Bank of Cyprus Holdings

Announcement

Group Financial Results for the six months ended 30 June 2026

Nicosia, 4 August 2026

Key Highlights for the six months ended 30 June 2026

Strong volume growth

- Gross performing loans at €11.4 bn, up 5% ytd and 8% yoy
- Mainly retail deposit base at €22.8 bn, up 3% ytd and 9% yoy

Attractive profitability

- Profit after tax of €252 mn[1], of which €131 mn[1] in 2Q2026
- ROTE of 18.8% for 1H2026; Basic earnings per share of €0.58
- Cost to income ratio[2] at 36%

Liquid, resilient balance sheet

- Net release of 12 bps cost of risk, reflecting customer specific reversals
- NPE ratio reduced to 1.0%

Robust capital position underpinning attractive distribution capacity

- CET1 ratio at 20.9%[3] and Total Capital ratio at 25.8%[3]
- Organic capital generation[4] of 225 bps
- Interim dividend of €0.24 per ordinary share up 20% yoy, to be paid in October 2026; 44% payout ratio on 1H2026 earnings

1. Attributable to the owners of the Company
2. Excluding special levy on deposits and other levies/contributions
3. Includes reviewed profits for 1H2026 net of ordinary distribution accrual at the top-end of the distribution policy (i.e. 70% payout ratio)
4. Pre RWA and other movements, based on profit after tax (pre-distributions) and after AT1 coupon payment (where applicable)

*Key Highlights are based on the financial results on an ‘Underlying Basis’.

Group Chief Executive Statement

“We delivered excellent financial results in 1H2026, reflecting our diversified and efficient business model and continued strong performance. Our strategy execution drove solid lending and deposit growth. Cost management remained disciplined, evidenced by a cost to income ratio of 36%. Asset quality continued to be healthy with the NPE ratio declining to 1%. Overall, profit after tax reached €252 mn for the first half of 2026, up 7% year-on-year, and ROTE stood at 18.8%, above our mid-teens full-year target, on a strong capital base.

Our loan book expanded by 8% year-on-year and by 5% year-to-date, driven both by domestic and international demand. Our predominantly retail-funded deposit base increased by 9% year-on-year and by 3% year-to-date to €22.8 bn as at 30 June 2026.

Our business continued to deliver strong organic capital generation of 225 bps in 1H2026, supporting our balance sheet position. After accruing an ordinary distribution at a 70% payout ratio, at the top-end of our Distribution Policy, our CET1 ratio and total capital ratio stood at 20.9% and 25.8% respectively.

The Cypriot economy remains robust despite ongoing global uncertainty with tourism in June 2026 recovering gradually to 2025 record levels. Recent official forecasts suggest GDP growth of around 2.5%[1] for 2026, well ahead of average Eurozone growth expectations.

Today, we are pleased to announce an interim dividend of €0.24 per ordinary share, equivalent to a 44% payout ratio from 1H2026 earnings, representing an increase of 20% year-on-year. We remain committed to our distribution target for 2026 for an ordinary dividend of 70% payout ratio at the top-end of our Distribution Policy and a top-up dividend of up to 20%[2].

Capitalising on the strength of our performance in the first half of 2026, as well as higher interest rate expectations, we are confident in achieving an ROTE towards the upper end of our mid-teens range target in 2026.

Our commitment remains unchanged; to support our customers and the broader Cypriot economy, while continuing to deliver attractive and sustainable returns and creating value for our shareholders.”

Panicos Nicolaou

1. Projections on Cypriot economy based on Central bank of Cyprus dated June 2026
2. Subject to market conditions as well as the outcome of the Group’s ongoing capital and liquidity planning strategy at the time

