehensive (loss)/income after tax for the year	-	(1,281)	-	208	(5,168)	-	-	**(6,241)**
Total comprehensive income/(loss) after tax for the year	-	475,285	-	208	(5,168)	-	-	**470,325**
Dividends (Note 33)	-	(136,590)	-	-	-	-	-	**(136,590)**
Share-based benefits - cost (Note 12)	-	-	932	-	-	-	-	**932**
Transfers to retained earnings	-	619	-	-	(619)	-	-	**-**
Payment of coupon to AT1 holders (Note 32)	-	(26,125)	-	-	-	-	-	**(26,125)**
31 December 2024	**959,794**	**1,349,715**	**1,849**	**60,134**	**5,524**	**(1,266)**	**220,000**	**2,595,750**

Statement of Changes in Equity

for the year ended 31 December 2024

	Attributable to shareholders of the Company							
	Share capital (Note 32)	Retained earnings (Note 34)	Other capital reserves (Note 12)	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	Other equity instruments (Note 32)	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	**€000**
1 January 2023	959,794	582,647	322	51,281	8,262	(1,266)	220,000	**1,821,040**
Profit for the year	-	509,815	-	-	-	-	-	**509,815**
Other comprehensive income after tax for the year	-	839	-	8,642	2,997	-	-	**12,478**
Total comprehensive income after tax for the year	-	510,654	-	8,642	2,997	-	-	**522,293**
Dividends (Note 33)	-	(22,310)	-	-	-	-	-	**(22,310)**
Shared-based benefits - cost (Note 12)	-	-	595	-	-	-	-	**595**
Defence contribution	-	(313)	-	-	-	-	-	**(313)**
Payment of coupon to AT1 holders (Note 32)	-	(27,339)	-	-	-	-	-	**(27,339)**
Issue of other equity instruments (Note 32)	-	-	-	-	-	-	220,000	**220,000**
Repurchase of other equity instruments (Note 32)	-	(6,820)	-	-	-	-	(220,000)	**(226,820)**
Transfer to the income statement	-	-	-	62	-	-	-	**62**
Transfers to retained earnings	-	7	-	(59)	52	-	-	**-**
31 December 2023	**959,794**	**1,036,526**	**917**	**59,926**	**11,311**	**(1,266)**	**220,000**	**2,287,208**

Statement of Cash Flows
for the year ended 31 December 2024

	Notes	**2024** €000	2023 €000
Profit before tax		**554,216**	576,086
Adjustments for:			
Depreciation of property and equipment and amortisation of intangible assets		**24,251**	24,086
Impairment of stock of property and other non-financial assets		**15,308**	11,975
Impairment/(reversal of impairment) of balances with Group Companies	*14*	**812**	(4,468)
Credit losses on financial assets	*14*	**31,564**	73,803
Net gains on derecognition of financial assets measured at amortised cost		**13**	(6,361)
Amortisation of discounts/premiums and interest on debt securities		**(102,922)**	(64,185)
Dividend income		**(23,100)**	(85,249)
Net loss on disposal of investment in debt securities measured at FVOCI		**-**	438
Loss/(gain) from revaluation of financial instruments designated as fair value hedges		**40,312**	(1,655)
Interest on subordinated liabilities and debt securities in issue		**64,310**	39,409
Interest on reverse repurchase agreements		**(27,012)**	(3,219)
Interest on funding from central banks		**21,842**	67,194
Share-based benefits cost		**932**	595
Losses/(gains) on disposal/dissolution of subsidiary companies		**4,712**	(1,840)
Impairment of investment in subsidiaries		**63,280**	57,623
Net losses on balances with Group companies		**-**	1,347
Net gains on disposal of stock of property and investment properties		**(5,276)**	(10,667)
Profit on sale and write offs of property and equipment and intangible assets		**(8)**	(52)
Interest expense on lease liability		**228**	291
Net losses from revaluation of investment properties		**863**	360
Net exchange differences		**(17,519)**	8,892
		646,806	684,403
Change in:			
Loans and advances to banks		**(429,265)**	(30,487)
Deposits by banks		**(103,320)**	(38,051)
Obligatory balances with central banks		**(58,523)**	55,358
Customer deposits		**1,182,361**	338,596
Debit balances with Group companies		**(66,165)**	16,597
Credit balances with Group companies		**24,424**	13,574
Loans and advances to customers		**(379,550)**	48,533
Prepayments, accrued income and other assets		**88,718**	89,384
Provisions for pending litigation, claims, regulatory and other matters		**(31,978)**	3,179
Accruals, deferred income, other liabilities and other provisions		**4,302**	1,430
Derivative financial instruments		**(57,534)**	(1,091)
Investments measured at FVPL		**(4,504)**	5,589
Stock of property		**65,196**	88,003
		880,968	1,275,017
Tax paid		**(16,807)**	(8,369)
Net cash from operating activities		**864,161**	1,266,648
Cash flows from investing activities			
Purchases of debt, treasury bills and equity securities		**(1,395,497)**	(1,544,497)
Purchase of reverse repurchase agreements		**(600,000)**	(400,000)
Proceeds on disposal/redemption of investments in debt and equity securities		**819,778**	542,424
Interest received from debt securities		**66,140**	36,334
Interest received from reverse repurchase agreements		**20,032**	-
Dividend income from equity securities		**23,100**	85,249
Payment for purchase of Velocity 2		**-**	(3,649)
Proceeds on disposal of subsidiaries and associates		**83,850**	31,201
Cash contribution to subsidiaries		**-**	(4,894)
Purchases of property and equipment	*24*	**(16,976)**	(4,067)
Additions to intangible assets	*25*	**(10,543)**	(8,216)
Proceeds on disposals of property and equipment and intangible assets		**27**	108
Proceeds on disposals of investment properties		**23,835**	4,826
Net cash used in investing activities		**(986,254)**	(1,265,181)

		2024	2023
	Notes	**€000**	€000
Cash flow from financing activities			
Dividend paid on ordinary shares		**(136,590)**	(22,310)
Payment of coupon to AT1 holders	*32*	**(26,125)**	(27,339)
Issue of other equity instruments	*32*	**-**	220,000
Repurchase of other equity instruments	*32*	**-**	(226,820)
Repayment of funding from central banks		**(2,065,710)**	-
Proceeds from the issue of debt securities in issue (net of costs)		**297,767**	347,689
Interest on subordinated liabilities		**(19,875)**	(19,875)
Interest on debt securities in issue		**(33,313)**	(7,500)
Principal elements of lease payments		**(8,760)**	(6,759)
Net cash (used in)/from financing activities		**(1,992,606)**	257,086
Net (decrease)/increase in cash and cash equivalents		**(2,114,699)**	258,553
Cash and cash equivalents 1 January		**9,806,421**	9,547,868
Cash and cash equivalents 31 December	*39*	**7,691,722**	9,806,421

Additional information on the cash flow statement is provided in Note 38.

1. Corporate information

Bank of Cyprus Public Company Limited (the Company) is the company of the Bank of Cyprus Group (the Group). The principal activities of the Company involve the provision of banking, financial services and management and disposal of property predominately acquired in exchange of debt.

The Company is a significant credit institution for the purposes of the SSM Regulation and has been designated by the CBC as an 'Other Systemically Important Institution' (O-SII). The Company is subject to joint supervision by the ECB and the CBC for the purposes of its prudential requirements.

The Company is a limited liability company incorporated in 1930 under the Cyprus Companies Law. The Company remains a public company for the purposes of the Cyprus Income Tax Laws.

The shares of the parent company Bank of Cyprus Holdings Public Limited Company (BOCH), a company incorporated in Ireland, are listed and trading on the Cyprus Stock Exchange (CSE) and from 23 September 2024 the shares of BOCH are also listed and trading on the Athens Stock Exchange (ATHEX). During the year until 19 September 2024, the shares of BOCH were also listed and trading on London Stock Exchange (LSE). On 19 September 2024, BOCH's shares were delisted and trading was suspended from the LSE.

The financial statements are available at the Bank of Cyprus Public Company Limited registered office (51 Stasinos Street, 2002 Strovolos, Nicosia, Cyprus) and on the Group's website http://www.bankofcyprus.com (Group/Investor Relations/Financial Results).

The Annual Financial Report of Bank of Cyprus Holdings Public Limited Company is available on the Group's website http://www.bankofcyprus.com (Group/Investor Relations/Financial Results).

Financial Statements
The Financial Statements of the Bank of Cyprus Public Company Limited for the year ended 31 December 2024 (the Financial Statements) were authorised for issue by a resolution of the Board of Directors on 26 March 2025.

2. Summary of accounting policies

2.1 Basis of preparation

The Financial Statements have been prepared on a historical cost basis, except for properties held for own use and investment properties, investments at fair value through other comprehensive income (FVOCI), financial assets (including loans and advances to customers and investments) at fair value through profit or loss (FVPL) and derivative financial assets and derivative financial liabilities that have been measured at fair value, non-current assets held for sale measured at fair value less costs to sell and stock of property measured at net realisable value where this is lower than cost. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

Statement of compliance
The Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and with the requirements of the Cyprus Companies Law, Cap. 113 applicable to companies reporting under IFRS Accounting Standards.

Presentation of the Financial Statements
The Financial Statements are presented in Euro (€) and all amounts are rounded to the nearest thousand, except where otherwise indicated. A comma is used to separate thousands and a dot is used to separate decimals.

The Company presents its balance sheet broadly in order of liquidity. An analysis regarding expected recovery or settlement of assets and liabilities within twelve months after the balance sheet date and more than twelve months after the balance sheet date is presented in Note 41.

2. Summary of accounting policies (continued)

2.1 Basis of preparation (continued)

The Financial Statements include the branch of the Company in Greece.

Comparative information
Comparative information was restated following a change in the presentation of segmental analysis as detailed in Note 6 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024. This change led to a respective restatement in Notes 21, 29, 42.2, 42.3 and 42.5 where analysis by business line is presented. The relevant tables are identified as restated.

The restatements did not have an impact on the results for the year or equity of the Company.

Change in presentation
The Company has changed the presentation of the interest component of fair value hedging derivatives used in accounting hedges to more appropriately reflect the impact of the accounting hedges. As a result, the net interest income/expense on qualifying hedge derivatives designated as fair value hedges, is now presented within 'Interest income' where the derivative is used to hedge an asset and as 'Interest expense' where the derivative is used to hedge a liability, and is presented together with the interest component of the respective hedged asset and hedged liability. This was previously presented in 'Income similar to interest income' and 'Expense similar to interest expense'. The comparative amounts for 2023 have been represented.

2.2 Accounting policies and changes in accounting policies and disclosures

The accounting policies adopted in preparing the Financial Statements of the Company are consistent with those adopted in preparing the Consolidated Financial Statements of the Company, a summary of which is presented in Note 2 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024.

In addition the following policies are adopted:

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint ventures are measured at cost less impairment.

The Company periodically evaluates the recoverability of the investment in subsidiary companies whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows of the subsidiaries or material adverse changes in the economic or political stability of the country that the subsidiaries operate, which may indicate that the carrying amount of the investment in subsidiary companies is not recoverable. If facts and circumstances indicate that the investment in subsidiary companies may be impaired, the recoverable amount of each subsidiary would be compared to the carrying amount of the investment in the subsidiary in the Company's financial statements to determine if impairment of the investment is necessary. An impairment loss is recognised equal to the excess of the carrying amount of the investment in the subsidiary over its recoverable amount.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards and interpretations as explained in Note 2.2.1 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024. These did not have an impact on the Financial Statements of the Company.

3. Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern for a period of 12 months (the period of assessment) from the date of approval of these Financial Statements.

The Directors have concluded that there are no material uncertainties which would cast a significant doubt over the ability of the Company and the Group to continue to operate as a going concern for a period of 12 months from the date of approval of these Financial Statements.

3. Going concern (continued)

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, capital requirements and capital resources, liquidity and funding position, taking also into consideration, the Group's Financial Plan approved by the Board in February 2025 (the 'Plan') and the operating environment. The Group has sensitised its projection to cater for a downside scenario and has used reasonable economic inputs to develop its medium-term strategy.

Capital
The Directors and management have considered the Group's forecasted capital position, including the potential impact of a deterioration in economic conditions. The Group has developed capital projections under a base and an adverse scenario and the Directors believe that the Group has sufficient capital to meet its regulatory capital requirements throughout the period of assessment.

Funding and liquidity
The Directors and management have considered the Group's funding and liquidity position and are satisfied that the Group has sufficient funding and liquidity throughout the period of assessment. The Group continues to hold a significant liquidity buffer at 31 December 2024 that can be monetised in a period of stress.

4. Economic and geopolitical environment

Cyprus is a small, open, services-based economy, with a large external sector and high reliance on tourism and international business and information and communication technology (ICT) services. As a result, external factors which are beyond the control of the Group, including developments in the European Union and in the global economy, or in specific countries with which Cyprus maintains close economic and investment links, can have a significant impact on domestic economic activity. A number of macro and market related risks, including weaker economic activity, a highly volatile interest rate environment, and higher competition in the financial services industry, could negatively affect the Group's business environment, results, and operations.

There are heightened geopolitical tensions between the world's largest economies adding uncertainty to the global economy outlook. War and geopolitics can be very disruptive to the economy. Continued uncertainties arise from the ongoing wars in Russia/Ukraine and the Middle East.

In this context, the Group is closely monitoring the developments, utilising dedicated governance structures including a Crisis Management Committee as required, and has assessed the impact the crisis has on the Group's operations and financial performance. Furthermore, the Group in its models includes related events in its stress testing scenarios in order to gain a better understanding of the potential capital impact.

Although, there have been distinct improvements in Cyprus' risk profile after the banking crisis, substantial risks remain. Cyprus' overall country risk is a combination of sovereign, currency, banking, political and economic structure risk, influenced by external developments. Given the above, the Group recognises that unforeseen political events can have negative effects on the Group's activities.

The Group is continuously monitoring the current affairs and the impact of the forecasted macroeconomic conditions and geopolitical developments on the Group's strategy to proactively manage emerging risks.

5. Significant and other judgements, estimates and assumptions

The preparation of the Financial Statements requires the Company's Board of Directors and management to make judgements, estimates and assumptions that can have a material impact on the amounts recognised in the Financial Statements and the accompanying disclosures, as well as the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affecting future periods.

5. Significant and other judgements, estimates and assumptions (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments may, however, change due to market changes or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The most significant judgements, estimates and assumptions relate to the calculation of expected credit losses (ECL), the estimation of the net realisable value of stock of property and the provisions for pending litigation and claims, which are presented in Notes 5.1 to 5.3 below. Other judgements, estimates and assumptions are disclosed in Notes 5.4 to 5.10.

5.1 Calculation of expected credit losses

The calculation of ECL requires management to apply significant judgement and make estimates and assumptions, involving significant uncertainty at the time these are made. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECL to be recognised. The Company's calculations are outputs of models, of underlying assumptions on the choice of variable inputs and their interdependencies.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Elements of ECL models that are considered accounting judgements and estimates include:

Assessment of significant increase in credit risk (SICR)
IFRS 9 does not include a definition of significant increase in credit risk. The Company assesses whether significant increase in credit risk has occurred since initial recognition using predominantly quantitative and in certain cases qualitative information and backstop indicators. The determination of the relevant criteria to determine whether a significant increase in credit risk has occurred, is based on statistical metrics and could be subject to management judgement. The relevant criteria are set, monitored and updated on a yearly basis by the Risk Management Division and endorsed by the Group Provisions Committee. Lifetime ECL applies when a significant increase in credit risk has occurred on an individual or collective basis.

Determining the probability of default (PD) at initial recognition requires management estimates in particular cases. Specifically, in the case of exposures existing prior to the adoption of IFRS 9, a retrospective calculation of the PD is made in order to quantify the risk of each exposure at the time of the initial recognition. In certain cases, estimates about the date of initial recognition might be required.

For the retail portfolio, the Company uses a PD at origination incorporating behavioural information (score cards) whereas, for the corporate portfolio, the Company uses the internal credit rating information. For revolving facilities, management estimates are required with respect to the lifetime and hence a behavioural maturity model is utilised, assigning an expected maturity based on product and customer behaviour.

Scenarios and macroeconomic factors
The Company determines the ECL, which is a probability weighted amount, by evaluating a range of possible outcomes. Management uses forward looking scenarios and assesses the suitability of weights used. These are based on management's assumptions taking into account macroeconomic, market and other factors. Changes in these assumptions and in other external factors could significantly impact ECL. Macroeconomic inputs and weights per scenario are monitored by the Economic Research Department and are based on internal model analysis and expert judgement, considering also external forecasts.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

The Cypriot economy has demonstrated remarkable resilience and growth in recent years, navigating through global uncertainties and regional challenges. In 2024, the economy achieved a growth rate of 3.4%, driven by rising exports and strong economic activity in key sectors such as tourism, information and communications, construction and trade. This follows a period of strong growth with an annual average of 5.1% in the period 2015-2023. The unemployment rate has remained low, dropping to 4.9% in 2024 indicating near-full employment conditions. Inflation has been successfully stabilized, with rates declining from 3.9% in 2023 to 2.3% in 2024. General government debt metrics have significantly improved in recent years. The government debt-to-GDP ratio dropped to 65.4% in December 2024 from 73.6% in 2023 and 113.6% at the end of 2020. Looking ahead, continued budgetary surpluses and favourable debt dynamics are expected to further reduce the debt ratio, potentially dropping below 60% by 2026. Growth in the medium term, is expected to continue to outpace eurozone peers. Growth is expected to average about 3% annually in 2025-2027, driven by services exports and private consumption on the expenditure side and by international business services and the ICT sector on the production side.

The credit profile of Cyprus has improved significantly in the more recent period, reflecting solid medium-term growth outlook, good institutional strength and effective policy making.

However, substantial risks remain in terms of the domestic operating environment, as well as the external environment on which it depends. Public debt has dropped in relation to GDP, but government expenditures need more rationalisation. In the banking sector non-performing exposures need to drop further. The current account deficit remains sizable. At the same time long-term yields may remain elevated for longer, despite interest rate cuts by the monetary policy, if inflation pressures increase and geopolitical uncertainties escalate.

For the ECL, the Company updated its forward-looking scenarios, factoring in updated macroeconomic assumptions and other monetary and fiscal developments at the national and the EU level based on developments and events as at the reporting date.

For the ECL calculations, the Company uses an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, as described in Note 2.17.5 of the Consolidated Financial Statements of Company for the year ended 31 December 2024. The approach employed, involves scenario generation, where the scenarios applied by the Bank are anchored to the baseline scenario. All scenarios are updated on a quarterly basis for the purposes of the ECL calculation in tandem with the baseline scenario. The updated macroeconomic inputs (incorporating any uncertainties and downside risks) are therefore reflected in the scenario parameters, starting from the baseline and updated in turn for the adverse and the favourable scenarios accordingly. If the baseline becomes more pessimistic, then both the favourable and downside scenarios would be adjusted accordingly, reflecting the fact that the economic variables used in the scenarios are not constant but are conditional on the economy's position in the business cycle. A dynamic scenario approach is followed as explained above where the scenario parameters derived reflect the Company's view of the economic conditions. The probability weights attached to the scenarios are a function of their relative position on the distribution, with a lower probability weight attached to the scenarios that were assessed to be more distant from the centre of the distribution. The baseline scenario is defined over the range of values corresponding to 50% probability of equidistant deviations around the mean of the historical distribution. The favourable and adverse scenarios are defined over the range of values to the right and left of the distribution respectively, each corresponding to 25% probability.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

The most significant macroeconomic variables for each of the scenarios used by the Company as at 31 December 2024 and 2023 are presented in the table below. The Company uses three different economic scenarios in the calculation of default probabilities and provisions. The scenarios factor-in updated macroeconomic assumptions and other monetary and fiscal developments based on events as at the reporting date. The Company has used the 30-50-20 probability structure for the adverse, baseline and favourable scenarios respectively compared to the 25-50-25 structure derived using the method described in Note 2.17.5 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024 and above. This reflects management's view of specific characteristics of the Cyprus economy that render it more vulnerable to external and internal shocks.

31 December 2024

Year	Scenario	Weight %	Real GDP (% change)	Unemployment rate (% of labour force)	Consumer Price Index (average % change)	RICS House Properties Price Index (average % change)
2025	Adverse	30.0	-1.4	5.4	-0.7	-3.9
	Baseline	50.0	3.0	4.5	1.8	2.2
	Favourable	20.0	4.2	4.4	2.5	3.8
2026	Adverse	30.0	-0.9	5.6	1.2	-0.2
	Baseline	50.0	2.9	4.5	2.2	2.3
	Favourable	20.0	3.1	4.3	2.1	2.7
2027	Adverse	30.0	2.0	5.3	1.8	2.3
	Baseline	50.0	2.8	4.5	2.0	2.2
	Favourable	20.0	2.5	4.4	2.0	2.6
2028	Adverse	30.0	3.4	5.2	1.9	2.9
	Baseline	50.0	2.6	4.5	1.9	2.3
	Favourable	20.0	2.4	4.4	1.9	2.6
2029	Adverse	30.0	2.8	5.2	1.9	2.5
	Baseline	50.0	2.5	4.5	1.8	2.2
	Favourable	20.0	2.4	4.4	1.9	2.3

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

31 December 2023

Year	Scenario	Weight %	Real GDP (% change)	Unemployment rate (% of labour force)	Consumer Price Index (average % change)	RICS House Properties Price Index (average % change)
2024	Adverse	30.0	-1.6	6.3	0.9	-3.1
	Baseline	50.0	2.7	5.8	2.5	3.0
	Favourable	20.0	3.5	5.6	3.1	3.7
2025	Adverse	30.0	-0.7	6.9	1.2	0.6
	Baseline	50.0	2.6	5.4	2.5	2.3
	Favourable	20.0	3.1	5.2	2.6	2.5
2026	Adverse	30.0	2.2	7.0	1.2	1.9
	Baseline	50.0	2.6	5.1	2.1	2.2
	Favourable	20.0	2.7	4.9	2.0	2.3
2027	Adverse	30.0	3.6	6.7	2.3	2.4
	Baseline	50.0	2.4	4.9	2.3	2.2
	Favourable	20.0	2.6	4.6	2.2	2.3
2028	Adverse	30.0	3.5	6.4	2.2	2.4
	Baseline	50.0	2.3	4.6	2.2	2.3
	Favourable	20.0	2.5	4.2	2.3	2.4

The adverse scenarios may outpace the base and favourable scenarios after the initial shock has been adjusted to and the economy starts to expand from a lower base. Thus, in the adverse scenario GDP will follow a growth trajectory that will ultimately equal and surpass the baseline before converging. Property prices are determined by multiple factors with GDP growth featuring prominently.

The baseline scenario was updated for the 31 December 2024 reporting, considering available information and relevant developments until then, and is described next. Growth moderated in 2023 following strong recoveries in 2021-2022, but remained above the Euro area average, supported by the continued recovery in tourism and expanding services activity. Real GDP increased by 2.6% on average in 2023 and growth accelerated in 2024, averaging 3.4%. Tourist arrivals in Cyprus exceeded 4.0 million in 2024, up by an annual 5.1%. Under the baseline scenario the economy is expected to advance by 3.0% in 2025 and consumer price inflation will decelerate to 1.8%. House prices are expected to rise by 2.2% in 2025 following strong increases in 2022-2024.

The adverse scenario is consistent with assumptions for a global economic slowdown driven by geopolitical tensions, tariff wars, elevated inflation expectations and the steepening of yield curves. The Cypriot economy relies on services, particularly on tourism, international business, and information and communication services with an outward orientation. This makes the Cypriot economy more exposed than other economies to the international environment and terms of trade shocks. Weaker external demand will lead to a slowdown of economic activity. The adverse scenario assumes a deeper impact of these conditions on the real economy than under the baseline scenario. Under the adverse scenario, real GDP is expected to drop by 1.4% in 2025 as a whole, and contract further by 0.9% in 2026. In the labour market the unemployment rate will rise only modestly to 5.4% and inflation will actually turn negative by 0.7%. House prices will also slow in line with the contraction in real GDP.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

The Company uses actual values for the input variables. These values are sourced from the Cyprus Statistical Service, the Eurostat, the Central Bank of Cyprus for the residential property price index, and the European Central Bank for interest rates. Interest rates are also sourced from the Eurostat. In the case of property prices, the Company additionally uses data from the Royal Institute of Chartered Surveyors. For the forward reference period, the Company uses the forecast values for the same variables, as prepared by the Company's Economic Research Department. The results of the internal forecast exercises are consistent with publicly available forecasts from official sources including the European Commission, the International Monetary Fund, the European Central Bank and the Ministry of Finance of the Republic of Cyprus.

Qualitative adjustments or overlays are occasionally made when inputs calculated do not capture all the characteristics of the market. These are reviewed and adjusted, if considered necessary, by the Risk Management Division, endorsed by the Group Provisions Committee and approved by the Board Risk and Audit Committees. Qualitative adjustments or overlays are described in the below sections as applicable.

For Stage 3 customers, the calculation of individually assessed provisions is the weighted average of three scenarios: base, adverse and favourable. The base scenario focuses on the following variables, which are based on the specific facts and circumstances of each customer: the operational cash flows, the timing of recovery of collaterals and the haircuts from the realisation of collateral. The base scenario is used to derive additional either more favourable or more adverse scenarios. Under the adverse scenario, operational cash flows are decreased by 50%, applied haircuts on real estate collateral are increased by 50% and the timing of recovery of collaterals is increased by one year with reference to the baseline scenario, whereas under the favourable scenario applied haircuts are decreased by 5%, with no change in the recovery period with reference to the baseline scenario. Assumptions used in estimating expected future cash flows (including cash flows that may result from the realisation of collateral) reflect current and expected future economic conditions and are generally consistent with those used in the Stage 3 collectively assessed exposures.

The above assumptions are also influenced by the ongoing regulatory dialogue the Company maintains with its lead regulator, the ECB, and other regulatory guidance and interpretations issued by various regulatory and industry bodies such as the ECB and the EBA.

Any changes in these assumptions or difference between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

For collectively assessed customers the calculation is also the weighted average of three scenarios: base, adverse and favourable.

Assessment of loss given default (LGD)
For the estimation of loss given default (LGD) key estimates are the timing and net recoverable amount from repossession or realisation of collaterals (including through portfolio sales) which mainly comprise real estate assets.

Assumptions have been made about the future changes in property values, as well as the timing for the realisation of collateral, taxes and expenses on the repossession and subsequent sale of the collateral as well as any other applicable haircuts. Indexation has been used as the basis to estimate updated market values of properties, supplemented by management judgement where necessary, given the difficulty in differentiating between short-term impacts and long term structural changes and the shortage of market evidence for comparison purposes. Assumptions were made on the basis of a macroeconomic scenario for future changes in property prices and qualitative adjustments or overlays were applied to the projected future property value increases to restrict the level of future property price growth to 0% for all scenarios for loans and advances to customers which are secured by property collaterals.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

At 31 December 2024, the weighted average haircut (including liquidity haircut and selling expenses) used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) is approximately 42% under the baseline scenario, excluding those classified as held for sale (2023: approximately 31.3%). The increase in the haircut percentage is primarily due to the calibration of the collateral realisation model during the first half of 2024, as explained in section 'Calibration of IFRS 9 models and removal of overlays in relation to economic conditions'.

At 31 December 2024, the timing of recovery from real estate collaterals used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) has been estimated to be on average seven years under the baseline scenario, excluding those classified as held for sale (2023: average of six years).

In the 2023 Financial Statements the above disclosures in relation to the weighted average haircut and timing of recovery from real estate collaterals were by reference to exposures that were collectively assessed and not including exposures which were assessed for staging purposes on an individual basis. The comparative information presented above has been updated for aligning with the disclosure for the year ended 31 December 2024.

For the calculation of individually assessed provisions of Stage 3 exposures, the timing of recovery of collaterals as well as the haircuts used are based on the specific facts and circumstances of each case. For specific cases judgement may also be exercised over staging during the individual assessment.

Any changes in these assumptions or variance between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

Modelling adjustments
Forward looking models have been developed for ECL parameters, (PD, EAD, LGD) for all portfolios and segments sharing similar characteristics. Model validation (initial and periodic) is performed by the independent validation unit within the Risk Management Division and involves assessment of a model under both quantitative (i.e. stability and performance) and qualitative terms. The frequency and level of rigour of model validation is commensurate to the overall use, complexity and materiality of the models, (i.e. risk tiering). In certain cases, judgement is exercised in the form of expert judgment and/or management overlay by applying adjustments on the modelled parameters. Governance of these models lies with the Risk Management Division, where a governance process is in place around the determination of the impairment measurement methodology including inputs, assumptions and overlays. Any management overlays are prepared by the Risk Management Division, endorsed by the Group Provisions Committee and approved by the Board Risk and Audit Committees.

Calibration of IFRS 9 models and removal of overlays in relation to economic conditions in 2024
During the year ended 31 December 2024, the Company performed a calibration of its IFRS 9 models which involved the reassessment and update of the ECL model parameters (PDs, LGDs and cure rates) and SICR thresholds so as to incorporate in the models the effects of the recent economic conditions and experience, which were previously reflected in the ECL through the use of overlays. Further, the calibration involved the Company updating and revising the LGD parameter, as part of the Company's ongoing review and update of models as to incorporate updated data information and to reflect an update on realisation paths and rates applied.

More specifically, the Company proceeded with model calibrations affecting the probability of default parameter (the 'PD-macro'), the SICR parameter, the probability of cure model and the collateral realisation model and introducing an LGD floor, as explained below:

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

i. The calibration of the PD macro model included the introduction of inflation related variables and the inclusion of post COVID period data to capture the low default environment as well as the integration of a dynamic adjustment to calibrate (up or down) the model projection based on the relationship between the past model projections and the actual observed defaults (structural breaks in the relationship e.g. between a specific macro factor and the PD value). Refinement of the PD adjustment factor was also made during 2024, to include a more extended observation period for the SICR parameter. The net impact of this calibration was €4.2 million ECL release during the year ended 31 December 2024.
ii. As a result of the PD-macro calibration, the SICR model was revisited following a statistical model methodology calibration, whilst introducing an absolute threshold to increase stability. The corresponding impact was €1.4 million ECL release during the year ended 31 December 2024 and net transfer of related loans from Stage 2 to Stage 1.
iii. With respect to the probability of cure model, a different curability period was introduced for each macro-economic scenario following a detailed statistical analysis examining the relationship of cure rates with macro indicators and concluding that curability should differentiate at the level of the scenario. The respective impact was an ECL charge of €2.1 million during the year ended 31 December 2024.
iv. As a result of calibrations (i)-(iii), the Company removed the prior year overlays applied in the context of economic conditions with the resulting impact being €15.7 million ECL release during the year ended 31 December 2024.
v. For the collateral realisation model, the Company has updated its LGD parameter with respect to the path of realisation through portfolio sales, by increasing the likelihood of this realisation path. The resulting impact was an ECL charge of €19.2 million during the year ended 31 December 2024.
vi. Lastly, the Company has incorporated a minimum LGD rate which provides for a minimum loss rate (which acts as a floor) irrespective of the realisation path and value of collateral. This minimum LGD was introduced as to capture the subjectivity and uncertainty involved in the value of recovery assumptions (i.e. collateral recoverable amount, maximum recovery period, etc.) which impacts the realisation amount. The corresponding impact was an ECL charge of €20.0 million during the year ended 31 December 2024.

Overlays applied in the prior year:

i. Overlays introduced in prior years in the context of economic conditions from the consequences of the Ukrainian crisis, in the collectively assessed population for exposures that were considered to be the most vulnerable to the implications of the crisis, were removed during 2024. The impact on the ECL from the application of these overlays was approximately €3.4 million ECL release during the year ended 31 December 2023.
ii. In addition, the overlay on the PD (PD floored to the maximum of 2018/2019 level), introduced in prior years to address specifically the high inflation environment affecting the economy, was removed during 2024. The impact on the ECL from the application of this overlay was €7.2 million charge during the year ended 31 December 2023.
iii. During the year ended 31 December 2023, an overlay for the LGD parameter has been integrated through reduced curability period for Stage 2 and Stage 3 exposures with a resulting impact on the ECL of €7 million charge during the year ended 31 December 2023.

The IFRS 9 models are reviewed regularly in order to incorporate the most recent information available and to ensure that they perform adequately and that they are suitably representative when applied to the current portfolio for the calculation of impairment loss allowances.

The Company has exercised critical judgement on a best effort basis, to consider all reasonable and supportable information available at the time of the assessment of the ECL allowance as at 31 December 2024. The Company will continue to evaluate the ECL allowance and the related economic outlook each quarter, so that any changes arising from the uncertainty on the macroeconomic outlook and geopolitical developments are timely captured.

5. Significant and other judgements, estimates and assumptions (continued)

5.1 Calculation of expected credit losses (continued)

Portfolio segmentation
The individual assessment is performed not only for individually significant assets but also for other exposures meeting specific criteria determined by management. The selection criteria for the individually assessed exposures are based on management judgement and are reviewed on a quarterly basis by the Risk Management Division and are adjusted or enhanced, if deemed necessary. Following the wars in Ukraine and the Middle East, the selection criteria were further enhanced to include significant exposures to customers with passport of origin or residency in Russia, Ukraine or Belarus and/or business activity within these countries and significant exposures with repayment deriving from Israel.

Further details on impairment allowances and related credit information are set out in Note 42.

In addition to the above significant judgments and assumptions made for the calculation of the ECL, the Company also applies judgment for the following:

Expected lifetime of revolving facilities
The expected lifetime of revolving facilities is based on a behavioural maturity model for revolving facilities based on the Company's available historical data, where an expected maturity for each revolving facility based on the customer's profile is assigned. The behavioural model was updated in the third quarter of 2023 to reflect updates in customers' profile whilst maintaining the same model components.

Off-balance sheet credit exposures
ECL allowances also include allowances on off-balance sheet credit exposures represented by guarantees given and by irrevocable commitments to disburse funds. Off-balance sheet credit exposures of the individually assessed assets require assumptions on the probability, timing and amount of cash outflows. For the collectively assessed off-balance sheet credit exposures, the allowance for provisions is calculated using the Credit Conversion Factor (CCF) model.

5.2 Stock of property - estimation of net realisable value

Stock of property is held by the Company either (i) directly and accounted for as stock of property and measured at the lower of cost and net realisable value in accordance with IAS2, or (ii) held through investments in subsidiaries and their valuation impact the recoverable amount of the investments in subsidiaries, which are held at cost less impairment in line with IAS36. The net realisable value of the stock of properties is determined through valuation techniques, requiring significant judgement, taking into account all available reference points, such as expert valuation reports, current market conditions, applying an appropriate illiquidity discount where considered necessary, taking into consideration observed sales, the holding period of the asset, realisation strategy and any other relevant parameters. Selling expenses are deducted from the realisable value.

More details on the stock of property and investments in subsidiaries are presented in Notes 26 and 47 respectively.

5.3 Provisions for pending litigation and claims

The accounting policy for provisions for pending litigation, claims, regulatory and other matters is described in Note 2.36 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024.

5. Significant and other judgements, estimates and assumptions (continued)

5.3 Provisions for pending litigation and claims (continued)

Judgement is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Provisions for pending litigation and claims usually require a higher degree of judgement than other types of provisions. It is expected that the Company will continue to have a material exposure to litigation and regulatory proceedings and investigations relating to legacy issues in the medium term. The matters for which the Company determines that the probability of a future loss is more than remote will change from time to time, as will the matters as to which a reliable estimate can be made and the possible loss for such matters can be estimated. Actual results may prove to be significantly higher or lower than the estimated possible loss in those matters, where an estimate was made. In addition, loss may be incurred in matters with respect to which the Company believed the probability of loss was remote.

For a detailed description of the nature of uncertainties and assumptions and the effect on the amount and timing of pending litigation and claims refer to Note 36.

5.4 Tax

The Company, is subject to tax in Cyprus and in the countries that it has run down operations mainly in Greece, Russia and Romania. Estimates are required in determining the provision for taxes at the reporting date. The Company recognises income tax liabilities for transactions and assessments whose tax treatment is uncertain. Where the final tax is different from the amounts initially recognised in the income statement, such differences will impact the income tax expense, the tax liabilities and deferred tax assets or liabilities of the period in which the final tax is agreed with the relevant tax authorities.

Deferred tax assets
In the absence of a specific accounting standard dedicated to the accounting of the asset that arose pursuant to amendments in the Income Tax Law effected in March 2019 which provides for the recoverability of tax assets arising from transfer of tax losses following resolution of a credit institution, within the framework of 'The Resolution of Credit and Other Institutions', to be guaranteed the Company had exercised judgement in applying the guidance of IAS 12 as the most relevant available standard and accounted for this asset item on the basis of IAS 12 principles relating to deferred tax assets.

For further details on such deferred tax assets refer to Note 15.

5.5 Fair value of investments and derivatives

The best evidence of fair value is a quoted price in an actively traded market. If the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employed by the Company use primarily observable market data and so the reliability of the fair value measurement is relatively high.

However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant inputs that are not observable. Valuation techniques that rely on non-observable inputs require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs.

Valuation techniques used to calculate fair values include comparisons with similar financial instruments for which market observable prices exist, discounted cash flow analysis and other valuation techniques commonly used by market participants. Valuation techniques incorporate assumptions that other market participants would use in their valuations, including assumptions about interest rate yield curves, exchange rates, volatilities and default rates. When valuing instruments by reference to comparable instruments, management takes into account the maturity, structure and rating of the instrument with which the position held is being compared.

5. Significant and other judgements, estimates and assumptions (continued)

5.5 Fair value of investments and derivatives (continued)

The Company uses models with only unobservable inputs for the valuation of certain unquoted equity investments. In these cases, estimates are made to reflect uncertainties in fair values resulting from a lack of market data inputs, for example, as a result of illiquidity in the market. Inputs into valuations based on unobservable data are inherently uncertain because there is little or no current market data available from which to determine the level at which an arm's length transaction would occur under normal business conditions. Unobservable inputs are determined based on the best information available.

Further details on the fair value of assets and liabilities are disclosed in Note 20.

5.6 Retirement benefits

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuations involve making assumptions about discount rates, the expected rate of return on plan assets, future salary increases, mortality rates as well as future pension increases where necessary. The Company's management sets these assumptions based on market expectations at the reporting date using its best estimates for each parameter covering the period over which the obligations are to be settled. In determining the appropriate discount rate, management considers the yield curve of high quality corporate bonds. In determining other assumptions, a certain degree of judgement is required. Future salary increases are based on expected future inflation rates for the specific country plus a margin to reflect the best possible estimate relating to parameters such as productivity, workforce maturity and promotions. The expected return on plan assets is based on the composition of each fund's plan assets, estimating a different rate of return for each asset class. Estimates of future inflation rates on salaries and expected rates of return of plan assets represent management's best estimates for these variables. These estimates are derived after consultation with the Company's advisors, and involve a degree of judgement. Due to the long term nature of these plans, such estimates are inherently uncertain.

Further details on retirement benefits are disclosed in Note 12.

5.7 Classification of properties

The Company determines whether a property is classified as investment property or stock of property as follows:

i. Investment properties comprise land and buildings that are not occupied for use by, or in the operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and/or capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business. Additionally, they comprise leased properties which are acquired in exchange of debt and are leased out under operating leases.
ii. Stock of property comprises real estate assets held with an intention to be disposed of. This principally relates to properties acquired through debt for property swaps and properties acquired through the acquisition of certain operations of Laiki Bank in 2013 (except from those that are leased out and are classified as investment properties).

5.8 Fair value of properties held for own use and investment properties

In accordance with the Company's accounting policy, property held for own use, as well as investment property, is measured at fair value. In the case of property held for own use, valuations are carried out periodically so that the carrying value is not materially different from the fair value, whereas in the case of investment property, the fair value is established at each reporting date. Valuations are carried out by qualified valuers by applying valuation models recommended by internationally accepted valuation standards.

5. Significant and other judgements, estimates and assumptions (continued)

5.8 Fair value of properties held for own use and investment properties (continued)

In arriving at their estimates of the fair values of properties, the valuers use their market knowledge and professional judgement and do not rely solely on historical transactional comparable information, taking into consideration the greater degree of uncertainty that exists compared to a more active market. Depending on the nature of the underlying asset and available market information, the determination of the fair value of property may require the use of estimates such as future cash flows from assets and discount rates applicable to those assets. All these estimates are based on local market conditions existing at the reporting date.

Further information on inputs used is disclosed in Note 20.

5.9 Leases

Incremental Borrowing Rate (IBR)
The determination of an IBR term structure which is used in the measurement of the present value of the future lease payments as described in Note 2.25 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024, inherently involves significant judgement. The IBR used was based on the Cyprus Government yield curve, with no further adjustment, as a fair proxy for the Company's secured borrowing cost, for a time horizon in accordance to the lease term. The sensitivity analysis on the yield curve performed by the Company showed that the value of the lease liability and corresponding RoU assets is relatively insensitive to changes in the IBR.

Lease term
In determining the lease term, management considers all facts and circumstances that could make a contract enforceable, such as the economics of the contract. The following assumptions were made for the duration of lease term depending on the contract terms:

i. For cancellable leases, an assessment was made at the initial application of the standard and subsequently updated where considered appropriate, based on the horizon used in the Company's financial plan. The current medium term financial plan assessment is for a duration of 4 years. The lease term was therefore based on an assessment of either 4 years (being the medium time horizon) or 8 years (being an assessment of a longer time horizon).
ii. For non cancellable leases, the lease term has been assessed to be the non cancellable period.
iii. For leases with an option for renewal, the Company's past practice regarding the period over which it has typically used properties (whether leased or owned), and its economic reasons for doing so, provide information that is helpful in assessing whether the lessee is reasonably certain to exercise, or not to exercise, an option.

Low value assets
The Company has exercised judgement in determining the threshold of low value assets which was set at €5,000.

Further details on the leases are disclosed in Note 40.

5.10 Classification of financial assets

The Company exercises judgement upon determining the classification of its financial assets, in relation to business models and future cash flows.

Judgement is also required to determine the appropriate level at which the assessment of business models needs to be performed. In general, the assessment for the classification of financial assets into the business models is performed at the level of each business line. Further, the Company exercises judgement in determining the effect of sales of financial instruments on its business model assessment.

5. Significant and other judgements, estimates and assumptions (continued)

The Company also applies judgement upon considering whether contractual features including interest rate could significantly affect future cash flows. Furthermore, judgement is required when assessing whether compensation paid or received on early termination of lending arrangements results in cash flows that are not SPPI.

6. Interest income and income similar to interest income

Interest income

	2024	2023
	€000	€000
Financial assets at amortised cost:		
- Loans and advances to customers	539,876	512,486
- Loans and advances to banks and central banks	296,945	321,646
- Reverse repurchase agreements	27,012	3,219
- Debt securities	97,628	56,906
- Other financial assets	16,877	19,774
Debt securities at FVOCI	22,598	18,078
	1,000,936	932,109

Income similar to interest income

	2024	2023
	€000	€000
Loans and advances to customers measured at FVPL	9,144	16,749
Derivative financial instruments	1,322	1,303
	10,466	18,052

7. Interest expense and expense similar to interest expense

Interest expense

	2024	2023
Financial liabilities at amortised cost:	€000	€000
- Customer deposits	84,161	32,344
- Funding from central banks and deposits by banks	30,549	74,393
- Debt securities in issue	50,686	22,091
- Subordinated liabilities	21,189	20,578
Interest expense on lease liabilities	228	291
	186,813	149,697

Expense similar to interest expense

	2024	2023
	€000	€000
Derivative financial instruments	1,289	1,293

8. Fee and commission income and expense

Fee and commission income

	2024	2023
	€000	€000
Credit-related fees and commissions	**68,744**	65,940
Other banking commissions	**91,990**	97,176
Fees on servicing loans disposed of under Project Helix 3	**-**	646
Mutual funds and asset management fees	**3,736**	3,193
Other commissions	**3,607**	3,289
	168,077	170,244

Mutual funds and asset management fees relate to fiduciary and other similar activities.

Credit-related fees and commissions include commissions from credit card arrangements amounting to €45,995 thousand (2023: €44,442 thousand). Other banking commissions include commissions from payment orders amounting to €24,690 thousand (2023: €26,676 thousand) and account maintenance fees of €29,462 thousand (2023: €29,420 thousand).

