

ANNUAL GENERAL MEETING OF SHAREHOLDERS

16 May 2025

Bank of Cyprus Holdings PLC Headquarters

Remarks by Panicos Nicolaou,

Group Chief Executive Officer

Opening remarks: 2024 a 'record year'

Dear Shareholders,

Thank you for joining us for today's AGM. This is an important opportunity to take stock of 2024, to consider current performance and to discuss our priorities going forward.

2024 was a 'record year' for the Bank of Cyprus Group.

During what was the Bank's 125th anniversary year we delivered:

- record profit of €508 mn and;
- a second consecutive year of ROTE above 20%

This record performance enabled us to significantly increase the payout ratio to 50% for 2024 from 30% for 2023. Our distribution to shareholders of €241 mn, the cash dividend element of which you are being asked to approve today, represents a distribution yield of 12% (based on the share price at the end of 2024), which is above the average for the euro area banking sector. This distribution takes cumulative distributions to €400 million since 2022.

In addition to making good on our promise to deliver attractive returns to shareholders we:

- issued our highly successful inaugural green bond, raising €300 mn, achieving full compliance with our MREL requirements ahead of schedule, and;
- we moved our listing from London to Athens improving the liquidity and visibility of our shares.

We were able to deliver a ‘record year’ because we have a strong bank with a diversified and efficient business model, that has robust capital and liquidity positions. Furthermore, as the leading financial group in Cyprus, one of the best performing economies in the eurozone, we are able to maintain our commitment to delivering attractive shareholder returns despite the continued normalisation of interest rates.

I will now provide an overview of the performance of the Cypriot economy in 2024, before discussing that of the Group.

Operating environment: Cyprus continued to outperform the euro area

Despite ongoing geopolitical instability, once again Cyprus’ strong, diversified and mainly service-based economy demonstrated resilience and growth. The economy expanded by 3.4% in 2024 underpinned by a record year for tourist activity, lower unemployment, improved public debt to GDP and lower inflation. In contrast, GDP grew by 0.9% in the euro area in 2024.

Public debt to GDP continued to decline to 65% as at December 2024, and remains well below the euro area average.

This strength of the Cypriot economy is reflected in its credit rating, with recent sovereign rating upgrades by the major rating agencies to three notches above investment grade.

The projections of the Ministry of Finance made in March 2025 are for growth of over 3% this year. More recent forecasts by the IMF downgraded growth to 0.8% for the

Euro area. For Cyprus forecasts for economic growth remain robust and above the Eurozone average, despite an expected modest downward adjustment due to trade tensions.

And while changes to trade tariffs in the United States will have global implications, we expect Cyprus' direct exposure to be limited as the United States is not among the top ten destinations for Cypriot exports. However, anything that affects the European and global economy affects Cyprus. Even though it is too early to assess, it is currently expected that the higher tariffs to the extent they will be enforced may have a significant impact on the global and particularly the European economy to which we belong. As such, we remain alert to risks that Cyprus might experience indirect effects, via the European economy.

We are confident that the Bank's robust capital and liquidity positions will safeguard it against any potential challenges from global trade developments and market risks, thus enabling us to continue to deliver on our strategy.

Financial year 2024: operational excellence

I will now share with you my main observations on the 2024 Financial Statements, which are tabled before you today.

As a reminder, we are the leading bank in Cyprus serving around three quarters of the population. We have a leading market position in both loans and deposits with market shares of 43% and 38% respectively as at the end of March 2025.

We have profitable life and non-life insurance subsidiaries with high market shares, and we hold a 75% stake in the leading payment solutions provider, JCC, indicating our diversified business model and holistic offering.

We achieved operational excellence in 2024 resulting in a record profit of €508 mn. This translated into a ROTE of 21.4% and an Earnings Per Share of €1.14.

We also supported our customers and the Cypriot economy with record new lending of €2.4bn, an increase of 20% year-on-year, while maintaining strict underwriting standards. This expanded our gross performing loan book by 4% year-on-year to €10.2 bn.

We strengthened our robust capital and liquidity positions, with our CET1 and Total capital ratio reaching 19.2% and 24.0% respectively, and our retail-funded deposit base increasing 6% year-on-year to €20.5bn.

And we maintained healthy asset quality with our NPE ratio falling to 1.9%, broadly in line with the average for the euro area banking sector¹.

Our powerful platform enabled us to exceed all of our targets for 2024 to deliver:

- strong net interest income of €822 mn;
- high efficiency with a 34% cost to income ratio² (one of the lowest among euro area banks);
- strong organic capital generation of 400 bps (pre-distribution), and;
- high profitability with ROTE of 21.4%.

The first three months of 2025

I will summarise some of the key points from our first quarter results for 2025, which we published on Monday and which are available on the Group's website.

We delivered another strong quarterly performance in the first three months of 2025

- We recorded a profit after tax of €117 mn and our key performance metric, Return on Tangible Equity, remained strong at 18.3%, above our full year target for mid-teens returns – despite the impact of falling interest rates
- We demonstrated continued efficiency with a cost to income ratio of 34%²

¹ Pro forma for HFS; Agreement for the sale of €27 mn NPEs in 3Q2024 and c.€39 mn in 4Q2024; completed in 1Q2025

² Excluding special levy on deposits and other levies/contributions

- Our performing loan book grew by 3% from December 2024 to €10.45 bn, supported by strong new lending of €842 mn, which was up 16% on the prior quarter
- Our credit quality remained robust with NPEs at 1.8% and cost of risk under 40bps
- Our balance sheet continues to benefit from a robust capital position - thanks to strong organic capital generation - and high liquidity
- Our deposit base continues to increase, up 7% on the prior year, to €20.7 bn
- Our CET 1 ratio and Total capital ratio strengthened to 19.9%³ and 25.0%³ respectively, including 1Q2025 profits, net of distribution accrual at a 70% payout ratio⁴.