A. Group Financial Results – Statutory Basis

Interim Consolidated Income Statement

	Six months ended 30 June	
	2026	2025
	€000	€000
Interest income	**418,867**	429,320
Income similar to interest income	**562**	3,501
Interest expense	**(50,561)**	(65,242)
Expense similar to interest expense	**(86)**	(124)
Net interest income	**368,782**	367,455
Fee and commission income	**94,289**	91,790
Fee and commission expense	**(3,898)**	(3,608)
Net foreign exchange gains	**12,040**	14,666
Net gains on financial instruments	**1,504**	1,932
Net gains/(losses) on derecognition of financial assets measured at amortised cost	**4,250**	(2,171)
Net insurance finance income/(expense) and net reinsurance finance income/(expense)	**189**	(269)
Net insurance service result	**52,158**	39,881
Net reinsurance service result	**(19,274)**	(15,191)
Net gains/(losses) from revaluation and disposal of investment properties	**209**	(1,794)
Net gains on disposal of stock of property	**4,870**	7,652
Other income	**3,813**	5,543
Total operating income	**518,932**	505,886
Staff costs	**(109,740)**	(104,869)
Special levy on deposits and other levies/contributions	**(22,802)**	(15,519)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	**(157)**	(1,353)
Other operating expenses	**(76,550)**	(76,391)
Operating profit before credit losses and impairment	**309,683**	307,754
Credit losses on financial assets	**(322)**	(15,901)
Impairment net of reversals on non-financial assets	**(10,492)**	(14,009)
Profit before tax	**298,869**	277,844
Income tax	**(46,530)**	(42,069)
Profit after tax for the period	**252,339**	235,775
Attributable to:		
Owners of the Company	**251,785**	234,639
Non-controlling interests	**554**	1,136
Profit for the period	**252,339**	235,775
Basic earnings per share attributable to the owners of the Company (€ cent)	**57.8**	53.5
Diluted earnings per share attributable to the owners of the Company (€ cent)	**57.6**	53.3

A. Group Financial Results – Statutory Basis (continued)

Interim Consolidated Balance Sheet

	30 June 2026	31 December 2025
Assets	**€000**	€000
Cash and balances with central banks	**7,598,047**	7,933,036
Loans and advances to banks	**480,355**	575,508
Reverse repurchase agreements	**1,617,755**	1,618,955
Derivative financial assets	**64,940**	88,342
Investments at FVPL	**195,794**	201,914
Investments at FVOCI	**350,265**	356,580
Investments at amortised cost	**5,257,183**	4,765,238
Loans and advances to customers	**11,333,455**	10,798,342
Life insurance business assets attributable to policyholders	**1,009,749**	923,191
Prepayments, accrued income and other assets	**338,016**	375,535
Stock of property	**342,178**	372,202
Investment properties	**26,326**	28,330
Deferred tax assets	**166,417**	166,763
Property and equipment	**302,766**	312,546
Intangible assets	**50,281**	51,920
Total assets	**29,133,527**	28,568,402
Liabilities		
Deposits by banks	**369,117**	404,099
Derivative financial liabilities	**26,272**	19,256
Customer deposits	**22,797,850**	22,187,465
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	**(18,141)**	12,612
Insurance contract liabilities	**931,424**	877,716
Accruals, deferred income, other liabilities and other provisions	**674,179**	642,778
Provisions for pending litigation, claims, regulatory and other matters	**62,803**	67,523
Debt securities in issue	**979,625**	983,446
Subordinated liabilities	**300,518**	378,720
Deferred tax liabilities	**37,975**	45,260
Total liabilities	**26,161,622**	25,618,875
Equity		
Share capital	**43,596**	43,569
Share premium	**594,358**	594,358
Revaluation and other reserves	**88,177**	87,697
Retained earnings	**2,005,651**	1,984,158
Equity attributable to the owners of the Company	**2,731,782**	2,709,782
Other equity instruments	**220,000**	220,000
Non-controlling interests	**20,123**	19,745
Total equity	**2,971,905**	2,949,527
Total liabilities and equity	**29,133,527**	28,568,402

B. Group Financial Results – Underlying Basis

Interim Consolidated Income Statement

€ mn	1H2026	1H2025	yoy +%	2Q2026	1Q2026	qoq +%
Net interest income	369	368	0%	188	181	4%
Net fee and commission income	90	88	3%	46	44	4%
Net foreign exchange gains and net gains on financial instruments	14	18	-23%	10	4	127%
Net insurance result	33	24	35%	16	17	-2%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of property	5	5	-13%	3	2	76%
Other income	4	6	-31%	2	2	-3%
Total income	**515**	**509**	**1%**	**265**	**250**	**6%**
Staff costs	(110)	(105)	5%	(57)	(53)	7%
Other operating expenses	(76)	(76)	0%	(38)	(38)	0%
Special levy on deposits and other levies/contributions	(23)	(16)	47%	(9)	(14)	-36%
Total expenses	**(209)**	**(197)**	**6%**	**(104)**	**(105)**	**-1%**
Operating profit	**306**	**312**	**-2%**	**161**	**145**	**11%**
Loan credit losses (net of reversals)	7	(19)	-134%	2	5	-61%
Impairments of other financial and non-financial assets	(13)	(14)	-9%	(7)	(6)	1%
Provisions for pending litigations, claims, regulatory and other matters (net of reversals)	0	(1)	-88%	(2)	2	-207%
Total loan credit losses, impairments and provisions	**(6)**	**(34)**	**-80%**	**(7)**	**1**	**-**
Profit before tax	**300**	**278**	**8%**	**154**	**146**	**6%**
Tax	(47)	(42)	11%	(22)	(25)	-9%
Profit attributable to non-controlling interests	(1)	(1)	-51%	(1)	0	-
Profit after tax (attributable to the owners of the Company)	**252**	**235**	**7%**	**131**	**121**	**8%**