Fee and commission income is further divided into:

Fees earned from services that are provided over time:

	2024	2023
	€000	€000
Credit-related fees and commissions	**25,132**	26,879
Other banking commissions	**43,710**	44,150
Fees on servicing loans disposed of under Project Helix 3	**-**	646
Mutual funds and asset management fees	**2,125**	1,992
	70,967	73,667

Fees earned from point in time services:

	2024	2023
	€000	€000
Credit-related fees and commissions	**43,612**	39,061
Other banking commissions	**48,280**	53,026
Mutual funds and asset management fees	**1,611**	1,201
Other commissions	**3,607**	3,289
	97,110	96,577

Fee and commission expense

	2024	2023
	€000	€000
Banking commissions	**12,548**	11,923
Mutual funds and asset management fees	**410**	343
	12,958	12,266

9. Net foreign exchange gains

Net foreign exchange gains comprise of the conversion of monetary assets and liabilities in foreign currency at the reporting date, realised exchange gains/(losses) from transactions in foreign currency settled during the year, customer related foreign exchange and the revaluation of foreign exchange derivatives.

10. Net gains on financial instruments

	2024	2023
	€000	€000
Trading portfolio:		
- derivative financial instruments	**79**	26
Other investments at FVPL:		
- non-equity securities	**4,355**	1,041
- equity securities	**(85)**	831
Net losses on disposal of FVOCI debt securities	**-**	(438)
Net losses on balances with Group companies	**-**	(1,347)
Net gains on loans and advances to customers measured at FVPL (Note 20)	**1,232**	2,401
Revaluation of financial instruments designated as fair value hedges:		
- hedging instruments (Note 19)	**44,132**	(2,211)
- hedged items (Note 19)	**(44,132)**	4,329
	5,581	4,632

Net losses on balances with Group companies for the year ended 31 December 2023 of €1,347 relate to net losses from settlement of balances with Group property companies.

11. Other income

	2024	2023
	€000	€000
Dividend income	**142**	131
Profit on sale and write-off of property and equipment and intangible assets	**8**	52
Rental income from investment properties	**1,055**	1,382
Rental income from stock of property	**34**	73
Net (losses)/gains on disposal/dissolution of subsidiaries and associates	**(4,712)**	1,840
Other income	**6,920**	3,669
	3,447	7,147

Dividend income relates to income from third parties and to Cyprus operations.

The net gains/(losses) on disposal/dissolution of subsidiaries for the years ended 31 December 2024 and 31 December 2023 relate to the gains/(losses) on the disposal of the subsidiaries disclosed in Note 47 .

12. Staff costs

Staff costs

	2024	2023
	€000	€000
Salaries	**132,965**	126,873
Employer’s contributions to state social insurance	**24,736**	21,561
Variable compensation:		
Accrual for short-term incentive award (Note 12.3)	**8,891**	10,660
Share-based benefits expense (Note 12.2)	**932**	595
Retirement benefit plan costs	**12,093**	11,489
Exit cost and other termination benefits	**7,135**	6,787
	186,752	177,965

The number of persons employed by the Company as at 31 December 2024 was 2,440 (2023: 2,409).

Staff cost are presented in the Income Statement net of software capitalisation costs, which amounted to €312 thousand for the year ended 31 December 2024 (2023: €816 thousand).

The cost for the short-term incentive award comprises the cost for the short-term incentive award for the performance year 2024 which amounts to €10,769 thousands (2023: €10,660 thousand), of which an amount of €1,437 thousand (2023: €1,423 thousand) relates to employer's contribution accrual on 2024 STIP, and a credit amount of €1,878 thousand which relates to 2023 STIP.

During 2024, the Company provided termination benefits to 45 of the Company's full-time employees at a total cost of €7,135 thousand. During 2023, the Company provided termination benefits to 47 of the Company's full time employees at a total cost of €6,787 thousand.

12.1 Retirement benefits

In addition to the employer's contributions to state social insurance, the Company operates plans for the provision of additional retirement benefits as described below:

	2024	2023
	€000	€000
Defined benefit plans	**177**	160
Defined contribution plans	**11,916**	11,329
	12,093	11,489

Cyprus
The main retirement plan for the Company’s permanent employees in Cyprus (99% of total Company employees) is a defined contribution plan. This plan provided for employer contributions of 9% for 2024 and 2023 and employee contributions of 3%-10% of the employees’ gross salaries for both 2024 and 2023. This plan is managed by an Administrative Committee appointed by the members.

12. Staff costs (continued)

12.1 Retirement benefits (continued)

United Kingdom
The Company has assumed in prior years the obligation of the defined benefit plan of employees of the former subsidiary of the Company in the United Kingdom which was closed in December 2008 to future accrual of benefits for active members. As at 31 December 2024 and 2023, the Company's remaining retirement benefit obligation related to the UK pension plan.

In December 2024, the UK pension scheme undertook a bulk insurance buy-in transaction. The policy purchased is designed to provide cash flows that match the amount and timing of the benefits payable to the Scheme’s members, giving protection against demographic and investment risks and meet the members’ corresponding defined benefit obligations. The buy-in policy is presented as a pension plan asset with the fair value being equal to the present value of the scheme's defined benefit obligation.

Analysis of the results of the actuarial valuations for the defined benefit plan

Amounts recognised in the balance sheet	**2024 €000**	2023 €000
Liabilities (Note 31)	**-**	565

As at 31 December 2024, the plan has a total funded status at a surplus of €992 thousand (2023: total funded status at a surplus of €7,141 thousand) that is not recognised as an asset on the basis that the Company has no unconditional right to future economic benefits either via a refund or a reduction in future contributions.

The amounts recognised in the balance sheet and the movement in the net defined benefit obligation for the years ended 31 December 2024 and 2023 are presented below:

12. **Staff costs** (continued)

12.1 **Retirement benefits** (continued)

	Present value of obligation	Fair value of plan assets	Net amount before impact of asset ceiling	Impact of minimum funding requirement/ asset ceiling	Net defined benefit liability
	€000	€000	€000	€000	€000
1 January 2024	**46,999**	**(53,575)**	**(6,576)**	**7,141**	**565**
Net interest expense/(income)	2,229	(2,241)	(12)	-	(12)
Administration cost	-	189	189	-	189
Total amount recognised in the income statement	**2,229**	**(2,052)**	**177**	**-**	**177**
Remeasurements:					
Return on plan assets, excluding amounts included in net interest expense	-	12,481	12,481	-	12,481
Actuarial gain from changes in financial assumptions	(2,058)	-	(2,058)	-	(2,058)
Demographic assumptions	(2,272)	-	(2,272)	-	(2,272)
Experience adjustments	(30)	-	(30)	-	(30)
Change in asset ceiling	-	-	-	(6,840)	(6,840)
Total amount recognised in OCI	**(4,360)**	**12,481**	**8,121**	**(6,840)**	**1,281**
Exchange differences	2,240	(2,954)	(714)	691	(23)
Contributions:					
Employer	-	(2,000)	(2,000)	-	(2,000)
Benefits paid from the plans	(2,244)	2,244	-	-	-
31 December 2024	**44,864**	**(45,856)**	**(992)**	**992**	**-**

12. Staff costs (continued)

12.1 Retirement benefits (continued)

	Present value of obligation	Fair value of plan assets	Net amount before impact of asset ceiling	Impact of minimum funding requirement/ asset ceiling	Net defined benefit liability
	€000	€000	€000	€000	€000
1 January 2023	44,971	(52,017)	(7,046)	10,740	3,694
Net interest expense/(income)	2,248	(2,088)	160	-	160
Total amount recognised in the income statement	2,248	(2,088)	160	-	160
Remeasurements:					
Return on plan assets, excluding amounts included in net interest expense	-	884	884	-	884
Actuarial loss from changes in financial assumptions	1,200	-	1,200	-	1,200
Demographic assumptions	(605)	-	(605)	-	(605)
Experience adjustments	335	-	335	-	335
Asset adjustments	-	1,600	1,600	-	1,600
Change in asset ceiling	-	-	-	(4,253)	(4,253)
Total amount recognised in OCI	930	2,484	3,414	(4,253)	(839)
Exchange differences	893	(1,469)	(576)	654	78
Contributions:					
Employer	-	(2,528)	(2,528)	-	(2,528)
Benefits paid from the plans	(2,043)	2,043	-	-	-
31 December 2023	46,999	(53,575)	(6,576)	7,141	565

12. Staff costs (continued)

12.1 Retirement benefits (continued)

The actual return on plan assets for year 2024 was a loss of €10,429 thousand (2023: gain of €1,669 thousand) mainly due to the assets for the UK pension fund measured so that the fair value matches the present value of the liability following the buy-in insurance policy.

The assets of funded plans are generally held in separately administered entities, either as specific assets or as a proportion of a general fund, or as insurance contracts and are governed by local regulations and practice in each country.

Pension plan assets are invested in different asset classes to maintain a balance between risk and return. Investments are well diversified to limit the financial effect of the failure of any individual investment. Through its defined benefit plan, the Company is exposed to a number of risks as outlined below:

Interest rate risk	The Company is exposed to interest rate risk due to the mismatch of the duration of assets and liabilities.
Changes in bond yields	A decrease in corporate bond yields will increase the liabilities, although this will be partially offset by an increase in the value of bond holdings.
Inflation risk	The Company faces inflation risk, since the liabilities are either directly (through increases in pensions) or indirectly (through wage increases) exposed to inflation risks. Investments to ensure inflation-linked returns (i.e. real returns through investments such as equities, index-linked bonds and assets whose return increases with increasing inflation) could be used to better match the expected increases in liabilities.
Asset volatility	The liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, a deficit will be created.

The fair value of insurance policy related to buy-in transaction was estimated as the present value of the underlying obligations covered by the insurance policy, hence the fair value of this asset at each reporting date is impacted by the measurement uncertainty of the related scheme liabilities.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2024	2023
Equity securities	**- %**	5%
Debt securities	**- %**	70%
Loans and advances to banks	**- %**	20%
Funds	**3%**	5%
Buy-in insurance policies	**97%**	- %
	100%	100%

At the end of the reporting period, the average duration of the defined benefit obligations was 13 years (2023: 14 years).

12. Staff costs (continued)

12.1 Retirement benefits (continued)

Principal actuarial assumptions used in the actuarial valuations
The present value of the defined benefit obligations of the retirement plan is estimated annually using the Projected Unit Credit Method of actuarial valuation, carried out by independent actuaries. The principal actuarial assumptions used for the valuations of the retirement plan of the Company during 2024 and 2023 are set out below:

2024	**UK**
Discount rate	**5.15%**
Inflation rate	**3.05%**
Future salary increases	**n/a**
Rate of pension increase	**2.90%**
Life expectancy for pensioners at age 60	**n/a**
Life expectancy for pensioners at age 65	**22.6 years M** **24.3 years F**
2023	
Discount rate	4.75%
Inflation rate	3.00%
Future salary increases	n/a
Rate of pension increase	2.80%
Life expectancy for pensioners at age 60	n/a
Life expectancy for pensioners at age 65	23.0 years M 24.7 years F

The discount rate used in the actuarial valuations reflects the rate at which liabilities could effectively be settled and is set by reference to market yields at the reporting date of high quality corporate bonds of suitable maturity and currency. For the Company's plan in the UK which comprises 100% of the defined benefit obligations, the Company adopted a full yield curve approach using the discount rate that has been set based on the yields on AA- rated corporate bonds with duration consistent with the scheme's liabilities. Under this approach, each future liability payment is discounted by a different discount rate that reflects its exact timing.

To develop the assumptions relating to the expected rates of return on plan assets, the Company, in consultation with its actuaries, uses forward-looking assumptions for each asset class reflecting market conditions and future expectations at the reporting date. Adjustments are made annually to the expected rate of return assumption based on revised expectations of future investment performance of asset classes, changes to local legislation that may affect investment strategy, as well as changes to the target strategic asset allocation.

The impact of significant assumptions' fluctuations on the defined benefit obligation as at 31 December 2024 and 2023 is presented below:

	2024		2023	
Variable	**Change +0.5%**	**Change -0.5%**	Change +0.5%	Change -0.5%
Discount rate	**-6.2%**	**6.5%**	-6.6%	6.9%
Inflation growth rate	**3.6%**	**-3.6%**	3.8%	-3.8%
Pension growth rate	**0.1%**	**-0.1%**	0.1%	-0.1%
	Plus 1 year	**Minus 1 year**	Plus 1 year	Minus 1 year
Life expectancy	**4.2%**	**-4.2%**	4.7%	-4.7%

12. Staff costs (continued)

12.1 Retirement benefits (continued)

The above sensitivity analysis (with the exception of the inflation sensitivity) is based on a change in one assumption while holding all other assumptions constant. In practice this is unlikely to occur and some changes of the assumptions may be correlated. The inflation sensitivity includes changes to any inflation-linked benefit increases. When calculating the sensitivity of the defined benefit obligation to significant assumptions, the same method has been applied as when calculating the pension liability recognised on the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous years.

12.2 Share-based compensation plan

Long-Term Incentive Plan
At the Annual General Meeting of the shareholders of BOCH which took place on 20 May 2022, a special resolution was approved for the establishment and implementation of the share based Long-Term Incentive Plan (the 'LTIP') of Bank of Cyprus Holdings Public Limited Company.

The LTIP is an equity-settled share-based compensation plan for executive directors and senior management of the Group. The LTIP provides for an award in the form of ordinary shares of BOCH based on certain non-market performance and service vesting conditions. Performance is measured over a three-year period. The performance conditions are set by the Human Resources & Remuneration Committee (HRRC) each year and may be differentiated at the HRRC's discretion to reflect the Group’s strategic targets and employees' personal performance. Performance will be assessed against an evaluation scorecard consistent with the Group’s Medium-Term Strategic Targets containing both financial and non-financial objectives, and including targets in the areas of: (i) Profitability; (ii) Asset quality; (iii) Capital adequacy; (iv) Risk control & compliance; (v) Environmental, Social and Governance ('ESG'); and (vi) Customer Experience (targets in the area of Customer Experience have been introduced for non-control functions from 2024). The awards ordinarily vest in six tranches, with 40% vesting in the year following the year the performance period ends and the remaining 60% vesting in tranches (12%), on each of the first, second, third, fourth and fifth anniversary of the first vesting date. For any award to vest the employee must be in the employment of the Group up until the date of the vesting of such an award. Awards are subject to potential forfeiture under certain leaver scenarios. Under certain circumstances the HRRC has the discretion to determine whether the award will lapse and/or the extent to which the award will be vested.

The maximum number of shares that may be issued pursuant to the LTIP until the tenth anniversary of the relevant resolution shall not exceed 5% of the issued ordinary share capital of BOCH, as at the date of the resolution (being 22,309,996 ordinary shares of €0.10 each), as adjusted for any issuance or cancellation of shares subsequently to the date of the resolution (excluding any issuances of shares pursuant to the LTIP).

Under the LTIP the following share awards were outstanding as of 31 December 2024:

i. On 3 April 2024 (grant date) a maximum of 403,990 share awards were granted by BOCH to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in April 2024 are subject to a three-year performance period 2024-2026 (with all performance conditions being non-market performance conditions).
ii. On 3 October 2023 (grant date) a maximum of 479,160 share awards were granted by BOCH to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in October 2023 are subject to a three-year performance period 2023-2025 (with all performance conditions being non-market performance conditions).
iii. On 22 December 2022 (grant date) a maximum of 819,860 share awards were granted by BOCH to 22 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in December 2022 were subject to a three-year performance period 2022-2024 (with all performance conditions being non-market performance conditions). The amounts awarded under this 2022 LTIP cycle in early 2025 are disclosed in Note 46 of the financial statements.

The following table presents movements in outstanding share-based awards during 2024 and 2023.

12. Staff costs (continued)

12.2 Share-based compensation plan (continued)

	2024		2023	
	Number of shares	**Weighted average grant date fair value**	Number of shares	Weighted average grant date fair value
		€		€
As at 1 January	**1,209,036**	**2.15**	819,860	1.69
Granted during the year	**403,990**	**3.70**	479,160	2.95
Change in estimate of number of awards to vest	**39,004**	**-**	-	-
Vested during the year	**-**	**-**	-	-
Forfeited during the year	**-**	**n/a**	(89,984)	n/a
31 December	**1,652,030**		1,209,036	

Assumptions

The fair value calculations as of the granting date for each of the share awards are calculated using the Black-Scholes model. As the award is a share award (and does not contain any market-based performance conditions) the fair value is based on the share price at the date of the grant.

12.3 Short-term incentive plan

Short-term incentive award refers to a Short-Term Incentive Plan first introduced by the Group in 2023. This is an annual incentive which involves variable remuneration in the form of cash, or a combination of cash and shares, to selected employees, and is driven by both delivery of the Group's Strategy, as well as individual performance, in the relevant year. Executive Management are also eligible to be considered for the short-term incentive award. The short-term incentive award is generally paid in cash and is non-deferred, however, in cases where the total variable remuneration in a year (i.e. including both amounts under STIP and LTIP) of an employee exceeds a specified threshold as per regulatory guidelines, then at least 50% of the total variable remuneration is awarded in shares. In cases where the total variable remuneration threshold is exceeded, the STIP award (both the cash and share component, if any) vests similarly to the vesting of LTIP award, i.e., 40% vests in the year following the performance year to which the incentive award relates to, and the remaining 60% vests in tranches (12%) over five years.

Shares vesting as part of the short-term incentive award are subject to one-year retention period and 100% of the award is subject to clawback provisions.

For the short-term incentive award for the performance year 2024 no amount is to be granted in the form of shares (2023: €250 thousand of the total STIP for 2023 was granted in the form of shares). Further information on the amounts awarded under the short-term incentive award for the performance year 2024 to Executive Directors and other key management personnel is disclosed in Note 46.

13. Other operating expenses

	2024	2023
	€000	€000
Technology and systems	**27,643**	25,045
Property-related costs	**12,485**	12,323
Consultancy, legal and other professional services fees	**16,283**	15,848
Insurance	**4,764**	5,329
Advertising and marketing	**12,039**	7,966
Incentives to performing customers	**2,300**	2,500
Depreciation of property and equipment (Note 24)	**13,461**	11,468
Amortisation of intangible assets (Note 25)	**10,790**	12,618
Communication expenses	**4,983**	5,235
Printing and stationery	**1,620**	1,564
Cash transfer expenses	**3,352**	3,192
Other operating expenses	**27,035**	30,813
	136,755	133,901
Advisory and other transformation costs (non-recurring)	**-**	2,253
	136,755	136,154

The Company has changed the description of the first line item in the table above to more appropriately reflect the nature of this expense and has changed this to 'Technology and systems' from 'Repairs and Maintenance'. As a result of this change, expenses of €2,156 thousand have been included in 'Property-related costs' and €25,045 thousand in 'Technology and systems' in respect of the comparative information.

Advisory and other transformation costs comprise mainly fees to external advisors in relation to the transformation program and other strategic projects of the Company and are considered to be non-recurring.

During the year ended 31 December 2024, the Company recognised €8,386 thousand relating to the depreciation of right-of-use assets, included within 'Depreciation of property and equipment' (2023: €5,874 thousand) (Note 40).

Incentives to performing customers of €2,300 thousand during the year ended 31 December 2024 (2023: €2,500 thousand relate to the Reward Programme launched in June 2023) relate to the Reward Programme launched in August 2024 to reward performing borrowers through the Antamivi reward scheme.

Within total other operating expenses, an amount of €395 thousand (2023: €521 thousand) relates to investment property that generated rental income.

Special levy on deposits and other levies/contributions as presented in the income statement are set out below:

	2024	2023
	€000	€000
Special levy on deposits of credit institutions in Cyprus	**29,448**	23,300
Single Resolution Fund contribution	**-**	5,477
Guarantee fee on annual deferred tax credit (Note 15)	**5,364**	5,364
Contribution to Deposit Guarantee Fund	**4,303**	8,239
	39,115	42,380

13. Other operating expenses (continued)

The special levy on credit institutions in Cyprus (the Special Levy) is imposed on the level of deposits as at the end of the previous quarter, at the rate of 0.0375% per quarter. Following an amendment of the Imposition of Special Credit Institution Tax Law in 2017, the Single Resolution Fund ('SRF') contribution, which is charged annually by the Single Resolution Board ('SRB'), reduces the charge of the Special Levy up to the level of the total annual Special Levy charge. In February 2024, the SRB announced that no regular annual contributions would be collected in 2024 from the institutions falling in scope of the SRF and contributions would only be collected in the event of specific circumstances.

As from 1 January 2020 and until 3 July 2024 the Company was subject to a contribution to the Deposit Guarantee Fund ('DGF') on a semi-annual basis. The contributions were calculated based on the Risk Based Methodology (RBM) as approved by the management committee of the Deposit Guarantee and Resolution of Credit and Other Institutions Schemes ('DGS') and is publicly available on the CBC’s website. In line with the RBM, the contributions are broadly calculated on the covered deposits of all authorised institutions and the target level was to reach at least 0.8% of covered deposits by 3 July 2024. The management committee of the DGS can decide to collect additional ex-ante contributions to achieve a higher return.

Fees to the independent auditors of the Company, for audit and other professional services provided both in Cyprus and overseas are presented in the table below:

	PwC Cyprus		**PwC Network firms**	
	2024	2023	**2024**	2023
	€000	€000	**€000**	€000
Audit of the individual and the Group financial statements	**1,159**	1,065	**187**	301
Other assurance services	**692**	355	**66**	140
Tax compliance and advisory services	**66**	74	**12**	12
Other non-assurance services	**273**	175	**81**	127
	1,031	604	**159**	279
	2,190	1,669	**346**	580

Fees are exclusive of VAT.

14. Credit losses on financial assets and impairment net of reversals on non-financial assets

Credit losses on financial assets	**2024 €000**	2023 €000
Credit losses to cover credit risk on loans and advances to customers		
Impairment net of reversals on loans and advances to customers (Note 42.5)	**47,422**	81,670
Recoveries of loans and advances to customers previously written off	**(13,520)**	(15,057)
Changes in expected cash flows	**(1,080)**	4,824
Financial guarantees and commitments (Note 42.6)	**(1,006)**	1,763
	31,816	73,200
Credit losses on other financial instruments		
Amortised cost debt securities (Note 18)	**(256)**	(531)
FVOCI debt securities (Note 18)	**(242)**	(376)
Balances with Group companies (Note 22)	**812**	(4,468)
Loans and advances to banks (Note 17)	**19**	14
Balances with central banks (Note 17)	**(403)**	330
Reverse repurchase agreements	**9**	20
Other financial assets	**621**	1,146
	560	(3,865)
	32,376	69,335

Impairment net of reversals on non-financial assets	**2024 €000**	2023 €000
Stock of property (Note 26)	**14,883**	11,913
Investments in subsidiaries (Note 47)	**63,280**	57,623
Other non-financial assets	**425**	62
	78,588	69,598

The impairment of investment in subsidiaries for the year ended 31 December 2024 amounts to €63,280 thousand (2023: €57,623 thousand) and represents the difference between the carrying value of the investment in the subsidiary companies compared to their recoverable amount and arises primarily on property companies subsidiaries.

The impairment of balances with Group companies which are measured at amortised cost is computed following the same ECL principles adopted by the Group in preparing the Consolidated Financial Statements of the Company.

15. Income tax

	2024 €000	2023 €000
Current tax	**41,518**	40,029
Cyprus special defence contribution	**21**	15
Deferred tax charge	**35,111**	25,990
Other tax charges	**1,000**	237
	77,650	66,271

15. **Income tax** (continued)

The reconciliation between the income tax expense and the profit before tax as estimated using the current income tax rates is set out below:

	2024	2023
	€000	€000
Profit before tax	**554,216**	576,086
Income tax at the normal tax rates in Cyprus	**69,277**	72,011
Income tax effect of:		
- expenses not deductible for income tax purposes	**23,557**	12,577
- income not subject to income tax	**(9,937)**	(15,152)
- other allowable deductions	**(6,268)**	(3,417)
	76,629	66,019
Cyprus special defence contribution	**21**	15
Other tax charges	**1,000**	237
	77,650	66,271

The Corporate income tax rate in Cyprus is 12.5% (2023: 12.5%) and in Greece is 22% (2023: 22%) on taxable income.

Special defence contribution is payable on the 75% of rental income at a rate of 3% (2023: 3%) and on interest income from activities outside the ordinary course of business at a rate of 17% (2023: 30%).

The Company is subject to income tax in the jurisdictions in which it operates and the calculation of the Company's income tax charge, top-up tax liability under Cyprus Pillar Two Law and provisions for income tax necessarily involves a degree of estimation and judgement. There are transactions and calculations for which the ultimate income tax treatment is uncertain and cannot be determined until resolution has been reached with the relevant tax authority. The Company has a number of open income tax returns with various income tax authorities and liabilities relating to these judgemental matters which are based on estimates of whether additional income taxes will be due. In case the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

On 22 December 2022, the European Commission approved Directive 2022/2523 which provides for a minimum effective tax rate of 15% for the global activities of large multinational groups (Pillar Two tax). The Directive (EU) 2022/2523 that follows closely the OECD Inclusive Framework on Base Erosion and Profit Shifting was voted into Law 151(I)/2024 (the 'Cyprus Pillar Two Law') in December 2024, effective for financial years starting from 31 December 2023. The Bank of Cyprus Holdings Group is in scope of the Cyprus Pillar Two Law for the year ended 31 December 2024. The Bank of Cyprus Holdings Group is eligible for the transitional provision under Article 55 of the Cyprus Pillar Two Law which results in zeroing any top up tax liability in Cyprus computed in accordance with the rules laid out in the Cyprus Pillar Two Law for the year ended 31 December 2024. The Bank of Cyprus Holdings Group does not anticipate any top-up tax liability arising from the foreign jurisdiction in which it operates.

15. **Income tax** (continued)

Deferred tax

The movement of the net deferred tax assets is set out below:

	Differences between capital allowances and depreciation	Own property revaluation	Stock of property and Investment Properties	Unutilised income tax losses carried forward (guaranteed deferred tax asset)	Other temporary differences (net)	Total
2024	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Net deferred tax asset/(liability) as at 1 January 2024	**(9,067)**	**(13,569)**	**10,389**	**189,546**	**1,248**	**178,547**
Income Statement - tax (charge)/credit	**(656)**	**-**	**3,002**	**(37,909)**	**452**	**(35,111)**
Other comprehensive income - tax credit	**-**	**208**	**-**	**-**	**-**	**208**
Other transfers	**-**	**-**	**(471)**	**-**	**-**	**(471)**
31 December 2024	**(9,723)**	**(13,361)**	**12,920**	**151,637**	**1,700**	**143,173**
Deferred tax assets	**-**	**-**	**12,920**	**151,637**	**1,700**	**166,257**
Deferred tax liabilities	**(9,723)**	**(13,361)**	**-**	**-**	**-**	**(23,084)**
31 December 2024	**(9,723)**	**(13,361)**	**12,920**	**151,637**	**1,700**	**143,173**

2023						
Net deferred tax asset/(liability) as at 1 January 2023	(9,349)	(10,295)	-	227,455	-	207,811
Income Statement - tax credit/(charge)	282	-	10,389	(37,909)	1,248	(25,990)
Other comprehensive income - tax charge	-	(3,274)	-	-	-	(3,274)
31 December 2023	(9,067)	(13,569)	10,389	189,546	1,248	178,547
Deferred tax assets	-	-	10,389	189,546	1,248	201,183
Deferred tax liabilities	(9,067)	(13,569)	-	-	-	(22,636)
31 December 2023	(9,067)	(13,569)	10,389	189,546	1,248	178,547

The deferred tax assets (DTA) relate to Cyprus operations.

The Company offsets income tax assets and liabilities only if it has a legally enforceable right to set-off current income tax assets and current income tax liabilities.

Income Tax Law Amendment 28 (I) of 2019
On 1 March 2019 the Cyprus Parliament adopted legislative amendments to the Income Tax Law (the 'Law') which were published in the Official Gazette of the Republic on 15 March 2019 ('the amendments').

The Company has DTA that meets the requirements of the Income Tax Law Amendment 28(I) of 2019 relating to income tax losses transferred to the Company as a result of the acquisition of certain operations of Laiki Bank, on 29 March 2013, under 'The Resolution of Credit and Other Institutions Law'. The DTA recognised upon the acquisition of certain operations of Laiki in 2013 amounted to €417 million (corresponding to €3.3 billion tax losses) for which the Company paid a consideration as part of the respective acquisition. The period of utilisation of the tax losses which may be converted into tax credits is eleven years following the amendment of the Law in 2019, starting from 2018, i.e., by end of 2028.

15. Income tax (continued)

As a result of the above Law, the Company has DTA amounting to €151,637 thousand as at 31 December 2024 (2023: €189,546 thousand) that meet the requirements under this Law, the recovery of which is guaranteed. On an annual basis an amount is either converted to annual tax credit and is reclassified from the DTA to current tax receivables or it is used in the determination of the taxable income of the relevant year, as the annual instalment can be claimed as a deductible expense in which case the annual instalment is reflected as a charge in the income statement.

The DTA subject to the Law is accounted for on the same basis, as described in Note 2.11 of the Consolidated Financial Statements of the Company for the year ended 31 December 2024.

The Law provides that an annual fee is charged on an annual basis until expiration of such losses in 2028. The Company estimates that such fees could range to €5,300 thousand per year (for each tax year in scope i.e., since 2018) although the Company understands that such fee may fluctuate annually as to be determined by the Ministry of Finance. An amount of €5,364 thousand that relates to the tax credit of year 2024 (2023: €5,364 thousand) was recorded during the year ended 31 December 2024.

Accumulated income tax losses

The accumulated income tax losses are presented in the table below:

	Total income tax losses	**Income tax losses for which a deferred tax asset was recognised**	**Income tax losses for which no deferred tax asset was recognised**
2024	**€000**	**€000**	**€000**
Utilisation in annual instalments up to 2028	**1,213,091**	**1,213,091**	**-**
	1,213,091	**1,213,091**	**-**
2023			
Expiring within 5 years	44,261	-	44,261
Utilisation in annual instalments up to 2028	1,516,364	1,516,364	-
	1,560,625	1,516,364	44,261

16. Earnings per share

Basic and diluted profit per share attributable to the owners of the Company	**2024**	2023
Profit for the year attributable to the owners of the Company (€ thousand)	**476,566**	509,815
Weighted average number of shares in issue during the year, excluding treasury shares (thousand)	**9,597,945**	9,597,945
Basic and diluted profit per share (€ cent)	**5.0**	5.3

17. Cash, balances with central banks and loans and advances to banks

	2024	2023
	€000	€000
Cash	**94,987**	92,509
Balances with central banks	**7,458,316**	9,522,335
Allowance for expected credit losses (Note 14)	**(120)**	(523)
	7,553,183	9,614,321

Loans and advances to banks	**787,345**	353,105
Allowance for expected credit losses (Note 14)	**(41)**	(22)
	787,304	353,083

Balances with central banks are classified as Stage 1.

The ECL release (Note 14) on balances with central banks for the year ended 31 December 2024 amounted to €403 thousand (2023: ECL charge of €330 thousand).

An analysis of the movement of the gross carrying amount before ECL and ECL of loans and advances to banks is presented in the table below:

	2024		2023	
	Gross carrying amount	**ECL**	Gross carrying amount	ECL
	€000	**€000**	€000	€000
1 January	**353,105**	**(22)**	166,697	(8)
Net increase/(decrease)	**434,240**	**-**	186,408	-
Changes to models and inputs used for ECL calculation (Note 14)	**-**	**(19)**	-	(14)
31 December	**787,345**	**(41)**	353,105	(22)

All loans and advances to banks are classified as Stage 1.

Balances with central banks include obligatory deposits for liquidity purposes which amount to €117,702 thousand as at 31 December 2024 (2023: €59,179 thousand) (Note 39). The average balance of obligatory deposits that should be maintained with central banks was set at €194,636 thousand for the period of December 2024 to February 2025 (2023: €186,794 thousand for the period of December 2023 to January 2024).

The credit rating analysis of balances with central banks and loans and advances to banks by independent credit rating agencies is set out in Note 42.11.

Loans and advances to banks earn interest based on the interbank rate of the relevant term and currency.

18. Investments

The analysis of the Company's investments is presented in the table below:

	2024	2023
	€000	€000
Investments at FVPL	**7,627**	3,123
Investments at FVOCI	**384,495**	433,901
Investments at amortised cost	**3,805,637**	3,116,714
	4,197,759	3,553,738

Out of these, the amounts pledged as collateral are shown below:

	2024	2023
Investments pledged as collateral	**€000**	€000
Investments at FVOCI	**-**	25,458
Investments at amortised cost	**39,958**	234,553
	39,958	260,011

Investments pledged as collateral as at 31 December 2024 are mainly used as supplementary assets for the covered bond (Note 44). As at 31 December 2023, debt securities collateralised were primarily used for the amounts borrowed from the ECB Targeted Longer-Term Refinancing Operations (TLTRO III) (Note 28) which was fully repaid in the year ended 31 December 2024. Encumbered assets are disclosed in Note 44.

The maximum exposure to credit risk for debt securities is disclosed in Note 42.1 and the debt securities price risk sensitivity analysis is disclosed in Note 43.

The increase in the investment portfolio as at 31 December 2024 is consistent with the strategy of the Company to grow the fixed income portfolio.

The credit rating analysis of investments is disclosed in Note 42.11.

Investments at fair value through profit or loss

	Investments mandatorily measured at FVPL	
	2024	2023
	€000	€000
Other non-equity securities	**6,790**	2,286
Equity securities	**837**	837
	7,627	3,123

Investments at FVOCI

	2024	2023
	€000	€000
Debt securities	**375,693**	424,230
Equity securities	**8,802**	9,671
	384,495	433,901

18. Investments (continued)

Investments at amortised cost

	2024	2023
	€000	€000
Debt securities	**3,805,637**	3,116,714

Further analysis of the Company's investments is provided in the tables below.

Equity securities

2024	**FVPL** €000	**FVOCI** €000	**Total** **€000**
Listed on the Cyprus Stock Exchange	-	-	**-**
Listed on other stock exchanges	837	60	**897**
Unlisted	-	8,742	**8,742**
	837	**8,802**	**9,639**

2023	FVPL €000	FVOCI €000	Total €000
Listed on the Cyprus Stock Exchange	-	722	722
Listed on other stock exchanges	837	58	895
Unlisted	-	8,891	8,891
	837	9,671	10,508

The Company irrevocably made the election to classify its equity investments as equity investments at FVOCI on the basis that these are not held for trading. Their carrying value amounts to €8,802 thousand at 31 December 2024 and is equal to their fair value (2023: €9,671 thousand).

Equity investments at FVOCI comprise mainly investments in private Cyprus registered companies, acquired through loan restructuring activity and specifically through debt for equity swaps.

Dividend income amounting to €142 thousand has been received and recognised during the year ended 31 December 2024 in other income (2023: €131 thousand) (Note 11).

During the year ended 31 December 2024, holdings of equity investments measured at FVOCI with a carrying value of €812 thousand have been disposed of (2023: €702 thousand).

Debt securities and other non-equity securities

Analysis by issuer type	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	€000	€000	€000	**€000**
Cyprus government	-	280,070	735,617	**1,015,687**
Other governments	-	10,261	1,056,915	**1,067,176**
Financial institutions	-	65,822	1,084,888	**1,150,710**
Other financial corporations	6,790	-	57,258	**64,048**
Supranational organisations	-	19,580	696,260	**715,840**
Other non-financial corporations	-	-	175,431	**175,431**
Allowance for expected credit losses	-	(40)	(732)	**(772)**
	6,790	**375,693**	**3,805,637**	**4,188,120**

18. **Investments** (continued)

2023	FVPL €000	FVOCI €000	Amortised cost €000	Total €000
Cyprus government	-	313,952	611,199	925,151
Other governments	-	10,317	751,399	761,716
Financial institutions	-	81,803	1,046,525	1,128,328
Other financial corporations	2,286	-	47,483	49,769
Supranational organisations	-	18,439	550,441	568,880
Other non-financial corporations	-	-	110,655	110,655
Allowance for expected credit losses	-	(281)	(988)	(1,269)
	2,286	424,230	3,116,714	3,543,230

Geographic dispersion by country of issuer 2024	**FVPL** €000	**FVOCI** €000	**Amortised cost** €000	**Total** **€000**
Cyprus	-	280,070	737,640	**1,017,710**
Greece	-	11,097	78,492	**89,589**
Germany	-	-	217,589	**217,589**
France	-	22,111	344,597	**366,708**
Other European Union countries	-	19,809	1,129,546	**1,149,355**
United Kingdom	-	-	18,094	**18,094**
USA and Canada	6,790	-	291,982	**298,772**
Other countries	-	23,066	292,169	**315,235**
Supranational organisations	-	19,580	696,260	**715,840**
Allowance for expected credit losses	-	(40)	(732)	**(772)**
	6,790	**375,693**	**3,805,637**	**4,188,120**

2023	FVPL €000	FVOCI €000	Amortised cost €000	Total €000
Cyprus	-	313,952	621,617	935,569
Greece	-	18,793	60,516	79,309
Germany	-	-	210,519	210,519
France	-	31,662	283,256	314,918
Other European Union countries	-	19,475	741,331	760,806
United Kingdom	-	-	18,098	18,098
USA and Canada	2,286	-	273,471	275,757
Other countries	-	22,190	358,453	380,643
Supranational organisations	-	18,439	550,441	568,880
Allowance for expected credit losses	-	(281)	(988)	(1,269)
	2,286	424,230	3,116,714	3,543,230

'Other countries' include exposures in Israel amounting to €31,065 thousand as at 31 December 2024 (2023: €46,715 thousand).

18. **Investments** (continued)

Analysis by currency	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	**€000**	**€000**	**€000**	**€000**
Euro	**-**	**356,151**	**3,510,264**	**3,866,415**
US dollar	**6,790**	**19,581**	**283,963**	**310,334**
Pound sterling	**-**	**-**	**12,142**	**12,142**
Allowance for expected credit losses	**-**	**(39)**	**(732)**	**(771)**
	6,790	**375,693**	**3,805,637**	**4,188,120**

	FVPL	FVOCI	Amortised cost	Total
2023	€000	€000	€000	€000
Euro	-	406,073	2,877,334	3,283,407
US dollar	2,286	18,438	228,779	249,503
Pound sterling	-	-	11,589	11,589
Allowance for expected credit losses	-	(281)	(988)	(1,269)
	2,286	424,230	3,116,714	3,543,230

Listing analysis	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
2024	**€000**	**€000**	**€000**	**€000**
Listed on the Cyprus Stock Exchange	-	-	33,884	**33,884**
Listed on other stock exchanges	-	375,733	3,772,485	**4,148,218**
Unlisted	6,790	-	-	**6,790**
Allowance for expected credit losses	-	(40)	(732)	**(772)**
	6,790	**375,693**	**3,805,637**	**4,188,120**

	FVPL	FVOCI	Amortised cost	Total
2023	€000	€000	€000	€000
Listed on the Cyprus Stock Exchange	-	-	4,567	4,567
Listed on other stock exchanges	-	424,511	3,113,135	3,537,646
Unlisted	2,286	-	-	2,286
Allowance for expected credit losses	-	(281)	(988)	(1,269)
	2,286	424,230	3,116,714	3,543,230

The Company uses fair value hedging to manage the interest rate risk in relation to its FVOCI bonds (Note 19).

18. Investments (continued)

An analysis of the movement in the gross debt securities at FVOCI before ECL and the ECL of debt securities is presented in the table below:

	2024		2023	
	Gross debt securities	**ECL**	Gross debt securities	ECL
	€000	**€000**	€000	€000
1 January	**424,511**	**(281)**	447,073	(657)
New assets acquired in the year	**7,000**	**-**	72,080	-
Assets derecognised and/or redeemed in the year (Note 14)	**(61,031)**	**68**	(115,687)	39
Interest accrued and amortisation	**(3,027)**	**-**	(1,728)	-
Foreign exchange adjustments	**1,187**	**-**	(640)	-
Changes to models and inputs used for ECL calculations (Note 14)	**-**	**174**	-	337
Changes in fair value	**7,092**	**-**	23,413	-
31 December	**375,732**	**(39)**	424,511	(281)

All debt securities measured at FVOCI are classified as Stage 1 as at 31 December 2024 and 31 December 2023.

An analysis of the movement in the gross carrying amount and ECL of the debt securities at amortised cost is presented in the table below:

	2024		2023	
	Gross debt securities	**ECL**	Gross debt securities	ECL
	€000	**€000**	€000	€000
1 January	**3,117,702**	**(988)**	2,047,638	(1,519)
New assets acquired in the year	**1,388,497**	**-**	1,472,417	-
Assets derecognised and/or redeemed in the year (Note 14)	**(758,747)**	**177**	(428,958)	102
Fair value due to hedging relationship	**2,362**	**-**	2,674	-
Interest accrued and amortisation	**39,809**	**-**	31,326	-
Changes to models and inputs used for ECL calculation (Note 14)	**-**	**79**	-	429
Foreign exchange adjustments	**16,746**	**-**	(7,395)	-
31 December	**3,806,369**	**(732)**	3,117,702	(988)

All debt securities measured at amortised cost are classified as Stage 1 as at 31 December 2024 and 31 December 2023.

There were no reclassifications of investments during the year ended 31 December 2024 and 2023.

The fair value of the financial assets that have been reclassified out of FVPL to FVOCI on transition to IFRS 9 is nil at 31 December 2024 (2023: €722 thousand). The fair value loss that would have been recognised in the income statement during the year ended 31 December 2024 if these financial assets had not been reclassified as part of the transition to IFRS 9, amounts to €722 thousand (2023: €68 thousand).

19. Derivative financial instruments

The contract amount and fair value of the derivative financial instruments is set out below:

	2024			2023		
		Fair value			Fair value	
	Contract amount	**Assets**	**Liabilities**	Contract amount	Assets	Liabilities
	€000	**€000**	**€000**	€000	€000	€000
Trading derivatives						
Forward exchange rate contracts	**23,232**	**171**	**126**	23,960	205	184
Currency swaps	**927,180**	**7,662**	**518**	987,459	137	13,278
Interest rate swaps	**-**	**-**	**-**	13,460	189	181
Currency options	**472**	**455**	**17**	44	2	42
Interest rate caps/floors	**18,130**	**945**	**945**	166,075	1,843	1,844
	969,014	**9,233**	**1,606**	1,190,998	2,376	15,529
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	**1,637,500**	**58,299**	**2,918**	1,401,531	48,679	2,451
Portfolio fair value hedges - interest rate swaps	**2,914,362**	**27,741**	**140**	-	-	-
	4,551,862	**86,040**	**3,058**	1,401,531	48,679	2,451
Total	**5,520,876**	**95,273**	**4,664**	2,592,529	51,055	17,980

The use of derivatives is an integral part of the Company's activities. Derivatives are used to manage the Company's own exposure to fluctuations in interest rates and foreign currency exchange rates. Derivatives are also sold to customers as risk management products.

Credit risk for derivatives arises from the possibility of the counterparty's failure to meet the terms of any contract. In the case of derivatives, credit losses are a significantly smaller amount compared to the derivatives' notional amount. In order to manage credit risk, the Group sets derivative limits based on the creditworthiness of the involved counterparties and uses credit mitigation techniques such as netting, collateralisation, margin calls and clearing through Central Clearing House (CCP) where applicable.

Interest rate risk is explained in Note 43. The interest rate risk is managed through the use of own balance sheet solutions such as plain vanilla interest rate swaps and interest rate options. In fair value hedging of interest rate risk, fixed rate assets/liabilities are converted to floating. In cash flow hedging of interest rate risk, the Company converts floating rate assets/liabilities to fixed.

Currency risk is explained in Note 43. In order to manage currency risk, the Company hedges its open position by entering into foreign exchange deals such as: foreign exchange spot, foreign exchange forwards, foreign exchange swaps or foreign exchange options. The foreign currency risk mainly arises from customer-driven transactions on deposits and loans and advances.

Forward exchange rate contracts are irrevocable agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate.

Currency swaps involve the exchange of two currencies at the current market rate and the commitment to re-exchange them at a specified rate upon maturity of the swap. Cross-currency swaps are interest rate swaps in which the cash flows are in different currencies.

19. Derivative financial instruments (continued)

Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest, by means of periodic payments, based upon a notional principal amount and the interest rates defined in the contract.

