

ANNUAL GENERAL MEETING OF SHAREHOLDERS

17 May 2024

Bank of Cyprus Holdings PLC Headquarters

Remarks by Takis Arapoglou

Group Chairman

Dear Shareholders,

2023 was a milestone year for Bank of Cyprus as it reestablished itself as a well-capitalised, diversified and sustainably profitable financial services group. The year was characterised by the Bank's strong operational and financial performance, which I will come back to after outlining the global geopolitical and macroeconomic context.

As if Covid-19 and the war in Ukraine were not enough to dramatically destabilise peace and the world order, 2023 saw the outbreak of the Israel-Gaza war which added to the world's continued military conflicts and to the severe humanitarian and economic challenges. In Cyprus, as we reflect on 50 years since the Turkish invasion and the start of the illegal occupation of the north of the island, we know only too well the devastating and long-lasting consequences of war.

At the same time, global inflationary pressures, following years of very accommodative recovery policies by central banks the world over and stoked by war driven high energy prices in 2021 and 2022 as well as the breaking-up of global supply chains, continued to persist in 2023, forcing central banks to maintain interest rates at higher levels, although they are considered to have peaked.

With growth and inflation starting to show signs of a slow-down in key economies, markets expect interest rates to begin a gradual decline, although not necessarily in tandem globally. Europe is more likely to lead the way, starting from later in 2024, with the United States following later due to continued resilient inflationary pressures in the wages and consumer prices fronts. The global economy looks like it needs more time to absorb the years of QE and to deal with the current geopolitical shocks.

In this turbulent global environment with broad negative socio-economic impact, the Cyprus economy once again demonstrated resilience and posted a higher-than-average economic growth rate of 2.5% with inflation reducing to 2.0% and a Debt/GDP ratio well below 100%, enabling the country to maintain comfortably its investment grade rating.

For Bank of Cyprus, 2023 was a year during which we fully reaped the benefits of the Bank's transformation into a well-capitalised group with a strong, diversified business model after many years of restructuring. We have improved our operating models and processes, focused on compliance and governance and reinforced our ESG initiatives, while continuing to deliver our digital transformation programme, benefiting our customers and the Bank's operational efficiency.

Our record financial results in 2023 were clearly boosted by the prevailing higher interest rates. However, this should not detract from the tremendous progress made in lowering costs, increasing efficiency, increasing non-interest income, disciplined risk management and effective controls. It is for these reasons that we believe Bank of Cyprus will be able to offer sustainable profitability even after interest rates resume a declining trend.

Continuous constructive communication with our regulators has had the great benefit of enhancing compliance and governance standards to a much higher level. At the same time, our focus in communicating regularly with our shareholders has broadened the market's awareness of and appreciation for

our outstanding operational performance resulting in a steadily increasing interest for our shares by longer-term investors.

I am proud that in 2024 as we celebrate Bank of Cyprus' 125th year of operations, the Group is well positioned to continue delivering shareholder value whilst supporting its customers, Cypriot society and the growth of the Cypriot economy. As the leading financial services group in Cyprus, Bank of Cyprus is the bank for all Cypriots as per the ancient bronze coin with the inscription, 'Koino Kyprion', which is the Bank's emblem.

On behalf of all the members of our Board of Directors I wish to congratulate once again our CEO Panicos Nicolaou, his executive team and all the employees of the Group for their unprecedented commitment and successful execution of our strategy. The Board has now put in place, in line with relevant regulatory guidance, a full long-term incentive plan for eligible employees and a short-term incentive plan open to all employees, allocated to those who qualify on the basis of the rules of the scheme, to express tangibly our recognition and acknowledgement of their superior efforts over many years and to ensure that these continue. These rewards recognise our solid financial results, but more importantly they recognise the success in developing a strong corporate culture, combining ethical behaviour, teamwork, best-in-class customer service and pride in working for Bank of Cyprus, the largest employer and truly the employer of choice on the island.

Lastly, I wish to thank all my fellow Board members for their insightfulness, positive attitude and valuable contribution to the elaborate Board and Committee work that every year becomes more complex, more demanding and time-consuming. Their contribution during 2023 once again proved invaluable. We will continue to enrich our Board with very high quality, resourceful and diverse individuals to broaden and strengthen its collective suitability and control capacity.

Dear Shareholders,

We are committed to delivering sustainable returns. Our strong performance and capital ratios allow us to propose this year an increased payout ratio of 30% of our profits - more than twice the payout ratio in 2022 - in the form of Euro 0.25/share in cash, on which we will seek your approval at the AGM, and approximately Euro 0.05/share via a share buyback programme. As per our Distribution Policy, we have built prudently and progressively to comfortably maintain a target payout ratio of 30-50%, which remains our target range for the coming years.

Thank you all for your continued support.