B. Group Financial Results – Underlying Basis (continued)

Interim Consolidated Income Statement- Key Performance Ratio

Key Performance Ratios	1H2026	1H2025	yoy±%	2Q2026	1Q2026	qoq±%
Net Interest Margin (annualised)	2.83%	3.05%	-22 bps	2.85%	2.81%	4 bps
Cost to income ratio	41%	39%	2 p.p.	39%	42%	-3 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	36%	36%	-	36%	37%	-1 p.p.
Operating profit return on average assets (annualised)	2.1%	2.3%	-0.2 p.p.	2.2%	2.0%	0.2 p.p.
Basic earnings per share attributable to the owners of the Company (€)[1]	0.58	0.54	0.04	0.30	0.28	0.02
Return (annualised) on tangible equity (ROTE)	18.8%	18.4%	0.4 p.p.	19.2%	18.0%	1.2 p.p.
Return (annualised) on tangible equity (ROTE) on 15% CET1 ratio[2]	27.3%	26.0%	1.3 p.p.	27.9%	26.5%	1.4 p.p.
Tangible book value per share[3] (€)	6.15	5.80	0.35	6.15	6.38	-0.23
Tangible book value per share excluding the cash dividend	5.91[4]	5.60[4]	0.31	5.91[4]	5.88[5]	0.03

1. The diluted earnings per share attributable to the owners of the Company for 2Q2026 amounted to €0.30 (compared to €0.28 for 1Q2026 and to €0.58 for 1H2026 (compared to €0.53 for 1H2025)
2. 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 minus intangible assets and any accrual for ordinary distribution at the top-end of the distribution policy, deducted from CET1 but not from shareholders' equity and the excess CET1 capital on a 15% CET1 ratio from the tangible book value at each quarter end.
3. Tangible book value per share is calculated based on number of shares in issue at the end of the period, excluding treasury shares (where applicable)
4. Excluding the interim cash dividend of €0.24 per ordinary share for 1H2026 (compared to €0.20 per ordinary share for 1H2025)
5. Final 2025 dividend of €0.50 per ordinary share which was paid in June 2026

p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point

Commentary on Underlying Basis

The financial information presented in this Section provides an overview of the Group financial results for the six months ended 30 June 2026 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 (where applicable) 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 B.1 'Reconciliation of Interim Consolidated Income statement for the six months ended 30 June 2026 between statutory and underlying basis' in 'Alternative Performance Measures' of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2026 and Section F under 'Definitions & Explanations'.

B. Group Financial Results– Underlying Basis (continued)

Interim Consolidated Balance Sheet

€ mn	30.06.2026	31.12.2025	±%
Cash and balances with central banks	**7,598**	7,933	-4%
Loans and advances to banks	**480**	576	-17%
Reverse repurchase agreements	**1,618**	1,619	0%
Debt securities, equity and other investments	**5,803**	5,324	9%
Net loans and advances to customers	**11,333**	10,798	5%
Stock of property	**342**	372	-8%
Investment properties	**26**	28	-7%
Other assets	**1,934**	1,918	1%
Total assets	**29,134**	28,568	**2%**
Deposits by banks	**369**	404	-9%
Customer deposits	**22,798**	22,187	3%
Debt securities in issue	**980**	983	0%
Subordinated liabilities	**301**	379	-21%
Other liabilities	**1,714**	1,665	3%
Total liabilities	**26,162**	25,618	**2%**
Shareholders' equity	**2,732**	2,710	**1%**
Other equity instruments	220	220	-
Total equity excluding non-controlling interests	**2,952**	2,930	**1%**
Non-controlling interests	20	20	2%
Total equity	**2,972**	2,950	**1%**
Total liabilities and equity	**29,134**	28,568	**2%**