Currency options are contracts that grant the holder the right, but not the obligation, to buy or sell currency at a specified exchange rate during a specified period of time.

Interest rate caps/floors protect the buyer from fluctuations of interest rates above or below a specified interest rate for a specified period of time.

The credit exposure of derivative financial instruments represents the cost to replace these contracts at the reporting date. The exposure arising from these transactions is managed as part of the Company's credit risk management process for credit facilities granted to customers and financial institutions.

The contract amount of certain types of derivative financial instruments provides a basis for comparison with other instruments recognised on the balance sheet, but does not necessarily indicate the amount of future cash flows involved or the current fair value of the instruments and, consequently, does not indicate the Company's exposure to credit or market risk.

The fair value of the derivatives can be either positive (asset) or negative (liability) as a result of fluctuations in market interest rates and foreign currency exchange rates, in accordance with the terms of the relevant contract. The aggregate net fair value of derivatives may fluctuate significantly over time.

Hedge accounting

The Company elected, as a policy choice permitted by IFRS 9, to continue to apply hedge accounting in accordance with IAS 39.

The Company applies hedge accounting using derivatives when the required criteria for hedge accounting are met. The Company also uses derivatives for economic hedging (hedging the changes in interest rates, foreign currency exchange rates or other risks) which do not meet the criteria for hedge accounting. As a result, these derivatives are accounted for as trading derivatives and the gains or losses arising from revaluation are recognised in the income statement.

Derivatives held for trading comprise derivatives entered into with economic hedging intent to which the Group does not apply hedge accounting or derivative positions arise as a result of activity generated by corporate customers. Derivatives classified as held for hedging comprise only those derivatives to which the Group applies hedge accounting.

Fair value hedges
The Company uses interest rate swaps to hedge the interest rate risk arising as a result of the possible adverse movement in the fair value of fixed rate debt securities measured at FVOCI, debt securities in issue and subordinated liabilities, as well as customer deposits.

As part of its structural interest rate risk management, during the year ended 31 December 2024, the Company has contracted fixed-rate receiver swaps to hedge interest rate risk by setting up fair value hedges for a portfolio of liabilities being the core NMDs. This strategy is designated as a fair value hedge, under the IAS39 as adopted by the EU (IAS 39 carve-out) and its effectiveness is assessed by comparing changes in the fair value of the designated hedged item, attributable to changes in the benchmark interest rate, with the respective changes in the fair value of the interest rate swaps used as hedging instruments.

Changes in the fair value of derivatives designated as fair value hedges (both for micro hedges and macro hedges) and the fair value of the hedged items in relation to the risk being hedged are recognised in the income statement.

19. Derivative financial instruments (continued)

In the case of fair value macro hedges, fair value changes of the hedged portfolios are recognised in the liability side of the consolidated balance sheet under caption 'Changes in the fair value of hedged items in portfolio hedges of interest rate risk', which as at 31 December 2024 amounted to a cumulative fair value change of €44,074 thousand (2023: n/a).

	Gains/(losses) attributable to hedged risk		Hedge in-effectiveness
2024	**Hedged items**	**Hedging instruments**	
Derivatives qualifying for hedge accounting	**€000**	**€000**	**€000**
Fair value hedges - interest rate swaps			
-debt securities - investments	**8,763**	**(8,763)**	**-**
-debt securities in issue	**(8,914)**	**8,914**	**-**
-subordinated liabilities	**93**	**(93)**	**-**
-customer deposits (macro hedge)	**(44,074)**	**44,074**	**-**
Total	**(44,132)**	**44,132**	**-**

2023			
Derivatives qualifying for hedge accounting	€000	€000	€000
Fair value hedges - interest rate swaps			
-debt securities - investment	22,840	(20,722)	2,218
-debt securities in issue	(14,274)	14,274	
-subordinated liabilities	(4,237)	4,237	-
Total	4,329	(2,211)	2,218

19. Derivative financial instruments (continued)

The accumulated fair value adjustment arising from the hedging relationships is presented in the table below:

	Carrying amount of hedged items		**Accumulated amount of fair value hedging adjustments gains/(losses) on the hedged item**	
2024	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives qualifying for hedge accounting	**€000**	**€000**	**€000**	**€000**
Fair value hedges - interest rate swaps				
-debt securities - investments	379,937	-	(28,498)	-
-debt securities in issue	-	989,435	-	(18,335)
- subordinated liabilities	-	307,955	-	(4,144)
- customer deposits (macro hedge)	-	2,914,362	-	(44,074)
Total	**379,937**	**4,211,752**	**(28,498)**	**(66,553)**

2023				
Derivatives qualifying for hedge accounting	€000	€000	€000	€000
Fair value hedges - interest rate swaps				
-debt securities - investments	439,043	-	(43,441)	-
-debt securities in issue	-	671,632	-	(9,421)
-subordinated liabilities	-	308,049	-	(4,237)
Total	439,043	979,681	(43,441)	(13,658)

For assets hedged using fair value hedges the applicable average rates of hedging instruments is 2.35% fixed rate as at 31 December 2024 (2023: 2.05%). For liabilities hedged using fair value hedges, the average fixed rate is 3.55% as at 31 December 2024 (2023: 5.44%).

19. Derivative financial instruments (continued)

The maturity of the Company's contract amount of the derivatives is presented in the table below:

	On demand and up to one month	Between one and three months	Between three months and one year	Between one and five years	Over five years	Total contract amount
2024	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Trading derivatives						
Forward exchange rate contracts	8,040	9,870	5,322	-	-	**23,232**
Currency swaps	720,749	206,213	218	-	-	**927,180**
Currency options	472	-	-	-	-	**472**
Interest rate caps/floors	-	-	-	18,130	-	**18,130**
	729,261	**216,083**	**5,540**	**18,130**	**-**	**969,014**
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	-	-	69,000	1,404,000	164,500	**1,637,500**
Portfolio fair value hedges - interest rate swaps	-	-	-	2,914,362	-	**2,914,362**
	-	**-**	**69,000**	**4,318,362**	**164,500**	**4,551,862**
Total	**729,261**	**216,083**	**74,540**	**4,336,492**	**164,500**	**5,520,876**

19. Derivative financial instruments (continued)

	On demand and up to one month	Between one and three months	Between three months and one year	Between one and five years	Over five years	Total contract amount
2023	€000	€000	€000	€000	€000	€000
Trading derivatives						
Forward exchange rate contracts	9,734	9,657	4,569	-	-	23,960
Currency swaps	854,163	132,603	693	-	-	987,459
Interest rate swaps	-	4,372	9,088	-	-	13,460
Currency options	44	-	-	-	-	44
Interest rate caps/floors	-	-	-	166,075	-	166,075
	863,941	146,632	14,350	166,075	-	1,190,998
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	-	15,000	56,031	1,166,000	164,500	1,401,531
Total	863,941	161,632	70,381	1,332,075	164,500	2,592,529

20. Fair value measurement

The following table presents the carrying value and fair value of the Company's financial assets and liabilities.

	2024		2023	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets	**€000**	**€000**	€000	€000
Cash and balances with central banks	**7,553,183**	**7,553,183**	9,614,321	9,614,321
Loans and advances to banks	**787,304**	**779,966**	353,083	339,136
Investments at FVPL	**7,627**	**7,627**	3,123	3,123
Investments at FVOCI	**384,495**	**384,495**	433,901	433,901
Investments at amortised cost	**3,805,637**	**3,837,774**	3,116,714	3,119,618
Reverse repurchase agreements	**1,010,170**	**1,026,046**	403,199	411,654
Derivative financial assets	**95,273**	**95,273**	51,055	51,055
Loans and advances to customers	**10,114,273**	**10,114,612**	9,821,533	9,971,977
Balances with Group companies	**65,785**	**65,785**	28,327	28,327
Financial assets classified as held for sale	**23,143**	**23,143**	-	-
Other financial assets	**255,867**	**260,841**	347,776	366,134
	24,102,757	**24,148,745**	24,173,032	24,339,246
Financial liabilities				
Funding from central banks and deposits by banks	**360,010**	**330,178**	2,507,198	2,464,737
Derivative financial liabilities	**4,664**	**4,664**	17,980	17,980
Customer deposits	**20,519,276**	**20,494,544**	19,336,915	19,300,867
Balances with Group companies	**135,511**	**135,511**	111,087	111,087
Debt securities in issue	**989,435**	**1,024,400**	671,632	655,428
Subordinated liabilities	**307,955**	**314,195**	308,049	300,098
Other financial liabilities and lease liabilities	**207,631**	**207,631**	195,568	195,568
	22,524,482	**22,511,123**	23,148,429	23,045,765

The fair value of financial assets and liabilities in the above table is as at the reporting date and does not represent any expectations about their future value.

The Company uses the following hierarchy for determining and disclosing fair value:

Level 1: investments valued using quoted prices in active markets.

Level 2: investments valued using models for which all inputs that have a significant impact on fair value are market observable.

Level 3: investments valued using models for which inputs that have a significant impact on fair value are not based on market observable data.

Observable inputs to the models for the valuation of unquoted equity and debt securities include, where applicable, current and expected market interest rates, market expected default rates, market implied country and counterparty credit risk and market liquidity discounts.

For assets and liabilities that are recognised in the Financial Statements at fair value, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

20. Fair value measurement (continued)

The following table presents the fair value measurement hierarchy of the Company's assets and liabilities recorded at fair value and financial assets and financial liabilities for which fair value is disclosed, by level of the fair value hierarchy:

2024	Level 1 €000	Level 2 €000	Level 3 €000	**Total €000**
Assets measured at fair value				
Investment properties				
Residential	-	-	4,584	**4,584**
Offices and other commercial properties	-	-	4,255	**4,255**
Manufacturing and industrial properties	-	-	7,312	**7,312**
	-	-	16,151	**16,151**
Freehold property				
Offices and other commercial properties	-	-	200,851	**200,851**
Loans and advances to customers measured at FVPL	-	-	131,008	**131,008**
Trading derivatives				
Forward exchange rate contracts	-	171	-	**171**
Currency swaps	-	7,662	-	**7,662**
Currency options	-	455	-	**455**
Interest rate caps/floors	-	945	-	**945**
	-	9,233	-	**9,233**
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	58,299	-	**58,299**
Portfolio fair value hedges - interest rate swaps	-	27,741	-	**27,741**
	-	86,040	-	**86,040**
Investments at FVPL	837	-	6,790	**7,627**
Investments at FVOCI	375,753	-	8,742	**384,495**
Prepayments, accrued income and other assets	-	-	25,500	**25,500**
	376,590	**95,273**	**389,042**	**860,905**
Financial assets not measured at fair value				
Loans and advances to banks	-	779,966	-	**779,966**
Balances with Group companies	-	-	65,785	**65,785**
Investments at amortised cost	3,604,367	233,407	-	**3,837,774**
Reverse repurchase agreements	-	1,043,130	-	**1,043,130**
Loans and advances to customers	-	-	9,983,604	**9,983,604**
	3,604,367	**2,056,503**	**10,049,389**	**15,710,259**

The discount rate used in the determination of the fair value of the loans and advances to customers measured at FVPL as at 31 December 2024 is 6.79% (2023: 7.56%).

For loans and advances to customers measured at FVPL categorised as Level 3 as at 31 December 2024, an increase in the discount factor by 10% would result in a decrease of €2,460 thousand in their fair value and a decrease in the discount factor by 10% would result in an increase of €591 thousand in their fair value.

20. Fair value measurement (continued)

For one investment included in other non-equity securities mandatorily measured at FVPL as a result of the SPPI assessment and categorised as Level 3 with a carrying amount of €6,790 thousand as at 31 December 2024, a change in the conversion factor by 10% would result in a change in the value of the other non-equity securities by €679 thousand.

For additional disclosures on sensitivity analysis of equity securities refer to Note 43.

	Level 1	Level 2	Level 3	**Total**
2024	€000	€000	€000	**€000**
Liabilities measured at fair value				
Trading derivatives				
Forward exchange rate contracts	-	126	-	**126**
Currency swaps	-	518	-	**518**
Interest rate swaps	-	-	-	**-**
Currency options	-	17	-	**17**
Interest rate caps/floors	-	945	-	**945**
	-	1,606	-	**1,606**
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	2,918	-	**2,918**
Portfolio fair value hedges - interest rate swaps	-	140	-	**140**
	-	3,058	-	**3,058**
	-	**4,664**	**-**	**4,664**
Financial liabilities not measured at fair value				
Deposits by banks	-	330,178	-	**330,178**
Customer deposits	-	-	20,494,544	**20,494,544**
Balances with Group companies	-	-	135,511	**135,511**
Debt securities in issue	1,024,400	-	-	**1,024,400**
Subordinated liabilities	-	314,195	-	**314,195**
	1,024,400	**644,373**	**20,630,055**	**22,298,828**

20. Fair value measurement (continued)

2023	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Assets measured at fair value				
Investment properties				
Residential	-	-	5,933	5,933
Offices and other commercial properties	-	-	8,163	8,163
Manufacturing and industrial properties	-	-	8,560	8,560
	-	-	22,656	22,656
Freehold property				
Offices and other commercial properties	-	-	192,941	192,941
Loans and advances to customers measured at FVPL	-	-	138,727	138,727
Trading derivatives				
Forward exchange rate contracts	-	205	-	205
Currency swaps	-	137	-	137
Interest rate swaps	-	189	-	189
Currency options	-	2	-	2
Interest rate caps/floors	-	1,843	-	1,843
	-	2,376	-	2,376
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	48,679	-	48,679
Investments at FVPL	837	-	2,286	3,123
Investments at FVOCI	425,010	-	8,891	433,901
	425,847	51,055	365,501	842,403
Financial assets not measured at fair value				
Loans and advances to banks	-	339,136	-	339,136
Balances with Group companies	-	-	28,327	28,327
Investments at amortised cost	2,958,793	160,825	-	3,119,618
Reverse repurchase agreements	-	411,654	-	411,654
Loans and advances to customers	-	-	9,833,250	9,833,250
	2,958,793	911,615	9,861,577	13,731,985

For loans and advances to customers measured at FVPL categorised as Level 3, as at 31 December 2023, an increase in the discount factor by 10% would result in a decrease of €2,714 thousand in their fair value and a decrease in the discount factor by 10% would result in an increase of €622 thousand in their fair value.

For one investment included in other non-equity securities mandatorily measured at FVPL as a result of the SPPI assessment and categorised as Level 3 with a carrying amount of €2,286 thousand as at 31 December 2023, a change in the conversion factor by 10% would result in a change in the value of the other non-equity securities by €229 thousand.

20. Fair value measurement (continued)

2023	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Liabilities measured at fair value				
Trading derivatives				
Forward exchange rate contracts	-	184	-	184
Currency swaps	-	13,278	-	13,278
Interest rate swaps	-	181	-	181
Currency options	-	42	-	42
Interest rate caps/floors	-	1,844	-	1,844
	-	15,529	-	15,529
Derivatives qualifying for hedge accounting				
Fair value hedges-interest rate swaps	-	2,451	-	2,451
	-	17,980	-	17,980
Financial liabilities not measured at fair value				
Funding from central banks	-	2,043,868	-	2,043,868
Deposits by banks	-	420,869	-	420,869
Customer deposits	-	-	19,300,867	19,300,867
Balances with Group companies	-	-	111,087	111,087
Debt securities in issue	655,428	-	-	655,428
Subordinated liabilities	-	300,098	-	300,098
	655,428	2,764,835	19,411,954	22,832,217

The cash and balances with central banks are financial instruments whose carrying value is a reasonable approximation of fair value because they are mostly short-term in nature or are repriced to current market rates frequently. The carrying value of other financial assets, other than the deferred purchase payment consideration (Note 27), and other financial liabilities is a close approximation of their fair value and they are categorised as Level 3.

During the years ended 31 December 2024 and 2023 there were no significant transfers between Level 1 and Level 2.

20. **Fair value measurement** (continued)

Movements in Level 3 assets measured at fair value

Transfers from Level 3 to Level 2 occur when the market for some securities becomes more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Following a transfer to Level 2 the instruments are valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid and consequently, the Company requires significant unobservable inputs to calculate their fair value.

The movement in Level 3 assets which are measured at fair value is presented below:

	2024					2023				
	Investment properties	**Own use properties**	**Loans and advances to customers**	**Financial instruments**	**Other financial assets**	Investment properties	Own use properties	Loans and advances to customers	Financial instruments	Balances with Group Companies
	€000	**€000**	**€000**	**€000**	**€000**	€000	€000	€000	€000	€000
1 January	**22,656**	**192,941**	**138,727**	**11,177**	**-**	26,351	164,593	214,359	16,723	532,793
Additions	**198**	**9,403**	**-**	**-**	**25,500**	30	822	-	-	2,456
Disposals	**(5,840)**	**-**	**-**	**-**	**-**	(4,163)	-	-	-	-
Transfers from own use properties to investment properties (Note 24)	**-**	**-**	**-**	**-**	**-**	798	(798)	-	-	-
Net transfers to stock of property	**-**	**-**	**-**	**-**	**-**	-	(2,743)	-	-	-
Contribution from subsidiary	**-**	**-**	**-**	**-**	**-**	-	20,570	-	-	-
Conversion of instruments into common shares	**-**	**-**	**-**	**-**	**-**	-	-	-	(6,521)	-
Depreciation charge for the year	**-**	**(1,493)**	**-**	**-**	**-**	-	(1,419)	-	-	-
Fair value (losses)/gains	**(863)**	**-**	**-**	**4,206**	**-**	(360)	11,916	-	1,079	-
Net gains on loans and advances to customers measured at FVPL (Note 10)	**-**	**-**	**1,232**	**-**	**-**	-	-	2,401	-	-
Repayments/derecognition of loans/loans to subsidiaries	**-**	**-**	**(17,792)**	**-**	**-**	-	-	(89,522)	-	(540,509)
Interest on loans	**-**	**-**	**8,841**	**-**	**-**	-	-	11,489	-	5,260
Foreign exchange adjustments	**-**	**-**	**-**	**149**	**-**	-	-	-	(104)	-
31 December	**16,151**	**200,851**	**131,008**	**15,532**	**25,500**	22,656	192,941	138,727	11,177	-

Valuation policy and sensitivity analysis

Investment properties and own use properties

The valuation technique mainly applied by the Company is the market comparable approach, adjusted for market and property specific conditions. In certain cases, the Company also utilises the income capitalisation approach. The key inputs used for the valuations of the investment properties and own use properties are presented in the tables below:

20. Fair value measurement (continued)

Analysis of investment properties

Type and country	2024	Estimated rental value per m² per annum	Estimated building cost per m²	Yield	Estimated fair value per m²	Estimated land value per m²	Land	Building area	Age of building
Residential	**€000**						**m²**	**m²**	**Years**
Cyprus	1,638	€41-€108	€1,250-€1,542	3.0%-5.0%	€473-€1,886	€130-€380	607-725	142-420	12-59
Greece	2,946	€15-€118	€229-€3,018	2.7%-9.4%	€45-€2,088	€26-€479	24-5,147	51-825	16-52
	4,584								
Offices and other commercial properties									
Cyprus	1,482	€64-€111	n/a	4%-6.4%	€579-€1,800	€500-€1,000	348-619	37-471	18-69
Greece	2,773	€9-€219	€193-€161	4.9%-8.8%	€73-€3,648	€558-€3,451	100-8,582	6-4,692	20-66
	4,255								
Manufacturing and industrial									
Cyprus	1,328	€45	n/a	6%	€920	€400	2,935	1,608	n/a
Greece	5,984	€1-€71	€214-€1,199	4.5%-10.3%	€12-€464	€52-€521	57-34,495	349-5,858	15-86
	7,312								
Total	**16,151**								

Analysis of own use properties

Type and country	2024	Estimated rental value per m² per annum	Estimated building cost per m²	Yield	Estimated fair value per m²	Estimated land value per m²	Land	Building area	Age of building
Offices and other commercial properties	**€000**						**m²**	**m²**	**Years**
Cyprus	200,851	€36-€264	€1,063-€3,162	6%	€475-€5,254	€150-€1,700	390-51,947	210-24,035	20-100
Total	**200,851**								

20. Fair value measurement (continued)

Valuation policy and sensitivity analysis (continued)

Analysis of investment properties

Type and country	2023	Estimated rental value per m² per annum	Estimated building cost per m²	Yield	Estimated fair value per m²	Estimated land value per m²	Land	Building area	Age of building
Residential	**€000**						**m²**	**m²**	**Years**
Cyprus	2,024	€41-€98	€1,090-€1,673	4.5%-5.5%	€380-€2,338	€130-€380	607-725	89-594	10-58
Greece	3,909	€6-€113	€164-€2,961	2%-9.4%	€46-€1,878	€16-€1,910	24-5,147	51-825	16-51
	5,933								
Offices and other commercial properties									
Cyprus	5,091	€36-€183	€470	4%-6%	€578-€2,616	€150-€1,000	348-1,114	37-1,107	11-68
Greece	3,072	€9-€219	€193-€1,404	4.9%-8.8%	€72-€3,648	€261-€289	100-8,582	6-4,692	19-65
	8,163								
Manufacturing and industrial									
Cyprus	1,630	€41-€67	n/a	5.5%	€506-€1,106	n/a	2,202-6,320	743-1,608	n/a
Greece	6,930	€1-€99	€172-€684	4.4%-10.4%	€12-€439	€10-€191	57-34,495	349-5,858	14-85
	8,560								
Total	**22,656**								

Analysis of own use properties

Type and country	2023	Estimated rental value per m² per annum	Estimated building cost per m²	Yield	Estimated fair value per m²	Estimated land value per m²	Land	Building area	Age of building
Offices and other commercial properties	**€000**						**m²**	**m²**	**Years**
Cyprus	192,941	€30-€315	€1,063-€3,162	6%-6.5%	€475-€5,254	€150-€1,700	390-51,947	210-24,035	20-100
Total	**192,941**								

20. Fair value measurement (continued)

Valuation policy and sensitivity analysis (continued)

Sensitivity analysis
The fair value of the Company's properties have been classified as Level 3 in the fair value measurement hierarchy. Significant increases/decreases in estimated values per square meter for properties valued with the comparable approach or significant increases/decreases in estimated rental values or yields for properties valued with the income capitalisation approach could result in a significantly higher/lower fair value of the properties.

21. Loans and advances to customers

	2024	2023
	€000	€000
Gross loans and advances to customers at amortised cost	**10,130,088**	9,861,838
Allowance for ECL for impairment of loans and advances to customers (Note 42.5)	**(146,823)**	(179,032)
	9,983,265	9,682,806
Loans and advances to customers measured at FVPL	**131,008**	138,727
	10,114,273	9,821,533

The following tables present the Company's gross loans and advances to customers at amortised cost by staging.

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
Gross loans at amortised cost before residual fair value adjustment on initial recognition	9,176,273	785,674	169,010	59,810	**10,190,767**
Residual fair value adjustment on initial recognition	(49,916)	(10,594)	1,579	(1,748)	**(60,679)**
Gross loans at amortised cost	**9,126,357**	**775,080**	**170,589**	**58,062**	**10,130,088**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Gross loans at amortised cost before residual fair value adjustment on initial recognition	8,334,756	1,168,745	327,674	100,197	9,931,372
Residual fair value adjustment on initial recognition	(59,340)	(7,474)	(1,294)	(1,426)	(69,534)
Gross loans at amortised cost	8,275,416	1,161,271	326,380	98,771	9,861,838

Residual fair value adjustment
The residual fair value adjustment on initial recognition mainly relates to the loans and advances to customers acquired as part of the acquisition of certain operations of Laiki Bank in 2013. In accordance with the provisions of IFRS 3, this adjustment decreased the gross balance of loans and advances to customers. The residual fair value adjustment is included within the gross balances of loans and advances to customers as at each balance sheet date. However, for credit risk monitoring, the residual fair value adjustment as at each balance sheet date is presented separately from the gross balances of loans and advances, as shown in the tables above.

Loans and advances to customers measured at FVPL are managed in Cyprus.

21. Loans and advances to customers (continued)

The following tables present the Company's gross loans and advances to customers at amortised cost by staging and by business line concentration.

2024	Stage 1	Stage 2	Stage 3	POCI	**Total**
By business line	€000	€000	€000	€000	**€000**
Corporate	2,897,542	409,697	30,103	9,879	**3,347,221**
IBU & International corporate					
- IBU	104,327	16,124	126	117	**120,694**
- International corporate	935,383	25,634	-	4	**961,021**
SMEs	886,726	68,843	7,898	4,270	**967,737**
Retail					
- housing	3,327,631	179,619	18,206	9,893	**3,535,349**
- consumer, credit cards and other	959,787	61,415	8,463	10,729	**1,040,394**
Restructuring					
- corporate	1,424	3,184	2,469	10,357	**17,434**
- SMEs	6,447	3,928	8,205	1,966	**20,546**
- retail housing	5,062	5,898	24,281	1,143	**36,384**
- retail other	2,014	738	11,698	754	**15,204**
Recoveries					
- corporate	-	-	3,873	307	**4,180**
- SMEs	-	-	8,671	993	**9,664**
- retail housing	-	-	30,358	4,494	**34,852**
- retail other	14	-	16,238	3,156	**19,408**
	9,126,357	**775,080**	**170,589**	**58,062**	**10,130,088**

21. Loans and advances to customers (continued)

2023 (restated) **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	2,709,523	519,134	95,982	32,799	3,357,438
IBU & International corporate					
- IBU	99,009	21,409	320	140	120,878
- International corporate	744,955	17,220	38	15	762,228
SMEs	824,330	109,865	5,387	9,042	948,624
Retail					
- housing	3,038,339	345,135	23,508	9,897	3,416,879
- consumer, credit cards and other	836,679	103,710	9,814	13,839	964,042
Restructuring					
- corporate	3,770	21,747	13,461	10,073	49,051
- SMEs	9,831	8,089	13,715	2,431	34,066
- retail housing	6,450	12,429	39,696	1,912	60,487
- retail other	2,471	2,533	13,474	733	19,211
Recoveries					
- corporate	-	-	6,378	967	7,345
- SMEs	-	-	15,812	1,587	17,399
- retail housing	-	-	65,070	10,255	75,325
- retail other	59	-	23,725	5,081	28,865
	8,275,416	1,161,271	326,380	98,771	9,861,838

During 2023, the Company entered into an agreement with Cyprus Asset Management Company ('KEDIPES') to acquire a portfolio of performing and restructured loans with gross book value of approximately €58 million with reference date 31 December 2022 (the 'Transaction'). The Transaction was completed in March 2024.

Loans and advances to customers pledged as collateral are disclosed in Note 44.

Additional analysis and information regarding credit risk and analysis of the allowance for ECL of loans and advances to customers are set out in Note 42.

The following portfolio of loans and advances to customers was classified as held for sale as at 31 December 2024. There were no loans and advances to customers classified as held for sale as at 31 December 2023.

	2024 **€000**	2023 €000
Gross loans and advances to customers (Note 42.3)	**54,921**	-
Allowance for ECL for impairment of loans and advances to customers (Note 42.5)	**(31,778)**	-
	23,143	-

Disposal Group
The loans classified as held for sale comprises a portfolio of loans and advances to customers known as Project River, classified as held for sale as at 31 December 2024. The Company entered into agreement with funds associated with Cerberus Global Investments B.V. to sell two non-performing loan portfolios with a total gross book value of approximately €55 million as at 31 December 2024 (the ‘Sale transaction’). The Sale transaction is subject to the necessary approvals and is expected to be completed within the first half of 2025.

21. Loans and advances to customers (continued)

The analysis of the gross book value and the allowance for ECL of loans and advances to customers classified as held for sale by staging is provided below:

2024	Stage 3 €000	POCI €000	Total €000
Gross loans and advances to customers	49,589	5,332	**54,921**
Allowance for ECL for impairment of loans and advances to customers	(29,003)	(2,775)	**(31,778)**
31 December	**20,586**	**2,557**	**23,143**

The disposal portfolio relates mainly to corporate and retail exposures under the Restructuring & Recoveries business line.

22. Balances and transactions with Group companies

Receivable balances with Group companies

Name of Group company	2024 €000	2023 €000
Balances with Group companies at amortised cost		
Bank of Cyprus Holding Public Limited Company	**2,774**	1,339
The Cyprus Investment and Securities Corporation Ltd (CISCO)	**2,781**	3,483
General Insurance of Cyprus Ltd	**305**	359
EuroLife Ltd	**1,876**	1,451
Jinius Ltd	**11,602**	4,168
S.Z. Eliades Leisure Ltd	**9,406**	8,869
Hydrobius Ltd	**1,715**	1,971
BOC Asset Management Romania S.A.	**1,006**	1,006
JCC Payment Systems Ltd	**27,878**	-
Kyprou Properties S.A.	**69**	45
Fortuna Astrum Ltd	**-**	656
Stamoland Properties Ltd	**1,707**	2,655
Group property companies in Cyprus	**4,666**	2,325
Total	**65,785**	28,327

	2024		2023	
	Gross carrying amount €000	ECL €000	Gross carrying amount €000	ECL €000
Stage 1	**54,035**	**(377)**	16,046	(221)
Stage 3	**2,721**	**-**	2,977	-
POCI	**12,779**	**(3,373)**	11,785	(2,260)
Total balances with Group Companies at amortised cost	**69,535**	**(3,750)**	30,808	(2,481)
	69,535	**(3,750)**	30,808	(2,481)

The classification of the receivable balances with related companies depends on how these are managed as part of the business model the Company operates under, and their contractual cash flow characteristics (whether the cash flows represent solely payments of principal and interest (SPPI)).

22. Balances and transactions with Group companies (continued)

Balances with Group companies which are measured at FVPL are mandatorily classified because they failed to meet the SPPI criteria and represent in substance arrangements in which repayment of the balance is dependent on the performance of the underlying asset held by the subsidiary. The Company holds these underlying assets for sale in its ordinary course of business. The cash flows for repayment of the receivable balances are dependent on the disposal value of the underlying assets; hence the exposure of the Company is to changes in market property prices that will affect the disposal price of those underlying assets. Following the conversion of the receivable balances into equity contribution during the year ended 31 December 2023, no balances are classified as at FVPL as at 31 December 2024 and 31 December 2023.

Receivable balances with Group companies measured at amortised cost are denominated in Euro, except from balances of a carrying value of €1,715 thousand as at 31 December 2024 which are denominated in Russian Rouble (2023: €1,971 thousand).

As at 31 December 2024, an amount of €27,895 thousand receivable from JCC Payment Systems Ltd relates to the ancillary services agreement (2023: nil).

During the year ended 31 December 2024 credit losses of €812 thousand have been recognised in relation to these receivable balances (2023: reversal of credit losses of €4,468 thousand).

The balances are uncollateralised. The location of the Group companies' operations is disclosed in Note 47.

Payable balances with Group companies

Name of Group company	**2024** **€000**	2023 €000
JCC Payment Systems Ltd	**24,883**	33,059
The Cyprus Investment and Securities Corporation Ltd (CISCO)	**6,377**	4,168
General Insurance of Cyprus Ltd	**11,108**	11,684
EuroLife Ltd	**8,325**	7,761
Kermia Properties & Investments Ltd	**22,293**	22,363
Kermia Ltd	**2,661**	2,345
Kyprou Zois (branch of EuroLife Ltd)	**-**	1,267
Kyprou Commercial S.A.	**1,529**	1,579
BOC Asset Management Romania S.A.	**563**	644
MC Investment Assets Management LLC	**1,664**	2,046
S.Z. Eliades Leisure Ltd	**15**	68
Bank of Cyprus Holdings Public Limited Company	**11,833**	2,809
BOC Terra AIF V.C.I.C. Plc	**482**	505
Obafemi Holdings Ltd	**-**	179
Jinius Ltd	**103**	53
Group property companies in Cyprus	**39,573**	12,497
Other Group companies in Cyprus	**4,102**	8,060
Total	**135,511**	111,087

Amounts included above comprise mainly of deposits from the Group companies, which are made on normal business terms.

22. Balances and transactions with Group companies (continued)

Dividend income from subsidiaries

Name of Group company	**2024** **€000**	2023 €000
EuroLife Ltd	**12,000**	62,000
General Insurance of Cyprus Ltd	**4,500**	12,000
JCC Payment Systems Ltd	**6,000**	9,000
Kermia Properties & Investments Ltd	**-**	353
Group property companies in Cyprus	**438**	1,156
Stamoland Properties Ltd	**-**	600
Auction Yard Ltd	**20**	9
	22,958	85,118

Transactions with Group companies

	2024 **€000**	2023 €000
Interest income and income similar to interest income	**1,882**	6,958
Interest expense	**(19,880)**	(19,879)
Fee and commission income	**21,517**	20,299
Fee and commission expense	**(5,867)**	(5,143)
Other income	**3,484**	2,754
Other operating expenses	**(8,045)**	(13,522)

23. Investments in associates

Carrying value of the investments in associates

	Percentage holdings (%)
Aris Capital Management LLC	**30.0**
Fairways Automotive Holdings Ltd	**45.0**

During the year ended 31 December 2024, Rosequeens Properties Limited (33.3% holding) was dissolved.

The carrying values of the investments in associates are assessed as fully impaired and their value has been restricted to zero.

24. Property and equipment

2024	Property €000	Equipment €000	**Total €000**
Net book value at 1 January	209,840	23,632	**233,472**
Additions	10,445	6,531	**16,976**
Disposals and write-offs	-	(11)	**(11)**
Depreciation charge for the year (Note 13)	(7,265)	(6,196)	**(13,461)**
New leases (Note 40)	1,398	895	**2,293**
Re-assessment of RoU assets (Note 40)	16,158	-	**16,158**
Derecognition of RoU assets (Note 40)	(370)	-	**(370)**
Net book value at 31 December	**230,206**	**24,851**	**255,057**

1 January 2024			
Cost or valuation	276,616	80,366	**356,982**
Accumulated depreciation	(66,776)	(56,734)	**(123,510)**
Net book value	**209,840**	**23,632**	**233,472**

31 December 2024			
Cost or valuation	303,767	87,412	**391,179**
Accumulated depreciation	(73,561)	(62,561)	**(136,122)**
Net book value	**230,206**	**24,851**	**255,057**

2023	Property €000	Equipment €000	Total €000
Net book value at 1 January	187,860	12,876	200,736
Additions	365	3,702	4,067
Revaluation	11,916	-	11,916
Disposals and write-offs	-	(52)	(52)
Transfer to investment properties (Note 20)	(798)	-	(798)
Net transfers to stock of property (Note 26)	(2,743)	-	(2,743)
Contribution from subsidiary company	20,570	-	20,570
Contribution to subsidiary company	-	(98)	(98)
Depreciation charge for the year (Note 13)	(7,487)	(3,981)	(11,468)
New leases (Note 40)	157	11,185	11,342
Net book value at 31 December	209,840	23,632	233,472

1 January 2023			
Cost or valuation	251,272	102,971	354,243
Accumulated depreciation	(63,412)	(90,095)	(153,507)
Net book value	187,860	12,876	200,736

31 December 2023			
Cost or valuation	276,616	80,366	356,982
Accumulated depreciation	(66,776)	(56,734)	(123,510)
Net book value	209,840	23,632	233,472

24. Property and equipment (continued)

As at 31 December 2024 the net book value of the Company's equipment includes an amount of €9,169 thousand that relates to RoU asset - Computer hardware (2023: €11,462 thousand).

The net book value of the Company's property comprises:

	2024	2023
	€000	€000
Freehold property	**200,851**	192,941
Improvements on leasehold property	**1,691**	1,223
RoU assets (Note 40)	**27,664**	15,676
Total	**230,206**	209,840

Freehold property includes land amounting to €81,335 thousand (2023: €81,335 thousand) for which no depreciation is charged. Further, freehold property includes an amount of €22,507 thousand (2023: €20,876 thousand) which relates to a property under construction.

The Company’s policy is to revalue its properties periodically (between 3 to 5 years) but more frequent revaluations may be performed where there are significant and volatile movements in values. The Company performed revaluations during the year ended 31 December 2023. The valuations were carried out by independent qualified valuers, on the basis of market value using observable prices and/or recent market transactions depending on the location of the property. Details on valuation techniques and inputs are presented in Note 20.

There were no charges against the freehold property of the Company as at 31 December 2024 and 2023.

The net book value of freehold property, on a cost less accumulated depreciation basis, as at 31 December 2024 amounts to €142,089 thousand (2023: €134,179 thousand).

25. Intangible assets

	2024	2023
	€000	€000
Net book value at 1 January	**29,504**	38,379
Additions	**10,543**	8,216
Contribution to subsidiary company	**-**	(4,469)
Disposals and write-offs	**(433)**	(4)
Amortisation charge for the year (Note 13)	**(10,790)**	(12,618)
Net book value at 31 December	**28,824**	29,504
1 January		
Cost	**217,923**	214,180
Accumulated amortisation and impairment	**(188,419)**	(175,801)
Net book value	**29,504**	38,379
31 December		
Cost	**227,672**	217,923
Accumulated amortisation and impairment	**(198,848)**	(188,419)
Net book value	**28,824**	29,504

Computer software includes internally developed computer software with a net carrying amount of €523 thousand as at 31 December 2024 (2023: €409 thousand).

26. Stock of property

The carrying amount of stock of property is determined as the lower of cost and net realisable value. Impairment is recognised if the net realisable value is below the cost of the stock of property. During the year ended 31 December 2024 an impairment loss of €14,883 thousand (2023: €11,913 thousand) was recognised in 'Impairment net of reversals on non-financial assets' in the income statement. At 31 December 2024, stock of property of €148,484 thousand (2023: €156,824 thousand) is carried at net realisable value.

There is no stock of property pledged as collateral.

The carrying amount of the stock of property is analysed in the tables below:

	2024	2023
	€000	€000
Net book value at 1 January	**346,531**	441,816
Additions	**15,142**	11,959
Disposals	**(60,142)**	(98,074)
Transfers to subsidiaries	**(4,786)**	-
Net transfers from property and equipment (Note 24)	**-**	2,743
Impairment for the year (Note 14)	**(14,883)**	(11,913)
Net book value at 31 December	**281,862**	346,531

The result on the disposal of stock of property in the year is presented in the table below:

	2024	2023
	€000	€000
Net consideration	**65,196**	108,078
Carrying value of stock of property disposed of	**(60,142)**	(98,074)
Net gains on disposal of stock of property	**5,054**	10,004

Analysis by type and country	**Cyprus**	**Greece**	**Total**
2024	**€000**	**€000**	**€000**
Residential properties	42,238	3,216	**45,454**
Offices and other commercial properties	24,347	5,059	**29,406**
Manufacturing and industrial properties	2,160	3,993	**6,153**
Hotels	2,272	340	**2,612**
Land (fields and plots)	195,265	2,972	**198,237**
Total	**266,282**	**15,580**	**281,862**

	Cyprus	Greece	Total
2023	€000	€000	€000
Residential properties	46,751	8,091	54,842
Offices and other commercial properties	28,026	9,978	38,004
Manufacturing and industrial properties	5,837	9,263	15,100
Hotels	2,272	437	2,709
Land (fields and plots)	232,310	3,566	235,876
Total	315,196	31,335	346,531

27. Prepayments, accrued income and other assets

	2024	2023
	€000	€000
Financial assets		
Debtors	**5**	7
Receivable relating to tax	**2,772**	3,263
Deferred purchase payment consideration	**143,604**	243,013
Other assets	**109,486**	101,493
	255,867	347,776
Non-financial assets		
Current tax receivable	**60,681**	72,716
Prepaid expenses	**61**	72
Other assets	**53,158**	51,068
	113,900	123,856
	369,767	471,632

An analysis of the movement of the gross carrying amount of the financial assets included in prepayments, accrued income and other assets measured at amortised cost is presented in the table below:

	Stage 1	**Stage 3**	**Total**
2024	**€000**	**€000**	**€000**
1 January	345,819	34,648	**380,467**
Net decrease	(116,668)	(511)	**(117,179)**
31 December	**229,151**	**34,137**	**263,288**

2023			
1 January	364,266	35,963	400,229
Net increase	(18,447)	(1,315)	(19,762)
31 December	345,819	34,648	380,467

An analysis of the movement of the ECL of the above financial assets is presented in the table below:

	Stage 1	**Stage 3**	**Total**
2024	**€000**	**€000**	**€000**
1 January	2,101	30,590	**32,691**
Changes to models and inputs used for ECL calculations	229	1	**230**
31 December	**2,330**	**30,591**	**32,921**

2023			
1 January	2,107	30,632	32,739
Write-offs	-	(82)	(82)
Changes to models and inputs used for ECL calculations	(6)	40	34
31 December	2,101	30,590	32,691

There were no financial assets classified as Stage 2 as at 31 December 2024 and 2023. In addition, financial assets amounting to €25,500 thousand were measured at FVPL as at 31 December 2024 (2023: nil).

27. Prepayments, accrued income and other assets (continued)

Within other non-financial assets an amount of €18,550 thousand as at 31 December 2024 (2023: €18,550 thousand) relates to contract assets from contracts with customers.

On the completion date of the sale of Project Helix 2 (the 'Transaction') in June 2021, the Company recognised an amount of €381,567 thousand in other financial assets, which represented the fair value of the deferred consideration receivable from the Transaction (the 'DPP'). The remaining amount outstanding is payable by December 2025. An amount of €16,042 thousand, which represents the interest income on the DPP has been recognised in the Income Statement for the year ended 31 December 2024 (2023: €19,774 thousand) within 'Interest income - Financial assets at amortised cost - Other financial assets' (Note 6). There are no other conditions attached. The DPP is classified as Stage 1 as at 31 December 2024 and 2023.

28. Funding from central banks

Funding from central banks comprises funding from the ECB under Eurosystem monetary policy operations as set out in the table below:

	2024	2023
	€000	€000
Targeted Longer-Term Refinancing Operations (TLTRO III)	**-**	2,043,868

As at 31 December 2024, there was no outstanding ECB funding (2023: €2 billion) as the amount outstanding as at 31 December 2023 was fully repaid during the year ended 31 December 2024.

Details on encumbered assets are disclosed in Note 44.

29. Customer deposits

	2024	2023
	€000	€000
By type of deposit		
Demand	**10,737,484**	10,167,622
Savings	**3,091,475**	2,979,275
Time or notice	**6,690,317**	6,190,018
	20,519,276	19,336,915
By geographical area		
Cyprus	**16,422,089**	15,355,445
Greece	**1,558,482**	1,473,491
United Kingdom	**396,972**	386,057
United States	**129,823**	166,673
Germany	**80,796**	77,288
Romania	**38,408**	29,729
Russia	**88,710**	128,489
Ukraine	**212,662**	183,316
Belarus	**1,583**	3,762
Israel	**214,547**	195,580
Other countries	**1,375,204**	1,337,085
	20,519,276	19,336,915

Deposits by geographical area are based on the country of residence of the Ultimate Beneficial Owner.

29. Customer deposits (continued)

	2024	2023
	€000	€000
By currency		
Euro	**18,559,339**	17,514,400
US Dollar	**1,589,240**	1,448,753
British Pound	**309,083**	300,867
Russian Rouble	**1,080**	1,322
Swiss Franc	**8,315**	8,947
Other currencies	**52,219**	62,626
	20,519,276	19,336,915

	2024	2023 (restated)
	€000	€000
By business line		
Corporate	**2,310,165**	2,086,753
IBU & International corporate		
– IBU	**4,139,368**	3,779,571
– International corporate	**174,370**	121,454
SMEs	**1,161,464**	1,019,245
Retail	**12,600,526**	12,216,209
Restructuring		
– corporate	**10,000**	12,565
– SMEs	**2,854**	5,954
– retail other	**6,306**	9,428
Recoveries		
– corporate	**979**	1,098
Institutional Wealth Management and Custody	**113,244**	84,638
	20,519,276	19,336,915

30. Debt securities in issue and Subordinated liabilities

		2024		2023	
		Nominal value	**Carrying value**	Nominal value	Carrying value
Subordinated liabilities	**Contractual interest rate**	**€000**	**€000**	€000	€000
Subordinated Tier 2 Capital Note - April 2021	6.625% up to 23 October 2026	**300,000**	**307,955**	300,000	308,049
Debt securities in issue					
Senior Preferred Notes - June 2021	2.50% up to 24 June 2026	**300,000**	**305,274**	300,000	303,466
Senior Preferred Notes - July 2023	7.375% up to 25 July 2027	**350,000**	**368,714**	350,000	368,166
Green Senior Preferred Notes - May 2024	5% up to 2 May 2028	**300,000**	**315,447**	-	-
		950,000	**989,435**	650,000	671,632

30. Debt securities in issue and Subordinated liabilities (continued)

BOCH and the Company maintain a Euro Medium Term Note (EMTN) Programme with an aggregate nominal amount up to €4,000 million.