We are committed to delivering attractive returns to our shareholders, which is why we upgraded our Distribution Policy in February 2025 to include a distribution payout ratio of between 50% and 70%⁴ from 2025. We will also consider the introduction of interim dividends. This follows the removal of the requirement for regulatory approval of dividends as from 1st January 2025.

Our strong performance in the first quarter provides us with confidence about our ability to achieve our 2025 targets.

Priorities going forward

Bank of Cyprus is the leading banking and financial services group in Cyprus and our focus is to maintain a strongly capitalised and highly profitable organisation that delivers attractive returns to shareholders in line with European sector, while simultaneously supporting our customers, stakeholders and the broader economy.

³ Regulatory CET1 ratio and Total Capital ratio at 19.7% and 24.8% respectively

⁴ In line with Commission Delegated Regulation (EU) No 241/2014 principles. The distribution accrual does not constitute an approval by regulators or a decision by the Bank with respect to distribution payments for 2025

Attractive shareholder returns

For 2025 we are focused on delivering a ROTE in the mid-teens on a reported basis or high-teens ROTE on a 15% CET1 ratio. This is assuming normalised rates of 2%.

We expect to deliver organic capital generation of c.300 bps which in turn will support a distribution payout ratio of between 50% and 70%⁴.

Efficiency

We will maintain our focus on careful cost management, as we have done for several years, while continuing to reinvest in the business.

Asset quality

We will protect our balance sheet and maintain high asset quality with continued application of meticulous underwriting standards.

Growth initiatives

We aim to grow our loan book both domestically and internationally. Domestically we will continue to support our retail and corporate clients supporting them in their everyday needs. Internationally, we are focussing on expanding our corporate business in Greece in selective sectors in line with the Bank's target risk profile.

We are also aiming to improve our non-net interest income given downward pressure on net interest income. We have several initiatives underway to grow non-interest income from our Jinius platform, our private and affluent banking business, our FX Platform eFxconvert, and our insurance subsidiaries.

And while we are focused primarily on organic growth to drive non-interest income diversification, we remain open to inorganic opportunities to accelerate growth. As such, on 14 April 2025 we signed a binding agreement to acquire 100% of Ethniki Insurance Cyprus Ltd for a cash consideration of €29.5 mn. Ethniki Insurance Cyprus Ltd, with market shares of 3% and 4% in the life and non-life insurance

sectors in Cyprus respectively⁵ will further strengthen the Group's leading position in the insurance market in Cyprus.

At Bank of Cyprus we have gone 'beyond banking' by investing in technology to develop an ecosystem of services, products and capabilities that are available through our mobile app, which is fast becoming a super app. Our customers are able to make payments, transfer money, apply for a loan, buy insurance products, buy banking products, and enable B2B and B2C transactions through the Jinius digital platform. c.€1.5 bn B2B payments were executed through Jinius since 2024.

Moreover, we are supporting the financial wellbeing of future generations, firstly through the Joey app, enabling 9-17 year olds easy access to their money through an app and a card under the watchful eye of their parents. In addition, we have recently launched our greatest account of all times (GOAT) aimed for the 18-25 year olds with no maintenance or card fees, free worldwide ATM withdrawals as well as commission free foreign currency transactions with their card.

Closing remarks

Ladies and Gentlemen, I am delighted that in the Bank's 125th year we were able to deliver record profits, a significant shareholder distribution and unprecedented support to our customers and the Cypriot economy. We also continued to lead the way among Cypriot and Greek banks in terms of shareholder distributions.

The Bank of Cyprus is a strong, diversified and sustainably profitable financial services group in one of the best performing economies in the eurozone. This was reflected by Moody's rating decision to **upgrade our long-term deposit rating to A3** in May 2025, 3 notches above investment grade. We are now rated investment grade by all three major credit rating agencies.

⁵ Based on statistics of the Insurance Association of Cyprus for the period 1 January 2024 to 31 December 2024 (<https://www.iac.org.cy/en/statistics/iac-statistical-results>). Life market share for Ethniki Insurance has been adjusted to exclude single premiums and include Accident and Health premiums, in line with Bank's approach

As the leading financial services group in Cyprus, the Bank of Cyprus is at the centre of the Cypriot economy, driving its digitalisation through Jinius, and its sustainable transition through innovative green products and support for our clients. The Bank of Cyprus is also a major contributor to the social and cultural life of our country, the Bank of Cyprus Oncology Centre and the Bank of Cyprus Cultural Foundation are two clear examples of this among many others.

While geopolitical instability and uncertainty persist, I reiterate our commitment to continuing to deliver attractive returns to you, our shareholders, alongside providing excellent service to our customers, and supporting the Cypriot economy and society.

At the heart of banking is trust. On behalf of the Group, I thank our customers for continuing to place their trust in us.

Thank you to the members of my executive team and to all of my colleagues whose hard work underpins our performance.

Thank you, our shareholders, for your investment and constructive engagement during the year.

I am also grateful to the Chairman and the Board of Directors for their continued support and trust.

It is a privilege and an honour to lead this great Bank.

Thank you.