Key Balance Sheet figures and ratios	**30.06.2026**	**31.12.2025**	**±[1]**
Gross loans (€ mn)	**11,491**	10,955	5%
Allowance for expected loan credit losses (€ mn)	**177**	177	0%
Customer deposits (€ mn)	**22,798**	22,187	3%
Loans to deposits ratio (net)	**50%**	49%	1 p.p.
NPE ratio	**1.0%**	1.2%	-20 bps
NPE coverage ratio	**149%**	139%	10 p.p.
Leverage ratio	**10.0%**	10.1%	-10 bps
Capital ratios and risk weighted assets	**30.06.2026 (Regulatory[1])**	**31.12.2025 (Regulatory[2])**	**±**
Common Equity Tier 1 (CET1) ratio (transitional)	**20.9%**	21.0%	-10 bps
Total capital ratio (transitional)	**25.8%**	25.9%	-10 bps
Risk weighted assets (€ mn)	**10,595**	10,424	+2%

1. Includes reviewed profits for 1H2026 net of ordinary distribution accrual at the top-end of the distribution policy (i.e. 70% payout ratio) (refer to B.2.1)
2.Includes profits for the year ended 31 December 2025 net of ordinary distribution at 70% payout ratio. p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 p.p.

B. Group Financial Results– Underlying Basis (continued)

B.1 Reconciliation of Interim Consolidated Income Statement for the six months ended 30 June 2026 between the statutory and underlying basis

€ million	**Underlying basis**	**Reclassifications**	**Statutory basis**
Net interest income	369	-	369
Net fee and commission income	90	-	90
Net foreign exchange gains and net gains on financial instruments	14	-	14
Net gains on derecognition of financial assets measured at amortised cost	-	4	4
Net insurance result*	33	-	33
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of property	5	-	5
Other income	4	-	4
Total income	**515**	**4**	**519**
Total expenses	**(209)**	**-**	**(209)**
Operating profit	**306**	**4**	**310**
Loan credit losses (net of reversals)	7	(7)	-
Impairment of other financial and non-financial assets	(13)	13	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	0	0	-
Credit losses on financial assets and impairment net of reversals of non-financial assets	-	(10)	(10)
Profit before tax and non-recurring items	**300**	**-**	**300**
Tax	(47)	-	(47)
Profit attributable to non-controlling interests	(1)	-	(1)
Profit after tax (attributable to the owners of the Company)	**252**	**-**	**252**

* 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 derecognition of financial assets measured at amortised cost' of €4 million under the statutory basis comprise net gains on derecognition of loans and advances to customers and are 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.

- '*Provisions for pending litigation, claims, regulatory and other matters (net of reversals)*' amounting to a charge of €0.2 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 amounting to a net credit of €2 million, which are included in '*Loan credit losses*' under the underlying basis, and ii) credit losses of other financial assets of €2 million and impairment net of reversals on non-financial assets of €10 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.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis

B.2.1 Capital Base

Total equity excluding non-controlling interests totalled €2,952 mn as at 30 June 2026 compared to €3,049 mn as at 31 March 2026 and €2,930 mn as at 31 December 2025. Shareholders' equity totalled to €2,732 mn as at 30 June 2026 compared to €2,829 mn as at 31 March 2026 and €2,710 mn as at 31 December 2025.

The **regulatory Common Equity Tier 1 capital (CET1) ratio on a transitional basis** stood at 20.9% as at 30 June 2026 compared to 20.5% as at 31 March 2026 (or 20.7% when including retained earnings and after ordinary distribution accrual at 70% payout ratio for 1Q2026) and to 21.0% as at 31 December 2025. Throughout this announcement, the capital ratios as at 30 June 2026 include reviewed profits for the six months ended 30 June 2026 in line with the ECB Decision (EU) (2015/656) on the recognition of interim or year-end profits in CET1 capital in accordance with Article 26(2) of the CRR, net of ordinary distribution accrual at the top end of the Group's approved distribution policy, in line with Commission Delegated Regulation (EU) No 241/2014 principles (such ratios are referred to as regulatory). Such ordinary distribution accrual in respect of 2026 earnings does not constitute a binding commitment for a distribution payment of any amount nor does it constitute a warranty or representation that such a payment will be made. Since September 2023, a charge is deducted from own funds in relation to the ECB prudential expectations for NPEs, which amounted to 15 bps as at 30 June 2026 compared to 19 bps as at 31 March 2026 and 31 December 2025. 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 30 June 2026, the impact of these requirements was 90 bps on Group's CET1 ratio, compared to 76 bps as at 31 March 2026 and 65 bps as at 31 December 2025. 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 25.8% as at 30 June 2026 compared to 25.3% as at 31 March 2026, (or 25.5% when including retained earnings and after ordinary distribution accrual at 70% payout ratio for 1Q2026) and 25.9% as at 31 December 2025.