Subordinated Liabilities

Subordinated Tier 2 Capital Note - April 2021
In April 2021, BOCH issued a €300 million unsecured and subordinated Tier 2 Capital Note under the EMTN Programme and immediately after, BOCH and the Company entered into an agreement pursuant to which BOCH on-lent to the Company the entire €300 million proceeds of the issue of the Note (the 'T2 Loan') on terms substantially identical to the terms and conditions of the Note issued by BOCH. The T2 Loan was priced at par with a coupon of 6.625% per annum payable annually in arrear and resettable on 23 October 2026 at the then prevailing 5-year swap rate plus a margin of 6.902% per annum up to 23 October 2031, payable annually. The T2 Loan matures on 23 October 2031. The Company has the option to redeem the T2 Loan early on any day during the six-month period from 23 April 2026 to 23 October 2026, subject to applicable regulatory consents.

The fair value of the subordinated liabilities as at 31 December 2024 and 2023 is disclosed in Note 20.

Debt securities in issue

Senior Preferred Notes - June 2021
In June 2021, the Company issued a €300 million senior preferred note under the EMTN Programme. The note was priced at par with a fixed coupon of 2.50% per annum, payable annually in arrear and resettable on 24 June 2026. The note matures on 24 June 2027. The Company has the option to redeem the note early on 24 June 2026, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange’s Euro MTF market. The note complies with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and contributes towards the Company’s MREL requirements.

Senior Preferred Notes - July 2023
In July 2023, the Company issued a €350 million senior preferred note under the EMTN Programme. The note was priced at par with a fixed coupon of 7.375% per annum, payable annually in arrear and resettable on 25 July 2027. The note matures on 25 July 2028. The Company has the option to redeem the note early on 25 July 2027, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange’s Euro MTF market. The note complies with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and contributes towards the Company’s MREL requirements.

Green Senior Preferred Notes - May 2024
In May 2024, the Company issued a €300 million green senior preferred note under the EMTN Programme. The note was priced at par with a fixed coupon of 5.00% per annum, payable annually in arrear and resettable on 2 May 2028. The note matures on 2 May 2029. The Company has the option to redeem the note early on 2 May 2028, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange’s Euro MTF market. The note complies with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and contributes towards the Company’s MREL requirements.

The fair value of the debt securities in issue as at 31 December 2024 and 2023 is disclosed in Note 20.

31. Accruals, deferred income, other liabilities and other provisions

	2024	2023
	€000	€000
Income tax payable and related provisions	**71,699**	59,333
Special defence contribution payable	**1,322**	1,308
Retirement benefit plan liabilities (Note 12.1)	**-**	565
Provisions for financial guarantees and commitments (Note 42.6.1)	**17,893**	19,192
Accrued expenses and other provisions	**70,434**	68,479
Deferred income	**20,130**	19,569
Items in the course of settlement	**60,974**	69,138
Lease liabilities (Note 40)	**30,528**	22,835
Other liabilities	**46,898**	35,116
	319,878	295,535

Other liabilities include an amount of €10,385 thousand (2023: €10,385 thousand) relating to the guarantee fee for the conversion of DTA into tax credits (Note 15).

32. Share capital

	2024		2023	
	Number of shares (thousand)	**€000**	Number of shares (thousand)	€000
Authorised				
Ordinary shares of €0.10 each	**47,677,593**	**4,767,759**	47,677,593	4,767,759
Issued				
1 January and 31 December	**9,597,945**	**959,794**	9,597,945	959,794

Authorised and issued share capital

All issued ordinary shares carry the same rights.

The authorised share capital of the Company is €4,767,759 thousand divided into 47,677,593 thousand shares of a nominal value of €0.10 each. There were no changes to the authorised or issued share capital during the years ended 31 December 2024 and 2023.

Other equity instruments

	2024	2023
	€000	€000
2023 Reset Perpetual Additional Tier 1 Capital Securities	**220,000**	220,000
	220,000	220,000

32. Share capital (continued)

In June 2023, BOCH issued €220,000 thousand Fixed Rate Reset Perpetual Additional Tier 1 Capital Securities (the '2023 Capital Securities'). On the same date, the Company and BOCH entered into an agreement pursuant to which BOCH on-lent to the Company the entire €220,000 thousand proceeds of the issue of the BOCH Capital Securities ('2023 Capital Securities Loan') on terms substantially identical to the terms and conditions of the BOCH 2023 Capital Securities. The 2023 Capital Securities Loan constitutes an unsecured and subordinated obligation of the Company, is perpetual and is issued at par. The 2023 Capital Securities Loan carries an initial coupon of 11.875% per annum, payable semi-annually, and resettable on 21 December 2028 and every five years thereafter. The Company may elect to cancel any interest payment for an unlimited period, on a non-cumulative basis, whereas it mandatorily cancels interest payment under certain conditions. The 2023 Capital Securities Loan is perpetual and has no fixed date of redemption, but can be redeemed (in whole but not in part) at the Company's option from, and including, 21 June 2028 to, and including, 21 December 2028 and on each interest payment date thereafter, subject to applicable regulatory consents and the relevant conditions to redemption.

In addition, in June 2023 BOCH invited the holders of its outstanding €220,000 thousand 2018 Reset Perpetual Additional Tier 1 Capital Securities (the '2018 Capital Securities') to tender for cash purchase by BOCH at a price equal to 103% of the principal amount. At the same time the Company invited BOCH to tender its outstanding €220,000 thousand 2018 Capital Securities Loan for cash purchase by the Company, at a price equal to 103% of the principal amount, on same terms as the tender by BOCH of its external 2018 Capital Securities. As a result of the tender offer, €204,483 thousand in aggregate nominal amount were purchased and cancelled by the Company as at 30 June 2023. In July 2023, the Company purchased approximately €7,000 thousand of the outstanding nominal amount of the 2018 Capital Securities Loan. In November 2023, the Board of Directors resolved to exercise the option to redeem the remaining nominal amount outstanding of the 2018 Capital Securities Loan in December 2023. As a result of the buyback, a total cost of €6,820 thousand was recorded directly in equity during the year ended 31 December 2023.

During the year ended 31 December 2024, coupon payments for the total amount of €26,125 thousand (2023: €27,339 thousand) were made to the holders of the AT1 Capital Securities and have been recognised in retained earnings.

33. Distributions

Based on the relevant SREP decisions applicable in the years 2023 and 2024, any equity dividend distribution was subject to regulatory approval, both for the Company and BOCH. The requirement for approval did not apply if the distributions were made via the issuance of new ordinary shares to the shareholders which were eligible as Common Equity Tier 1 Capital nor to the payment of coupons on any AT1 capital instruments issued by the Company or BOCH. Following the SREP decision received in December 2024, the requirement for approval was lifted effective from 1 January 2025.

In March 2024, the Company obtained the approval of the European Central Bank to pay a dividend in respect of earnings for the year ended 31 December 2023 of €136,590 thousand in total, comprising a cash dividend. The AGM, on 17 May 2024, approved a final cash dividend of €0.01 per ordinary share in respect of earnings for the year ended 31 December 2023.

In April 2023, the Company obtained the approval of the European Central Bank to pay a dividend in respect of earnings for the year ended 31 December 2022. The AGM, on 26 May 2023, declared a final cash dividend of €0.002 per ordinary share in respect of earnings for the year ended 31 December 2022. The dividend amounted to €22,310 thousand in total.

Information on distribution in respect of 2024 earnings is disclosed in Note 49 of the Financial Statements.

34. Retained earnings

For the purpose of dividend distribution, retained earnings determined at the Company level are the only distributable reserve.

34. Retained earnings (continued)

Companies, tax resident in Cyprus, which do not distribute at least 70% of their profits after tax as defined by the Special Defence Contribution Law during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special defence contribution (SDC) at 17% is payable on such deemed dividend distribution to the extent that the shareholders of the Company at the end of the period of two years from the end of the year of assessment to which the profits refer, are directly or indirectly Cyprus tax residents and/or individuals who are Cyprus tax resident and domiciled in Cyprus. Deemed dividend distribution does not apply in respect of profits that are directly or indirectly attributable to shareholders that are non-Cyprus tax residents and individual shareholders who are not domiciled in Cyprus. The deemed dividend distribution is subject to 2.65% contribution to the General Health System (GHS).

The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year.

This SDC and GHS are paid by the Company on account of the shareholders. During the year ended 31 December 2024, no SDC and GHS on deemed dividend distribution were accrued by the Company (2023: SDC and GHS of €313 thousand were accrued).

35. Fiduciary transactions

The Company offers fund management and custody services that result in holding or investing financial assets on behalf of its customers. The Company is not liable to its customers for any default by other banks or organisations. The assets under management and custody are not included in the balance sheet of the Company unless they are placed with the Company. Total assets under management at 31 December 2024, measured at fair value, amounted to €1,477,538 thousand (2023: €1,193,159 thousand).

36. Provisions for pending litigation, claims, regulatory and other matters

The Company, in the ordinary course of business, is involved in various disputes and legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators, governmental and other public bodies, actual and threatened, relating to the suitability and adequacy of advice given to clients or the absence of advice, lending and pricing practices, selling and disclosure requirements, reporting and information security requirements and a variety of other matters. In addition, as a result of the deterioration of the Cypriot economy and banking sector in 2012 and the subsequent restructuring of the Company in 2013 as a result of the bail-in Decrees, the Company is subject to a number of proceedings that either precede or result from the events that occurred during the period of the bail-in Decrees.

Apart from what is described below, the Company considers that none of these matters are material, either individually or in aggregate. Nevertheless, provisions have been made where: (a) there is a present obligation (legal or constructive) arising from past events, (b) the settlement of the obligation is expected to result in an outflow of resources embodying economic benefits, and (c) a reliable estimate of the amount of the obligation can be made. The Company has not disclosed an estimate of the potential financial effect on its contingent liabilities arising from these matters where it is not practicable to do so, because it is too early or the outcome is too uncertain or, in cases where it is practicable, where disclosure could prejudice conduct of the matters. Provisions have been recognised for those cases where the Company is able to reliably estimate probable losses (Note 5.3). Where an individual provision is material, the fact that a provision has been made is stated except to the extent that doing so would be prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. There are also situations where the Company may enter into a settlement agreement. This may occur only if such settlement is in the Company's interest (such settlement does not constitute an admission of wrongdoing) and only takes place after obtaining legal advice and all approvals by the appropriate bodies of management. While the outcome of these matters is inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of legal proceedings, regulatory and other matters as at 31 December 2024 and hence it is not believed that such matters, when concluded, will have a material impact upon the financial position of the Company.

36. Provisions for pending litigation, claims, regulatory and other matters (continued)

36.1 Pending litigation and claims

Investigations and litigation relating to securities issued by the Company
A number of institutional and retail customers have filed various separate actions against the Company alleging that the Company is guilty of misselling in relation to securities issued by the Company between 2007 and 2011. Remedies sought include the return of the money investors paid for these securities. Claims are currently pending before the courts in Cyprus and in Greece.

The bonds and capital securities in respect of which claims have been brought are the following: 2007 Capital Securities, 2008 Convertible Bonds, 2009 Convertible Capital Securities (CCS) and 2011 Convertible Enhanced Capital Securities (CECS).

The Company is defending these claims, particularly with respect to institutional investors and retail purchasers who received investment advice from independent investment advisors. In the case of retail investors, if it can be demonstrated that the relevant Company's officers 'persuaded' them to proceed with the purchase and/or purported to offer 'investment advice', the Company may face significant difficulties.

To date, a number of cases have been tried in Greece. The Company has appealed against any such cases which were not ruled in its favour, except for cases adjudicated against the Company at Areios Pagos (Supreme Court of Greece) which are deemed as concluded.

Similarly, a number of cases have been tried in Cyprus and some are pending at appeal. It is to be noted that the statutory limitation period for filing claims in the courts of Cyprus with respect to this for which the cause of action arose prior and up to 31 December 2015, expired on 31 December 2021.

The resolution of the claims brought in the courts of Greece and Cyprus is expected to take a number of years.

Provision has been made based on management's best estimate of probable outflows for capital securities related litigation.

Bail-in related litigation
Depositors
A number of the Company’s depositors, who allege that they were adversely affected by the bail-in, filed claims against the Company and other parties (such as the CBC and the Ministry of Finance of Cyprus) including against the Company as the alleged successor of Laiki Bank on the grounds that, inter alia, the ‘Resolution Law of 2013’ and the Bail-in Decrees were in conflict with the Constitution of the Republic of Cyprus and the European Convention on Human Rights. They are seeking damages for their alleged losses resulting from the bail-in of their deposits. Cases could relate to bail-in related litigation (on failure to follow instructions), bail-in decree related cases and bail-in wrongful application. The Company is defending these actions. In relation to the bail-in decree related cases, the court ruled in favour of the Company on the grounds that the measures that the government implemented were necessary to prevent the collapse of the financial sector, which would have detrimental consequences for the country’s economy. Under the circumstances the government could rely on the doctrine of necessity when it imposed the bail-in. To date, a number of cases have been tried however the resolution of the claims brought is expected to take a number of years.

Provision has been made based on management's best estimate of probable outflows for depositors related litigation.

Shareholders
A number of actions for damages have been filed with the District Courts of Cyprus alleging either the unconstitutionality of the Resolution Law and the Bail-in Decrees, or a misapplication of same by the Company (as regards the way and methodology whereby such Decrees have been implemented), or that the Company failed to follow instructions promptly prior to the bail-in coming into force. As at the present date, both the Resolution Law and the Bail-in Decrees have not been annulled by a court of law and thus remain legally valid and in effect. The Company contests all of these claims.

36. Provisions for pending litigation, claims, regulatory and other matters (continued)

36.1 Pending litigation and claims (continued)

Legal position of the Company
All of the above claims are being vigorously disputed by the Company, in close consultation with the appropriate state and governmental authorities. The position of the Company is that the Resolution Law and the Decrees take precedence over all other laws. As matters now stand, both the Resolution Law and the Decrees issued thereunder are constitutional and lawful, in that they were properly enacted and have not so far been annulled by any court.

Provident fund case
In December 2015, the Bank of Cyprus Employees Provident Fund (the Provident Fund) filed an action against the Company claiming €70 million allegedly owed as part of the Company's contribution by virtue of an agreement with the Union dated 31 December 2011. Towards the end of 2024, the Company has reached a final settlement arrangement, which has received final court approval so that the case was permanently withdrawn with no right to be reinstated, and as a result of which, the Company has recognised a provision as at 31 December 2024. The financial settlement took place early in 2025. This matter is now concluded, without anything pending at court.

Employment litigation
Former employees of the Company have instituted a number of employment claims including unfair dismissals. The Company does not consider that the pending cases in relation to employment will have a material impact on its financial position. A judgment has been issued in one of the unfair dismissal cases and the Company lost. The Company has filed an appeal with respect to this case and similarly, the plaintiff has also filed an appeal. The facts of this case are unique and it is not expected to affect the rest of the cases where unfair dismissal is claimed.

Additionally, a number of former employees have filed claims against the Company contesting entitlements received relating to the various voluntary exit plans. As at the reporting date most of these cases have been withdrawn with only two such cases remaining. The Company does not expect that these actions will have a material impact on its financial position.

Banking business cases
There is a number of banking business cases where the amounts claimed are significant. These cases primarily concern allegations as to the Company's standard policies and procedures allegedly resulting to damages and other losses for the claimants (including cases where it is alleged that the Company misled borrowers and/or misrepresented matters, in violation of applicable laws for matters such as foreign currency lending and advancing/misselling loans for the purchase of property in Cyprus by UK nationals). Further, there are several other banking claims, where the amounts involved are not as significant. Management has assessed either the probability of loss as remote and/or does not expect any future outflows with respect to these cases to have a material impact on the financial position of the Company. Such matters arise as a result of the Company's activities and management appropriately assesses the facts and the risks of each case accordingly.

General criminal investigations and proceedings
The Attorney General and the Cypriot Police (the Police) are conducting various investigations and inquiries following and relating to the financial crisis which culminated in March 2013. The Company is cooperating fully with the Attorney General and the Police and is providing all information requested of it. Based on the currently available information, the Company is of the view that any further investigations or claims resulting from these investigations will not have a material impact on its financial position.

36. Provisions for pending litigation, claims, regulatory and other matters (continued)

36.2 Regulatory matters

The Hellenic Capital Market Commission (HCMC) Investigation
The HCMC has been in the process of investigating matters concerning the Company's investment in Greek Government Bonds from 2009 to 2011, including, inter alia, related non-disclosure of material information in the Company's CCS, CECS and rights issue prospectuses (tracking the investigation carried out by CySEC in 2013), Greek government bonds' reclassification, ELA disclosures and allegations by some investors regarding the Company's non-compliance with Markets in Financial Instruments Directive (MiFID) in respect of investors' direct investments in Greek Government Bonds.

A specific estimate of the outcome of the investigations or of the amount of possible fines cannot be given at this stage, though it is not expected that any resulting liability or damages will have a material impact on the financial position of the Company.

Central Bank of Cyprus (CBC)
The CBC had conducted an investigation in the past into the Company's issuance of capital securities and concluded that the Company breached certain regulatory requirements concerning the issuance of Convertible Capital Securities (Perpetual) in 2009, but not in relation to the CECS in 2011. The CBC had, in 2013, imposed a fine of €4 thousand upon the Company, who filed a recourse. The Administrative Court cancelled both the CBC's decision and the fine that was imposed upon the Company in a respective judgment dated in 2020. In 2021, CBC decided to re-examine this matter and to re-open the investigation. This matter is still pending as at the year end.

Commission for the Protection of Competition Investigation (CPC)
In April 2014, following an investigation which began in 2010, CPC issued a statement of objections, alleging violations of Cypriot and EU competition law relating to the activities and/or omissions in respect of card payment transactions by, among others, the Company and JCC Payment Systems Ltd (JCC), a card processing business currently 75% owned by the Company. There was also an allegation concerning the Company's arrangements with American Express, namely that such exclusive arrangements violated Cypriot and EU competition law. On both matters, the CPC has concluded that the Company (in common with other banks and JCC) has breached the relevant provisions of the applicable law for the protection of competition and imposed a fine of €18 million upon the Company. The Company filed a recourse against the decision and the fine. In June 2018, the Administrative Court accepted the Company's position and cancelled the decision as well as the fine imposed upon the Company. During 2018, the Attorney General has filed an appeal before the Supreme court with respect to such decision. Following the decision of the appeal court in the CySEC case mentioned above, the Attorney General acting on behalf of CPC withdrew his appeal. In July 2024, the Company was informed that the CPC had resolved to refrain from re-opening the investigation and the matter is now considered closed.

Consumer Protection Service (CPS)
In July 2017, CPS imposed a fine of €170 thousand upon the Company after concluding an ex officio investigation regarding some terms in both the Company's and Marfin Popular Bank's loan documentation, that were found to constitute unfair commercial practices. Decisions of the CPS (according to rulings of the Administrative Court) are not binding but merely an expression of opinion. The Company has filed a recourse before the Administrative Court against this decision. The Administrative Court has issued its judgment in 2022 in favour of the Company, and the CPS decision along with the fine have been cancelled. An appeal has been submitted by CPS with regards to this judgment, which is still pending as at 31 December 2024.

In March 2020, the Company has been served with an application by the director of CPS seeking for an order of the court, with immediate effect, the result of which will be for the Company to cease the use of a number of terms in the contracts of the Company relating to 2006-2007 deemed to be unfair under the said order. This application was withdrawn in November 2024 and the matter is considered closed.

36. Provisions for pending litigation, claims, regulatory and other matters (continued)

36.2 Regulatory matters (continued)

In April 2021, the director of CPS filed an application for the issuance of a court order against the Company, prohibiting the use of a number of contractual terms included in the Company's consumer contracts and requiring the amendment of any such contracts (present and future) so as to remove such unfair terms. This matter is still pending before the court as at 31 December 2024.

Cyprus Consumers' Association (CCA)
In March 2021, the Company was served with an application filed by the CCA for the issuance of a court order prohibiting the use of a number of contractual terms included in the Company's consumer contracts and requiring the amendment of any such contracts (present and future) so as to remove such terms deemed as unfair. The said contractual terms were determined as unfair pursuant to the decisions issued by the Consumer Protection Service of the Ministry of Energy, Commerce, Industry and Tourism against the Company in 2016 and 2017. The Company will take all necessary steps for the protection of its interests. This matter is still pending before the court as at 31 December 2024.

The Consumer Protection Law 2021 brings under one umbrella the existing legislation on unfair contract terms and practices with some enhanced powers vested in the Consumer Protection Service, i.e. power to impose increased fines which are immediately payable. The Consumer Protection Law 2021 has a retrospective effect in that it also applies to all contracts/practices entered into and/or terminated prior to this law coming into effect as opposed to contracts/practices which are only entered into/adopted as from the date of publication of the new Law on Consumer Protection.

There are many factors that may affect the range of outcomes, and the resulting financial impact of these matters is unknown.

UK regulatory matters
During the year ended 31 December 2024, the obligation undertaken in regards to UK regulatory matters as part of the sale of Bank of Cyprus UK Ltd expired and was terminated, thus the respective provision balance was released.

36.3 Other matters

Other matters include among others, provisions for various other open examination requests by governmental and other public bodies, legal matters and provisions for warranties and indemnities related to the disposal process of certain operations of the Company.

36.4 Provisions for pending litigation, claims, regulatory and other matters

	Pending litigation and claims (Note 36.1)	Regulatory matters (Note 36.2)	Other matters (Note 36.3)	**Total**
2024	€000	€000	€000	**€000**
1 January	55,784	12,993	55,794	**124,571**
Net increase in provisions including unwinding of discount	42,380	-	11,374	**53,754**
Utilisation of provisions	(18,814)	-	(29,802)	**(48,616)**
Release of provisions	(10,896)	(9,897)	(16,601)	**(37,394)**
Transfer	-	-	234	**234**
Foreign exchange adjustments	-	44	-	**44**
31 December	**68,454**	**3,140**	**20,999**	**92,593**
Provisions expected to be settled within 12 months post reporting date	**39,897**	**-**	**7,661**	**47,558**

36. Provisions for pending litigation, claims, regulatory and other matters (continued)

36.4 Provisions for pending litigation, claims, regulatory and other matters (continued)

	Pending litigation and claims (Note 36.1)	Regulatory matters (Note 36.2)	Other matters (Note 36.3)	Total
2023	€000	€000	€000	€000
1 January	58,763	13,119	48,743	120,625
Net increase in provisions including unwinding of discount	36,227	147	4,940	41,314
Utilisation of provisions	(28,777)	(297)	(109)	(29,183)
Release of provisions	(10,429)	-	-	(10,429)
Transfer	-	-	2,220	2,220
Foreign exchange adjustments	-	24	-	24
31 December	55,784	12,993	55,794	124,571
Provisions expected to be settled within 12 months post reporting date	24,814	-	29,606	54,420

Provisions for pending litigation, claims, regulatory and other matters recorded in the income statement during the year ended 31 December 2024 amounted to €14,288 thousand (2023: €28,084 thousand), include a credit amount of €2,072 thousand representing an amount recovered on the conclusion of open examinations of governmental bodies and amounts from litigation settled, directly recognised in the income statement (2023: €2,801 thousand).

Some information required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation or the outcome of the negotiation in relation to provisions for warranties and indemnities related to the disposal process of certain operations of the Company.

37. Contingent liabilities and commitments

As part of the services provided to its customers, the Company enters into various irrevocable commitments and contingent liabilities. These consist of financial and other guarantees, letters of credit and other undrawn commitments to lend.

Even though these obligations may not be recognised on the balance sheet, they do entail credit risk and are therefore part of the overall credit risk exposure of the Company (Notes 42.1 and 42.6).

37.1 Capital commitments

Capital commitments for the acquisition of property, equipment and intangible assets as at 31 December 2024 amount to €22,376 thousand (2023: €19,827 thousand).

37.2 Contingent liabilities

The Company, as part of the disposal process of certain of its operations, has provided various representations, warranties and indemnities to the buyers. These relate to, among other things, the ownership of the loans, the validity of the liens, tax exposures and other matters agreed with the buyers. As a result, the Company may be obliged to compensate the buyers in the event of a valid claim by the buyers with respect to the above representations, warranties and indemnities.

A provision has been recognised, based on management's best estimate of probable outflows, where it was assessed that such an outflow is probable (Note 36.3).

38. Additional information on cash flow statement

Non-cash transactions

Repossession of collaterals
During the year ended 31 December 2024, the Company acquired properties by taking possession of collaterals held as security for loans and advances to customers of €25,833 thousand (2023: €20,540 thousand).

Recognition of RoU assets and lease liabilities
During 2024 the Company recognised RoU assets and corresponding lease liabilities of €2,293 thousand (2023: €11,342 thousand).

Net cash flow from operating activities - interest and dividends

	2024	2023
	€000	€000
Interest paid	**(156,510)**	(120,667)
Interest received	**996,168**	1,044,934
Dividends received (Note 22)	**22,958**	85,249
	862,616	1,009,516

Changes in liabilities arising from financing activities

	Funding from central banks (Note 28)	Debt securities in issue and Subordinated liabilities (Note 30)	**Total**
2024	€000	€000	**€000**
1 January	2,043,868	979,681	**3,023,549**
Cash flows	(2,065,710)	244,579	**(1,821,131)**
Other non-cash movements	21,842	73,130	**94,972**
31 December	**-**	**1,297,390**	**1,297,390**
2023			
1 January	1,976,674	601,448	2,578,122
Cash flows	-	320,314	320,314
Other non-cash movements	67,194	57,919	125,113
31 December	2,043,868	979,681	3,023,549

Further information relating to the change in Lease liabilities is disclosed in Note 40.

39. Cash and cash equivalents

Cash and cash equivalents comprise:

	2024	2023
	€000	€000
Cash and non-obligatory balances with central banks	**7,435,481**	9,555,142
Loans and advances to banks with original maturity less than three months	**256,241**	251,279
	7,691,722	9,806,421

39. Cash and cash equivalents (continued)

Analysis of cash and balances with central banks and loans and advances to banks

	2024 €000	2023 €000
Cash and non-obligatory balances with central banks	**7,435,481**	9,555,142
Obligatory balances with central banks (Note 17)	**117,702**	59,179
Total cash and balances with central banks (Note 17)	**7,553,183**	9,614,321

Loans and advances to banks with original maturity less than three months	**256,241**	251,279
Loans and advances to banks with original maturity more than three months	**472,163**	-
Restricted loans and advances to banks	**58,900**	101,804
Total loans and advances to banks (Note 17)	**787,304**	353,083

Restricted loans and advances to banks include nil collaterals under derivative transactions (2023: €13,970 thousand) which are not immediately available for use by the Company, but are released once the transactions are terminated. As at 31 December 2024, €6,685 thousand were placed as collateral for the reverse repurchase agreements (2023: €29,524 thousand) (Note 42.11).

40. Leases

The Company is a lessee for commercial properties such as office and branch buildings. The basic terms for lease contracts relating to the branch network are primarily uniform, irrespective of lessors, with the non-cancellable rental period being two years. The Company has the option to extend the tenancy for four further periods of two years each. The Company has the right at any time after the expiry of the initial term to terminate the present rental agreement by providing notice (usually 3 or 6 months' notice) to the lessor. Depending on the terms agreed, the rent is adjusted at the end of each renewal period, according to the current rates of the area and considering the relevant legislation.

Office buildings are leased by the Company for the operation of administrative functions. The basic terms for new lease contracts and the current practice are substantially the same with those for lease contracts of branches.

As at 31 December 2024 the lease term for branches and other buildings was re-assessed using the assumptions as detailed in Note 5.9, resulting in a remeasurement of the lease liability for those contracts.

The carrying amounts of the Company's RoU assets and lease liabilities and the movement during the year ended 31 December 2024 and the year ended 31 December 2023 is presented in the table below:

2024	**RoU assets (Note 24)**	**Lease Liabilities (Note 31)**
	€000	**€000**
1 January	**27,138**	**(22,835)**
Depreciation charge for the year (Note 13)	**(8,386)**	**-**
New leases (Note 24)	**2,293**	**(1,780)**
Re-assessment of lease terms (Note 24)	**16,158**	**(16,158)**
Assets derecognised (Note 24)	**(370)**	**1,713**
Interest expense (Note 7)	**-**	**(228)**
Cash outflows-payments	**-**	**8,760**
31 December	**36,833**	**(30,528)**

2023	RoU assets (Note 24)	Lease Liabilities (Note 31)
	€000	€000
1 January	21,670	(22,201)
Depreciation charge for the year (Note 13)	(5,874)	-
New leases (Note 24)	11,342	(7,102)
Interest expense (Note 7)	-	(291)
Cash outflows-payments	-	6,759
31 December	27,138	(22,835)

As at 31 December 2024 RoU assets comprised of leases of buildings of a carrying amount of €27,664 thousand (2023: €15,676 thousand) and computer hardware of a carrying amount of €9,169 thousand (2023: €11,462 thousand), and are presented within Property and equipment in Note 24.

Cash outflows relate to lease payments made during the year.

The analysis of lease liabilities based on remaining contractual maturity is disclosed in Note 44.

41. Analysis of assets and liabilities by expected maturity

	2024			2023		
	Less than one year	**Over one year**	**Total**	Less than one year	Over one year	Total
Assets	**€000**	**€000**	**€000**	€000	€000	€000
Cash and balances with central banks	**7,435,481**	**117,702**	**7,553,183**	9,555,142	59,179	9,614,321
Loans and advances to banks	**728,404**	**58,900**	**787,304**	251,279	101,804	353,083
Derivative financial assets	**8,742**	**86,531**	**95,273**	859	50,196	51,055
Investments	**626,703**	**3,571,056**	**4,197,759**	652,270	2,901,468	3,553,738
Reverse repurchase agreements	**-**	**1,010,170**	**1,010,170**	-	403,199	403,199
Loans and advances to customers	**1,214,100**	**8,900,173**	**10,114,273**	1,192,495	8,629,038	9,821,533
Balances with Group companies	**34,072**	**31,713**	**65,785**	24,680	3,647	28,327
Prepayments, accrued income and other assets	**301,894**	**67,873**	**369,767**	273,829	197,803	471,632
Stock of property	**74,622**	**207,240**	**281,862**	51,000	295,531	346,531
Investment properties	**4,000**	**12,151**	**16,151**	4,500	18,156	22,656
Deferred tax assets	**37,909**	**128,348**	**166,257**	37,909	163,274	201,183
Property, equipment and intangible assets	**-**	**283,881**	**283,881**	-	262,976	262,976
Investment in subsidiaries	**-**	**427,422**	**427,422**	-	552,577	552,577
Non-current assets and disposal groups held for sale	**23,143**	**-**	**23,143**	-	-	-
	10,489,070	**14,903,160**	**25,392,230**	12,043,963	13,638,848	25,682,811
Liabilities						
Deposits by banks	**136,621**	**223,389**	**360,010**	194,817	268,513	463,330
Funding from central banks	**-**	**-**	**-**	2,043,868	-	2,043,868
Derivative financial liabilities	**798**	**3,866**	**4,664**	14,079	3,901	17,980
Customer deposits	**6,528,640**	**13,990,636**	**20,519,276**	5,984,800	13,352,115	19,336,915
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	**-**	**44,074**	**44,074**	-	-	-
Balances with Group companies	**135,511**	**-**	**135,511**	111,087	-	111,087
Accruals, deferred income, other liabilities and other provisions and provisions for pending litigation, claims, regulatory and other matters	**291,599**	**120,872**	**412,471**	306,096	114,010	420,106
Debt securities in issue and subordinated liabilities	**-**	**1,297,390**	**1,297,390**	-	979,681	979,681
Deferred tax liabilities	**-**	**23,084**	**23,084**	-	22,636	22,636
	7,093,169	**15,703,311**	**22,796,480**	8,654,747	14,740,856	23,395,603

The main assumptions used in determining the expected maturity of assets and liabilities are set out below.

Cash and balances with central banks, loans and advances to banks and reverse repurchase agreements are classified in the relevant time band based on the contractual maturity, with the exception of obligatory balances with central banks and restricted balances with other banks which are classified in the 'Over one year' time band.

The investments are classified in the relevant time band based on expectations as to their realisation. In most cases this is the maturity date, unless there is an indication that the maturity will be prolonged or there is an intention to sell, roll or replace the security with a similar one.

41. Analysis of assets and liabilities by expected maturity (continued)

Performing loans and advances to customers in Cyprus are classified based on the contractual repayment schedule. Overdraft accounts are classified in the 'Over one year' time band. The Stage 3 loans are classified in the 'Over one year' time band except cash flows from expected receipts which are included within time bands, according to historic amounts of receipts in the recent months.

Stock of property and investment property are classified in the relevant time band based on expectations as to their realisation.

A percentage of customer deposits maturing within one year is classified in the 'Over one year' time band, based on the observed behavioural analysis.

Deposits by banks are classified based on contractual maturity.

The expected maturity of all prepayments, accrued income and other assets and accruals, deferred income and other liabilities is the same as their contractual maturity. If they do not have a contractual maturity, the expected maturity is based on the timing the asset is expected to be realised and the liability is expected to be settled.

42. Risk management - Credit risk

Credit risk is the risk that arises from the possible failure of one or more customers to discharge their credit obligations towards the Company, together with the counterparty credit risk arising from investment in debt securities.

In the ordinary course of its business the Company is exposed to credit risk which is monitored through various control mechanisms across all Group entities in order to identify and measure credit risk, control risk taking including preventing undue risk concentrations.

In order to manage this risk, management has in place established credit risk policies on which the Group's lending and investment procedures are based on. The credit risk policies are complemented by the methods/models used for the assessment of the customers' credit worthiness (credit rating and credit scoring systems) as disclosed in Note 42.4.

Management and structure
The Credit Risk Management department, develops and sets credit risk policies, guidelines and approval limits which are necessary to manage and control or mitigate the credit and concentration risk of the Company. The Credit Risk Control and Monitoring department monitors compliance with credit risk policies applicable to each business line and the quality of the Company's loans and advances portfolio. The credit exposures of related accounts are aggregated and monitored on a consolidated basis.

The Credit Risk Management department, in co-operation with the Credit Risk Control and Monitoring department, also safeguards the effective management of credit risk at all stages of the credit cycle, monitors the quality of decisions and processes and ensures that the credit sanctioning function is being properly managed.

The credit risk exposure of the Company is diversified across the various sectors of the economy. Credit Risk Management department determines concentration limits for each sector, sets prohibited sectors and defines sectors which may require prior approval before credit applications are submitted.

The loan portfolio is analysed on the basis of the customers' creditworthiness, their economic sector of activity and geographical concentration.

The debt securities portfolio is managed by the Treasury Division in line with limits and parameters set in the various policies and frameworks. The Market & Liquidity Risk department assesses the credit risk relating to exposures to credit institutions and governments and other exposures of both the debt securities portfolio as well as reverse repurchase agreements.

42. Risk management - Credit risk (continued)

The Company sets credit risk control limits and country risk exposure limits to mitigate concentration risk.

Models and limits are presented to and approved by the Board of Directors, through the relevant authority based on the authorisation level limits.

The Company's significant judgements, estimates and assumptions regarding the determination of the level of provisions for impairment are described in Note 5.

Monitoring process and credit risk mitigation

Loans and advances to customers

The Credit Risk Management department determines the effective credit standards required for the granting of new loans to customers. The assessment of financial position/repayment ability is the determining factor when assessing the granting of a new loan. Furthermore, post-approval monitoring is in place to ensure adherence to both terms and conditions set in the approval process and credit risk policies and procedures. A key aspect of credit risk is credit risk concentration which is defined as the risk that arises from the uneven distribution of exposures to individual borrowers, specific industry or economic sectors, geographical regions, product types or currencies. The monitoring and control of concentration risk is achieved by limit setting (e.g. sector and name limits) and reporting them to senior management. In addition, the Company obtains collaterals which are used for risk mitigation as they act as a secondary source of repayment.

The main types of collateral obtained by the Company are mortgages on real estate, cash collateral/blocked deposits, bank guarantees, government guarantees, pledges of equity securities and debt instruments of public companies, fixed and floating charges over corporate assets, assignment of life insurance policies, assignment of rights on contracts of sale and personal and corporate guarantees.

The Company regularly monitors the changes in the market value of the collateral and, where necessary, requests the pledging of additional collateral in accordance with the relevant agreement.

The Company's requirements on obtaining collateral, valuation and management of collateral are set out in relevant policies of the Company.

Off-balance sheet exposures

The Company enters into various irrecoverable commitments and contingent liabilities, by offering guarantee facilities, documentary credits and other commitments to extend credit lines of its customers to secure their liquidity needs. Even though these obligations may not be recognised on the statement of financial position, such commitments expose the Company to risks similar to those of loans and advances and are therefore monitored by the same policies and control processes.

The Company makes available to its customers guarantees that may require that the Company makes payments on their behalf. The Company also enters into commitments, such as documentary credits which commit the Company makes payments on behalf of customers in the event of a specific act, generally related to the import or export of goods.

Policies and procedures for managing, monitoring and mitigating credit risk on off balance sheet exposures apply as for loans and advances to customers.

Other financial instruments

Collateral held as security for financial assets other than loans and advances to customers and off-balance sheet exposures is determined by the nature of the financial instrument. Debt securities and other eligible bills are generally unsecured with the exception of asset-backed securities and similar instruments, which are secured by pools of financial assets. In addition, some debt securities are government-guaranteed. Reverse repurchase agreements are generally secured by bonds.

The Market & Liquidity Risk Unit monitors the debt security investment and reverse repo arrangement limits in place for governing the level of riskiness of the overall portfolio, as well as the credit limits per issuer. Analysis of the positions the Company maintains per issuer type is presented in Note 18 and information for the credit quality is presented in Note 42.11.

42. Risk management - Credit risk (continued)

The Company has chosen the ISDA Master Agreement for documenting its derivatives activity. It provides the contractual framework within which dealing activity across a full range of over-the-counter (OTC) products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults. In most cases the parties execute a Credit Support Annex (CSA) in conjunction with the ISDA Master Agreement. Under a CSA, the collateral is passed between the parties in order to mitigate the market contingent counterparty risk inherent in their open positions. As at 31 December 2024, the majority of derivative exposures are covered by ISDA netting arrangements. The effect of potential effect of netting arrangements on the Company's financial position is presented in Note 48. An analysis of derivative asset and liability exposures is available in Note 19. Information about the Company's level of collateral under derivative transactions as at 31 December is provided in Note 39.

42.1 Maximum exposure to credit risk and collateral and other credit enhancements

The table below presents the maximum exposure to credit risk, the tangible and measurable collateral and credit enhancements held and the net exposure to credit risk, that is the exposure after taking into account the impairment loss and tangible and measurable collateral and credit enhancements held. Personal guarantees are an additional form of collateral, but are not included in the information below since it is impracticable to estimate their fair value.

The fair value of the collateral presented in the tables below is capped to the carrying value of the loans and advances to customers.

42. Risk management - Credit risk (continued)

42.1 Maximum exposure to credit risk and collateral and other credit enhancements (continued)

	Maximum exposure to credit risk	**Fair value of collateral and credit enhancements held by the Company**							**Net exposure to credit risk**
		Cash	Securities	Letters of credit/ guarantee	Property	Other	Surplus collateral	Net collateral	
2024	**€000**	€000	€000	€000	€000	€000	€000	€000	**€000**
Balances with central banks (Note 17)	**7,458,196**	-	-	-	-	-	-	-	**7,458,196**
Loans and advances to banks (Note 17)	**787,304**	-	-	-	-	-	-	-	**787,304**
Reverse repurchase agreements (Note 42.11)	**1,010,170**	13,068	1,006,856	-	-	-	(9,754)	1,010,170	**-**
FVPL non-equity securities (Note 18)	**6,790**	-	-	-	-	-	-	-	**6,790**
Debt securities classified at amortised cost and FVOCI (Note 18)	**4,181,330**	-	-	-	-	-	-	-	**4,181,330**
Derivative financial instruments (Note 19)	**95,273**	-	-	-	-	-	-	-	**95,273**
Loans and advances to customers (Note 21)	**10,114,273**	577,972	659,723	233,160	17,140,948	292,621	(10,036,877)	8,867,547	**1,246,726**
Loans and advances to customers classified as held for sale (Note 21)	**23,143**	-	-	-	-	-	-	-	**23,143**
Debtors (Note 27)	**5**	-	-	-	-	-	-	-	**5**
Balances with group companies (Note 22)	**65,785**	-	-	-	-	-	-	-	**65,785**
Deferred purchase payment consideration (Note 27)	**143,604**	-	-	-	-	-	-	-	**143,604**
Other financial assets (Note 27)	**112,258**	57,481	-	-	-	-	-	57,481	**54,777**
On-balance sheet total	**23,998,131**	**648,521**	**1,666,579**	**233,160**	**17,140,948**	**292,621**	**(10,046,631)**	**9,935,198**	**14,062,933**
Contingent liabilities									
Acceptances and endorsements	**5,271**	-	-	-	5,269	2	-	5,271	**-**
Guarantees	**706,496**	72,744	209	4,099	148,199	224	-	225,475	**481,021**
Commitments									
Documentary credits	**14,768**	844	-	-	166	-	-	1,010	**13,758**
Undrawn formal stand-by facilities, credit lines and other commitments to lend	**2,041,468**	26,529	20,349	2,459	439,691	22,722	-	511,750	**1,529,718**
Off-balance sheet total	**2,768,003**	**100,117**	**20,558**	**6,558**	**593,325**	**22,948**	**-**	**743,506**	**2,024,497**
	26,766,134	**748,638**	**1,687,137**	**239,718**	**17,734,273**	**315,569**	**(10,046,631)**	**10,678,704**	**16,087,430**

42. Risk management - Credit risk (continued)

42.1 Maximum exposure to credit risk and collateral and other credit enhancements (continued)

	Maximum exposure to credit risk	Fair value of collateral and credit enhancements held by the Company							Net exposure to credit risk
		Cash	Securities	Letters of credit/ guarantee	Property	Other	Surplus collateral	Net collateral	
2023	**€000**	€000	€000	€000	€000	€000	€000	€000	**€000**
Balances with central banks (Note 17)	**9,521,812**	-	-	-	-	-	-	-	**9,521,812**
Loans and advances to banks (Note 17)	**353,083**	39,344	-	-	-	-	-	39,344	**313,739**
Reverse repurchase agreements (Note 42.11)	**403,199**	-	426,419	-	-	-	(29,524)	396,895	**6,304**
FVPL non-equity securities (Note 18)	**2,286**	-	-	-	-	-	-	-	**2,286**
Debt securities classified at amortised cost and FVOCI (Note 18)	**3,540,944**	-	-	-	-	-	-	-	**3,540,944**
Derivative financial instruments (Note 19)	**51,055**	-	-	-	-	-	-	-	**51,055**
Loans and advances to customers (Note 21)	**9,821,533**	475,241	743,890	149,415	16,755,231	275,344	(9,615,340)	8,783,781	**1,037,752**
Debtors (Note 27)	**7**	-	-	-	-	-	-	-	**7**
Balances with group companies (Note 22)	**28,327**	-	-	-	-	-	-	-	**28,327**
Deferred purchase payment consideration (Note 27)	**243,013**	-	-	-	-	-	-	-	**243,013**
Other financial assets (Note 27)	**104,756**	-	-	-	-	-	-	-	**104,756**
On-balance sheet total	**24,070,015**	**514,585**	**1,170,309**	**149,415**	**16,755,231**	**275,344**	**(9,644,864)**	**9,220,020**	**14,849,995**
Contingent liabilities									
Acceptances and endorsements	**2,580**	8	-	-	2,570	2	-	2,580	**-**
Guarantees	**708,943**	71,752	1,874	6,797	145,545	255	-	226,223	**482,720**
Commitments									
Documentary credits	**10,251**	140	-	-	21	-	-	161	**10,090**
Undrawn formal stand-by facilities, credit lines and other commitments to lend	**1,987,455**	22,980	10,648	9,764	455,964	17,231	-	516,587	**1,470,868**
Off-balance sheet total	**2,709,229**	**94,880**	**12,522**	**16,561**	**604,100**	**17,488**	**-**	**745,551**	**1,963,678**
	26,779,244	**609,465**	**1,182,831**	**165,976**	**17,359,331**	**292,832**	**(9,644,864)**	**9,965,571**	**16,813,673**

42. Risk management - Credit risk (continued)

42.2 Credit risk concentration of loans and advances to customers

There are restrictions on loan concentrations which are imposed by the Banking Law in Cyprus, the relevant CBC Directives and CRR. The Company’s Risk Appetite Statement may impose stricter concentration limits which are monitored by the Company.

The credit risk concentration, which is based on industry (economic activity) and business line, as well as the geographical concentration, is presented below.

The geographical analysis, for credit risk concentration purposes, is based on the Company’s Country Risk Policy which is followed for monitoring the Company's exposures. Market and Liquidity Risk department is responsible for analysing the country risk of exposures. ALCO reviews the country risk of exposures on a quarterly basis and the Board, through its Risk Committee, reviews the country risk of exposures and any breaches of country risk limits on a regular basis and at least annually.

The table below presents the geographical concentration of loans and advances to customers by country of risk based on the country of residency for individuals and the country of registration for companies.

2024	Cyprus	Greece	United Kingdom	Russia	Other countries	**Gross loans at amortised cost**
By economic activity	€000	€000	€000	€000	€000	**€000**
Trade	880,142	8,405	1	-	15,283	**903,831**
Manufacturing	275,779	9,691	193	-	31,412	**317,075**
Hotels and catering	914,460	33,500	38,355	-	36,329	**1,022,644**
Construction	453,362	36,629	-	-	17	**490,008**
Real estate	757,099	114,289	2	-	34,565	**905,955**
Private individuals	4,670,608	7,842	34,513	7,534	40,083	**4,760,580**
Professional and other services	568,294	567	5,171	6	61,513	**635,551**
Shipping	36,874	12	-	-	302,279	**339,165**
Other sectors	606,598	106,116	-	5	42,560	**755,279**
	9,163,216	**317,051**	**78,235**	**7,545**	**564,041**	**10,130,088**

2024	Cyprus	Greece	United Kingdom	Russia	Other countries	**Gross loans at amortised cost**
By business line	€000	€000	€000	€000	€000	**€000**
Corporate	3,286,902	59,961	195	-	163	**3,347,221**
IBU & International corporate						
- IBU	92,206	1,638	4,769	5,214	16,867	**120,694**
- International corporate	147,180	251,140	43,245	-	519,456	**961,021**
SMEs	964,412	402	1,054	-	1,869	**967,737**
Retail						
- housing	3,496,469	2,544	22,185	80	14,071	**3,535,349**
- consumer, credit cards and other	1,033,208	1,339	337	-	5,510	**1,040,394**
Restructuring						
- corporate	16,015	-	1,241	112	66	**17,434**
- SMEs	20,289	-	157	-	100	**20,546**
- retail housing	35,644	-	534	126	80	**36,384**
- retail other	15,169	2	3	-	30	**15,204**
Recoveries						
- corporate	3,627	-	32	144	377	**4,180**
- SMEs	7,760	4	390	876	634	**9,664**
- retail housing	25,795	5	3,571	907	4,574	**34,852**
- retail other	18,540	16	522	86	244	**19,408**
	9,163,216	**317,051**	**78,235**	**7,545**	**564,041**	**10,130,088**

42. Risk management - Credit risk (continued)

42.2 Credit risk concentration of loans and advances to customers (continued)

2023	Cyprus	Greece	United Kingdom	Russia	Other countries	Gross loans at amortised cost
By economic activity	€000	€000	€000	€000	€000	€000
Trade	868,039	277	40	-	15,340	883,696
Manufacturing	287,524	43,971	192	-	31,194	362,881
Hotels and catering	928,910	29,454	36,704	-	39,368	1,034,436
Construction	486,622	8,332	14	-	-	494,968
Real estate	871,544	108,635	1,863	-	51,348	1,033,390
Private individuals	4,543,985	9,680	56,074	12,075	48,080	4,669,894
Professional and other services	535,994	572	5,242	28	54,809	596,645
Shipping	20,622	15	-	-	222,422	243,059
Other sectors	512,666	-	-	2	30,201	542,869
	9,055,906	200,936	100,129	12,105	492,762	9,861,838

2023 (restated)	Cyprus	Greece	United Kingdom	Russia	Other countries	Gross loans at amortised cost
By business line	€000	€000	€000	€000	€000	€000
Corporate	3,326,556	30,487	193	-	202	3,357,438
IBU & International corporate						
- IBU	87,127	1,688	6,544	6,901	18,618	120,878
- International corporate	115,212	164,103	43,401	-	439,512	762,228
SMEs	945,018	482	1,177	-	1,947	948,624
Retail						
- housing	3,369,111	2,320	27,728	86	17,634	3,416,879
- consumer, credit cards and other	956,834	1,775	480	-	4,953	964,042
Restructuring						
- corporate	48,440	-	611	-	-	49,051
- SMEs	33,212	-	261	532	61	34,066
- retail housing	57,685	-	2,468	122	212	60,487
- retail other	19,164	22	2	-	23	19,211
Recoveries						
- corporate	6,079	-	182	173	911	7,345
- SMEs	13,419	1	1,173	1,623	1,183	17,399
- retail housing	50,927	50	14,718	2,399	7,231	75,325
- retail other	27,122	8	1,191	269	275	28,865
	9,055,906	200,936	100,129	12,105	492,762	9,861,838

The loans and advances to customers include lending exposures in Cyprus with collaterals in Greece with a carrying value as at 31 December 2024 of €176,890 thousand (2023: €128,705 thousand).

The loans and advances to customers reported within 'Other countries' as at 31 December 2024 include exposures of €0,6 million in Ukraine (2023: €1,7 million) and €4,9 million in Israel (2023: €4,9 million).

42. Risk management - Credit risk (continued)

42.3 Analysis of loans and advances to customers

The movement of the gross loans and advances to customers at amortised cost by staging, including the loans and advances to customers classified as held for sale is presented in the tables below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
1 January	8,275,416	1,161,271	326,380	98,771	**9,861,838**
Transfers to stage 1	565,289	(564,134)	(1,155)	-	**-**
Transfers to stage 2	(228,889)	265,111	(36,222)	-	**-**
Transfers to stage 3	(14,037)	(19,442)	33,479	-	**-**
Write offs	(801)	(619)	(46,787)	(4,951)	**(53,158)**
Interest accrued and other adjustments	417,918	74,717	43,137	7,703	**543,475**
New loans originated or purchased and drawdowns of existing facilities	2,252,251	69,200	1,877	11,336	**2,334,664**
Loans derecognised or repaid (excluding write offs)	(2,140,560)	(212,439)	(100,651)	(49,241)	**(2,502,891)**
Changes to contractual cash flows due to modifications	(230)	1,415	120	(224)	**1,081**
31 December	**9,126,357**	**775,080**	**220,178**	**63,394**	**10,185,009**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
1 January	7,867,037	1,565,603	368,939	113,458	9,915,037
Transfers to stage 1	786,990	(785,026)	(1,964)	-	-
Transfers to stage 2	(514,415)	546,249	(31,834)	-	-
Transfers to stage 3	(38,959)	(83,436)	122,395	-	-
Foreign exchange and other adjustments	-	-	(1)	-	(1)
Write offs	(594)	(588)	(77,699)	(5,282)	(84,163)
Interest accrued and other adjustments	388,970	39,662	47,804	8,001	484,437
New loans originated or purchased and drawdowns of existing facilities	1,827,530	89,118	8,125	1,847	1,926,620
Loans derecognised or repaid (excluding write offs)	(2,038,343)	(210,331)	(107,490)	(22,753)	(2,378,917)
Changes to contractual cash flows due to modifications	(2,800)	20	(1,895)	(149)	(4,824)
Acquisition of Velocity 2 portfolio	-	-	-	3,649	3,649
31 December	8,275,416	1,161,271	326,380	98,771	9,861,838

As at 31 December 2023 no loans and advances to customers were classified as held for sale.

For revolving facilities, overdrafts and credit cards the net positive change in balance by stage excluding write-offs is reported in ‘New loans originated’ and the net negative change is reported in ‘Loans derecognised or repaid'.

The analysis of gross loans and advances to customers at amortised cost by staging and by business line concentration is included in Note 21.

42. Risk management - Credit risk (continued)

42.3 Analysis of loans and advances to customers (continued)

The movement of gross loans and advances to customers at amortised cost, in the Corporate, IBU & International corporate, SME and Retail business lines in Cyprus (the country where the loans are managed), are presented in the tables below:

	Corporate	**IBU & International corporate**	**SME**	**Retail**
2024	**€000**	**€000**	**€000**	**€000**
1 January	3,357,438	883,106	948,624	4,380,921
Transfers (out of)/in business line	(19,504)	(3,596)	21,822	(5,792)
Write offs	(4,597)	(189)	(144)	(1,458)
Interest accrued	179,997	77,373	44,709	201,869
New loans originated or purchased	933,201	426,906	204,860	761,804
Loans derecognised or repaid (excluding write offs)	(1,098,155)	(302,429)	(252,530)	(762,789)
Changes to contractual cash flows due to modifications not resulting in derecognition	(1,159)	544	396	1,188
31 December	**3,347,221**	**1,081,715**	**967,737**	**4,575,743**

	Corporate	IBU & International corporate	SME	Retail
2023 (restated)	€000	€000	€000	€000
1 January	3,398,492	823,182	1,026,608	4,264,777
Transfers in/(out of) business line	111,905	(35,005)	(38,809)	36,081
Write offs	(25,277)	(173)	(142)	(1,165)
Interest accrued	166,290	56,142	59,465	159,108
New loans originated or purchased	748,197	218,979	192,439	696,146
Loans derecognised or repaid (excluding write offs)	(1,037,422)	(179,763)	(291,534)	(775,774)
Changes to contractual cash flows due to modifications not resulting in derecognition	(4,747)	(256)	597	1,748
31 December	3,357,438	883,106	948,624	4,380,921

42.4 Credit quality of loans and advances to customers based on the internal credit rating

Credit scoring is the primary risk rating system for assessing obligor and transaction risk for the key portfolios of the Company. For the purposes of credit scoring, these portfolios are Corporate, Retail and SMEs. Corporate and SME portfolios include legal entities. Retail portfolio includes individuals.

Scoring models use internal and external data to assess and 'score' borrowers and their credit quality, in order to provide further input on managing limits for existing loans and collection activities. The data is specific to the borrower but additional data which could affect the borrower’s behaviour is also used.

Credit score is one of the factors employed on new clients and management of existing clients. The credit score of the borrower is used to assess the credit quality for each independent acquisition or account management action, leading to an automated decision or guidance for an adjudicator. Credit scoring enhances the credit decision quality and facilitates risk-based pricing where feasible.

Borrower score defines the rating of the borrower from a range of 1-8 where 8 is defined as defaulted. The 12 months probability of default (PD) is calculated per rating. The following table presents weighted PD per risk level's rating for corporate, retail and SME exposures.

42. Risk management - Credit risk (continued)

42.4 Credit quality of loans and advances to customers based on the internal credit rating (continued)

Unrated corporate exposures are assessed using the Company's in-house behavioural scorecard model for corporate legal entities. Unrated retail exposures include qualifying revolving facilities without scoring (i.e. prepaid cards) and other revolving facilities (i.e. financial guarantees) which are assigned a more generic curve. Similarly unrated SME exposures are assigned a more generic segment curve.

New customers' lending to corporate and SME legal entities and new lending to retail individuals are separately disclosed since a time span of seven months is necessary in order to provide an accurate rating.

The portfolios weighted PD per rating is presented below.

2024	**12-month PD**		
Rating	**Corporate legal entities %**	**Retail individuals %**	**SME legal entities %**
1	0.52	0.04	0.08
2	0.55	0.06	0.17
3	0.71	0.11	0.35
4	0.98	0.16	1.26
5	1.43	0.50	3.73
6	1.74	3.34	8.44
7	2.07	8.80	15.62

2023	**12-month PD**		
Rating	**Corporate legal entities %**	**Retail individuals %**	**SME legal entities %**
1	1.32	0.10	0.18
2	1.42	0.17	0.46
3	1.75	0.28	0.96
4	2.38	0.42	3.37
5	3.68	0.89	8.92
6	3.82	7.20	18.16
7	4.88	15.21	36.65

Lower rating exposures demonstrate a better capacity to meet financial commitments, with lower probability of default, whereas higher rating exposures require varying degrees of special attention and default risk is of greater concern.

As disclosed in Note 5.1 under section 'Calibration of IFRS 9 models and removal of overlays in relation to economic conditions', the Group during 2024 proceeded with model calibrations affecting the probability of default parameter (the 'PD-macro') which led to a reduction in portfolios weighted PDs, when compared to last year.

The tables below show the gross loans and advances to customers at amortised cost which are managed in Cyprus, using the corporate legal entities, SMEs legal entities and retail individuals definition as per the internal rating of the Company.

42. Risk management - Credit risk (continued)

42.4 Credit quality of loans and advances to customers based on the internal credit rating (continued)

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Corporate legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	795,970	7,675	**803,645**	654,192	8,681	662,873
Rating 2	414,627	12,266	**426,893**	404,127	2,604	406,731
Rating 3	840,468	17,460	**857,928**	857,583	17,943	875,526
Rating 4	617,084	181,452	**798,536**	420,299	75,912	496,211
Rating 5	446,603	85,994	**532,597**	593,987	210,143	804,130
Rating 6	58,029	61,365	**119,394**	97,182	176,247	273,429
Rating 7	6,217	21,329	**27,546**	30,182	10,713	40,895
Unrated	231,861	22,225	**254,086**	230,024	34,157	264,181
New customers	654,183	48,048	**702,231**	397,922	14,956	412,878
	4,065,042	**457,814**	**4,522,856**	3,685,498	551,356	4,236,854
Total Stage 3 and POCI			**58,188**			157,472
			4,581,044			4,394,326

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Retail individuals	€000	€000	**€000**	€000	€000	€000
Rating 1	404,639	1,263	**405,902**	410,510	886	411,396
Rating 2	309,996	898	**310,894**	296,784	1,182	297,966
Rating 3	539,982	1,155	**541,137**	531,271	8,583	539,854
Rating 4	1,523,523	12,369	**1,535,892**	1,387,960	59,067	1,447,027
Rating 5	1,107,575	48,957	**1,156,532**	915,585	195,178	1,110,763
Rating 6	59,245	81,998	**141,243**	63,506	91,634	155,140
Rating 7	82,361	120,555	**202,916**	104,288	121,092	225,380
Unrated	-	2,215	**2,215**	-	2,099	2,099
New customers	380,491	6,629	**387,120**	308,043	13,166	321,209
	4,407,812	**276,039**	**4,683,851**	4,017,947	492,887	4,510,834
Total Stage 3 and POCI			**146,115**			230,837
			4,829,966			4,741,671

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
SMEs legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	125,714	1,235	**126,949**	120,165	3,360	123,525
Rating 2	260,609	2,266	**262,875**	210,856	47,818	258,674
Rating 3	125,330	8,654	**133,984**	108,742	29,117	137,859
Rating 4	47,228	15,261	**62,489**	45,841	14,490	60,331
Rating 5	10,668	4,285	**14,953**	13,021	5,771	18,792
Rating 6	3,414	4,361	**7,775**	5,300	3,328	8,628
Rating 7	3,172	1,415	**4,587**	3,324	2,534	5,858
Unrated	-	670	**670**	-	6,312	6,312
New customers	77,368	3,080	**80,448**	64,722	4,298	69,020
	653,503	**41,227**	**694,730**	571,971	117,028	688,999
Total Stage 3 and POCI			**24,348**			36,842
			719,078			725,841

42. Risk management - Credit risk (continued)

42.5 Credit losses of loans and advances to customers

The movement in ECL of loans and advances to customers, including those classified as held for sale is as follows:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
1 January	24,205	30,257	103,575	20,995	**179,032**
Transfers to stage 1	11,706	(11,386)	(320)	-	**-**
Transfers to stage 2	(660)	4,411	(3,751)	-	**-**
Transfers to stage 3	(131)	(984)	1,115	-	**-**
Impact on transfer between stages during the year*	(8,970)	1,221	7,638	(173)	**(284)**
Foreign exchange and other adjustments	-	-	41	-	**41**
Write offs	(801)	(619)	(46,784)	(4,951)	**(53,155)**
Interest (provided) not recognised in the income statement	-	-	4,156	1,105	**5,261**
New loans originated or purchased*	5,043	-	-	385	**5,428**
Loans derecognised or repaid (excluding write offs)*	(4,390)	(1,177)	(14,213)	(801)	**(20,581)**
Write offs*	748	325	12,096	295	**13,464**
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations*	(14,380)	15,373	43,693	3,684	**48,370**
Changes to contractual cash flows due to modifications not resulting in derecognition*	(365)	1,318	77	(5)	**1,025**
31 December	**12,005**	**38,739**	**107,323**	**20,534**	**178,601**
Individually assessed	3,378	17,069	21,090	10,485	**52,022**
Collectively assessed	8,627	21,670	86,233	10,049	**126,579**
	12,005	**38,739**	**107,323**	**20,534**	**178,601**

* Individual components of the 'Impairment net of reversals on loans and advances to customers' (Note 14).

The main driver of the ECL charge are the 'Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations' which includes the calibration of the provisioning models as set out in Note 5.1 together with the impact of the agreement for disposal of NPE portfolio (Project River).

As at 31 December 2023 no loans and advances to customers were classified as held for sale.

42. Risk management - Credit risk (continued)

42.5 Credit losses of loans and advances to customers (continued)

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
1 January	22,288	27,041	111,606	15,540	176,475
Transfers to stage 1	10,985	(10,504)	(481)	-	-
Transfers to stage 2	(1,532)	6,677	(5,145)	-	-
Transfers to stage 3	(481)	(2,576)	3,057	-	-
Impact on transfer between stages during the year*	(8,860)	3,450	24,794	-	19,384
Foreign exchange and other adjustments	-	-	144	-	144
Write offs	(594)	(588)	(77,699)	(5,282)	(84,163)
Interest (provided) not recognised in the income statement	-	-	3,827	1,079	4,906
New loans originated or purchased*	5,953	-	-	992	6,945
Loans derecognised or repaid (excluding write offs)*	(2,798)	(782)	(5,433)	(162)	(9,175)
Write offs*	455	340	7,981	1,118	9,894
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations*	258	7,021	39,891	7,935	55,105
Changes to contractual cash flows due to modifications not resulting in derecognition*	(1,469)	178	1,033	(225)	(483)
31 December	24,205	30,257	103,575	20,995	179,032
Individually assessed	8,287	11,983	44,757	13,480	78,507
Collectively assessed	15,918	18,274	58,818	7,515	100,525
	24,205	30,257	103,575	20,995	179,032

*Individual components of the 'Impairment net of reversals on loans and advances to customers' (Note 14).

42. Risk management - Credit risk (continued)

42.5 Credit losses of loans and advances to customers (continued)

The analysis of credit losses of loans and advances to customers by business line, excluding those classified as held for sale is presented in the table below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
Corporate	4,468	17,645	14,830	323	**37,266**
IBU & International corporate					
- IBU	84	378	51	5	**518**
- International corporate	1,925	1,070	-	-	**2,995**
SMEs	958	3,209	3,107	142	**7,416**
Retail					
- housing	2,604	10,895	4,911	526	**18,936**
- consumer, credit cards and other	1,836	4,856	4,790	750	**12,232**
Restructuring					
- corporate	2	127	1,627	10,178	**11,934**
- SMEs	47	123	2,997	515	**3,682**
- retail housing	53	371	10,686	341	**11,451**
- retail other	28	65	7,524	475	**8,092**
Recoveries					
- corporate	-	-	2,053	158	**2,211**
- SMEs	-	-	4,714	470	**5,184**
- retail housing	-	-	11,686	2,600	**14,286**
- retail other	-	-	9,344	1,276	**10,620**
	12,005	**38,739**	**78,320**	**17,759**	**146,823**

2023 (restated)	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	12,993	11,727	32,536	5,169	62,425
IBU & International corporate					
- IBU	161	323	40	5	529
- International corporate	1,498	816	38	6	2,358
SMEs	2,424	2,403	1,004	303	6,134
Retail					
- housing	3,098	6,435	3,804	486	13,823
- consumer, credit cards and other	3,693	5,665	4,969	1,164	15,491
Restructuring					
- corporate	21	1,635	6,962	9,964	18,582
- SMEs	134	589	4,334	553	5,610
- retail housing	75	440	12,393	204	13,112
- retail other	108	224	7,060	489	7,881
Recoveries					
- corporate	-	-	3,342	267	3,609
- SMEs	-	-	4,794	150	4,944
- retail housing	-	-	13,772	1,094	14,866
- retail other	-	-	8,527	1,141	9,668
	24,205	30,257	103,575	20,995	179,032

42. Risk management - Credit risk (continued)

42.5 Credit losses of loans and advances to customers (continued)

The movement of the ECL allowance for the loans and advances to customers in the Corporate, IBU & International corporate and SME Retail business lines in Cyprus (the country where the loans are managed), is presented in the table below:

2024	**Corporate** €000	**IBU & International corporate** €000	**SME** €000	**Retail** €000
1 January	62,425	2,887	6,134	29,314
Transfer (out of)/in the business line	(10,684)	91	921	(1,409)
Write offs	(4,597)	(189)	(144)	(1,458)
Interest (provided) not recognised in the income statement	987	2	116	458
New loans originated or purchased	1,998	1,029	287	1,688
Loans derecognised or repaid (excluding write offs)	(10,004)	(487)	(216)	(2,183)
Write offs	10	21	79	979
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations	(1,078)	(52)	105	4,317
Changes to contractual cash flows due to modifications not resulting in derecognition	800	(2)	174	64
Impact on transfer between stages during the year	(2,591)	213	(40)	(602)
31 December	**37,266**	**3,513**	**7,416**	**31,168**

2023 (restated)	Corporate €000	IBU & International corporate €000	SME €000	Retail €000
1 January	56,359	1,087	5,879	24,827
Transfer in/(out of) the business line	(660)	112	76	(1,813)
Write offs	(25,276)	(173)	(142)	(1,165)
Interest (provided) not recognised in the income statement	287	-	-	464
New loans originated or purchased	4,058	470	616	1,804
Loans derecognised or repaid (excluding write offs)	(2,627)	(315)	-	(1,615)
Write offs	18	28	135	740
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations	12,120	885	242	6,236
Changes to contractual cash flows due to modifications not resulting in derecognition	481	4	(469)	(283)
Impact on transfer between stages during the year	17,665	789	(203)	119
31 December	62,425	2,887	6,134	29,314

During the year ended 31 December 2024 the total non-contractual write-offs recorded by the Company amounted to €25,391 thousand (2023: €66,547 thousand). The contractual amount outstanding on financial assets that were written off during the year ended 31 December 2024 and that are still subject to enforcement activity is €187,288 thousand (2023: €566,451 thousand).

Sensitivity analysis
The Company has performed sensitivity analysis relating to its loan portfolio with reference date 31 December 2024 and 2023.

42. Risk management - Credit risk (continued)

42.5 Credit losses of loans and advances to customers (continued)

The Company has applied sensitivity analysis to the below parameters and the impact on the ECL, for both individually and collectively assessed ECL calculations, is presented in the table below:

	Increase/(decrease) on ECL for loans and advances to customers at amortised cost	
	2024	2023
	€000	€000
Increase the adverse weight by 5% and decrease the favourable weight by 5%	**1,560**	1,297
Decrease the adverse weight by 5% and increase the favourable weight by 5%	**(1,677)**	(1,629)
Increase the expected recovery period by 1 year	**1,965**	6,090
Decrease the expected recovery period by 1 year	**(2,047)**	(7,863)
Increase the collateral realisation haircut by 5%	**4,429**	8,816
Decrease the collateral realisation haircut by 5%	**(3,771)**	(9,495)
Increase in the PDs of stages 1 and 2 by 20%*	**18,232**	5,424
Decrease in the PDs of stages 1 and 2 by 20%*	**(8,273)**	(5,880)

The increase/(decrease) on ECL, for loans and advances to customers at amortised cost is presented, per stage in the table below:

2024	**Stage 1 €000**	**Stage 2 €000**	**Stage 3 €000**	**Total €000**
Increase the adverse weight by 5% and decrease the favourable weight by 5%	186	931	443	**1,560**
Decrease the adverse weight by 5% and increase the favourable weight by 5%	(213)	(522)	(942)	**(1,677)**
Increase the expected recovery period by 1 year	139	870	956	**1,965**
Decrease the expected recovery period by 1 year	(111)	(687)	(1,249)	**(2,047)**
Increase the collateral realisation haircut by 5%	265	1,579	2,585	**4,429**
Decrease the collateral realisation haircut by 5%	(182)	(1,067)	(2,522)	**(3,771)**
Increase in the PDs of stages 1 and 2 by 20%*	1,810	16,422	-	**18,232**
Decrease in the PDs of stages 1 and 2 by 20%*	(2,059)	(6,214)	-	**(8,273)**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
Increase the adverse weight by 5% and decrease the favourable weight by 5%	295	204	798	1,297
Decrease the adverse weight by 5% and increase the favourable weight by 5%	(235)	(267)	(1,127)	(1,629)
Increase the expected recovery period by 1 year	727	1,201	4,162	6,090
Decrease the expected recovery period by 1 year	(695)	(1,121)	(6,047)	(7,863)
Increase the collateral realisation haircut by 5%	1,037	1,692	6,087	8,816
Decrease the collateral realisation haircut by 5%	(900)	(1,406)	(7,189)	(9,495)
Increase in the PDs of stages 1 and 2 by 20%*	2,624	2,800	-	5,424
Decrease in the PDs of stages 1 and 2 by 20%*	(1,325)	(4,555)	-	(5,880)

*The impact on the ECL also includes the transfer between stages of the loans and advances to customers following the increase/decrease in the PD.

42. Risk management - Credit risk (continued)

42.5 Credit losses of loans and advances to customers (continued)

The sensitivity analysis performed on the collateral realisation haircut and its impact on the ECL by business line is presented in the table below:

	Increase the collateral realisation haircut by 5%	**Decrease the collateral realisation haircut by 5%**	Increase the collateral realisation haircut by 5%	Decrease the collateral realisation haircut by 5%
	2024	**2024**	2023 (restated)	2023 (restated)
	€000	**€000**	€000	€000
Corporate	**553**	**(1,061)**	2,708	(2,521)
IBU & International corporate				
- IBU	**3**	**(2)**	9	(6)
- International corporate	**17**	**(14)**	65	(55)
SMEs	**464**	**(382)**	365	(324)
Retail				
- housing	**940**	**(638)**	1,128	(811)
- consumer, credit cards and other	**200**	**(137)**	336	(286)
Restructuring				
- corporate	**34**	**(29)**	1,029	(3,337)
- SMEs	**109**	**(88)**	233	(300)
- retail housing	**660**	**(576)**	694	(616)
- retail other	**148**	**(140)**	196	(175)
Recoveries				
- corporate	**22**	**(87)**	123	(111)
- SMEs	**209**	**(146)**	932	(319)
- retail housing	**671**	**(346)**	693	(455)
- retail other	**399**	**(125)**	305	(179)
	4,429	**(3,771)**	8,816	(9,495)

42.6 Contingent liabilities and commitments

The Company enters into various irrevocable commitments and contingent liabilities. These consist of acceptances and endorsements, guarantees, documentary credits and undrawn formal stand-by facilities, credit lines and other commitments to lend.

42.6.1 Contingent liabilities

An analysis of changes in the outstanding nominal amount of exposures and the corresponding ECL are disclosed in the tables below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total €000**
Exposures				
1 January	489,730	184,827	36,966	**711,523**
Transfers to stage 1	51,626	(51,626)	-	**-**
Transfers to stage 2	(16,549)	17,453	(904)	**-**
Transfers to stage 3	(135)	(3,133)	3,268	**-**
Net increase/(decrease)	39,968	(32,724)	(7,000)	**244**
31 December	**564,640**	**114,797**	**32,330**	**711,767**

42. Risk management - Credit risk (continued)

42.6 Contingent liabilities and commitments (continued)

42.6.1 Contingent liabilities (continued)

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
Exposures				
1 January	515,186	110,626	36,582	662,394
Transfers to stage 1	8,820	(8,755)	(65)	-
Transfers to stage 2	(88,817)	91,722	(2,905)	-
Transfers to stage 3	(585)	(3,763)	4,348	-
Net increase/(decrease)	55,126	(5,003)	(994)	49,129
31 December	489,730	184,827	36,966	711,523

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total** **€000**
ECL				
1 January	-	18	19,174	**19,192**
Net decrease	-	-	(293)	**(293)**
Credit for the year	-	(4)	(1,002)	**(1,006)**
31 December	**-**	**14**	**17,879**	**17,893**
Individually assessed	-	-	17,879	**17,879**
Collectively assessed	-	14	-	**14**
	-	**14**	**17,879**	**17,893**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
ECL				
1 January	119	110	17,013	17,242
Transfers to stage 3	(35)	(4)	39	-
Charge/(credit) for the year	(84)	(88)	2,122	1,950
31 December	-	18	19,174	19,192
Individually assessed	-	-	19,174	19,174
Collectively assessed	-	18	-	18
	-	18	19,174	19,192

42. Risk management - Credit risk (continued)

42.6 Contingent liabilities and commitments (continued)

42.6.1 Contingent liabilities (continued)

The credit quality of contingent liabilities as per the internal rating system of the Company is disclosed in the table below.

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Corporate legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	98,914	2,161	**101,075**	136,335	266	136,601
Rating 2	17,055	151	**17,206**	16,168	2	16,170
Rating 3	92,078	63	**92,141**	33,253	29,663	62,916
Rating 4	27,905	421	**28,326**	26,279	2,686	28,965
Rating 5	73,886	17,939	**91,825**	25,253	30,270	55,523
Rating 6	1,768	5,700	**7,468**	19,494	281	19,775
Rating 7	1,817	66	**1,883**	6,485	33	6,518
Unrated	64,565	23,683	**88,248**	26,003	33,737	59,740
New customers	56,061	500	**56,561**	102,235	6,174	108,409
	434,049	**50,684**	**484,733**	391,505	103,112	494,617
Total Stage 3			**6,038**			8,314
			490,771			502,931

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
SME legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	57,714	1,147	**58,861**	42,683	2,796	45,479
Rating 2	20,390	74	**20,464**	6,435	8,181	14,616
Rating 3	3,149	536	**3,685**	1,599	1,950	3,549
Rating 4	672	916	**1,588**	329	907	1,236
Rating 5	6	2	**8**	31	7	38
Rating 6	17	2	**19**	3	14	17
Rating 7	27	136	**163**	4	137	141
Unrated	-	43,046	**43,046**	-	50,393	50,393
New customers	48,616	1,213	**49,829**	47,141	122	47,263
	130,591	**47,072**	**177,663**	98,225	64,507	162,732
Total Stage 3			**26,190**			28,232
			203,853			190,964

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Retail individuals	€000	€000	**€000**	€000	€000	€000
Unrated	-	17,041	**17,041**	-	17,208	17,208
	-	**17,041**	**17,041**	-	17,208	17,208
Total Stage 3			**102**			420
			17,143			17,628

42. Risk management - Credit risk (continued)

42.6 Contingent liabilities and commitments (continued)

42.6.2 Commitments

An analysis of changes in the outstanding exposures and the corresponding ECL are disclosed in the tables below:

2024	Stage 1 €000	Stage 2 €000	Stage 3 €000	**Total €000**
Exposure				
1 January	1,704,452	271,766	21,488	**1,997,706**
Transfers to stage 1	156,132	(155,983)	(149)	**-**
Transfers to stage 2	(23,419)	23,754	(335)	**-**
Transfers to stage 3	(441)	(2,736)	3,177	**-**
Net increase/(decrease)	55,413	7,353	(4,236)	**58,530**
31 December	**1,892,137**	**144,154**	**19,945**	**2,056,236**

2023	Stage 1 €000	Stage 2 €000	Stage 3 €000	Total €000
Exposure				
1 January	1,634,939	319,114	43,033	1,997,086
Transfers to stage 1	121,814	(121,602)	(212)	-
Transfers to stage 2	(100,140)	102,838	(2,698)	-
Transfers to stage 3	(4,872)	(3,783)	8,655	-
Net increase/(decrease)	52,711	(24,801)	(27,290)	620
31 December	1,704,452	271,766	21,488	1,997,706

2023				
ECL				
1 January	90	97	-	187
Charge/(credit) for the year	(90)	(97)	-	(187)
31 December	-	-	-	-

There is no ECL on commitments as at 31 December 2024 and 2023.

42. Risk management - Credit risk (continued)

42.6 Contingent liabilities and commitments (continued)

42.6.2 Commitments (continued)

The credit quality of commitments, as per the internal rating system of the Company is disclosed in the table below.

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Corporate legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	319,271	4,488	**323,759**	319,809	10,252	330,061
Rating 2	48,996	2,543	**51,539**	63,694	1,672	65,366
Rating 3	90,481	1,897	**92,378**	78,107	8,560	86,667
Rating 4	106,090	6,608	**112,698**	77,465	3,669	81,134
Rating 5	63,889	12,487	**76,376**	45,954	22,251	68,205
Rating 6	1,691	4,919	**6,610**	14,720	4,892	19,612
Rating 7	1,883	555	**2,438**	2,074	336	2,410
Unrated	131,778	45,041	**176,819**	90,986	51,113	142,099
New customers	91,060	2,359	**93,419**	86,953	707	87,660
	855,139	**80,897**	**936,036**	779,762	103,452	883,214
Total Stage 3			**11,035**			11,981
			947,071			895,195

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
SME legal entities	€000	€000	**€000**	€000	€000	€000
Rating 1	306,438	17,151	**323,589**	275,684	34,643	310,327
Rating 2	104,628	1,473	**106,101**	54,993	56,903	111,896
Rating 3	18,280	1,916	**20,196**	11,146	13,215	24,361
Rating 4	3,529	1,196	**4,725**	2,698	1,811	4,509
Rating 5	558	100	**658**	530	322	852
Rating 6	128	152	**280**	173	152	325
Rating 7	13	9	**22**	7	192	199
Unrated	-	5,242	**5,242**	-	8,577	8,577
New customers	11,375	692	**12,067**	16,658	915	17,573
	444,949	**27,931**	**472,880**	361,889	116,730	478,619
Total Stage 3			**5,125**			5,742
			478,005			484,361

42. Risk management - Credit risk (continued)

42.6 Contingent liabilities and commitments (continued)

42.6.2 Commitments (continued)

	2024			2023		
	Stage 1	Stage 2	**Total**	Stage 1	Stage 2	Total
Retail individuals	€000	€000	**€000**	€000	€000	€000
Rating 1	143,334	8,115	**151,449**	145,977	11,477	157,454
Rating 2	83,886	4,617	**88,503**	85,690	5,503	91,193
Rating 3	136,728	6,649	**143,377**	135,923	10,084	146,007
Rating 4	88,827	3,502	**92,329**	90,081	6,541	96,622
Rating 5	27,224	1,519	**28,743**	22,724	5,899	28,623
Rating 6	4,704	1,778	**6,482**	5,317	2,645	7,962
Rating 7	931	1,213	**2,144**	1,142	1,459	2,601
Unrated	30	7,038	**7,068**	-	6,832	6,832
New customers	106,385	895	**107,280**	75,947	1,144	77,091
	592,049	**35,326**	**627,375**	562,801	51,584	614,385
Total Stage 3			**3,785**			3,765
			631,160			618,150

42.7 Collateral and other credit enhancements obtained

The carrying value of assets obtained during 2024 and 2023 by taking possession of collateral held as security, was as follows:

	2024	2023
	€000	€000
Residential property	**7,968**	5,980
Commercial and other property	**11,388**	14,560
Land (fields and plots)	**6,477**	-
	25,833	20,540

The total carrying value of stock of property and investment properties obtained over the years by taking possession of collateral held as security for customer loans and advances and held by the Company (either directly as stock of properties or investment properties by the Company or through subsidiary property companies of the Company) as at 31 December 2024, including any expenses capitalised during the year, amounted to €659,976 thousand (2023: €861,675 thousand).

The disposals of repossessed assets (including both sales of repossessed properties directly held by the Company and sale of repossessed properties held through subsidiary property companies) during 2024 amounted to €174,840 thousand (2023: €173,587 thousand).

42.8 Currency concentration of loans and advances to customers

The following table presents the currency concentration of the Company's loans and advances to customers at amortised cost.

42. Risk management - Credit risk (continued)

42.8 Currency concentration of loans and advances to customers (continued)

	2024	2023
Gross loans at amortised cost	**€000**	€000
Euro	**9,475,162**	9,336,476
US Dollar	**573,140**	409,555
British Pound	**72,361**	87,610
Swiss Franc	**8,935**	27,358
Other currencies	**490**	839
	10,130,088	9,861,838

42.9 Modified loans and advances to customers

Modified loans and advances to customers are those loans where the original contractual terms of the loans

i. have been modified due to financial difficulties of the borrower and are considered as forborne/restructured (as explained in Note 42.10), and
ii. have been modified due to commercial renegotiations and such loans are considered as non-forborne

Customers classified as Stage 2 and Stage 3 as at 31 December 2023, that had facilities modified (in a prior or the current period), and are classified as Stage 1 as at 31 December 2024 amount to €157,066 thousand (2023: €137,357 thousand) and their corresponding ECL amount to €251 thousand (2023: €547 thousand).

Previously classified Stage 2 and Stage 3 customers (with a carrying amount as at 31 December 2023 of €95,331 thousand (2022: €30,012 thousand)) that had facilities modified during the year and are classified as Stage 1 at 31 December 2024 amount to €88,935 thousand (2023: €19,113 thousand) and their corresponding ECL amount to €118 thousand (2023: €36 thousand). Their related modification loss amounted to €277 thousand (2023: €55 thousand).

Stage 2 and Stage 3 loans that were forborne during the year amounted to €148,112 thousand (2023: €44,827 thousand). Their related modification loss amounted to €5,941 thousand (2023: €3,036 thousand).

Facilities that reverted to Stage 2 and Stage 3 having once cured during the year amount to €44,655 thousand (2023: €51,720 thousand) and their corresponding ECL amount to €3,243 thousand (2023: €1,984 thousand) as at 31 December 2024.

42.10 Forbearance/Restructuring

Forborne/restructured loans and advances are those loans and advances that have been modified because the borrower is considered unable to meet the terms and conditions of the contract due to financial difficulties. Taking into consideration these difficulties, the Company decides to modify the terms and conditions of the contract to provide the borrower with the ability to service the debt or refinance the contract, either partially or fully. They include the facilities for which the Group has modified the repayment programme (e.g. provision of a grace period, suspension of the obligation to repay one or more instalments, reduction in the instalment amount and/or elimination of overdue instalments relating to capital or interest).

The practice of extending forbearance/restructuring measures constitutes a grant of a concession whether temporarily or permanently to that borrower. A concession may involve restructuring the contractual terms of a debt or payment in some form other than cash, such as an arrangement whereby the borrower transfers collateral pledged to the Group.

For an account to qualify for forbearance/restructuring it must meet certain criteria including the viability of the customer. The extent to which the Company reschedules accounts that are eligible under its existing policies may vary depending on its view of the prevailing economic conditions and other factors which may change from year to year. In addition, exceptions to policies and practices may be allowed in specific situations in response to legal or regulatory requirements.

42. Risk management - Credit risk (continued)

42.10 Forbearance/Restructuring (continued)

Forbearance/restructuring activities may include measures that restructure the borrower's business (operational restructuring) and/or measures that restructure the borrower's financing (financial restructuring).

Forbearance/restructuring options may be of a short or long-term nature or a combination thereof. The Company has developed and deployed sustainable restructuring solutions, which are suitable for the borrower and acceptable for the Company.

Short-term restructuring solutions are defined as restructured repayment solutions of duration of less than two years. In the case of loans for the construction of commercial property and project finance, a short-term solution may not exceed one year.

Short-term restructuring solutions can include the following:

i. Suspension of capital or capital and interest: granting to the borrower a grace period in the payment of capital (i.e. during this period only interest is paid) or capital and interest, for a specific period of time.
ii. Reduced payments: decrease of the amount of repayment instalments over a defined short-term period in order to accommodate the borrower’s new cash flow position.
iii. Arrears and/or interest capitalisation: capitalisation of the arrears and of any unpaid interest to the outstanding principal balance for repayment under a rescheduled program.

Long-term restructuring solutions can include the following:

i. Interest rate reduction: permanent or temporary reduction of interest rate (fixed or variable) into a fair and sustainable rate.
ii. Extension of maturity: extension of the maturity of the loan which allows a reduction in instalment amounts by spreading the repayments over a longer period.
iii. Sale of Assets: Part of the restructuring can be the agreement with the borrower for immediate or over time sale of assets (mainly real estate) to reduce borrowing.
iv. Modification of existing terms of previous decisions: In the context of the new sustainable restructuring solution, any terms of previous decisions that are assessed not feasible to be met are revisited.
v. Consolidation/refinancing of existing facilities that: In cases where the borrower maintains several separate loans with different collaterals, these can be consolidated and a new repayment schedule can be set and the new loan can be secured with all existing collaterals.
vi. Hard Core Current Account Limit: In such cases a loan with a longer repayment may be offered to replace /reduce the current account limit.
vii. Split and freeze: the customer’s debt is split into sustainable and unsustainable parts. The sustainable part is restructured to a sustainable repayment program. The unsustainable part is ‘frozen’ for the restructured duration of the sustainable part. At the maturity of the restructuring, the frozen part is either forgiven pro rata (based on the actual repayment of the sustainable part) or restructured.
viii. Rescheduling of payments: the existing contractual repayment schedule is adjusted to a new sustainable repayment program based on a realistic, current and forecasted, assessment of the cash flow generation of the borrower.
ix. Liquidation Collateral: An agreement between the Company and a borrower for the voluntary sale of mortgaged assets, for partial or full repayment of the debt.
x. Currency Conversion: This solution is provided to match the credit facility currency and the borrower's income currency.
xi. Additional Financing: This solution can be granted, simultaneously with the restructuring of the existing credit facilities of the borrower, to cover any financing gap.
xii. Partial or total write off: This solution corresponds to the Company forfeiting the right to legally recover part or the whole of the amount of debt outstanding by the borrower.
xiii. Debt/equity swaps: debt restructuring that allows partial or full repayment of the debt in exchange of obtaining an equivalent amount of equity in the company by the Company, with the remaining debt right sized to the cash flows of the borrower to allow repayment. This solution is used only in exceptional cases and only where all other efforts for restructuring are exhausted and after ensuring compliance with the banking law.

42. Risk management - Credit risk (continued)

42.10 Forbearance/Restructuring (continued)

xiv. Debt/asset swaps: agreement between the Company and the borrower to voluntarily transfer the mortgaged asset or other immovable property to the Group, to partially or fully repay the debt. Any residual debt may be restructured with an appropriate repayment schedule in line with the borrower's reassessed repayment ability.

The loans forborne continue to be classified as Stage 3 in the case they are performing forborne exposures under probation for which additional forbearance measures are extended, or performing forborne exposures, previously classified as NPEs that present more than 30 days past due within the probation period.

Forbearance modifications of loans and advances that do not affect payment arrangements, such as restructuring of collateral or security arrangements, are not regarded as sufficient to categorise the facility as credit impaired, as by themselves do not necessarily indicate credit distress affecting payment ability such that would require the facility to be classified as NPE.

The forbearance characteristic contributes in two specific ways for the calculation of lifetime ECL for each individual facility. Specifically, it is taken into consideration in the scorecard development, where, if this characteristic is identified as statistically significant it affects negatively the rating of each facility. It also contributes in the construction through the cycle probability of default and cure curves, where when feasible a specific curve for the forborne products is calculated and assigned accordingly.

The below table presents the movement of the Company's forborne loans and advances to customers measured at amortised cost.