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

Following the annual SREP performed by the ECB in 2025 and based on the final 2025 SREP Decision received in October 2025, effective from January 2026, the Pillar II requirement decreased by 25 bps to 2.50%.

As at 30 June 2026, the Group's minimum phased in CET1 capital ratio requirement is set at **11.93%,** comprising a 4.50% Pillar I requirement, a 1.41% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 2.25% and CcyB of c.1.27%. Likewise the Group's minimum phased-in Total Capital ratio requirement is set at **16.52%**, 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 2.50% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 2.25% and CcyB of c.1.27%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) has also been revised downwards compared to 2025. Based on the draft 2026 SREP Decision received following the ECB's annual SREP assessment, the Group's Pillar II Requirement (P2R) and non-public Pillar II Guidance (P2G) applicable for 2027 are expected to remain unchanged.

As at 31 December 2025, the Group's minimum phased-in CET1 capital ratio requirement was set at **11.38%,** 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 c.0.90%. Likewise the Group's minimum phased-in Total Capital ratio requirement is set at **16.08%,** 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 c.0.90%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) remained unchanged compared to 2024.

In 2025, the Group participated in the 2025 SSM Stress Test as one of the significant institutions, achieving a marked improvement compared to the 2023 exercise, as a result of its robust capital position, strong organic capital generation, profitability, and resilient business model. The Bank was categorised in the highest tier regarding CET1 depletion and performed favourably against the average results of 96 ECB stress-tested banks. As a result, following the final SREP decision in October 2025, the ECB issued revised, lower non-public guidance for the additional Pillar II CET1 buffer (P2G), compared to 2025 levels, effective from 1 January 2026.

In January 2025, the Central Bank of Cyprus ('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. As a result, the CcyB for the Group as at 30 June 2026 amounted to c.1.27%, compared to c.0.90% as at 31 December 2025.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.1 Capital Base (continued)

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 1.9375% as at 31 December 2025. In November 2025, following the annual assessment by CBC, the fully phased in O-SII buffer increased to 2.25% effective from 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.

Distributions

Distribution policy

The Group aims to provide sustainable and attractive returns to shareholders. The distribution policy was updated in March 2026 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** (from the previous policy of 30-50%) of the Group's adjusted recurring profitability through a combination of cash dividends (with interim dividends also being introduced) and share buybacks.

The Group adjusted recurring profitability is defined as the Group's profit after tax (attributable to the owners of the Company) as reported, adjusted for the results of certain one-off items (e.g. capital gains, certain write-downs/write-ups relating to certain re-organisation activities and/or legacy related, as well as material non-cash transactions impacting the profitability) that fall outside the ordinary course of our business and are items that Management and investors would ordinarily identify and consider separately to better understand the underlying trends in the business and after taking into account distributions under other equity instruments such as the annual AT1 coupon).

The decision to make any future final or interim distributions, including proposed distribution quantum, as well as envisaged allocation between dividend and buyback, will take into consideration market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time.

FY2026-2028 Distribution targets

In 2026, the Group is targeting an ordinary distribution at a 70% payout ratio, at the top-end of its distribution policy as well as a top-up dividend of up to 20%, resulting in a total payout of up to 90% of the Group's adjusted recurring profitability. For 2027 and 2028, the Group is targeting an ordinary distribution at 70% and a top-up dividend of up to 30%, resulting in a total payout of up to 100% per annum of the Group's adjusted recurring profitability. Top-up dividends are to be considered annually alongside the full-year financial results by the Board of Directors and remain subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time. The distributions are expected to be predominantly in cash, including interim dividends, while share buybacks may be considered when appropriate.