	2024	2023
	€000	€000
1 January	**455,416**	1,105,986
New loans and advances forborne in the year	**148,348**	47,274
Loans no longer classified as forborne and repayments	**(249,742)**	(705,103)
Write-off of forborne loans and advances	**(11,654)**	(41,996)
Interest accrued on forborne loans and advances	**24,427**	49,102
Foreign exchange adjustments	**44**	153
31 December	**366,839**	455,416

The forborne loans classification is discontinued when all EBA criteria for the discontinuation of the classification as forborne exposure are met. The criteria are set out in the EBA Final draft Implementing Technical Standards (ITS) on supervisory reporting and non-performing exposures.

The below tables present the Company's forborne loans and advances to customers by staging, economic activity and business line classification as well as the ECL allowance and tangible collateral held for such forborne loans.

	2024	2023
	€000	€000
Stage 1	**-**	-
Stage 2	**253,862**	261,091
Stage 3	**86,639**	173,404
POCI	**26,338**	20,921
	366,839	455,416

42. Risk management - Credit risk (continued)

42.10 Forbearance/Restructuring (continued)

Fair value of collateral

	2024	2023
	€000	€000
Stage 1	-	-
Stage 2	234,794	241,893
Stage 3	75,515	154,051
POCI	24,965	19,734
	335,274	415,678

The fair value of collateral presented above has been computed to the extent that the collateral mitigates credit risk.

Credit risk concentration

	2024	2023
By economic activity	€000	€000
Trade	10,155	15,578
Manufacturing	3,325	10,195
Hotels and catering	6,058	60,129
Construction	132,011	82,849
Real estate	26,614	61,550
Private individuals	116,063	187,537
Professional and other services	36,621	34,873
Other sectors	35,992	2,705
	366,839	455,416

	2024	2023
By business line	€000	€000
Corporate	224,271	207,210
IBU & International corporate		
- IBU	944	2,386
- International corporate	653	768
SMEs	19,046	20,823
Retail		
- housing	47,506	67,087
- consumer, credit cards and other	8,411	17,265
Restructuring		
- corporate	12,555	33,098
- SMEs	7,726	11,749
- retail housing	18,818	34,538
- retail other	4,764	7,399
Recoveries		
- corporate	966	2,480
- SMEs	2,511	6,157
- retail housing	13,960	34,496
- retail other	4,708	9,960
	366,839	455,416

42. Risk management - Credit risk (continued)

42.10 Forbearance/Restructuring (continued)

2024 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total** **€000**
Corporate	-	189,064	25,745	9,462	**224,271**
IBU & International corporate					
- IBU	-	943	1	-	**944**
- International corporate	-	653	-	-	**653**
SMEs	-	13,519	5,527	-	**19,046**
Retail					
- housing	-	34,818	10,508	2,180	**47,506**
- consumer, credit cards and other	-	5,942	2,413	56	**8,411**
Restructuring					
- corporate	-	1,431	1,006	10,118	**12,555**
- SMEs	-	2,507	4,350	869	**7,726**
- retail housing	-	4,444	13,458	916	**18,818**
- retail other	-	541	3,825	398	**4,764**
Recoveries					
- corporate	-	-	934	32	**966**
- SMEs	-	-	2,280	231	**2,511**
- retail housing	-	-	12,356	1,604	**13,960**
- retail other	-	-	4,236	472	**4,708**
	-	**253,862**	**86,639**	**26,338**	**366,839**

2023 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	-	136,097	71,006	107	207,210
IBU & International corporate					
- IBU	-	2,091	295	-	2,386
- International corporate	-	768	-	-	768
SMEs	-	19,414	1,409	-	20,823
Retail					
- housing	-	51,588	13,479	2,020	67,087
- consumer, credit cards and other	-	13,047	4,089	129	17,265
Restructuring					
- corporate	-	21,254	1,807	10,037	33,098
- SMEs	-	3,686	6,760	1,303	11,749
- retail housing	-	11,341	21,633	1,564	34,538
- retail other	-	1,805	5,249	345	7,399
Recoveries					
- corporate	-	-	2,250	230	2,480
- SMEs	-	-	5,668	489	6,157
- retail housing	-	-	30,643	3,853	34,496
- retail other	-	-	9,116	844	9,960
	-	261,091	173,404	20,921	455,416

42. Risk management - Credit risk (continued)

42.10 Forbearance/Restructuring (continued)

ECL allowance

	2024	2023
	€000	€000
Stage 1	**-**	-
Stage 2	**9,525**	8,643
Stage 3	**36,603**	47,615
POCI	**12,462**	11,510
	58,590	67,768

42.11 Credit quality of the Company assets exposed to credit risk other than loans and advances to customers-analysis by rating agency designation

Balances with central banks and loans and advances to banks

Balances with central banks and loans and advances to banks are analysed by Moody's Investors Service rating as follows:

	2024	2023
	€000	€000
Aaa - Aa3	**468,981**	227,075
A1 - A3	**7,684,100**	23,647
Baa1 - Baa3	**2,627**	9,526,168
Ba1 - Ba3	**1,218**	4,467
Unrated	**20,046**	59,007
Other receivables from banks	**68,528**	34,531
	8,245,500	9,874,895

All balances with central banks and loans and advances to banks are classified as Stage 1 (Note 17).

Reverse repurchase agreements

Reverse repurchase agreements counterparties are analysed by Moody's Investors Service rating as follows:

	2024	2023
	€000	€000
A1 - A3	**306,053**	-
Unrated	**704,117**	403,199
	1,010,170	403,199

The average rating of the collateral received was Aa2 as at 31 December 2024 (2023: Aa1).

In accordance with the terms of the reverse repurchase agreements of a carrying value of €1,010 million (2023: €403 million) that are held by the Company as at 31 December 2024, the Company accepts collateral that it is permitted to sell. At 31 December 2024, the total fair value of the collateral received was €1,007 million (2023: €426 million), none of which had been resold or repledged. As at 31 December 2024, cash collateral of €7 million has been placed with counterparties and €13 million has been received from the counterparties (2023: cash collateral of €30 million was placed with the counterparties). The effective yield of the reverse repurchase agreements is approximately 3% p.a. (2023: 3% p.a.) and the average duration is estimated at approximately 2.1 years (2023: 2.8 years).

42. Risk management - Credit risk (continued)

42.11 Credit quality of the Company assets exposed to credit risk other than loans and advances to customers-analysis by rating agency designation (continued)

Debt securities and other non-equity securities

Investments in debt securities and other non-equity securities are analysed by Moody's Investors Service rating as follows:

Moody's rating	**2024** **€000**	2023 €000
Aaa - Aa3	**2,433,855**	1,965,134
A1 - A3	**1,497,553**	441,255
Baa1 - Baa3	**254,698**	1,047,437
Ba1 - Ba3	**2,014**	89,404
	4,188,120	3,543,230

The tables below present the Moody's Investors Service rating of the Company's investments in debt securities:

	FVOCI	**Amortised cost**
2024	**Stage 1** **€000**	**Stage 1** **€000**
Aaa - Aa3	54,000	2,373,065
A1 - A3	310,606	1,186,947
Baa1 - Baa3	11,087	243,611
Ba1 - Ba3	-	2,014
B1 - B3	-	-
	375,693	**3,805,637**

	FVOCI	Amortised cost
2023	Stage 1 €000	Stage 1 €000
Aaa - Aa3	59,235	1,903,613
A1 - A3	32,521	408,734
Baa1 - Baa3	313,749	733,688
Ba1 - Ba3	18,725	70,679
	424,230	3,116,714

The ratings are provided for the ISIN or if not available for the specific issuance the rating of the counterparty is used.

43. Risk management - Market risk

Market risk is the risk of loss from adverse changes in market prices namely from changes in interest rates, credit spreads, foreign currency exchange rates, property and security prices. The Market and Liquidity Risk department is responsible for monitoring the risk on financial instruments resulting from such changes with the objective to minimise the impact on earnings and capital. The department also monitors property price risk, liquidity risk and credit risk from counterparties and countries. It is also responsible for monitoring compliance with the various market risk policies and procedures.

43. Risk management - Market risk (continued)

Interest rate risk

Interest rate risk refers to the current or prospective risk to the Company's capital and earnings arising from adverse movements in interest rates that affect the Company's banking book positions.

Interest rate fluctuations affect the economic value of the Company’s assets, liabilities and off-balance sheet items, through corresponding changes in the cash flow amounts and discount rates and therefore their present value. Changes in interest rates also affect the earnings by increasing or decreasing the net interest income of other interest rate-sensitive items. As such, interest rate risk is measured primarily by reference to the impact on net interest income and impact on economic value.

The Company’s balance sheet composition is characterised by floating rate assets and fixed or non rate sensitive liabilities, resulting in an increased volatility on net interest income, with a negative impact when interest rates decrease and a positive impact when interest rates increase. In addition, this balance sheet composition results in relatively low volatility of the Economic Value. This is due to the floating rate nature of assets which are longer term in terms of maturity, such as loans and advances and the short-term nature of the sizable central bank balances. On the liability side, term deposits, although fixed rate in nature, have short contractual maturities (mainly up to one year). In addition, the economic value impact from fixed rate assets is mitigated by the impact of core NMDs which behave as fixed rate liabilities.

Interest rate risk is managed through internal and regulatory limits on the change in net interest income and economic value of equity under various adverse interest rate shock scenarios. Internal limits on net interest income are set as a percentage of the annualised net interest income while regulatory limits on net interest income and economic value of equity are set as a percentage of the Group Tier 1 regulatory capital.

Treasury is responsible for the management of the interest rate risk arising from the banking book and asset and liability positions, effected through the hedging strategy. This involves the set of techniques and the financial instruments used to manage the risk of adverse changes in interest rates, affecting the net interest income and the economic value of the Company and aims to ensure financial stability and robust risk management. The Company uses derivatives and currently applies fair value hedge accounting. The Company applies macro fair value hedging to NMDs and micro fair value hedging to fixed rate debt securities measured at FVOCI, debt securities in issue and subordinated liabilities. For fair value hedges the Company uses interest rate swaps to manage the fair value movements of fixed rate financial instruments due to changes in the benchmark rate.

The Company assesses and measures hedge effectiveness of a hedging relationship based on the change in the fair value of the derivative instrument relative to the change in the fair value of the hedged item attributable to the hedged risk.

The Market and Liquidity Risk department is responsible to measure, monitor and control the interest rate risk on the banking book (IRRBB) based on the established Risk Appetit Framework (RAF) of the Group. One of the risk metrics that Market and Liquidity Risk department uses for monitoring and controlling the IRRBB is the Net Interest Income Sensitivity, which measures changes to net interest income under varying interest rate scenarios over a one-year horizon and assuming a constant balance sheet over this period. Its main purpose is to measure the vulnerability of the profitability to changing interest rate conditions. In addition, another risk metric employed by the Company for this purpose is the Economic Value of Equity Sensitivity. This represents the change in the net present value of all cash flows in the balance sheet under a set of interest rate stress scenarios and is calculated on the entire balance sheet under a run-off assumption, i.e., no replenishment of matured transactions.

The Company does not maintain a trading book.

Sensitivity analysis
The table below sets out the impact on the Company’s net interest income, over a one-year period, from reasonably possible changes in the interest rates of the Euro and the US Dollar, being the main currencies, using the assumptions of the prevailing market risk policy as at 31 December 2024 and 2023 respectively.

43. Risk management - Market risk (continued)

		Impact on Net Interest Income	
Currency	**Interest Rate Scenario**	**2024 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)**	**2023 (+140 bps/-120 bps for Euro and +170 bps/-110 bps for US Dollar)**
		€000	€000
All	Parallel up	102,061	147,348
All	Parallel down	(84,200)	(135,973)
All	Steepening	(51,175)	(81,265)
All	Flattening	79,770	112,104
All	Short up	106,190	150,679
All	Short down	(88,788)	(140,778)
Euro	Parallel up	98,728	142,318
Euro	Parallel down	(82,267)	(132,297)
Euro	Steepening	(51,731)	(79,595)
Euro	Flattening	79,588	108,998
Euro	Short up	104,647	145,795
Euro	Short down	(88,085)	(137,046)
US Dollar	Parallel up	3,333	5,030
US Dollar	Parallel down	(1,932)	(3,676)
US Dollar	Steepening	556	(1,670)
US Dollar	Flattening	182	3,106
US Dollar	Short up	1,543	4,884
US Dollar	Short down	(703)	(3,732)

43. Risk management - Market risk (continued)

The above sensitivities incorporate assumptions on the pass-through rate of time deposits of 40% for the upside scenario and 50% for the downside scenario for Euro denominated deposits for the year ended 31 December 2024 (2023: 40% for the upside scenario and 50% for the downside scenario for Euro denominated deposits). The above sensitivities are computed under the assumption of a constant balance sheet and that all market rates move upwards or downwards in parallel.

The table below sets out the impact on the Company's equity, from reasonably possible changes in the interest rates under various interest rate scenarios for the Euro and the US Dollar in line with the EBA guidelines.

		Impact on Equity	
Currency	**Interest Rate Scenario**	**2024 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)**	**2023 (+140 bps/-120 bps for Euro and +170 bps/-110 bps for US Dollar)**
		€000	€000
All	Parallel up	(16,380)	62,584
All	Parallel down	613	(89,615)
All	Steepening	41,074	(511)
All	Flattening	(113,840)	(11,035)
All	Short up	(112,972)	14,117
All	Short down	40,990	(40,727)
Euro	Parallel up	(15,355)	114,640
Euro	Parallel down	953	(60,469)
Euro	Steepening	78,258	6,669
Euro	Flattening	(107,390)	20,775
Euro	Short up	(106,983)	48,756
Euro	Short down	78,078	(27,450)
US Dollar	Parallel up	(1,025)	10,529
US Dollar	Parallel down	273	(29,146)
US Dollar	Steepening	3,890	(3,846)
US Dollar	Flattening	(6,450)	(21,422)
US Dollar	Short up	(5,990)	(10,261)
US Dollar	Short down	3,903	(13,277)

The aggregation of the impact on equity was performed as per the EBA guidelines by adding the negative and 50% of the positive impact of each scenario. The increased IRRBB hedging that took place during the year ended 31 December 2024 and the different magnitude of the shocks impact the sensitivity scenarios year-on-year.

In addition to the above fluctuations in net interest income, interest rate changes can result in fluctuations in the fair value of investments at FVPL (including investments held for trading) and in the fair value of derivative financial instruments impacting the profit and loss of the Company.

The equity of the Company is also affected by changes in market interest rates. The impact on the Company's equity arises from changes in the fair value of mainly fixed rate debt securities classified at FVOCI.

43. Risk management - Market risk (continued)

The sensitivity analysis is based on the assumption of a parallel shift of the yield curve. The table below sets out the impact on the Company's profit/loss before tax and equity as a result of reasonably possible changes in the interest rates of the major currencies.

Parallel change in interest rates	**Impact on profit/loss before tax**	**Impact on equity**
2024	**€000**	**€000**
+1.6% for US Dollar +1.35% for Euro +3% for British Pound	**(934)**	**(300)**
-1% for US Dollar -1% for Euro -3% for British Pound	**692**	**222**
2023		
+1.7% for US Dollar +1.4% for Euro +3% for British Pound	(2,468)	(502)
-1.1% for US Dollar -1.2% for Euro -3% for British Pound	2,115	430

The hedging relationships have been taken into account in the Net Interest Income (NII) and Economic Value of Equity (EVE) Sensitivity tables.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

In order to manage currency risk, the ALCO has approved open position limits for the total foreign currency positions. The foreign currency position limits are lower than those prescribed by the regulator. These limits are managed by Treasury Division and monitored daily by Market and Liquidity Risk department.

The Company does not maintain a currency trading book.

The table below sets out the Company's currency risk resulting from the Company's open FX position. The analysis assumes reasonably possible changes in the exchange rates of major currencies against the Euro, based mainly on historical price fluctuations. The impact on profit/loss after tax includes the change in net interest income that arises from the change of currency rate.

The impact on equity arises from the hedging instruments that are used to hedge part of the net assets of the subsidiaries whose functional currency is not the Euro. The net assets of foreign operations are also revalued and affect equity (by an approximately equal and opposite impact), but their impact is not taken into account in the below sensitivity analysis as the below relates only to financial instruments which have a direct impact either on profit/loss after tax or on equity.

43. Risk management - Market risk (continued)

2024	Change in foreign exchange rate %	Impact on profit/loss after tax €000	Impact on equity €000
US Dollar	**+5**	**1,492**	**-**
Russian Rouble	**+60**	**(1,241)**	**-**
Romanian Lei	**+5**	**9**	**(49)**
Swiss Franc	**+5**	**91**	**-**
British Pound	**+5**	**235**	**-**
Japanese Yen	**+5**	**1**	**-**
Other currencies	**+5**	**32**	**-**
US Dollar	**-5**	**(1,350)**	**-**
Russian Rouble	**-30**	**191**	**-**
Romanian Lei	**-5**	**(8)**	**44**
Swiss Franc	**-5**	**(82)**	**-**
British Pound	**-5**	**(212)**	**-**
Japanese Yen	**-5**	**(1)**	**-**
Other currencies	**-5**	**(29)**	**-**
2023			
US Dollar	+5	1,563	-
Russian Rouble	+60	(1,476)	-
Romanian Lei	+5	18	(63)
Swiss Franc	+5	92	-
British Pound	+5	307	-
Japanese Yen	+5	2	-
Other currencies	+5	28	-
US Dollar	-5	(1,414)	-
Russian Rouble	-30	227	-
Romanian Lei	-5	(16)	57
Swiss Franc	-5	(84)	-
British Pound	-5	(278)	-
Japanese Yen	-5	(2)	-
Other currencies	-5	(26)	-

Price risk

Equity securities price risk
The risk of loss from changes in the price of equity securities arises when there is an unfavourable change in the prices of equity securities held by the Company as investments.

Investments in equities are outside the Company's risk appetite, but may be acquired in the context of delinquent loan workouts. The Company monitors the current portfolio mostly acquired by the Company as part of the acquisition of certain operations of Laiki Bank, or through delinquent loan workouts, with the objective to gradually liquidate all positions for which there is a market. Equity securities are disposed of by the Company as soon as practicable.

Changes in the prices of equity securities that are classified as investments at FVPL affect the results of the Company, whereas changes in the value of equity securities classified as FVOCI affect directly the equity of the Company.

The table below shows the impact on the profit/loss before tax and on equity of the Company from a change in the price of the equity securities held, as a result of reasonably possible changes in the relevant stock exchange indices.

43. Risk management - Market risk (continued)

2024	**Change in index**	**Impact on profit/loss before tax**	**Impact on equity**
	%	**€000**	**€000**
Cyprus Stock Exchange	**+40**	**-**	**503**
Athens Exchange	**+50**	**419**	**-**
New York Exchange	**+40**	**-**	**-**
Other stock exchanges and unlisted	**+40**	**-**	**189**
Non-listed (Real Estate)	**+10**	**-**	**693**
Cyprus Stock Exchange	**-40**	**-**	**(503)**
Athens Exchange	**-50**	**(419)**	**-**
New York Exchange	**-10**	**-**	**-**
Other stock exchanges and unlisted	**-40**	**-**	**(189)**
Non-listed (Real Estate)	**-10**	**-**	**(693)**

2023	**Change in index**	**Impact on profit/loss before tax**	**Impact on equity**
	%	**€000**	**€000**
Cyprus Stock Exchange	+40	-	898
Athens Exchange	+50	419	-
New York Exchange	+45	-	-
Other stock exchanges and unlisted	+40	-	200
Non-listed (Real Estate)	+25	-	1,732
Cyprus Stock Exchange	-40	-	(898)
Athens Exchange	-50	(419)	-
New York Exchange	-10	-	-
Other stock exchanges and unlisted	-40	-	(200)
Non-listed (Real Estate)	-10	-	(693)

Debt securities price risk
Debt securities price risk is the risk of loss as a result of adverse changes in the prices of debt securities held by the Company. Debt security prices change as the credit risk of the issuer changes and/or as the market interest rates change mainly for fixed rate securities. The Company invests a significant part of its liquid assets in highly rated debt securities. The average Moody’s Investors Service rating of the debt securities portfolio of the Company as at 31 December 2024 was Aa2 (2023: A1). Further information on ratings of debt securities is disclosed in Note 42.11.

Changes in the prices of debt securities classified as investments at FVPL, affect the profit or loss of the Company, whereas changes in the value of debt securities classified as FVOCI affect directly the equity of the Company.

43. Risk management - Market risk (continued)

The table below indicates how the profit/loss before tax and equity of the Company will be affected from reasonably possible changes in the price of the debt securities held, based on Value at Risk.

2024	Impact on profit/loss before tax €000	Impact on equity €000
Up scenario:		
Aa3 and above rated bonds	**-**	**1,241**
A3 and above rated bonds	**-**	**640**
Baa1 and below rated bonds	**-**	**437**
Cyprus Government bonds	**-**	**11,919**
Down scenario:		
Aa3 and above rated bonds	**-**	**(1,241)**
A3 and above rated bonds	**-**	**(640)**
Baa1 and below rated bonds	**-**	**(437)**
Cyprus Government bonds	**-**	**(11,919)**

2023	Impact on profit/loss before tax €000	Impact on equity €000
Up scenario:		
Aa3 and above rated bonds	-	3,820
A3 and above rated bonds	-	1,866
Baa1 and below rated bonds	-	430
Cyprus Government bonds	-	27,514
Down scenario:		
Aa3 and above rated bonds	-	(3,820)
A3 and above rated bonds	-	(1,866)
Baa1 and below rated bonds	-	(430)
Cyprus Government bonds	-	(27,514)

Other non-equity instruments price risk
The table below shows the impact on the profit/loss before tax and equity of the Company from a change in the price of other non-equity instruments held, as a result of reasonably possible changes in the price index of the relevant instruments.

2024	Change in index %	Impact on profit/loss before tax €000	Impact on equity €000
Other non-equity instruments	**+40**	**2,716**	**-**
Other non-equity instruments	**-10**	**(679)**	**-**
2023			
Other non-equity instruments	+45	1,029	-
Other non-equity instruments	-10	(229)	-

Property price risk

A significant part of the Company's loan portfolio is secured by real estate, the majority of which is located in Cyprus. Furthermore, the Company holds a substantial number of properties mainly arising from loan restructuring activities, the enforcement of loan collateral and debt for asset swaps. These properties are held by the Company primarily as stock of properties and some are held as investment properties.

Property risk is the risk that the Company's business and financial position will be affected by adverse changes in the demand for, and prices of, real estate, or by regulatory capital requirements relating to increased charges with respect to the stock of property held.

44. Risk management - Liquidity and funding risk

Liquidity Risk

Liquidity risk is the risk that the Company is unable to fully or promptly meet current and future payment obligations as and when they fall due. This risk includes the possibility that the Company may have to raise funding at high cost or sell assets at a discount to fully and promptly satisfy its obligations.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in repayment and unexpectedly high payment outflows. Liquidity risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets and the risk of being unable to liquidate a position in a timely manner on reasonable terms.

In order to limit this risk, management has in place an established Liquidity Risk Policy of managing assets, taking liquidity into consideration and monitoring cash flows and liquidity on a regular basis. The Company has developed internal control processes and contingency plans for managing liquidity risk.

Management and structure

The Board of Directors sets the Group's Liquidity Risk Appetite which defines the level of risk at which the Group and the Company should operate.

The Board of Directors, through its Risk Committee, approves the Liquidity Risk Policy and reviews at frequent intervals the liquidity position of the Company.

The ALCO is responsible for setting the policies for the effective management and monitoring of liquidity risk across the Company.

The Treasury Division is responsible for liquidity management at Group level, ensuring compliance with internal policies and regulatory liquidity requirements and providing direction as to the actions to be taken regarding liquidity needs. The Treasury Division assesses on a regular basis the adequacy of the liquid assets and takes the necessary actions to ensure adequate liquidity position.

Liquidity is also monitored by Market and Liquidity Risk department, to ensure compliance with both internal policies and limits, and with the limits set by the regulatory authorities. Market and Liquidity Risk department reports the liquidity position to ALCO at least monthly. It also provides the results of various stress tests to ALCO and the Board Risk Committee at least quarterly.

Liquidity is monitored and managed on an ongoing basis through:

(i) Risk appetite: establishes the Group's Risk Appetite Statement together with the appropriate limits for the management of all risks including liquidity risk.

(ii) Liquidity Risk Policy: sets the principles, the roles and responsibilities for managing liquidity risk as well as the liquidity and funding risk management framework, stress testing and the reporting on liquidity and funding.

(iii) Liquidity limits: a number of internal and regulatory limits are monitored on a regular basis. Where applicable, a traffic light system (RAG) is used for ratios, in order to raise flags and take action when the ratios deteriorate.

(iv) Early Warning Indicators: monitoring of a range of indicators for early signs of liquidity risk in the market or specific to the Company. These are designed to immediately identify the emergence of increased liquidity risk so as to maximise the time available to execute appropriate mitigating actions.

(v) Liquidity Contingency Plan: maintenance of a Liquidity Contingency Plan (LCP) which is designed to provide a framework where a liquidity stress could be effectively identified and managed. The LCP provides a communication plan and includes management actions to respond to liquidity stresses.

(vi) Recovery Plan: the Company has developed a Recovery Plan (RP), the key objectives of which are, among others, to set key Recovery and Early Warning Indicators and to set in advance a range of recovery options to enable the Company to be adequately prepared to respond to stressed conditions and restore the Company’s liquidity position.

44. Risk management - Liquidity and funding risk (continued)

Monitoring process

Daily
The daily monitoring of the stock of highly liquid assets is important to safeguard and ensure the uninterrupted operations of the Company's activities. Market and Liquidity Risk department prepares a daily report analysing the internal liquidity buffer and comparing it to the previous day's buffer. Results are made available to members of the Risk and Treasury Divisions. In addition, Treasury monitors daily and intraday the customer inflows and outflows in the main currencies used by the Company.

The liquidity buffer is made up of: Banknotes, CBC balances (excluding the Minimum Reserve Requirements (MRR)), unpledged cash and nostro current accounts, as well as money market placements up to the stress horizon, available ECB credit line and market value net of haircut of unencumbered/available liquid bonds.

The designing of the stress tests follows guidance and is based on the liquidity risk drivers which are recognised internationally by both the Prudential Regulation Authority (PRA) and EBA. In addition, it takes into account SREP recommendations as well as the Annual Risk Identification Process of the Company. The stress test assumptions are reviewed on an annual basis and approved by the Board of Directors through its Risk Committee. Whenever it is considered appropriate to amend the assumptions during the year, approval is requested from ALCO and the Board Risk Committee. The main items shocked in the different scenarios are: deposit outflows, wholesale funding, loan repayments, off-balance sheet commitments, marketable securities, own issue covered bond, additional credit claims, interbank takings and cash collateral for derivatives and repos.

Weekly
Market and Liquidity Risk department prepares a report indicating the level of liquid assets including Credit Institutions Money Market Placements as per LCR definitions.

Market and Liquidity Risk department also prepares the liquidity stress testing for bank specific, market wide and combined scenarios on a weekly basis. The requirement is to have sufficient liquidity buffer to enable the Company to survive a twelve-month stress period, including capacity to raise funding under all scenarios.

Furthermore, a report is submitted to the regulator on a weekly basis. The report includes information on deposits breakdown, cash flow information, survival period, LCR ratio, rollover of funding, funding gap (through the Maturity Ladder analysis), concentration of funding and collateral details. It concludes on the overall liquidity position the Company and describes the measures already implemented and those which will be implemented in the short-term to improve liquidity position if needed.

Monthly
Market and Liquidity Risk department prepares reports monitoring compliance with internal and regulatory liquidity requirements and submits them to the ALCO, the Executive Committee and the Board Risk Committee. It also calculates the surplus liquidity buffer following stress outflows. The fixed deposit renewal rates, the percentage of International business unit deposits over total deposits and the percentage of instant access deposits are also presented. The liquidity mismatch in the form of the Maturity Ladder report (for both contractual and behavioural flows) is presented to ALCO and the resulting mismatch between assets and liabilities is compared to previous month's mismatch.

Market and Liquidity Risk department also reports the Liquidity Coverage Ratio (LCR) and Additional Liquidity Monitoring Metrics (ALMM) to the CBC/ECB on a monthly basis.

Quarterly
The results of the stress testing scenarios are reported to ALCO and the Board Risk Committee quarterly as part of the quarterly Internal Liquidity Adequacy Assessment Process (ILAAP) review. Market and Liquidity Risk department also reports the Net Stable Funding Ratio (NSFR) to the CBC/ECB quarterly.

44. Risk management - Liquidity and funding risk (continued)

Annually
The Company prepares on an annual basis its ILAAP package. The ILAAP package provides a holistic view of the Company's liquidity adequacy under normal and stress conditions. Within ILAAP, the Company evaluates its liquidity risk in the context of established policies and processes for the identification, measurement, management and monitoring of liquidity risk as implemented by the institution.

The Market and Liquidity Risk department also prepares annually an ECB/SRB liquidity report, the 'Joint liquidity template' that runs for five consecutive days. The report includes information on deposits breakdown, cash flow information, survival period, LCR ratio, rollover of funding, funding gap (through the Maturity Ladder analysis), concentration of funding and collateral details. It concludes on the overall liquidity position of the Company and describes the measures implemented and to be implemented in the short-term to improve liquidity position if needed.

As part of the Group's procedures for monitoring and managing liquidity risk, there is a Group Liquidity Contingency Plan (LCP) for handling liquidity difficulties. The LCP details the steps to be taken in the event that liquidity problems arise, which escalate to a special meeting of the Crisis Management Committee for LCP (CMC-LCP). The LCP sets out the members of this committee and a series of the possible actions that can be taken. The LCP is reviewed and tested at least annually.

Liquidity ratios

The LCR is calculated based on the Delegated Regulation (EU) 2015/61. It is designed to establish a minimum level of high quality liquid assets sufficient to meet an acute stress lasting for 30 calendar days. The minimum regulatory requirement is 100%. The Company also calculates its NSFR as per Capital Requirements Regulation II CRR II, with the limit set at 100%. The NSFR is the ratio of available stable funding to required stable funding. NSFR has been developed to promote a sustainable maturity structure of assets and liabilities.

Funding risk

Funding risk is the risk that the Company does not have sufficiently stable sources of funding or access to sources of funding may not always be available at a reasonable cost, and thus the Company may fail to meet its obligations, including regulatory ones (e.g. MREL).

Main sources of funding

As at 31 December 2024, the Company's main sources of funding were its deposit base and wholesale funding. Wholesale funding is becoming an important source of funding, with the issuance of Tier 2 of a nominal amount of €300 million, the issuances of senior preferred debt of an aggregate nominal amount of €950 million and the AT1 issuance for €220 million. As at 31 December 2024, the wholesale funding nominal amount was €1,470 million (2023: €1,170 million) as further described in Notes 30 and 32.

With respect to funding from TLTRO III operations, this was fully repaid in the year ended 31 December 2024.

Funding to subsidiaries

The funding provided by the Company to its subsidiaries for liquidity purposes is repayable as per the terms of the respective agreements.

The subsidiaries may proceed with dividend distributions in the form of cash to the Company, provided that they are not in breach of their regulatory capital and liquidity requirements, where applicable.

44. Risk management - Liquidity and funding risk (continued)

Collateral requirements and other disclosures

Collateral requirements
The carrying values of the Company's encumbered assets as at 31 December 2024 and 2023 are summarised below:

	2024	2023
	€000	€000
Cash and other liquid assets	**55,434**	72,800
Investments	**39,958**	260,011
Loans and advances	**3,470,859**	3,349,118
	3,566,251	3,681,929

Cash is mainly used to cover collateral required for derivatives, trade finance transactions and guarantees issued. It may also be used as part of the supplementary assets for the covered bond.

As at 31 December 2024 investments are used as supplementary assets for the covered bond. As at 31 December 2023 investments were mainly used as collateral for ECB funding or as supplementary assets for the covered bond.

As at 31 December 2024, loans and advances indicated as encumbered are mainly pledged for any potential use of the funding facilities of the ECB and for the covered bond. As at 31 December 2023, loans and advances indicated as encumbered were mainly used as collateral for funding from the ECB and the covered bond.

Loans and advances to customers include mortgage loans of a nominal amount of €1,010 million as at 31 December 2024 (2023: €1,008 million) in Cyprus, pledged as collateral for the covered bond issued by the Company in 2011 under its Covered Bond Programme. As at 31 December 2024, although there is no outstanding funding from the ECB, housing loans of a nominal amount of €2,431 million (2023: €2,329 million) in Cyprus, remain in the collateral pool of the CBC as part of the available credit line.

The Company maintains a Covered Bond Programme set up under the Cyprus Covered Bonds legislation and the Covered Bonds Directive of the CBC. Under the Covered Bond Programme, the Company has in issue covered bonds of €650 million secured by residential mortgages originated in Cyprus. The Covered Bonds have a maturity date of 12 December 2026 and pay an interest rate of 3-month Euribor plus 1.25% on a quarterly basis. On 9 August 2022, the Company proceeded with an amendment to the terms and conditions of the covered bonds following the implementation of Directive (EU) 2019/2162 in Cyprus. The covered bonds are listed on the Luxemburg Bourse. The covered bonds have a conditional Pass-Through structure. All the bonds are held by the Company. The covered bonds are eligible collateral for the Eurosystem credit operations and are placed as collateral for accessing funding from the ECB.

In addition to the encumbered assets presented above, as at 31 December 2024 cash collateral of €7 million has been placed with counterparties in relation to the reverse repurchase agreements (2023: €30 million) (Note 42.11).

Other disclosures
Deposits by banks include balances of €13,870 thousand as at 31 December 2024 (2023: €20,462 thousand) relating to borrowings from international financial and similar institutions for funding, aiming to facilitate access to finance and improve funding conditions for small or medium sized enterprises, active in Cyprus. The carrying value of the respective loans and advances granted to such enterprises serving this agreement amounts to €27,341 thousand as at 31 December 2024 (2023: €40,049 thousand).

Analysis of financial assets and liabilities based on remaining contractual maturity

The analysis of the Company's financial assets and liabilities based on the remaining contractual maturity at 31 December is based on undiscounted cash flows, analysed in time bands according to the number of days remaining from 31 December to the contractual maturity date.

44. Risk management - Liquidity and funding risk (continued)

Financial assets
The analysis of financial assets does not include any interest receivable cash flows. Financial assets have a much longer duration than financial liabilities and non-discounted interest receivable cash flows are higher than non-discounted interest payable cash flows (based on remaining contractual maturity). As a result, non-discounted cash inflows from interest receivable would have greatly exceeded non-discounted cash outflows on interest payable, thus artificially improving liquidity.

Cash and balances with central banks are classified in the relevant time band based on the contractual maturity, with the exception of obligatory balances with central banks, which are assigned to different time bands proportionally according to the allocation of customer deposits and deposits by banks.

Current accounts, overdrafts and amounts in arrears are included within the first maturity time band which reflects their contractual maturity. All other loans and advances to customers are analysed according to their contractual repayment schedule.

Loans and advances to banks are analysed in the time bands according to the number of days remaining from 31 December until their contractual maturity date. Amounts placed as collateral (primarily for derivatives) are assigned to different time bands based on either their maturity, or proportionally according to the maturities of derivatives (where the collateral had no fixed maturity).

Financial assets with no contractual maturity (such as equity securities) are included in the 'Over five years' time band, unless classified as at FVPL, in which case they are included in the 'On demand and up to one month' time band.

The investments are classified in the relevant time band according to their contractual maturity.

Financial liabilities
All financial liabilities for the repayment of which notice is required, are included in the relevant time bands as if notice had been given on 31 December, despite the fact that the Company expects that the majority of its customers will not demand repayment of such liabilities on the earliest possible date. Fixed deposits are classified in time bands based on their remaining contractual maturity. Although customers may demand repayment of time deposits (subject to penalties depending on the type of the deposit account), the Company has the discretion not to accept such early termination of deposits.

Debt securities in issue and subordinated liabilities are classified in the relevant time band according to the remaining contractual maturity.

The amounts presented in the table below are not equal to the amounts presented on the balance sheet, since the table below presents all cash flows (including interest to maturity) on an undiscounted basis.

Derivative financial instruments
The fair value of the derivatives is included in financial assets or in financial liabilities in the time band corresponding to the remaining maturity of the derivative.

Gross settled derivatives are presented in a separate table and the corresponding cash flows are classified accordingly in the time bands which relate to the number of days until their receipt or payment.

Contingent liabilities and Commitments
Amounts of contingent liabilities and commitments are included in the time band on the basis of their remaining contractual maturities except for amounts of undrawn facilities and guarantees, which are included in the earliest date on which the Group can be required to pay. For guarantees to give rise to a payment obligation to the Group, certain conditions must be met specific to the guarantee contract in order for an outflow to arise. Given that guarantees could be called at any time by the counterparty, subject to the occurrence of the relevant event they are included in the 'On demand and up to one month' time band. The analysis in the time bands of the amounts for the guarantees for the comparative period has been changed from being included in the time bands on the basis of their remaining contractual maturities to the 'On demand and up to one month' time band to align to the above. The total amount presented for guarantees for the comparative period is not impacted.

As a significant portion of the contingent liabilities and commitments expire without being utilised the total of the nominal principal amounts is not indicative of future liquidity requirements.

44. Risk management - Liquidity and funding risk (continued)

2024	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	**Total €000**
Financial assets						
Cash and balances with central banks	7,512,612	14,536	23,759	2,061	215	**7,553,183**
Loans and advances to banks	256,210	1,219	472,188	57,687	-	**787,304**
Reverse repurchase agreements	-	-	-	1,010,170	-	**1,010,170**
Fair value of derivative assets	7,907	332	503	75,197	11,334	**95,273**
Investments at FVPL	837	-	5,335	1,455	-	**7,627**
Investments not at FVPL	119,232	97,899	398,119	1,949,042	1,625,840	**4,190,132**
Loans and advances to customers	1,057,022	214,529	743,938	3,078,961	5,019,823	**10,114,273**
Balances with Group companies	27,056	-	7,016	-	31,713	**65,785**
Other assets	41,095	2,098	158,058	44,346	10,270	**255,867**
	9,021,971	**330,613**	**1,808,916**	**6,218,919**	**6,699,195**	**24,079,614**
Financial liabilities						
Deposits by banks	96,321	11,533	32,434	207,342	23,271	**370,901**
Customer deposits	16,439,268	1,550,780	2,535,228	15,440	-	**20,540,716**
Balances with Group companies	126,561	8,703	247	-	-	**135,511**
Debt securities in issue	-	-	48,313	1,104,057	-	**1,152,370**
Subordinated liabilities	-	-	19,875	102,615	356,162	**478,652**
Fair value of derivative liabilities	585	34	178	2,077	1,790	**4,664**
Lease liabilities	796	1,154	3,844	16,995	9,845	**32,634**
Other liabilities	176,335	110	92	566	-	**177,103**
	16,839,866	**1,572,314**	**2,640,211**	**1,449,092**	**391,068**	**22,892,551**
Net financial (liabilities)/assets	**(7,817,895)**	**(1,241,701)**	**(831,295)**	**4,769,827**	**6,308,127**	**1,187,063**

44. Risk management - Liquidity and funding risk (continued)

2023	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Financial assets						
Cash and balances with central banks	9,571,852	14,661	23,159	3,995	654	9,614,321
Loans and advances to banks	260,827	1,609	467	79,899	10,281	353,083
Reverse Repurchase Agreements	-	-	-	403,199	-	403,199
Fair value of derivative assets	220	99	540	35,263	14,933	51,055
Investments at FVPL	837	-	-	2,286	-	3,123
Investments not at FVPL	86,322	76,184	483,759	1,810,771	1,093,579	3,550,615
Loans and advances to customers	1,100,075	188,261	723,362	2,798,404	5,011,431	9,821,533
Balances with Group companies	17,673	-	7,007	-	3,647	28,327
Other assets	62,131	45	123,280	147,232	15,088	347,776
	11,099,937	280,859	1,361,574	5,281,049	6,149,613	24,173,032
Financial liabilities						
Deposits by banks	145,701	18,737	35,481	210,135	69,479	479,533
Funding from central banks	-	1,752,836	313,174	-	-	2,066,010
Customer deposits	15,175,687	1,538,792	2,424,392	214,190	-	19,353,061
Balances with Group companies	89,259	16,269	5,559	-	-	111,087
Debt securities in issue	-	-	33,323	779,464	-	812,787
Subordinated liabilities	-	-	19,885	94,663	384,739	499,287
Fair value of derivative liabilities	13,362	516	201	2,515	1,386	17,980
Lease liabilities	1,630	2,055	3,945	15,205	-	22,835
Other liabilities	113,644	17,227	31,611	6,834	3,417	172,733
	15,539,283	3,346,432	2,867,571	1,323,006	459,021	23,535,313
Net financial (liabilities)/assets	(4,439,346)	(3,065,573)	(1,505,997)	3,958,043	5,690,592	637,719

2024	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	**Total €000**
Gross settled derivatives						
Financial assets						
Contractual amounts receivable	667,289	181,962	2,991	-	-	**852,242**
Contractual amounts payable	(659,663)	(181,323)	(2,927)	-	-	**(843,913)**
	7,626	**639**	**64**	**-**	**-**	**8,329**
Financial liabilities						
Contractual amounts receivable	144,527	34,120	2,549	-	-	**181,196**
Contractual amounts payable	(144,633)	(34,119)	(2,605)	-	-	**(181,357)**
	(106)	**1**	**(56)**	**-**	**-**	**(161)**

44. Risk management - Liquidity and funding risk (continued)

2024	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	**Total** **€000**
Contingent liabilities and commitments						
Contingent liabilities						
Acceptances and endorsements	4,097	711	463	-	-	**5,271**
Guarantees	706,496	-	-	-	-	**706,496**
Commitments						
Documentary credits	7,318	1,539	5,911	-	-	**14,768**
Undrawn formal standby facilities, credit lines and other commitments to lend	2,041,468	-	-	-	-	**2,041,468**
	2,759,379	**2,250**	**6,374**	**-**	**-**	**2,768,003**

2023	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Gross settled derivatives						
Financial assets						
Contractual amounts receivable	56,545	6,059	2,646	-	-	65,250
Contractual amounts payable	(56,310)	(5,992)	(2,599)	-	-	(64,901)
	235	67	47	-	-	349
Financial liabilities						
Contractual amounts receivable	907,453	136,201	2,617	-	-	1,046,271
Contractual amounts payable	(920,105)	(136,063)	(2,637)	-	-	(1,058,805)
	(12,652)	138	(20)	-	-	(12,534)

2023 (restated)	On demand and up to one month €000	Between one and three months €000	Between three months and one year €000	Between one and five years €000	Over five years €000	Total €000
Contingent liabilities and commitments						
Contingent liabilities						
Acceptances and endorsements	1,321	879	380	-	-	2,580
Guarantees	708,943	-	-	-	-	708,943
Commitments						
Documentary credits	1,242	3,830	5,179	-	-	10,251
Undrawn formal standby facilities, credit lines and other commitments to lend	1,987,455	-	-	-	-	1,987,455
	2,698,961	4,709	5,559	-	-	2,709,229

45. Capital management

The primary objective of the Company's capital management is to ensure compliance with the relevant regulatory capital requirements and to maintain healthy capital adequacy ratios to cover the risks of its business, support its strategy and maximise shareholders' value.

45. Capital management (continued)

The capital adequacy framework, as in force, was incorporated through the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) which came into effect on 1 January 2014 with certain specified provisions implemented gradually. The CRR and CRD transposed the capital, liquidity and leverage standards of Basel III into the European Union's legal framework. CRR establishes the prudential requirements for capital, liquidity and leverage for credit institutions. It is directly applicable in all EU member states. CRD governs access to deposit-taking activities and internal governance arrangements including remuneration, board composition and transparency. Unlike the CRR, member states were required to transpose the CRD into national law and national regulators were allowed to impose additional capital buffer requirements.

On 27 June 2019, the revised rules on capital and liquidity (Regulation (EU) 2019/876 (CRR II) and Directive (EU) 2019/878 (CRD V)) came into force. As an amending regulation, the existing provisions of CRR apply unless they are amended by CRR II. Certain provisions took immediate effect (primarily relating to Minimum Requirement for Own Funds and Eligible Liabilities (MREL)), but most changes became effective as of June 2021. The key changes introduced consist of, among others, changes to qualifying criteria for Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Tier 2 (T2) instruments, introduction of requirements for MREL and a binding Leverage Ratio requirement (as defined in the CRR) and a Net Stable Funding Ratio (NSFR).