2026 Interim Distribution

On 3 August 2026 the Board of Directors proceeded with the **declaration of an interim dividend of €0.24 per ordinary share**, amounting to an aggregate of c.€105 mn ('the Interim Dividend'), up 20% yoy. This represents a 44% payout ratio of the Group's adjusted recurring profitability for the six months ended 30 June 2026. The Interim Dividend reflects the Group's successful execution of its ongoing commitment to deliver sustainable and attractive returns to shareholders, supported by its continued strong financial performance. The Interim Dividend will be paid in cash on 21 October 2026 to those shareholders on the register of members of the Company on 22 September 2026 ('Record date') with an ex-dividend date of 21 September 2026.

FY2025 Distribution at 70% payout ratio

In February 2026, the Company proposed a cash dividend of €0.50 per ordinary share and together with the interim dividend of €0.20 per ordinary share which was already paid in October 2025, the total dividend for FY2025 (the '2025 Distribution') totaled €0.70 per ordinary share or €305 mn. This corresponded to 70% payout ratio, at the top-end of the Group's Distribution Policy. This distribution signified a material step up from prior year's levels both in terms of payout ratio and total quantum. Based on the share price as at 31 December 2025, the 2025 Distribution corresponded to a yield of 9%.

The proposed final dividend of €0.50 per ordinary share in respect of 2025 was declared at the Annua General Meeting which was held on 15 May 2026 and was paid in cash on 24 June 2026. The 2025 Distribution was equivalent to c.290 bps on CET1 ratio as at 31 December 2025.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.1 Capital Base (continued)

Share Capital

As at 30 June 2026, there were 435,962,305 issued ordinary shares with a nominal value of €0.10 each, compared to 435,772,799 as at 31 March 2026 and 435,686,031 as at 31 December 2025. The quarterly and year-to-date increase relates to the issuance of ordinary shares in connection with the Group's issued Short Term Incentive Plan and Long-Term Incentive Plan. There were 189,506 ordinary shares issued during 2Q2026, totalling 276,274 new ordinary shares for 1H2026.

Other equity instruments

At 30 June 2026, the Group's other equity instruments relate to Additional Tier 1 Capital Securities (the "AT1 securities") and amounted to €220 mn, flat on prior quarter.

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 mn per year.

The Group estimates that such fees could range to c.€5 mn 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. The Group has €136 mn that qualify for this treatment (flat compared to 31 December 2025).

B.2.2 Regulations and Directives

B.2.2.1 CRR III and CRD VI

During 2024, the EU co-legislators finalised, adopted and published the comprehensive package of reforms with respect to European Union banking rules which implement the Final Basel III set of global reforms, changing how banks calculate their RWAs (Regulation (EU) 2024/1623 (known as CRR III)) and Directive (EU) 2024/1619 (known as CRD VI), applicable from January 1, 2025. Most provisions of the CRR III became effective on 1 January 2025 with certain measures subject to transitional arrangements or to be phased in over time. The implementation of CRR III had a positive impact of approximately 1% on the CET1 ratio (transitional) of the Group on initial application on 1 January 2025, primarily driven by a reduction in Operational Risk RWAs and to a lesser extent by a reduction in credit risk RWAs.

B.2.2.2 Bank Recovery and Resolution Directive (BRRD)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

In December 2025, the Bank received final notification from the SRB regarding the MREL decision, by which the MREL requirement was set at 24.03% of risk weighted assets (or 30.05% of risk weighted assets taking into account the prevailing CBR as at 30 June 2026 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). The revised MREL requirement became binding with immediate effect, replacing the previous requirement of 23.85% of risk weighted assets and 5.91% of LRE.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.2.2 Bank Recovery and Resolution Directive (BRRD) (continued)

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

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

The regulatory MREL ratio as at 30 June 2026, calculated according to the SRB's eligibility criteria currently in effect, stood at 34.9% of RWAs (including capital used to meet the CBR) and at 12.9% of LRE (based on the regulatory Total Capital as at 30 June 2026), maintaining a comfortable buffer over the MREL requirement.

The CBR stood at 6.02% as at 30 June 2026, compared to 5.33% as at 31 December 2025. The increase since the beginning of 2026 in CBR is attributed to the revision of O-SII buffer to 2.25% on 1 January 2026 from 1.9375% on 31 December 2025, as well as the increase of the CcyB rate, as explained above.

Throughout this announcement, the MREL ratio as at 30 June 2026 includes profits for the six months ended 30 June 2026 in line with the ECB Decision (EU) (2015/656) on the recognition of interim or year-end profits in CET1 capital in accordance with Article 26(2) of the CRR, net of ordinary distribution accrual at the top end of the Group's approved distribution policy in line with Commission Delegated Regulation (EU) No 241/2014 principles.