The amendments that came into effect on 28 June 2021 are in addition to those introduced in June 2020 through Regulation (EU) 2020/873, which among other, brought forward certain CRR II changes in light of the COVID-19 pandemic. The main adjustments of Regulation (EU) 2020/873 that had an impact on the Company's capital ratio relate to the acceleration of the implementation of the new SME discount factor (lower RWAs), extending the IFRS 9 transitional arrangements and introducing further relief measures to CET1 allowing to fully add back to CET1 any increase in ECL recognised in 2020 and 2021 for non credit impaired financial assets and phasing-in this starting from 2022 (phasing-in at 25% in 2022, 50% in 2023 and 75% in 2024) and advancing the application of prudential treatment of software assets as amended by CRR II (which came into force in December 2020).

In October 2021, the European Commission adopted legislative proposals for further amendments to the CRR, CRD and the BRRD (the '2021 Banking Package'). Amongst other things, the 2021 Banking Package would implement certain elements of Basel III that had not yet been transposed into EU law. In addition, in the case of the proposed amendments to CRD and the BRRD, their terms and effect will depend, in part, on how they are transposed in each member state. In December 2023, the preparatory bodies of the Council and European Parliament endorsed the amendments to the CRR and the CRD and the legal texts were published on the Council and the Parliament websites. In April 2024, the European Parliament voted to adopt the amendments to the CRR and the CRD; Regulation (EU) 2024/1623 (known as CRR III) and Directive (EU) 2024/1619 (known as CRD VI) were published in the EU's official journal in June 2024, with entry into force 20 days from the date of the publication. Most provisions of CRR III have become effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased-in over time. Member states shall adopt and publish, by 10 January 2026, the laws, regulations and administrative provisions necessary to comply with CRD VI and shall apply most of those measures by 11 January 2026.

The Group and the Company have complied with the minimum capital requirements (Pillar I and Pillar II).

46. Related party transactions

Related parties of the Company include Group companies, associates and joint ventures, key management personnel, members of the Board of Directors and their connected persons. Connected persons for the purpose of this disclosure include spouses, minor/dependent children and companies in which the directors/key management personnel, hold directly or indirectly, at least 50% of the voting shares in a general meeting, or act as executive director or exercise control of the entities in any way.

46. Related party transactions (continued)

Aggregate amounts outstanding at year end and additional transactions

	2024 €000	2023 €000
Loans and advances as at 31 December		
Board of Directors	**71**	77
Key management personnel	**1,695**	1,843
Connected persons-Board of Directors	**73**	85
Connected persons - key management personnel	**524**	491
	2,363	2,496
Deposits as at 31 December		
Board of Directors	**644**	1,919
Key management personnel	**2,289**	1,874
Connected persons - Board of Directors	**308**	969
Connected persons - Key management personnel	**3,235**	2,334
	6,476	7,096
Interest income for the year	**113**	104
Interest expense for the year	**37**	8
Insurance premium income for the year	**451**	463
Insurance expenses for the year	**6**	3

The above table does not include year-end balances for members of the Board of Directors, key management personnel and their connected persons who resigned during the year, nor balances of customers that do not meet the definition of connected persons as at 31 December 2024.

As at 31 December 2024 there were nine Directors in office (2023: seven) and 17 key management personnel in office (2023: 17).

Interest income and expense are disclosed for the period during which they were members of the Board of Directors or served as key management personnel.

During the year ended 31 December 2024 an amount of €871 thousand has been paid to connected persons of key management personnel for the cost of services capitalised within property and equipment. These services were rendered on normal business terms as for comparable services received from third parties.

In addition to loans and advances, there were contingent liabilities and commitments in respect of members of the Board of Directors and their connected persons, mainly in the form of documentary credits, guarantees and commitments to lend, amounting to €114 thousand as at 31 December 2024 (2023: €116 thousand).

There were also contingent liabilities and commitments to other key management personnel and their connected persons amounting to €1,240 thousand as at 31 December 2024 (2023: €1,138 thousand).

The total unsecured amount of the loans and advances and contingent liabilities and commitments to members of the Board of Directors, key management personnel and other connected persons (using forced-sale values for tangible collaterals, and assigning no value to other types of collaterals) at 31 December 2024 amounted to €1,328 thousand (2023: €1,415 thousand).

There were no other transactions during the years ended 31 December 2024 and 2023 with connected persons of the current members of the Board of Directors or with any members who resigned during the year.

46. Related party transactions (continued)

All transactions with members of the Board of Directors and their connected persons are made on normal business terms as for comparable transactions, including interest rates, with customers of a similar credit standing. A number of loans and advances have been extended to key to management personnel on the same terms as those applicable to the rest of the Company's employees and their connected persons on the same terms as those of customers of a similar credit standing.

Fees and emoluments of members of the Board of Directors and key management personnel

	2024	2023
Directors' emoluments	**€000**	€000
Executives		
Salaries and other short-term benefits	**1,151**	1,061
Variable remuneration - STIP	**72**	400
Variable remuneration - LTIP	**1,180**	-
Retirement benefit plans costs	**102**	94
Total directors' emoluments	**2,505**	1,555
Key management personnel emoluments		
Salaries and other short-term benefits	**2,944**	2,846
Variable remuneration - STIP	**545**	610
Variable remuneration - LTIP	**2,050**	-
Retirement benefit plan costs	**251**	244
Total key management personnel emoluments	**5,790**	3,700
Total	**8,295**	5,255

Fees and emoluments of members of the Board of Directors and key management personnel are included for the period that they serve as members of the Board of Directors and as key management personnel respectively.

The retirement benefit plan costs relate to contributions paid for defined contributions plans.

Variable remuneration amounts (amounts for STIP and LTIP) presented in the tables above and further below in the tables in this Note represent the award amount awarded in respect of the performance year 2024 for STIP and of the performance period 2022-2024 for the 2022 LTIP (2022 LTIP cycle awarded), and include both amounts expected to vest in 2025 and amounts to be deferred in following years. In respect of the 2022 LTIP, the amount of the award disclosed is different from the annual cost amount recorded in the income statement as the annual cost is calculated under the IFRS 2 provisions as per the accounting policy disclosed in Note 2.32 of the Consolidated Financial Statements of the Company. The LTIP amount included in the tables in this Note represents the amount awarded, calculated as the final amount of common shares of BOCH to be delivered (subject to continuing employment) (determined by reference to the performance scorecard assessment outcome) based on the average closing share price on the Cyprus Stock Exchange for the period from 1 December 2024 to 17 January 2025 of €4.62. The final number of BOCH shares to be delivered to the CEO have been set to 192,883, to the EDF to 62,614 and for the key management personnel to 467,662. No LTIP cycle had a performance period ending in the year ended 31 December 2023 and therefore no amounts are included in the tables in respect of variable remuneration under LTIP for the comparative period. The annual expense amounts recorded in the income statement for the year ended 31 December 2024 and 2023 in accordance with IFRS 2 in respect of the Executive Directors and key management personnel are disclosed below.

46. Related party transactions (continued)

Fees and emoluments of members of the Board of Directors and key management personnel (continued)

As disclosed in Note 12.3 the short-term incentive award is primarily awarded in the form of cash. Where the total amount of variable remuneration for a financial year awarded under STIP and LTIP for an individual exceeds a threshold as per regulatory guidelines, then at least 50% of the variable remuneration must be awarded in the form of shares. In the case of the Executive Directors and key management personnel for the year ended 31 December 2024, the amounts awarded under STIP will be in the form of cash as the LTIP award is awarded in the form of shares and it is in excess of 50% of the variable remuneration for 2024 (2023: in the case of the Executive Directors, the 2023 STIP award was 50% in the form of cash and 50% in the form of shares and in the case of the other key management personnel an amount of €560 thousand was in the form of cash and an amount of €50 thousand in the form of shares). In the context of establishing the final amount of variable remuneration for the performance year 2024, following the outcome of the assessment of the predetermined performance targets, the amounts awarded under the 2022 LTIP cycle were determined first, followed by the STIP amount to be awarded so that the total variable remuneration is within the 100% fixed to variable remuneration ratio threshold. Therefore, for year 2024, where for a participant the entire of the 100% threshold was utilised for the LTIP, no STIP amount has been awarded.

In case the total variable remuneration award to an individual exceeds a certain regulatory threshold, then vesting conditions as described in Note 12.3 apply for both the cash and the share component and remain subject to malus and clawback conditions as per the applicable regulatory framework and the LTIP Plan rules.

Executive Directors' emoluments
A cost of €317 thousand has been recorded by the Company in its Income Statement in relation to awards granted in 2022, 2023 and 2024 to the Executive Directors under the Long-Term Incentive Plan (LTIP) as described in Note 12.2 (2023: cost of €235 thousand for awards granted in 2022 and 2023). The recognition of such cost is in accordance with the accounting policy described in Note 2.32 of the Consolidated Financial Statements of the Company.

Key management personnel
The emoluments of key management personnel include the remuneration of the members of the Executive Committee and the emoluments of other members of the Senior Management team (Extended EXCO) since the date of their appointment to the Committees.

Further, employer's contributions in relation to the emoluments of key management personnel of €354 thousand have been recorded in the Income Statement during the year ended 31 December 2024 (2023: €326 thousand). Such amounts are not considered part of the remuneration, but rather an incremental cost to the Group, and as such not included in the table above.

Further, a cost of €615 thousand has been recorded by the Company in its Income Statement in relation to awards granted in 2022, 2023 and 2024 to the key management personnel under the Long-Term Incentive Plan (LTIP) as described in Note 12.2 (2023: cost of €360 thousand for awards granted in 2022 and 2023). The recognition of such cost is in accordance with the Group accounting policy described in Note 2.32 of the Consolidated Financial Statements of the Company.

Executive Directors
The fees and emoluments of the Executive Directors are analysed as follows:

46. Related party transactions (continued)

Fees and emoluments of members of the Board of Directors and key management personnel (continued)

	2024	2023
	€000	€000
Panicos Nicolaou (Chief Executive Officer)		
Salaries and other short-term benefits	**819**	761
Variable remuneration - STIP	**-**	300
Variable remuneration - LTIP	**891**	-
Retirement benefit plan costs	**73**	68
	1,783	1,129
Eliza Livadiotou (Executive Director Finance)		
Salaries and other short-term benefits	**332**	300
Variable remuneration - STIP	**72**	100
Variable remuneration - LTIP	**289**	-
Retirement benefit plan costs	**29**	26
	722	426
Total	**2,505**	1,555

The share-based benefits expense recorded in the Income Statement during the year ended 31 December 2024 for the share awards granted under the LTIP for LTIP Cycles 2022, 2023 and 2024 amounts to €240 thousand (2023: €186 thousand) for the Chief Executive Officer and to €77 thousand (2023: €49 thousand) for the Executive Director Finance.

Further, employer's contributions of €63 thousand have been recorded in the Income Statement during the year ended 31 December 2024, of which €34 thousand relate to the Chief Executive Officer and €29 thousand relate to the Executive Director Finance (2023: total employer's contributions of €64 thousand, of which €38 thousand relate to the Chief Executive Officer and €26 thousand to the Executive Director Finance). Such amounts are not considered part of the remuneration of Directors, but rather an incremental cost to the Company, and as such have not been included in the table above.

Non-executive Directors
Non-executive director fees are expensed by Bank of Cyprus Holdings Public Limited Company and as a result no non-executive director fees are disclosed. However, these are recharged by the holding company back to the Company and the recharge cost is included within 'Other operating expenses'.

Balances and transactions with Group Companies are disclosed in Note 22. Further, the subordinated liability and the fixed Rate Reset Perpetual Additional Tier 1 Capital Securities with the holding company are disclosed in Notes 30 and 32 respectively.

47. Subsidiary companies

The main subsidiary companies and branches of the Company, their country of incorporation, their activities and the percentage held by the Company (directly or indirectly) as at 31 December 2024 are:

Company	Country	Activities	Percentage holding (%)
EuroLife Ltd	Cyprus	Life insurance	100
General Insurance of Cyprus Ltd	Cyprus	Non-life insurance	100
JCC Payment Systems Ltd	Cyprus	Development of inter-banking systems, acquiring and processing of card transactions, other payment services and other activities	75
The Cyprus Investment and Securities Corporation Ltd (CISCO)	Cyprus	Investment banking, brokerage, discretionary asset management and investment advice services	100
Jinius Ltd	Cyprus	Digital Economy Platform	100
LCP Holdings and Investments Public Ltd	Cyprus	Investments in securities and participations in companies and schemes that are active in various business sectors and projects	67
Kermia Ltd	Cyprus	Property trading and development	100
Kermia Properties & Investments Ltd	Cyprus	Property trading and development	100
S.Z. Eliades Leisure Ltd	Cyprus	Land development and operation of a golf resort	70
Auction Yard Ltd	Cyprus	Auction company	100
BOC Secretarial Company Ltd	Cyprus	Secretarial services	100
Bank of Cyprus Public Company Limited (branch of the Company)	Greece	Administration of guarantees and holding of real estate properties	n/a
BOC Asset Management Romania S.A.	Romania	In run-down	100
MC Investment Assets Management LLC	Russia	Problem asset management company - In run-down	100
Fortuna Astrum Ltd	Serbia	Problem asset management company - In run-down	100

47. Subsidiary companies (continued)

In addition to the above companies, as at 31 December 2024 the Company had 100% shareholding, either directly or indirectly, in the companies listed below, whose activity is the ownership and management of immovable property:

Cyprus: Tolmeco Properties Ltd, Pelika Properties Ltd, Cobhan Properties Ltd, Nalmosa Properties Ltd, Emovera Properties Ltd, Blodar Properties Ltd, Cranmer Properties Ltd, Les Coraux Estates Ltd, Natakon Company Ltd, Oceania Ltd, Dominion Industries Ltd, Ledra Estate Ltd, Laiki Lefkothea Center Ltd, Labancor Ltd, Joberco Ltd, Domita Estates Ltd, Memdes Estates Ltd, Kernland Properties Ltd, Jobelis Properties Ltd, Melsolia Properties Ltd, Spacous Properties Ltd, Solomaco Properties Ltd, Linaland Properties Ltd, Unital Properties Ltd, Neraland Properties Ltd, Wingstreet Properties Ltd, Nolory Properties Ltd, Lisbo Properties Ltd, Mantinec Properties Ltd, Provezaco Properties Ltd, Hillbay Properties Ltd, Forenaco Properties Ltd, Hovita Properties Ltd, Astromeria Properties Ltd, Barosca Properties Ltd, Fogland Properties Ltd, Tebasco Properties Ltd, Valecross Properties Ltd, Altco Properties Ltd, Olivero Properties Ltd, Jaselo Properties Ltd, Elosa Properties Ltd, Flona Properties Ltd, Toreva Properties Ltd, Resoma Properties Ltd, Mostero Properties Ltd, Helal Properties Ltd, Pendalo Properties Ltd, Frontyard Properties Ltd, Bonsova Properties Ltd, Thermano Properties Ltd, Venicous Properties Ltd, Lorman Properties Ltd, Eracor Properties Ltd, Rulemon Properties Ltd, Maledico Properties Ltd, Balasec Properties Ltd, Diafor Properties Ltd, Kartama Properties Ltd, Paramina Properties Ltd, Nouralia Properties Ltd, Resocot Properties Ltd, Soblano Properties Ltd, Talamon Properties Ltd, Weinar Properties Ltd, Zemialand Properties Ltd, Coeval Properties Ltd, Finevo Properties Ltd, Mazima Properties Ltd, Riveland Properties Ltd, Rosalica Properties Ltd, Secretsky Properties Ltd, Senadaco Properties Ltd, Tasabo Properties Ltd, Venetolio Properties Ltd, Zandexo Properties Ltd, Odolo Properties Ltd, Molemo Properties Ltd, Samilo Properties Ltd, Alezia Properties Ltd, Enelo Properties Ltd, Monata Properties Ltd, Amary Properties Ltd, Aparno Properties Ltd, Lomenia Properties Ltd, Midelox Properties Ltd, Montira Properties Ltd, Orilema Properties Ltd, Carilo Properties Ltd, Olisto Properties Ltd, Holstone Properties Ltd, Gelimo Properties Ltd, Larizemo Properties Ltd and Philiki Ltd.

Romania: Otherland Properties Dorobanti SRL.

Further, at 31 December 2024 the Company had 100% shareholding in Stamoland Properties Ltd, Unoplan Properties Ltd, Petrassimo Properties Ltd and Gosman Properties Ltd.

The main activities of the above companies are the holding of shares and other investments and the provision of services.

At 31 December 2024, the Company had 100% shareholding in BOC Terra AIF V.C.I.C. Plc which is a real estate alternative investment fund, currently inactive.

At 31 December 2024 the Company had 100% shareholding, either directly or indirectly, in the companies listed below which are reserved to accept property:

Cyprus: Rifelo Properties Ltd, Dadela Properties Ltd, Leziga Properties Ltd, Bavara Properties Ltd, Fernia Properties Ltd, Wolfenia Properties Ltd, Ortizelo Properties Ltd and Ellagio Properties Ltd.

In addition, the Company holds 100% of the following intermediate holding companies:

Cyprus: Otherland Properties Ltd, Battersee Properties Ltd, Bonayia Properties Ltd, Janoland Properties Ltd, Imoreth Properties Ltd, Inroda Properties Ltd, Zunimar Properties Ltd, Nikaba Properties Ltd, Allioma Properties Ltd and Hydrobius Ltd.

The Company also holds 100% of the following companies which are inactive:

Cyprus: Laiki Bank (Nominees) Ltd, Paneuropean Ltd, Nelcon Transport Co. Ltd, Canosa Properties Ltd, Homirova Properties Ltd and Finerose Properties Ltd.

Greece: Kyprou Zois (branch of EuroLife Ltd), Kyprou Asfalistiki (branch of General Insurance of Cyprus Ltd), Kyprou Commercial SA and Kyprou Properties SA.

The Company also holds indirectly 75% of Settle Cyprus Ltd, which is inactive.

All companies listed above have share capital consisting of ordinary shares.

47. Subsidiary companies (continued)

Acquisitions of subsidiaries

During the years ended 31 December 2024 and 2023 there were no acquisitions of subsidiaries.

Dissolution and disposal of subsidiaries

There were no material disposals of subsidiaries during the year ended 31 December 2024. CYCMC IV Ltd, Blindingqueen Properties Ltd, Prodino Properties Ltd, Ensolo Properties Ltd, Fairford Properties Ltd, Sylvesta Properties Ltd and Iperi Property Ltd were dissolved during the year ended 31 December 2024. Regetona Properties Ltd, Soluto Properties Ltd, Camela Properties Ltd, Baleland Properties Ltd, Ramendi Properties Ltd, Fitrus Properties Ltd, Estaga Properties Ltd, Avaleto Properties Ltd, Zecomex Ltd, Bendolio Properties Ltd, Cramonco Properties Ltd, Zenoplus Properties Ltd, Hamura Properties Ltd, Vertilia Properties Ltd, Colar Properties Ltd, Koralmon Properties Ltd and Skellom Properties Ltd were disposed of during the year ended 31 December 2024.

As at 31 December 2024, the following subsidiaries were in the process of dissolution or in the process of being struck off: Fantasio Properties Ltd, Demoro Properties Ltd, Bramwell Properties Ltd, Battersee Real Estate SRL, Thryan Properties Ltd, Obafemi Holdings Ltd, Birkdale Properties Ltd, Green Hills Properties SRL, Imoreth Properties SRL, Inroda Properties SRL, Zunimar Properties SRL, Allioma Properties SRL, Landanafield Properties Ltd and Nikaba Properties SRL.

During the year ended 31 December 2024 net losses on disposal/dissolution of subsidiary companies of €4,712 thousand (2023: net gains of €1,840 thousand) were recorded in the income statement (Note 11) and relates primarily to disposal of entities holding properties managed under the REMU portfolio.

Carrying value of investments in subsidiaries

	2024	2023
	€000	€000
1 January	**552,577**	161,550
Contribution/transfer from Balances with Group Companies (net)	**-**	531,672
Additions	**13,522**	7,288
Disposals/dissolution of subsidiaries	**(88,562)**	(73,700)
Contribution to/(from) subsidiaries-net	**13,165**	(16,610)
Impairment of investments in subsidiaries (Note 14)	**(63,280)**	(57,623)
31 December	**427,422**	552,577

48. Offsetting financial assets and liabilities

The following tables set out the effect or potential effect of netting arrangements on the Company's financial position. This includes the effect or potential effect of rights of set off associated with the Company's recognised financial assets and recognised financial liabilities that are subject to an enforceable master netting arrangement, irrespective of whether they are set off in accordance with paragraph 42 of IAS 32.

The 'Amounts subject to master netting agreements' column identifies financial assets and liabilities that are subject to set off under netting provisions included in counterparties' agreements such as an ISDA Master Agreement.

The agreement between the Company and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities are settled on a gross basis; however each party, for which the netting provisions apply under an ISDA Master Agreement, has the option to settle all such amounts on a net basis in the event of default of the other party.

48. Offsetting financial assets and liabilities (continued)

				Related amounts not set off in the balance sheet		
Assets	**Gross amounts of recognised financial assets**	**Gross amounts of recognised financial liabilities set off in the balance sheet**	**Net amounts of financial assets presented in the balance sheet**	**Amounts subject to master netting agreements**	**Financial collateral (including cash collateral)**	**Net amount**
2024	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Derivative financial assets	**95,273**	**-**	**95,273**	**(3,421)**	**(91,202)**	**650**
Reverse repurchase agreements	**1,010,170**	**-**	**1,010,170**	**-**	**(13,068)**	**997,102**
Total	**1,105,443**	**-**	**1,105,443**	**(3,421)**	**(104,270)**	**997,752**
2023						
Derivative financial assets	51,055	-	51,055	(3,705)	(47,179)	171
Reverse repurchase agreements	403,199	-	403,199	-	-	403,199
Total	454,254	-	454,254	(3,705)	(47,179)	403,370

The gross amounts of recognised derivative financial assets, include amounts of €3,421 thousand that do not meet the offsetting criteria, but are subject to enforceable master netting arrangements (2023: €3,705 thousand). Financial collateral (including cash collateral) disclosed is limited to the net position exposure and hence may differ from the maximum collateral available for offset and is reported in 'Deposits by banks'.

				Related amounts not set off in the balance sheet		
Liabilities	**Gross amounts of recognised financial liabilities**	**Gross amounts of recognised financial assets set off in the balance sheet**	**Net amounts of financial liabilities presented in the balance sheet**	**Amounts subject to master netting agreements**	**Financial collateral (including cash collateral)**	**Net amount**
2024	**€000**	**€000**	**€000**	**€000**	**€000**	**€000**
Derivative financial liabilities	**4,664**	**-**	**4,664**	**(3,421)**	**-**	**1,243**
Total	**4,664**	**-**	**4,664**	**(3,421)**	**-**	**1,243**
2023						
Derivative financial liabilities	17,980	-	17,980	(3,705)	(11,896)	2,379
Total	17,980	-	17,980	(3,705)	(11,896)	2,379

48. Offsetting financial assets and liabilities (continued)

The gross amounts of recognised derivative financial liabilities, include amounts of €3,421 thousand that do not meet the offsetting criteria, but are subject to enforceable master netting arrangements (2023: €3,705 thousand). Financial collateral (including cash collateral) disclosed is limited to the net position exposure and hence may differ from the maximum collateral available for offset and is reported in 'Loans and advances to banks'.

49. Events after the reporting period

Distribution in respect of 2024 earnings

The Board of Directors of the Company has resolved to propose to the AGM that will be held on 16 May 2025 for approval, a final cash dividend of €0.03 per ordinary share in respect of earnings for the year ended 31 December 2024, which amounts to an aggregate distribution of €241 million. The financial statements for the year ended 31 December 2024 do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

Dividends are funded out of distributable reserves.

No other significant non-adjusting events have taken place since 31 December 2024.

Alternative Performance Measures Disclosures 2024

DEFINITIONS

Adjusted recurring profitability	The Group's profit after tax before non-recurring items (attributable to the owners of the Company) taking into account distributions under other equity instruments such as the annual AT1 coupon.
Advisory and other transformation costs - organic	Comprise mainly of fees of external advisors in relation to the transformation program and other strategic projects of the Group.
Allowance for expected loan credit losses	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, where applicable), (ii) the residual fair value adjustment on initial recognition of loans and advances to customers (including residual fair value adjustment on initial recognition of loans and advances to customers classified as held for sale, where applicable), (iii) allowance for expected credit losses on 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.
Basic profit per share (attributable to the owners of the Company)	Basic profit per share (attributable to the owners of the Company) is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of ordinary shares in issue during the period/year, excluding treasury shares. The term 'Basic earnings per share (attributable to the owners of the Company)' is used interchangeably with this term in the Annual Financial Report.
Carbon neutral	The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
Cost to Income ratio	Cost to income ratio is calculated as total expenses (as defined), divided by total income (as defined).
Digital transactions ratio	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, cash withdrawals, internal and external transfers. Digital channels include mobile banking app, browser and ATMs.
Digitally engaged customers ratio	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.
Diluted earnings per share (attributable to the owners of the Company)	Diluted earnings per share is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of ordinary shares in issue during the period/year, excluding treasury shares, adjusted to take into account the potential dilutive effect for the ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the Long-Term Incentive Plan and Short-Term Incentive Plan, where applicable. The term 'Diluted profit per share (attributable to the owners of the Company)' is used interchangeably with this term in the Annual Financial Report.
Green Asset ratio	The proportion of a credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets.

Green Mortgage ratio	The proportion of a credit institution's assets financing EU Taxonomy-aligned mortgages (acquisition, construction or renovation of buildings) as a share of total mortgage assets.
Gross loans	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, where applicable) and (ii) loans and advances to customers classified and measured at FVPL adjusted for the aggregate fair value adjustment. The residual fair value adjustment on initial recognition relates mainly to loans acquired from Laiki Bank (calculated as the difference between the outstanding contractual amount and the fair value of loans acquired at acquisition date).
Interest earning assets	Interest earning assets include: cash and balances with central banks, loans and advances to banks, reverse repurchase agreements, net loans and advances to customers (as defined), net loans and advances to customers classified as non-current assets held for sale (where applicable), deferred consideration receivable ('DPP'), and investments (excluding equities, mutual funds and other non-interest bearing investments).
Legacy exposures	Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) Non-core overseas exposures.
Leverage ratio	The leverage ratio is the ratio of tangible total equity to total assets as presented on the balance sheet. Tangible total equity comprises of equity attributable to the owners of the Company and other equity instruments minus intangible assets.
Loan credit losses (PL)	Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers (including credit losses on loans and advances to customers classified as non-current assets held for sale, where applicable), (ii) net gains/(losses) on derecognition of financial assets measured at amortised cost relating to loans and advances to customers and (iii) net gains/(losses) on loans and advances to customers at FVPL, for the reporting period/year.
Loan credit losses charge (cost of risk)	Loan credit losses charge (cost of risk) (year-to-date) is calculated as the loan credit losses (as defined) (annualised based on year-to-date days) divided by the average gross loans. The average gross loans are calculated as the average of the opening balance and the closing balance of Gross loans (as defined), for the reporting period/year.
Market Shares	Both deposit and loan market shares are based on data from the CBC.
Net Interest Margin	Net interest margin is calculated as the net interest income (annualised based on year-to-date days) divided by the quarterly average interest earning assets (as defined).
Net loans and advances to customers	Net loans and advances to customers comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined, but excluding allowance for expected credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities).
Net loans to deposits ratio	Net loans to deposits ratio is calculated as gross loans (as defined) net of allowance for expected loan credit losses (as defined), divided by customer deposits.
Net performing loan book	Net performing loan book is the total net loans and advances to customers (as defined) excluding net loans included in the legacy exposures (as defined).

Net zero emissions	The reduction of greenhouse gas emissions to net zero through a combination of reduction activities and offsetting investments.
New lending	New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forborne or re-negotiated accounts) as well as the average year-to-date change (if positive) of the current accounts and overdraft facilities between the balance at the beginning of the period and the end of the period. Recoveries are excluded from this calculation since their overdraft movement relates mostly to accrued interest and not to new lending.
Non-interest income	Non-interest income comprises: Net fee and commission income, Net foreign exchange gains/(losses) and net gains/(losses) on financial instruments (excluding net gains/(losses) on loans and advances to customers at FVPL), Net insurance result, Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties, and Other income.

Non-performing exposures (NPEs)

As per the EBA standards and the ECB's Guidance to Banks on Non-Performing Loans (which was published in March 2017), 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 Capital Requirement Regulation (CRR), which would also trigger a default under specific credit adjustment, diminished financial obligation and obligor bankruptcy.
(iii) Material exposures as set by the CBC, which are more than 90 days past due.
(iv) Performing forborne exposures under probation for which additional forbearance measures are extended.
(v) Performing forborne exposures previously classified as NPEs that present more than 30 days past due within the probation period.

From 1 January 2021 two regulatory guidelines came into force that affect NPE classification and Days-Past-Due calculation. More specifically, these are the RTS on the Materiality Threshold of Credit Obligations Past-Due (EBA/RTS/2016/06) and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07).

The Days-Past-Due (DPD) counter begins counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than as of the first day of presenting any amount of arrears or excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality threshold. Payments towards the exposure that do not reduce the arrears/excesses below the materiality threshold, will not impact the counter.

For retail debtors, when a specific part of the exposures of a customer that fulfils the NPE criteria set out above is greater than 20% of the gross carrying amount of all on balance sheet exposures of that customer, then the total customer exposure is classified as non-performing; otherwise only the specific part of the exposure is classified as non-performing. For non-retail debtors, when an exposure fulfils the NPE criteria set out above, then the total customer exposure is classified as non-performing.

Material arrears/excesses are defined as follows:

- Retail exposures: Total arrears/excess amount greater than €100,
- Exposures other than retail: Total arrears/excess amount greater than €500

and the amount in arrears/excess is at least 1% of the customer's total exposure.

	The NPEs are reported before the deduction of allowance for expected loan credit losses (as defined).
Non-recurring items	Non-recurring items as presented in the 'Consolidated Income Statement – Underlying basis' relate to 'Advisory and other transformation costs - organic', if applicable.
NPE coverage ratio	The NPE coverage ratio is calculated as the allowance for expected loan credit losses (as defined) over NPEs (as defined).
NPE ratio	NPE ratio is calculated as the NPEs (as defined) divided by Gross loans (as defined).
Operating profit	Operating profit on the underlying basis comprises profit before loan credit losses (as defined), impairments of other financial and non-financial assets, provisions for pending litigation, claims, regulatory and other matters (net of reversals), tax, (profit)/loss attributable to non-controlling interests and non-recurring items (as defined).
Operating profit return on average assets	Operating profit return on average assets is calculated as the operating profit (as defined) (annualised based on year-to-date days) divided by the quarterly average of total assets for the relevant period. Average total assets exclude total assets of discontinued operations at each quarter end, if applicable.
Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company)	Profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company) is the operating profit (as defined) adjusted for loan credit losses (as defined), impairments of other financial and non-financial assets, provisions for litigation, claims, regulatory and other matters (net of reversals), tax and (profit)/loss attributable to non-controlling interests.
Profit/(loss) after tax – organic (attributable to the owners of the Company)	Profit/(loss) after tax - organic (attributable to the owners of the Company) is the profit/(loss) after tax and before non-recurring items (attributable to the owners of the Company) (as defined), adjusted for the 'Advisory and other transformation costs – organic', if applicable.
Return on Tangible equity (ROTE)	Return on Tangible Equity (ROTE) is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised based on year-to-date days), divided by the quarterly average of Shareholders' equity (as defined) minus intangible assets at each quarter end.
Return on Tangible equity (ROTE) excluding amounts reserved for distributions	Return on Tangible equity (ROTE) excluding amounts reserved for distributions is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised based on year-to-date days), divided by the quarterly average of Shareholders' equity (as defined) minus intangible assets and the amounts approved/recommended for distribution in respect of earnings of the relevant year the distribution relates to.
Return on Tangible equity (ROTE) on 15% CET1 ratio	Return on Tangible equity (ROTE) on 15% CET1 ratio is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised based on year-to-date days), divided by the quarterly average of Shareholders' equity (as defined) minus intangible assets and after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible book value at each quarter end.
Shareholders' equity	Shareholders' equity comprises total equity adjusted for non-controlling interest and other equity instruments. It is represented by equity attributable to the owners of the Company (as per statutory basis).

Tangible book value per share	Tangible book value per share is calculated as Shareholders' equity (as defined) less intangible assets at each quarter end, divided by the number of ordinary shares in issue at the end of the period/year, excluding treasury shares.
Tangible equity	Tangible equity comprises of equity attributable to the owners of the Company (as per statutory basis) and other equity instruments minus intangible assets.
Time deposits pass-through	Calculated as a percentage of the cost (interest expense) of Time and Notice deposits over the average 6-month Euribor rate for the period.
Total expenses	Total expenses on the underlying basis comprise the total staff costs, special levy on deposits and other levies/contributions and other operating expenses (excluding 'Advisory and other transformation costs-organic', (on an underlying basis)).
Total income	Total income on the underlying basis comprises the total of Net interest income, Net fee and commission income, Net foreign exchange gains/(losses), Net gains/(losses) on financial instruments (excluding net gains/(losses) on loans and advances to customers at FVPL), Net insurance result, Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of property and Other income (on an underlying basis). A reconciliation of these amounts between the statutory and the underlying basis is disclosed in the Management Report under section 'Group financial results on the underlying basis'.
Underlying basis	The underlying basis is computed by adjusting the results as per the statutory basis for the reclassification of certain items as explained in the 'Reconciliation of the Consolidated Income Statement for the year ended 31 December 2024 between the statutory basis and the underlying basis' within the Management Report.

Reconciliations

Reconciliation between the Consolidated Income Statement under the statutory basis and the underlying basis in the Management Report is included in Section 'Reconciliation of the Consolidated Income Statement for the year ended 31 December 2024 between the statutory basis and the underlying basis' of the Management Report.

Reconciliations between the non-IFRS performance measures and the most directly comparable IFRS measures which allow for the comparability of the underlying basis to the statutory basis are disclosed below.

For the purpose of the 'Alternative Performance Measures Disclosures', reference to 'Note' relates to the respective note in the Consolidated Financial Statements for the year ended 31 December 2024.

1. Reconciliation of Gross loans and advances to customers

	2024	2023
	€000	€000
Gross loans and advances to customers as per the underlying basis (*as defined above*)	**10,374,056**	10,069,828
Reconciling items:		
Residual fair value adjustment on initial recognition (*Note 23*)	**(60,679)**	(69,534)
Loans and advances to customers classified as held for sale (*Note 23*)	**(54,921)**	-
Residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale	**778**	-
Loans and advances to customers measured at FVPL (*Note 23*)	**(131,008)**	(138,727)
Aggregate fair value adjustment on loans and advances to customers measured at FVPL	**2,179**	947
Gross loans and advances to customers at amortised cost as per the Consolidated Financial Statements (*Note 23*)	**10,130,405**	9,862,514

2. Reconciliation of Allowance for expected credit losses (ECL) on loans and advances to customers

	2024	2023
	€000	€000
Allowance for expected credit losses (ECL) on loans and advances to customers as per the underlying basis (*as defined above)*	**254,412**	267,232
Reconciling items:		
Residual fair value adjustment on initial recognition (*Note 23*)	**(60,679)**	(69,534)
Allowance for expected credit losses on loans and advances to customers classified as held for sale	**(31,778)**	-
Residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale	**778**	-
Aggregate fair value adjustment on loans and advances to customers measured at FVPL	**2,179**	947
Provisions for financial guarantees and commitments (*Note 33*)	**(17,893)**	(19,192)
Allowance for ECL for loans and advances to customers as per the Consolidated Financial Statements (*Note 23*)	**147,019**	179,453

Reconciliations (continued)

3. Reconciliation of NPEs

	2024	2023
	€000	€000
NPEs as per the underlying basis (*as defined above*)	**255,251**	365,450
Reconciling items:		
Loans and advances to customers (NPEs) classified as held for sale (*as per table 1 above*)	**(54,921)**	-
Residual fair value adjustment on initial recognition of loans and advances to customers (NPEs) classified as held for sale (*as per table 1 above*)	**778**	-
POCI (NPEs) *(Note 1 below)*	**(31,919)**	(37,273)
Residual fair value adjustment on initial recognition on loans and advances to customers (NPEs) classified as Stage 3 *(Note 23)*	**1,579**	(1,294)
Stage 3 gross loans and advances to customers at amortised cost as per the Consolidated Financial Statements *(Note 23)*	**170,768**	326,883

NPE ratio	**2024**	2023
NPEs (*as per table above*) (€000)	**255,251**	365,450
Gross loans and advances to customers (*as per table 1 above*) (€000)	**10,374,056**	10,069,828
Ratio of NPEs/Gross loans (%)	**2.5%**	3.6%

NPE Coverage ratio	**2024**	2023
Allowance for expected credit losses (ECL) on loans and advances to customers (*as per table 2 above*) (€000)	**254,412**	267,232
NPEs (*as per table above*) (€000)	**255,251**	365,450
NPE Coverage ratio (%)	**100%**	73%

Note 1: Gross loans and advances to customers at amortised cost before residual fair value adjustment on initial recognition include an amount of €31,919 thousand POCI - NPEs (out of a total of €59,810 thousand POCI loans) (2023: €37,273 thousand POCI - NPEs (out of a total of €100,197 thousand POCI loans)) as disclosed in Note 23.

4. Reconciliation of Gross Loans – Pro forma

	2024
	€000
Gross Loans (*as per table 1 above*)	**10,374,056**
Reconciling items:	
Loans and advances to customers classified as held for sale (*as per table 1 above*)	**(54,921)**
Residual fair value adjustment on initial recognition on loans and advances to customers classified as held for sale (as per table 1 above)	**778**
Gross loans and advances to customers – pro forma	**10,319,913**

Reconciliations (continued)

5. Reconciliation of NPEs – Pro forma

	2024
	€000
NPEs (*as per table 3 above*)	**255,251**
Reconciling items:	
Loans and advances to customers (NPEs) classified as held for sale (*as per table 3 above*)	**(54,921)**
Residual fair value adjustment on initial recognition on loans and advances to customers (NPEs) classified as held for sale (*as per table 3 above*)	**778**
NPEs - pro forma	**201,108**

NPE ratio – Pro forma	**2024**
NPEs - Pro forma (*as per table above*) (€000)	**201,108**
Gross loans and advances to customers - Pro forma (*as per table 4 above*) (€000)	**10,319,913**
Ratio of NPE/Gross loans – Pro forma (%)	**1.9%**

6. Reconciliation of Loan credit losses

	2024	2023
	€000	€000
Loan credit losses as per the underlying basis	**30,368**	62,749
Loan credit losses (as defined) are reconciled to the statutory basis as follows:		
Credit losses to cover credit risk on loans and advances to customers *(Note 16)*	**31,913**	73,294
Net gains on derecognition of financial assets measured at amortised cost – loans and advances to customers (*see further below*)	**(313)**	(8,144)
Net gains on loans and advances to customers measured at FVPL *(Note 11)*	**(1,232)**	(2,401)
	30,368	62,749

Net losses on derecognition of financial assets measured at amortised cost in the Consolidated Income Statement amount to €13 thousand (2023: net gains of €6,361 thousand) and comprise €313 thousand (2023: €8,144 thousand) net gains on derecognition of loans and advances to customers and €326 thousand (2023: €1,783 thousand) net losses on derecognition of debt securities measured at amortised cost.

Reconciliations (continued)

7. Reconciliation of Adjusted recurring profitability to Profit after tax for the year attributable to the owners of the Company

	2024	2023
	€000	€000
Adjusted recurring profitability as per the underlying basis (*as defined above*)	**484,496**	448,866
Reconciling items:		
Payment of coupon to AT1 holders (*Note 34*)	**26,125**	27,339
Cost for repurchase of other instruments* (*Note 34*)	**-**	6,820
Advisory and other transformation costs (non-recurring) (*Note 15*)	**-**	(2,253)
Profit after tax for the year attributable to the owners of the Company as per the Consolidated Income Statement	**510,621**	480,772

* Comprises accrued AT1 coupon as at the date of the repurchase and amount paid for the repurchase in excess of the nominal price

Key Performance Ratios Information

For the purpose of the 'Alternative Performance Measures Disclosures', reference to 'Note' relates to the respective note in the Consolidated Financial Statements for the year ended 31 December 2024.

1. Net Interest Margin (NIM)

The components for the calculation of net interest margin are provided below:

	2024	2023
1.1. Net interest income used in the calculation of NIM	**€000**	€000
Net interest income as per the underlying basis/statutory basis	**822,124**	793,192

1.2. Interest earning assets	**31 December 2024**	30 September 2024	30 June 2024	31 March 2024	31 December 2023
	€000	€000	€000	€000	€000
Cash and balances with central banks (*Note 19*)	**7,600,726**	7,517,002	7,287,221	7,217,046	9,614,502
Loans and advances to banks (*Note 19*)	**820,574**	337,399	384,112	383,707	384,802
Reverse repurchase agreements	**1,010,170**	1,022,515	1,014,858	707,526	403,199
Loans and advances to customers (*Note 23*)	**10,117,168**	10,034,740	10,086,237	10,029,470	9,823,127
Loans and advances to customers held for sale (*Note 23*)	**23,143**	12,290	-	-	-
Prepayments, accrued income and other assets – Deferred consideration receivable ('DPP') (*Note 28*)	**143,604**	255,400	251,244	247,107	243,013
Investments					
Debt securities (*Note 20*)	**4,212,177**	4,061,291	3,828,083	3,742,838	3,547,782
Total interest earning assets	**23,927,562**	23,240,637	22,851,755	22,327,694	24,016,425
1.3. Quarterly average interest earning assets (€000)					
- 2024					**23,272,815**
- 2023					23,217,213

1.4. Net Interest Margin (NIM)	**2024**	2023
Net interest income (*as per table 1.1. above*) (€000)	**822,124**	793,192
Quarterly average interest earning assets (*as per table 1.3. above*) (€000)	**23,272,815**	23,217,213
NIM (%)	**3.53%**	3.42%

Key Performance Ratios Information (continued)

2. Cost to income ratio

2.1 Reconciliation of the components of total expenses used in the cost to income ratio calculation from the underlying basis to the statutory basis is provided below:

2.1.1 Reconciliation of Staff costs	**2024**	2023
	€000	€000
Staff costs as per the underlying basis/statutory basis	**203,062**	192,266

2.1.2 Reconciliation of Other operating expenses	**2024**	2023
	€000	€000
Other operating expenses as per the underlying basis	**161,876**	156,292
Reclassifications for:		
Advisory and other transformation costs – organic, separately presented under the underlying basis (*Note 15*)	**-**	2,253
Other operating expenses as per the statutory basis (*Note 15*)	**161,876**	158,545

2.1.3 Total Expenses as per the underlying basis	**2024**	2023
	€000	€000
Staff costs as per the underlying basis/statutory basis (*as per table 2.1.1 above*)	**203,062**	192,266
Special levy on deposits and other levies/contributions as per the underlying basis/statutory basis	**39,115**	42,380
Other operating expenses as per the underlying basis *(as per table 2.1.2 above)*	**161,876**	156,292
Total Expenses as per the underlying basis	**404,053**	390,938

2.2 Reconciliation of the components of total income used in the cost to income ratio calculation from the underlying basis to the statutory basis is provided below:

2.2.1 Total Income as per the underlying basis	**2024**	2023
	€000	€000
Net interest income as per the underlying basis/statutory basis (*as per table 1.1 above*)	**822,124**	793,192
Net fee and commission income as per the underlying basis/statutory basis	**176,943**	181,023
Net foreign exchange gains, Net gains on financial instruments and Net gains on derecognition of financial assets measured at amortised cost as per the underlying basis *(as per table 2.2.2 below)*	**36,399**	37,184
Net insurance result* (*as per the statutory basis*)	**46,191**	53,488
Net (losses)/gains from revaluation and disposal of investment properties and Net gains on disposal of stock of properties (as per the statutory basis)	**(1,214)**	10,015
Other income (as per the statutory basis)	**14,381**	18,337
Total Income as per the underlying basis	**1,094,824**	1,093,239

**Net insurance result comprises the aggregate of captions 'Net insurance finance income/(expense) and net reinsurance finance income/(expense)', 'Net insurance service result' and 'Net reinsurance service result' per the statutory basis.*

Key Performance Ratios Information (continued)

2. Cost to income ratio (continued)

2.2.2 Reconciliation of Net foreign exchange gains, Net gains on financial instruments and Net gains on derecognition of financial assets measured at amortised cost between the statutory basis and the underlying basis	**2024**	2023
	€000	€000
Net foreign exchange gains, Net gains on financial instruments and Net gains on derecognition of financial assets measured at amortised cost as per the underlying basis	**36,399**	37,184
Reclassifications for:		
Net gains on loans and advances to customers measured at FVPL disclosed within 'Loan credit losses' per the underlying basis (*as per table 6 in Section 'Reconciliations' above*)	**1,232**	2,401
Net gains on derecognition of financial assets measured at amortised cost - loans and advances to customers, disclosed within 'Loan credit losses' per the underlying basis (*as per table 6 in Section 'Reconciliations' above*)	**313**	8,144
Net foreign exchange gains, Net gains on financial instruments and Net gains on derecognition of financial assets measured at amortised cost as per the statutory basis (see below)	**37,944**	47,729
Net foreign exchange gains, Net gains on financial instruments and Net gains on derecognition of financial assets measured at amortised cost (as per table above) are reconciled to the statutory basis as follows:		
Net foreign exchange gains	**27,285**	28,588
Net gains on financial instruments	**10,672**	12,780
Net (losses)/gains on derecognition of financial assets measured at amortised cost	**(13)**	6,361
	37,944	47,729

	2024	2023
Cost to income ratio	**€000**	€000
Total expenses (*as per table 2.1.3 above*) (€000)	**404,053**	390,938
Total income (*as per table 2.2.1 above*) (€000)	**1,094,824**	1,093,239
Total expenses / Total income (%)	**37%**	36%

Cost to income ratio excluding special levy on deposits and other levies/contributions		
Total expenses (*as per table 2.1.3 above*) (€000)	**404,053**	390,938
Less: Special levy on deposits and other levies/contributions (*as per table 2.1.3 above*) (€000)	**(39,115)**	(42,380)
Total expenses excluding special levy on deposits and other levies/contributions (€000)	**364,938**	348,558
Total income (*as per table 2.2.1 above*) (€000)	**1,094,824**	1,093,239
Total expenses excluding special levy on deposits and other levies/contributions / Total income (%)	**33%**	32%

Key Performance Ratios Information (continued)

3. Operating profit return on average assets

The components used in the determination of the operating profit return on average assets are provided below:

	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
		€000	€000	€000	€000
Total assets used in the computation of the operating profit return on average assets per the Consolidated Balance Sheet	**26,486,122**	25,866,467	25,467,187	24,941,739	26,629,813
Quarterly average total assets (€000)					
- 2024					**25,878,266**
- 2023					25,878,025

	2024	2023
Total income (*as per table 2.2.1 above*) (€000)	**1,094,824**	1,093,239
Total expenses (*as per table 2.1.3 above*) (€000)	**(404,053)**	(390,938)
Operating profit (€000)	**690,771**	702,301
Quarterly average total assets (*as per table above*) (€000)	**25,878,266**	25,878,025
Operating profit return on average assets (%)	**2.7%**	2.7%

4. Cost of Risk

	2024	2023
	€000	€000
Loan credit losses (*as per table 6 in Section 'Reconciliations' above*)	**30,368**	62,749
Average gross loans (*as per table 1 in Section 'Reconciliations' above*)	**10,221,942**	10,143,641
Cost of Risk (CoR) %	**0.30%**	0.62%

5. Basic profit per share attributable to the owners of the Company

The components used in the determination of the 'Basic profit per share attributable to the owners of the Company (€ cent)' are provided below:

	2024	2023
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the year ended 31 December (€000)	**510,621**	480,772
Weighted average number of shares in issue during the year, excluding treasury shares (thousand) (*Note 18*)	**9,597,945**	9,597,945
Basic profit per share attributable to the owners of the Company (€ cent)	**5.3**	5.0

Key Performance Ratios Information (continued)

6. Return on tangible equity (ROTE)

The components used in the determination of 'Return on tangible equity (ROTE)' are provided below:

	2024	2023
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the year ended 31 December (€000)	**510,621**	480,772
Quarterly average tangible shareholders' equity as at 31 December (*as per table 6.2 below*) (€000)	**2,371,894**	1,964,761
ROTE (%)	**21.5%**	24.5%

6.1 Tangible shareholders' equity	**31 December 2024**	30 September 2024	30 June 2024	31 March 2024	31 December 2023
		€000	€000	€000	€000
Equity attributable to the owners of the Company (as per the statutory basis)	**2,593,210**	2,502,766	2,370,288	2,381,403	2,247,933
Less: Intangible assets (as per the statutory basis)	**(49,747)**	(45,451)	(45,686)	(46,609)	(48,635)
Total tangible shareholders' equity	**2,543,463**	2,457,315	2,324,602	2,334,794	2,199,298
6.2 Quarterly average tangible shareholders' equity (€000)					
- 2024					**2,371,894**
- 2023					1,964,761

Key Performance Ratios Information (continued)

7. Return on tangible equity (ROTE) on 15% CET1 ratio

The components used in the determination of 'Return on tangible equity (ROTE) on 15% CET1 ratio', are provided below:

	2024	2023
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the year ended 31 December (€000)	**510,621**	480,772
Quarterly average tangible shareholders' equity adjusted for excess CET1 capital on a 15% CET1 ratio as at 31 December (*as per table 7.2 below*) (€000)	**1,839,347**	1,778,138
ROTE on 15% CET1 (%)	**27.8%**	27.04%

7.1 Tangible shareholders' equity on 15% CET1 ratio	**31 December 2024**	30 September 2024	30 June 2024	31 March 2024	31 December 2023
	€000	€000	€000	€000	€000
Equity attributable to the owners of the Company (as per the statutory basis)	**2,593,210**	2,502,766	2,370,288	2,381,403	2,247,933
Less: Intangible assets (as per the statutory basis)	**(49,747)**	(45,451)	(45,686)	(46,609)	(48,635)
Less: proposed FY2024/ approved FY2023 distribution**	**(241,032)**	-	-	(136,590)	(136,590)
Less: excess CET1 capital* on a 15% CET1 ratio	**(453,925)**	(623,886)	(480,716)	(342,017)	(247,982)
Total tangible shareholders' equity on 15% CET1 ratio	**1,848,506**	1,833,429	1,843,886	1,856,187	1,814,726

**Includes amount of foreseeable charge for shareholders' distribution accrual at the top-end range of the Group's approved distribution policy deducted from CET1 ratio as applicable.*

***Approved FY2023 distribution is adjusted to the extent not already deducted from the Equity attributable to the owners of the Company (as per the statutory basis) at each period end. As at 30 September 2024 and 30 June 2024, only an amount relating to the approved share buyback of €25 million not yet executed is adjusted. For prior periods, the full amount of the FY2023 distribution is adjusted.*

7.2 Quarterly average tangible shareholders' equity on 15% CET1 ratio (€000)	
- 2024	**1,839,347**
- 2023	1,778,138

Key Performance Ratios Information (continued)

8. Tangible book value per share

	2024	2023
	€000	€000
Tangible shareholder's equity (*as per table 6.1 above*) (€000)	**2,543,463**	2,199,298
Number of shares in issue at the end of the year, excluding treasury shares (thousand) (*Note 34*)	**9,597,945**	9,597,945
Tangible book value per share (€)	**0.27**	0.23

9. Leverage ratio

	2024	2023
Tangible total equity (including Other equity instruments) (*as per table 9.1 below*) (€000)	**2,763,463**	2,419,298
Total assets as per the statutory basis (€000)	**26,486,122**	26,629,813
Leverage ratio	**10.4%**	9.1%

9.1 Tangible total equity	**2024**	2023
	€000	€000
Equity attributable to the owners of the Company (as per the statutory basis)	**2,593,210**	2,247,933
Other equity instruments per the Statutory basis	**220,000**	220,000
Less: Intangible assets per the statutory basis	**(49,747)**	(48,635)
Tangible total equity	**2,763,463**	2,419,298

Additional Information – EU Taxonomy Disclosure Tables

2024

EU Taxonomy Disclosure Tables

Introduction

These disclosures represent the EU Taxonomy disclosures of Bank of Cyprus Public Company Limited ('the Group') as at 31 December 2024 and 31 December 2023. They have been prepared in accordance with the requirements of Article 8 of Regulation (EU) 2020/852 which requires undertakings that are subject to Articles 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council to disclose how and to what extent their activities are associated with environmentally sustainable economic activities.

Information based on Annex VI in the Disclosures Delegated Act - Regulation (EU) 2021/2178

Credit institutions shall disclose the information referred to in Article 8(1) of Regulation (EU) 2020/852 as specified in Annexes V and XI of the Disclosures Delegated Act - Regulation (EU) 2021/2178 which supplements Regulation (EU) 2020/852. Article 8(1) of Regulation (EU) 2020/852 requires undertakings that are subject to Articles 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council to disclose how and to what extent their activities are associated with environmentally sustainable economic activities. Article 8(2) of Regulation (EU) 2020/852 requires non-financial undertakings to disclose information on the proportion of the turnover, capital expenditure and operating expenditure of their activities related to assets or processes associated with environmentally sustainable economic activities. That provision, however, does not specify equivalent key performance indicators for financial undertakings, that is credit institutions, asset managers, investment firms and insurance and reinsurance undertakings. For credit institutions this information shall be presented in tabular form by using the template set out in Annex VI in the Disclosures Delegated Act - Regulation (EU) 2021/2178.

EU Taxonomy Disclosure Tables (continued)

1.1 Assets for the calculation of GAR (Turnover Based)

Million EUR

Key: Of which use of proceeds; Of which transitional; Of which enabling

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 December 2024																														
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**8,416**	**4,188**	**90**	**91**	**79**	**12**	**0**	**0**	**0**	**0**	-	-	-	-	**1**	-	-	-	**3**	-	-	-	-	-	-	-	**4,193**	**91**	**90**	**79**	**12**
2	**Financial undertakings**	**3,224**	**393**	**72**	**72**	**72**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**393**	**72**	**72**	**72**	-
3	**Credit institutions**	**2,854**	**358**	**66**	**66**	**66**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**358**	**66**	**66**	**66**	-
4	Loans and advances	1,235	118	**7**	**7**	**7**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**118**	**7**	**7**	**7**	-
5	Debt securities, including UoP	1,619	240	**59**	**59**	**59**	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**240**	**59**	**59**	**59**	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		=	-
7	**Other financial corporations**	**370**	**35**	**6**	**6**	**6**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**35**	**6**	**6**	**6**	-
8	**of which investment firms**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
16	**of which insurance undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**261**	22	**19**	**19**	**7**	**12**	**0**	**0**	**0**	**0**	-	-	-	-	**1**	-	-		**3**	-	-	-	-	-	-	-	**26**	**19**	**19**	**7**	**12**
21	Loans and advances	85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	3	-	-	-	-
22	Debt securities, including UoP	175	22	**19**	19	7	12	0	0	0	0	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	22	19	19	-	12
23	Equity instruments	1	0	**0**		-	0	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	0	0		-	0
24	**Households**	**4,862**	**3,773**	-	-	-	-	-	-	-	-					-	-	-	-									3,773	-	-	-	-
25	of which loans collateralised by residential immovable property	3,762	3,761	-	-	-	-	-	-	-	-					-	-	-	-									3,762	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-					-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans	152	11	-	-	-	-																					11	-	-	-	-
28	**Local governments financing**	**69**	**1**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
29	Housing financing	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
30	Other local government financing	68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**408**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**TOTAL GAR ASSETS**	**8,824**	**4,188**	**91**	**90**	**79**	**12**	**0**	**0**	**0**	**0**	-	-	-	-	**1**	-	-	-	**3**	-	-	-	-	-	-	-	**4,193**	**91**	**90**	**79**	**12**

EU Taxonomy Disclosure Tables (continued)

1.1 Assets for the calculation of GAR (Turnover Based) (continued)

Key: Of which use of proceeds; Of which transitional; Of which enabling

Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	31 December 2024																														
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**6,951**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 **Non-financial undertakings**	**4,957**																														
34 **EU SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	**4,570**																														
35 Loans and advances	4,562																														
36 of which loans collateralised by commercial immovable property	3,500																														
37 of which building renovation loans	-																														
38 Debt securities	-																														
39 Equity instruments	8																														
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**	**387**																														
41 Loans and advances	387																														
42 Debt securities	-																														
43 Equity instruments	-																														
44 **Derivatives**	**86**																														
45 **On demand interbank loans**	**283**																														
46 **Cash and cash-related assets**	**95**																														
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	**1,530**																														
48 **TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**15,774**	**4,188**	**91**	**90**	**79**	**12**	**0**	**0**	**0**	**0**	-	-	-	-	**1**	-	-	-	**3**	-	-	-	-	-	-	-	**4,193**	**91**	**90**	**79**	**12**
49 **Assets not covered for GAR calculation**	**9,846**																														
50 **Central governments and Supranational issuers**	2,331																														
51 **Central banks exposure**	7,506																														
52 **Trading book**	9																														
53 **Total assets**	**25,621**																														
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54 **Financial guarantees**	**451**	**4**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 **Assets under management[1]**	**4,299**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities																															
57 Of which equity instruments																															

1 For the 2024 report Assets Under Management has been provided. Future reports will provide detail on AUM split across Debt Securities and Equity Instruments. In addition, EU Taxonomy Eligible and EU Taxonomy Aligned information will be provided, where possible, after collaboration with third party data vendors regarding existing data limitations faced in the area of EU Taxonomy.

EU Taxonomy Disclosure Tables (continued)

1.2 Assets for the calculation of GAR (CapEx Based)

Million EUR

Key: Of which use of proceeds; Of which transitional; Of which enabling

		a	b	c	D	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 December 2024																														
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**8,416**	**4,028**	**40**	**40**	**30**	**10**	**1**	**0**	**0**	**0**	-	-	-	-	**1**	-	-	-	-	-	-	-	-	-	-	-	**4,030**	**40**	**40**	**30**	**10**
2	**Financial undertakings**	**3,224**	**227**	**23**	**23**	**23**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**227**	**23**	**23**	**23**	-
3	**Credit institutions**	**2,854**	**189**	**18**	**18**	**18**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**189**	**18**	**18**	**18**	-
4	Loans and advances	1,235	41	**2**	**2**	**2**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**41**	**2**	**2**	**2**	-
5	Debt securities, including UoP	1,619	148	**16**	**16**	**16**	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**148**	**16**	**16**	**16**	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
7	**Other financial corporations**	**370**	**38**	**5**	**5**	**5**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**38**	**5**	**5**	**5**	-
8	**of which investment firms**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
16	**of which insurance undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**261**	27	**17**	**17**	**8**	**10**	**1**	**0**	**0**	**0**	-	-	-	-	**1**	-	-		-	-	-	-	-	-	-	-	**29**	**17**	**17**	**8**	**10**
21	Loans and advances	85	4	**0**	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	0	0	0	-
22	Debt securities, including UoP	175	24	**17**	17	7	10	1	0	0	0	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	25	17	17	7	10
23	Equity instruments	1	0	**0**		0	0	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	0	0		0	-
24	**Households**	**4,862**	**3,773**	-	-	-	-	-	-	-	-					-	-	-	-									3,773	-	-	-	-
25	of which loans collateralised by residential immovable property	3,762	3,761	-	-	-	-	-	-	-	-					-	-	-	-									3,762	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-					-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans	152	11	-	-	-	-																					11	-	-	-	-
28	**Local governments financing**	**69**	**1**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
29	Housing financing	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
30	Other local government financing	68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**408**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**TOTAL GAR ASSETS**	**8,824**	**4,028**	**40**	**40**	**30**	**10**	**1**	**0**	**0**	**0**	-	-	-	-	**1**	-	-	-	-	-	-	-	-	-	-	-	**4,030**	**40**	**40**	**30**	**10**

EU Taxonomy Disclosure Tables (continued)

1.2 Assets for the calculation of GAR (CapEx Based) (continued)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Million EUR		31 December 2024																													
Key:	Total gross carrying amount	**Climate Change Mitigation (CCM)**					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
Of which use of proceeds		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
Of which transitional			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Of which enabling																															
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**6,951**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 **Non-financial undertakings**	**4,957**																														
34 **EU SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	**4,570**																														
35 Loans and advances	4,562																														
36 of which loans collateralised by commercial immovable property	3,500																														
37 of which building renovation loans	-																														
38 Debt securities	-																														
39 Equity instruments	8																														
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**	**387**																														
41 Loans and advances	387																														
42 Debt securities	-																														
43 Equity instruments	-																														
44 **Derivatives**	**86**																														
45 **On demand interbank loans**	**283**																														
46 **Cash and cash-related assets**	**95**																														
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	**1,530**																														
48 **TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**15,774**	**4,028**	**40**	**40**	**30**	**10**	**1**	**0**	**0**	**0**	-	-	-	-	**1**	-	-	-	-	-	-	-	-	-	-	-	**4,030**	**40**	**40**	**30**	**10**
49 **Assets not covered for GAR calculation**	**9,846**																														
50 **Central governments and Supranational issuers**	2,331																														
51 **Central banks exposure**	7,506																														
52 **Trading book**	9																														
53 **Total assets**	**25,621**																														
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54 **Financial guarantees**	**451**	**4**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 **Assets under management**[1]	**4,299**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities																															
57 Of which equity instruments																															

1 For the 2024 report Assets Under Management has been provided. Future reports will provide detail on AUM split across Debt Securities and Equity Instruments. In addition, EU Taxonomy Eligible and EU Taxonomy Aligned information will be provided, where possible, after collaboration with third party data vendors regarding existing data limitations faced in the area of EU Taxonomy.

EU Taxonomy Disclosure Tables (continued)

1.3 GAR sector information (Turnover Based)

		A	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)		31 December 2024													
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	C.24.2 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0	0	-	-	-	-	-	-	-	-	-	-	0	0
2	D.35.1 - Electric power generation, transmission and distribution	17	17	-	-	-	-	-	-	-	-	-	-	17	17
3	J.61.9 - Other Telecommunications activities	5	2	0	0	-	-	1	-	-	-	-	-	6	2
4	Q.86.9 - Other human health activities	-	-	-	-	-	-	-	-	**4**	-	-	-	4	-

1.4 GAR sector information (CapEx Based)

		A	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)		31 December 2024													
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	C.14.1 - Manufacture of wearing apparel, except fur apparel	4	0	-	-	-	-	-	-	-	-	-	-	4	0
2	C.24.2 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	0	0	-	-	-	-	-	-	-	-	-	-	0	0
3	D.35.1 - Electric power generation, transmission and distribution	17	16	-	-	-	-	-	-	-	-	-	-	17	16
4	J.61.9 - Other Telecommunications activities	2	1	1	0	-	-	**1**	-	-	-	-	-	4	1
5	Q.86.1 - Hospital activities	1	0	-	-	-	-	-	-	-	-	-	-	1	0
6	Q.86.9 - Other human health activities	3	0	-	-	-	-	-	-	-	-	-	-	3	0

EU Taxonomy Disclosure Tables (continued)

1.5 GAR KPI stock (Turnover Based)

		A	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	31 December 2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Key:	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
	Of which use of proceeds / Of which transitional / Of which enabling		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**50%**	**1%**	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**50%**	**1%**	**1,07%**	**1%**	**0,14%**	**33%**
2	**Financial undertakings**	**12%**	**2%**	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**12%**	**2%**	**2%**	**2%**	**0%**	**13%**
3	**Credit institutions**	**13%**	**2%**	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**13%**	**2%**	**2%**	**2%**	**0%**	**11%**
4	Loans and advances	10%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**10%**	**1%**	**1%**	1%	**0%**	5%
5	Debt securities, including UoP	15%	4%	4%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**15%**	**4%**	**4%**	4%	**0%**	6%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	**0%**	**0%**		0%	**0%**	0%
7	**Other financial corporations**	**9%**	**2%**	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**9%**	**2%**	**2%**	**2%**	**0%**	**1%**
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	**0%**	**0%**		0%	**0%**	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	**0%**	**0%**		0%	**0%**	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	**0%**	**0%**		0%	**0%**	0%
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**8%**	**7%**	7%	3%	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	**10%**	**7%**	**7%**	**3%**	**4%**	**1%**
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	0%	0%	0%	**4%**	**0%**	**0%**	0%	**0%**	0%
22	Debt securities, including UoP	12%	11%	11%	4%	7%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**13%**	**11%**	**11%**	4%	**7%**	1%
23	Equity instruments	41%	25%		0%	25%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	**41%**	**25%**		0%	**25%**	0%
24	**Households**	**78%**	**0%**	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									**78%**	**0%**	**0%**	**0%**	**0%**	**19%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									**100%**	**0%**	**0%**	0%	**0%**	15%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									**0%**	**0%**	**0%**	0%	**0%**	0%
27	of which motor vehicle loans	7%	0%	0%	0%	0%																					**7%**	**0%**	**0%**	0%	**0%**	1%
28	**Local governments financing**	**1%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**100%**	**0%**	**0%**	0%	**0%**	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	0%	**0%**	0%
32	**Total GAR assets**	**27%**	**1%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**27%**	**0,6%**	**0,57%**	**1%**	**0,07%**	**62%**

EU Taxonomy Disclosure Tables (continued)

1.6 GAR KPI stock (Turnover Based)

% (compared to total covered assets in the denominator)
Key: Of which use of proceeds; Of which transitional; Of which enabling

31 December 2024

		A	b	c	d	e	f	g	h	i	j	k	l	m
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**48%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
2	**Financial undertakings**	**7%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
3	**Credit institutions**	**7%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
4	Loans and advances	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	9%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
7	**Other financial corporations**	**10%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**10%**	**7%**	**7%**	**0%**	**4%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	13%	10%	10%	0%	5%	0%	0%	0%	0%	1%	0%	0%	0%
23	Equity instruments	46%	37%		0%	0%	0%	0%		0%	0%	0%		0%
24	**Households**	**78%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**				
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%				
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%				
27	of which motor vehicle loans	7%	0%	0%	0%	0%								
28	**Local governments financing**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	**26%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																		
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**48%**	**0%**	**0%**	**0%**	**0%**	**33%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**48%**
2	**Financial undertakings**	**7%**	**1%**	**1%**	**0%**	**0%**	**13%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**7%**
3	**Credit institutions**	7%	1%	1%	0%	0%	11%	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	7%
4	Loans and advances	3%	0%	0%	0%	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%
5	Debt securities, including UoP	9%	1%	1%	0%	0%	6%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%
6	Equity instruments	**0%**	**0%**		**0%**	**0%**	**0%**		0%	0%	0%		0%	0%	0%		0%	0%	**0%**
7	**Other financial corporations**	10%	1%	1%	0%	0%	1%	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	10%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	**0%**	**0%**		**0%**	**0%**	**0%**		0%	0%	0%		0%	0%	0%		0%	0%	**0%**
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	11%	7%	7%	0%	4%	1%	**7%**	**0%**	**4%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	11%
21	Loans and advances	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%
22	Debt securities, including UoP	14%	10%	10%	0%	6%	1%	10%	0%	5%	0%	0%	0%	0%	1%	0%	0%	0%	14%
23	Equity instruments	**46%**	**37%**		**0%**	**0%**	**0%**		0%	0%	0%		0%	0%	0%		0%	0%	**46%**
24	**Households**	78%	0%	0%	0%									**0%**	**0%**	**0%**	**0%**	**0%**	78%
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%									0%	0%	0%	0%	0%	100%
26	of which building renovation loans	0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans													0%	0%	0%	0%	0%	7%
28	**Local governments financing**	1%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	1%
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**	**0%**	**0%**	**2%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**
32	**Total GAR assets**	**26%**	**0%**	**0%**	**0%**	**0%**	**62%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**26%**

EU Taxonomy Disclosure Tables (continued)

1.7 GAR KPI flow (Turnover Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	31 December 2024																														
		Climate Change Mitigation (CCM)					**Climate Change Adaptation (CCA)**				**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					
	Key:	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	Of which use of proceeds / Of which transitional / Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**33%**	**2%**	**2%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**33%**	**2%**	**2%**	**1%**	**1%**	**55%**
2	**Financial undertakings**	**16%**	**2%**	**2%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**16%**	**2%**	**2%**	**2%**	**0%**	**32%**
3	**Credit institutions**	**18%**	**2%**	**2%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**18%**	**2%**	**2%**	**2%**	**0%**	**24%**
4	Loans and advances	25%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	25%	1%	1%	1%	0%	12%
5	Debt securities, including UoP	11%	2%	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	2%	2%	2%	0%	12%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
7	**Other financial corporations**	**10%**	**1%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**10%**	**1%**	**1%**	**1%**	**0%**	**8%**
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
20	**Non-financial undertakings**	**14%**	**13%**	**13%**	**5%**	**8%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**15%**	**13%**	**13%**	**5%**	**8%**	**4%**
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
22	Debt securities, including UoP	25%	22%	22%	8%	14%	1%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	26%	22%	22%	8%	14%	2%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
24	**Households**	**65%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**					**0%**	**0%**	**0%**	**0%**									**65%**	**0%**	**0%**	**0%**	**0%**	**19%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									100%	0%	0%	0%	0%	12%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	11%	0%	0%	0%	0%																					11%	0%	0%	0%	0%	2%
28	**Local governments financing**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
32	**Total GAR assets**	**21%**	**1%**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**21%**	**1%**	**1%**	**1%**	**0%**	**88%**

EU Taxonomy Disclosure Tables (continued)

1.8 GAR KPI flow (CapEx Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31 December 2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
Key: Of which use of proceeds; Of which transitional; GAR - Covered assets in both numerator and denominator		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	29%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	29%	1%	1%	1%	0%	55%
2	**Financial undertakings**	9%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	1%	1%	1%	0%	32%
3	**Credit institutions**	9%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	1%	1%	1%	0%	24%
4	Loans and advances	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%	0%	12%
5	Debt securities, including UoP	9%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	1%	1%	1%	0%	12%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
7	**Other financial corporations**	11%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	11%	1%	1%	1%	0%	8%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
20	**Non-financial undertakings**	14%	12%	12%	5%	7%	1%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	16%	12%	12%	5%	7%	4%
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%
22	Debt securities, including UoP	24%	20%	20%	8%	12%	1%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	27%	20%	20%	8%	12%	2%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
24	**Households**	65%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									65%	0%	0%	0%	0%	19%
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									100%	0%	0%	0%	0%	12%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	11%	0%	0%	0%	0%																					11%	0%	0%	0%	0%	2%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	18%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	18%	1%	1%	1%	0%	88%

EU Taxonomy Disclosure Tables (continued)

1.9 KPI stock off-balance sheet exposures (Turnover Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2	Assets under management (AuM KPI)[1]	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

1.10 KPI stock off-balance sheet exposures (CapEx Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2	Assets under management (AuM KPI)[1]	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

1.11 KPI flow off-balance sheet exposures (Turnover Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)[1]		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

1.12 KPI flow off-balance sheet exposures (CapEx Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)[1]		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2	Assets under management (AuM KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

1 Future reports will provide detail on AUM EU Taxonomy Eligible and Aligned information, where possible, after collaboration with third party data vendors regarding existing data limitations.

EU Taxonomy Disclosure Tables (continued)

1.1 Assets for the calculation of GAR (Turnover Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Million EUR Key: Of which use of proceeds Of which transitional Of which enabling	Total gross carrying amount	31 December 2023																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**7,249**	**3,881**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3,881**	-	-	-	-
2	**Financial undertakings**	**2,279**	**148**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**148**	-	-	-	-
3	**Credit institutions**	**1,971**	**146**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**146**	-	-	-	-
4	Loans and advances	505	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-
5	Debt securities, including UoP	1,465	141	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141	-	-	-	-
6	Equity instruments	1	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
7	**Other financial corporations**	**308**	**2**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**2**	-	-	-	-
8	**of which investment firms**	**1**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
16	**of which insurance undertakings**	**6**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	2	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**154**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	**111**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
24	**Households**	**4,781**	**3,732**	-	-	-	-	-	-	-	-					-	-	-	-									**3,732**	-	-	-	-
25	of which loans collateralised by residential immovable property	3,726	3,726	-	-	-	-	-	-	-	-					-	-	-	-									3,726	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-					-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans	139	6	-	-	-	-																					6	-	-	-	-
28	**Local governments financing**	**35**	**1**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1**	-	-	-	-
29	Housing financing	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
30	Other local government financing	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**560**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**TOTAL GAR ASSETS**	**7,809**	3,881	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3,881**	-	-	-	-

EU Taxonomy Disclosure Tables (continued)

1.1 Assets for the calculation of GAR (Turnover Based) (continued)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Million EUR		31 December 2023																													
Key: Of which use of proceeds; Of which transitional; Of which enabling	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**6,688**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 **Non-financial undertakings**	**4,900**																														
34 **EU SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	**4,576**																														
35 Loans and advances	4,565																														
36 of which loans collateralised by commercial immovable property	3,706																														
37 of which building renovation loans	-																														
38 Debt securities	-																														
39 Equity instruments	11																														
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**	**324**																														
41 Loans and advances	324																														
42 Debt securities	-																														
43 Equity instruments	-																														
44 **Derivatives**	**49**																														
45 **On demand interbank loans**	**275**																														
46 **Cash and cash-related assets**	**93**																														
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	**1,371**																														
48 **TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**14,497**	**3,881**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3,881**	-	-	-	-
49 **Assets not covered for GAR calculation**	**11,444**																														
50 **Central governments and Supranational issuers**	1,920																														
51 **Central banks exposure**	9,522																														
52 **Trading book**	2																														
53 **Total assets**	**25,941**																														
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54 **Financial guarantees**	**451**	**3**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 **Assets under management**	**4,031**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities																															
57 Of which equity instruments																															

EU Taxonomy Disclosure Tables (continued)

1.1 Assets for the calculation of GAR (CapEx Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	Million EUR	31 December 2023																														
	Key:	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which use of proceeds		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which transitional			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	Of which enabling				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	7,249	3,886	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,886	1	1	1	-
2	**Financial undertakings**	2,279	150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150	-	-	-	-
3	**Credit institutions**	1,971	146	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146	-	-	-	-
4	Loans and advances	505	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-	-	-
5	Debt securities, including UoP	1,465	141	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141	-	-	-	-
6	Equity instruments	1	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
7	**Other financial corporations**	308	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	-	-	-	-
8	**of which investment firms**	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
12	**of which management companies**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
16	**of which insurance undertakings**	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	2	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	154	4	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	1	1	1	-
21	Loans and advances	43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	111	4	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4	1	1	1	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-	-		-	-
24	**Households**	4,781	3,732	-	-	-	-	-	-	-	-					-	-	-	-									3,732	-	-	-	-
25	of which loans collateralised by residential immovable property	3,726	3,726	-	-	-	-	-	-	-	-					-	-	-	-									3,726	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-					-	-	-	-									-	-	-	-	-
27	of which motor vehicle loans	139	6	-	-	-	-																					6	-	-	-	-
28	**Local governments financing**	35	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
29	Housing financing	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-
30	Other local government financing	34	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	560	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**TOTAL GAR ASSETS**	7,809	3,886	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,886	1	1	1	-

EU Taxonomy Disclosure Tables (continued)

1.1 Assets for the calculation of GAR (CapEx Based) (continued)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
Million EUR	31 December 2023																														
Key: Of which use of proceeds; Of which transitional; Of which enabling	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling
Assets excluded from the numerator for GAR calculation (covered in the denominator)	**6,688**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	--	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33 **Non-financial undertakings**	**4,900**																														
34 **EU SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations**	**4,576**																														
35 Loans and advances	4,565																														
36 of which loans collateralised by commercial immovable property	3,706																														
37 of which building renovation loans	-																														
38 Debt securities	-																														
39 Equity instruments	11																														
40 **Non-EU country counterparties not subject to NFRD disclosure obligations**	**324**																														
41 Loans and advances	324																														
42 Debt securities	-																														
43 Equity instruments	-																														
44 **Derivatives**	**49**																														
45 **On demand interbank loans**	**275**																														
46 **Cash and cash-related assets**	**93**																														
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	**1,371**																														
48 **TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**14,497**	**3,886**	**1**	**1**	**1**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**3,886**	**1**	**1**	**1**	-
49 **Assets not covered for GAR calculation**	**11,444**																														
50 **Central governments and Supranational issuers**	1,920																														
51 **Central banks exposure**	9,522																														
52 **Trading book**	2																														
53 **Total assets**	**25,941**																														
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54 **Financial guarantees**	**451**	**3**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55 **Assets under management**	**4,031**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities																															
57 Of which equity instruments																															

EU Taxonomy Disclosure Tables (continued)

1.3 GAR sector information (Turnover Based) - Restated

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)		31 December 2023													
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)

Note:
1. There were no EU taxonomy eligible or aligned exposures as at 31 December 2023.
2. The 1.3 GAR sector information (Turnover Based) has been restated to disclose only NFRD taxonomy eligible and aligned sectors.

1.4 GAR sector information (CapEx Based) - - Restated

		a	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)		31 December 2023													
		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	
		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount		Gross carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	C.14.1 - Manufacture of wearing apparel, except fur apparel	3	0	-	-	-	-	-	-	-	-	-	-	3	-
2	C.21.1 - Manufacture of basic pharmaceutical products	1	0	-	-	-	-	-	-	-	-	-	-	1	-

Note:
1. The 1.3 GAR sector information (CapEx Based) has been restated to disclose only NFRD taxonomy eligible and aligned sectors.

EU Taxonomy Disclosure Tables (continued)

1.5 GAR KPI stock (Turnover Based)

Key: Of which use of proceeds; Of which transitional; Of which enabling

	% (compared to total covered assets in the denominator)	A	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
		31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**54%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**54%**	0%	0%	0%	0%	**28%**
2	**Financial undertakings**	**6%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**6%**	0%	0%	0%	0%	**9%**
3	**Credit institutions**	**7%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**7%**	0%	0%	0%	0%	**8%**
4	Loans and advances	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	1%
5	Debt securities, including UoP	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	6%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
7	**Other financial corporations**	**1%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**1%**	0%	0%	0%	0%	**1%**
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**0%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	0%	0%	0%	0%	**1%**
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
24	**Households**	**78%**	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									**78%**	0%	0%	0%	0%	**18%**
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									100%	0%	0%	0%	0%	14%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	4%	0%	0%	0%	0%																					4%	0%	0%	0%	0%	1%
28	**Local governments financing**	**2%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**2%**	0%	0%	0%	0%	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	**0%**	0%	0%	0%	0%	**2%**
32	**Total GAR assets**	**27%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**27%**	**0%**	**0%**	**0%**	**0%**	**30%**

EU Taxonomy Disclosure Tables (continued)

1.6 GAR KPI stock (CapEx Based)

		A	b	c	d	e	f	g	h	i	j	k	l	m
% (compared to total covered assets in the denominator) Key: Of which use of proceeds Of which transitional Of which enabling		31 December 2023												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	GAR - Covered assets in both numerator and denominator													
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**54%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
2	**Financial undertakings**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
3	**Credit institutions**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
4	Loans and advances	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5	Debt securities, including UoP	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
7	**Other financial corporations**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	3%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%
24	**Households**	**78%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**				
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%				
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%				
27	of which motor vehicle loans	4%	0%	0%	0%	0%								
28	**Local governments financing**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**	**0%**	0%	0%	0%	0%	0%	0%	0%	0%	0%
32	**Total GAR assets**	**27%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**

		n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31 December 2023																	
		Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
	GAR - Covered assets in both numerator and denominator																		
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**54%**	**0%**	**0%**	**0%**	**0%**	**28%**
2	**Financial undertakings**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**7%**	**0%**	**0%**	**0%**	**0%**	**9%**
3	**Credit institutions**	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**7%**	**0%**	**0%**	**0%**	**0%**	**8%**
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	2%
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	0%	0%	0%	0%	6%
6	Equity instruments	**0%**	**0%**		**0%**	**0%**	**0%**		0%	0%	0%		0%	0%	0%		0%	0%	0%
7	**Other financial corporations**	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**1%**	**0%**	**0%**	**0%**	**0%**	**1%**
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	**0%**	**0%**		**0%**	**0%**	**0%**		0%	0%	0%		0%	0%	0%		0%	0%	0%
20	**Non-financial undertakings (subject to NFRD disclosure obligations)**	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**2%**	**0%**	**0%**	**0%**	**0%**	**1%**
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	3%	1%	1%	1%	0%	0%
23	Equity instruments	**0%**	**0%**		**0%**	**0%**	**0%**		0%	0%	0%		0%	0%	0%		0%	0%	0%
24	**Households**	0%	0%	0%	0%									**78%**	**0%**	**0%**	**0%**	**0%**	**18%**
25	of which loans collateralised by residential immovable property	0%	0%	0%	0%									100%	0%	0%	0%	0%	14%
26	of which building renovation loans	0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans													4%	0%	0%	0%	0%	1%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	0%	0%	0%	0%	0%	0%	**0%**	**0%**	**0%**	**0%**	0%	**2%**
32	**Total GAR assets**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**27%**	**0%**	**0%**	**0%**	**0%**	**30%**

EU Taxonomy Disclosure Tables (continued)

1.7 GAR KPI flow (Turnover Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Key:		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
Of which use of proceeds / Of which transitional / Of which enabling			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which use of proceeds	Of which transitional	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which enabling			Of which use of proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	30%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	30%	0%	0%	0%	0%	45%
2	**Financial undertakings**	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	24%
3	**Credit institutions**	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	22%
4	Loans and advances	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	13%
5	Debt securities, including UoP	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	0%	0%	0%	0%	9%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
7	**Other financial corporations**	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	2%	0%	0%	0%	0%	2%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
24	**Households**	64%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									64%	0%	0%	0%	0%	20%
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									100%	0%	0%	0%	0%	13%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	12%	0%	0%	0%	0%																					12%	0%	0%	0%	0%	1%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
32	**Total GAR assets**	18%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	18%	0%	0%	0%	0%	46%

EU Taxonomy Disclosure Tables (continued)

1.8 GAR KPI flow (CapEx Based)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Key: Of which use of proceeds; Of which transitional; Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which use of proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR - Covered assets in both numerator and denominator																															
1	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	31%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	31%	0%	0%	1%	0%	45%
2	**Financial undertakings**	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	24%
3	**Credit institutions**	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	4%	0%	0%	0%	0%	22%
4	Loans and advances	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%	13%
5	Debt securities, including UoP	9%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	9%	1%	0%	0%	0%	9%
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
7	**Other financial corporations**	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	5%	0%	0%	0%	0%	2%
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
20	**Non-financial undertakings**	10%	2%	2%	2%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	10%	2%	2%	2%	0%	1%
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
22	Debt securities, including UoP	20%	3%	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	20%	3%	3%	3%	0%	1%
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%		0%	0%	0%
24	**Households**	64%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									64%	0%	0%	0%	0%	20%
25	of which loans collateralised by residential immovable property	100%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									100%	0%	0%	0%	0%	13%
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%					0%	0%	0%	0%									0%	0%	0%	0%	0%	0%
27	of which motor vehicle loans	12%	0%	0%	0%	0%																					12%	0%	0%	0%	0%	1%
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
32	**Total GAR assets**	19%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	19%	0%	0%	0%	0%	46%

EU Taxonomy Disclosure Tables (continued)

1.9 KPI stock off-balance sheet exposures (Turnover Based) - Restated

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
Of which use of proceeds; Of which transitional; Of which enabling																														
1 Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2 Assets under management (AuM KPI)[1]	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The 1.9 KPI stock off-balance sheet exposures (Turnover Based) has been restated to reflect minor updates in 2023 counterparty's taxonomy eligibility and alignment ratios.

1.10 KPI stock off-balance sheet exposures (CapEx Based) – Restated

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)	31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
Of which use of proceeds; Of which transitional; Of which enabling																														
1 Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2 Assets under management (AuM KPI)[1]	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The 1.9 KPI stock off-balance sheet exposures (Turnover Based) has been restated to reflect minor updates in 2023 counterparty's taxonomy eligibility and alignment ratios.

1.11 KPI flow off-balance sheet exposures (Turnover Based) - Restated

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)[1]	31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
Of which use of proceeds; Of which transitional; Of which enabling																														
1 Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2 Assets under management (AuM KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The 1.9 KPI stock off-balance sheet exposures (Turnover Based) has been restated to reflect minor updates in 2023 counterparty's taxonomy eligibility and alignment ratios.

1.12 KPI flow off-balance sheet exposures (CapEx Based) - Restated

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
% (compared to total eligible off-balance sheet assets)[1]	31 December 2023																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
Of which use of proceeds; Of which transitional; Of which enabling																														
1 Financial guarantees (FinGuar KPI)	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	0%	0%
2 Assets under management (AuM KPI)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The 1.9 KPI stock off-balance sheet exposures (Turnover Based) has been restated to reflect minor updates in 2023 counterparty's taxonomy eligibility and alignment ratios.

1 Future reports will provide detail on AUM EU Taxonomy Eligible and Aligned information, where possible, after collaboration with third party data vendors regarding existing data limitations.

EU Taxonomy Disclosure Tables (continued)

Information based on Annex XII in the Disclosures Delegated Act - Regulation (EU) 2021/2178

The disclosure requirements of Article 8(6) and (7) along with Annex XII of Regulation (EU) 2021/2178 were inserted by the Complimentary Climate Delegated Act and applied from 1 January 2023. This Act included specific nuclear and gas energy activities in the list of economic activities covered by the EU taxonomy. The criteria for the specific gas and nuclear activities are in line with EU climate and environmental objectives and will help accelerate the shift from solid or liquid fossil fuels, including coal, towards a climate-neutral future.

Row	**Nuclear energy related activities**	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

The Group does not carry out any nuclear and fossil gas related activities. The Group has limited funding to fossil gas related activities.

EU Taxonomy Disclosure Tables (continued)

Template 2 Taxonomy-aligned economic activities (denominator)							
31 December 2024							
Economic activities based on KPI Turnover		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	91	2%	91	**1%**	0	0%
8	**Total applicable KPI**	**91**	**2%**	**91**	**1%**	**0**	**0%**

EU Taxonomy Disclosure Tables (continued)

Template 2 Taxonomy-aligned economic activities (denominator)							
31 December 2024							
Economic activities based on KPI CapEx		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		€ million	**%**	**€ million**	**%**	**€ million**	**%**
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	40	0%	40	0%	0	0%
8	**Total applicable KPI**	**40**	**0%**	**40**	**0%**	**0**	**0%**

EU Taxonomy Disclosure Tables (continued)

Template 3 Taxonomy-aligned economic activities (numerator)							
31 December 2024							
Economic activities based on KPI Turnover		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	91	100%	91	100%	0	0%
8	**Total applicable KPI**	**91**	**100%**	**91**	**100%**	**0**	**0%**

EU Taxonomy Disclosure Tables (continued)

Template 3 Taxonomy-aligned economic activities (numerator)							
31 December 2024							
Economic activities based on KPI CapEx		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		€ million	%	€ million	%	€ million	%
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	40	100%	40	100%	0	0%
8	**Total applicable KPI**	**40**	**100%**	**40**	**1**	**0**	**0**

EU Taxonomy Disclosure Tables (continued)

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

31 December 2024

	Economic activities based on KPI Turnover	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		€ million	**%**	**€ million**	**%**	**€ million**	**%**
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	4,097	100%	4,097	100%	0	0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of the applicable KPI**	**4,097**	**100%**	**4,097**	**100%**	**0**	**0%**

EU Taxonomy Disclosure Tables (continued)

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities							
31 December 2024							
Economic activities based on KPI CapEx		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		€ million	**%**	**€ million**	**%**	**€ million**	**%**
1	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,989	100%	3,988	100%	1	0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of the applicable KPI**	**3,989**	**100%**	**3,988**	**100%**	**79%**	**0%**

EU Taxonomy Disclosure Tables (continued)

Template 5 Taxonomy non-eligible economic activities (Turnover)			
	31 December 2024		
		€ million	**%**
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	53	0%
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,529	100%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of theapplicable KPI**	11,582	100%

Template 5 Taxonomy non-eligible economic activities (CapEx)			
	31 December 2024		
		€ million	**%**
1	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
4	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	53	0%
5	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and proportion of taxonomyaligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	11,692	100%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	11,745	100%