B.2.2.3 Capital requirements of subsidiaries

The regulated subsidiary entities of the Bank have complied with the respective individual minimum capital requirements during the period. The insurance subsidiaries of the Group, comply with the requirements of the Superintendent of Insurance including the minimum solvency ratio, and maintain eligible own funds in excess of the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR). 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 Electronic Money Laws of 2012 (N. 81(I)/2012) as amended.

During 2026, in the course of a review of its Solvency Capital Requirement (SCR) model undertaken by the Group's life insurance subsidiary, Eurolife Ltd ('Eurolife'), a misapplication of specific parameters/components was identified in the calculation of Eurolife's SCR. This impacted the calculation of Eurolife's Solvency Ratio. Eurolife proceeded with a recalculation of its Solvency Ratio. The Solvency Ratio as at 31 March 2026 was recalculated to 246%, compared with the previously reported 293%, while the Solvency Ratio as at 31 December 2025 was recalculated to 226%, compared with the previously reported 281%.

The identified matter did not affect compliance with regulatory capital requirements, with EuroLife's Solvency Ratio remaining substantially above the applicable regulatory minimum requirement of 100% throughout the affected periods. Upon identification of the issue this was corrected, and the Superintendent of Insurance was informed. In addition, EuroLife initiated a review of the relevant control and governance framework and is to implement enhancements to further strengthen its model validation, review and monitoring processes.

The matter identified has no impact on the financial results of the Group and, accordingly, has no impact on the financial performance or financial position of the Group. Furthermore, it does not affect the Group's regulatory capital ratios, including the Common Equity Tier 1 (CET1), Tier 1 Capital or Total Capital Ratios.

B.2.3 Funding and Liquidity

Funding

Deposits

Customer deposits totalled €22,798 mn at 30 June 2026 (compared to €22,260 mn at 31 March 2026 and €22,187 mn at 31 December 2025) up 2% on a quarterly basis and 3% year-to-date. Customer deposits are mainly retail-funded and 53% of deposits as at 30 June 2026 are covered under the deposit guarantee scheme.

Customer deposits accounted for 78% of total assets and 87% of total liabilities at 30 June 2026, flat on a quarterly basis and compared to 31 December 2025.

The net loans to deposits (L/D) ratio stood at 50% as at 30 June 2026, compared to 49% as at 31 March 2026 and 31 December 2025 calculated on the same basis.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.3 Funding and Liquidity (continued)

Funding (continued)

Subordinated liabilities

At 30 June 2026, the carrying amount of the Group's subordinated liabilities amounted to €301 mn compared to €379 mn both as at 31 March 2026 and 31 December 2025 and relate to unsecured subordinated Tier 2 Capital Notes ('T2 Notes').

In March 2026, the Company determined to exercise its option to redeem the remaining outstanding Fixed Rate Reset Tier 2 Capital Notes due October 2031 of c.€82 mn, all of which were redeemed in April 2026.

Below there is a summary of the outstanding subordinated liabilities as at 30 June 2026:

Issuance date	Principal amount (€ mn)	Coupon rate p.a.	Optional Redemption date	Maturity date
September 2025	300	4.25%	18 March - September 2031	18 September 2036

Debt securities in issue

At 30 June 2026, the carrying value of the Group's debt securities in issue amounted to €980 mn (compared to €988 mn as at 31 March 2026 and €983 mn at 31 December 2025) and relate to senior preferred notes.

In May 2026, the Bank successfully issued €300 mn senior preferred notes (the 'Notes') under its EMTN Programme. The Notes were priced at a price of 99.822% with a fixed coupon of 3.875% per annum, payable annually in arrear, until the Optional Redemption Date i.e. 20 May 2030 and have a yield of 3.924%. The maturity date of the Notes is 20 May 2031; 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 + 100 bps, payable quarterly in arrear. The Notes are listed on the Luxembourg Stock Exchange's Euro MTF market.

Additionally, in May 2026 the Bank determined to exercise its option to redeem its outstanding €300 mn Fixed rate Rese Senior Preferred Notes due 2027, early on 24 June 2026.

Below there is a summary of the outstanding senior preferred notes:

Issuance date	Principal amount (€ mn)	Coupon rate p.a.	Optional Redemption date	Maturity date
May 2026	300	3.875%	20 May 2030	20 May 2031
April 2024	300	5.000%	2 May 2028	2 May 2029
July 2023	350	7.375%	25 July 2027	25 July 2028

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 30 June 2026, the Group Liquidity Coverage Ratio (LCR) stood at 305% (compared to 306% as at 31 March 2026 and 321% at 31 December 2025), well above the minimum regulatory requirement of 100%. The LCR surplus as at 30 June 2026 amounted to €9.0 bn (compared to €8.9 bn as at 31 March 2026 and €9.2 bn at 31 December 2025) up 2% on the prior quarter, reflecting the 2% quarterly increase in customer deposits.

At 30 June 2026, the Group Net Stable Funding Ratio (NSFR) stood at 182% based on regulatory capital (compared to 174% as at 31 March 2026 and 171% at 31 December 2025 on the same basis), well above the minimum regulatory requirement of 100%.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.4 Loans

Group **gross loans** totalled €11,491 mn at 30 June 2026, compared to €11,188 mn at 31 March 2026 and €10,955 mn at 31 December 2025, up 5% since the beginning of the year.

New lending granted remained high in 2Q2026 and reached €812 mn (compared to seasonally strong new lending of €829 mn for 1Q2026 and €762 mn for 4Q2025), down by 2% qoq and up 7% yoy. New lending in 2Q2026 comprised €300 mn of corporate loans, €249 mn of retail loans (of which €162 mn were housing loans), €62 mn of SME loans and €201 mn of international loans. New lending for 1H2026 totalled €1.6 bn, up 2% yoy and is driven by international corporate and retail housing demand.

At 30 June 2026, the Group net loans and advances to customers totalled €11,333 mn (compared to €11,028 mn as at 31 March 2026 and €10,798 mn at 31 December 2025) up 3% qoq and 5% since the beginning of the year.

B.2.5 Loan portfolio quality

Group's priorities focus on maintaining high quality new lending with strict underwriting standards and preventing asset quality deterioration.

The loan credit losses for 2Q2026 amounted to a net reversal of €2 mn, compared to a net reversal of €5 mn for 1Q2026 and a charge of €7 mn for 4Q2025, reflecting specific reversals in the loan portfolio. Further details regarding loan credit losses are provided in Section B.3.3 'Profit before tax'.

Non-performing exposures

Non-performing exposures (NPEs) as defined by the European Banking Authority (EBA) were reduced by €3 mn, or 3% on a quarterly basis, to €118 mn as at 30 June 2026 (compared to €121 mn as at 31 March 2026 and €127 mn as at 31 December 2025).

As a result, the NPEs reduced to 1.0% of gross loans as at 30 June 2026, compared to 1.2% as at 31 December 2025.

The NPE coverage ratio stands at 149% at 30 June 2026, compared to 139% at 31 December 2025.

B.2.6 Fixed income portfolio

Fixed income portfolio amounts to €5,604 mn as at 30 June 2026, compared to €5,393 mn as at 31 March 2026 and €4,650 mn as at 30 June 2025, increased by 4% on the prior quarter and by 21% on prior year. As at 30 June 2026, the portfolio represents 19% of total assets and comprises €5,257 mn (94%) measured at amortised cost, €339 mn (6%) at fair value through other comprehensive income ('FVOCI') and €8 mn (<1%) at fair value through profit or loss ('FVTPL').

The fixed income portfolio measured at amortised cost does not recognise any fair value gains/losses in the Group's income statement or equity. This fixed income portfolio has high average rating at Aa3. The amortised cost fixed income portfolio as at 30 June 2026 has an unrealised fair value gain of c.€5 mn, equivalent to c.5 bps of CET1 ratio (compared to an unrealised fair value loss of c.€48 mn as at 31 March 2026). The improvement in fair value relates to the tightening of the interest rates at the end of the quarter, whilst the market volatility remains.

B.2.7 Reverse repurchase agreements

Reverse repurchase agreements amount to €1,618 mn as at 30 June 2026, flat qoq and compared to 31 December 2025. The weighted average fixed rate of reverse repurchase agreements is c.2.8% p.a. and the remaining average maturity is estimated at less than 1 year.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.8 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. Cumulative sales of repossessed assets since the beginning of 2019 amount to c.€1.4 bn and exceed properties on-boarded in the same period of €0.5 bn.

REMU completed disposals of €26 mn in book value in 1H2026 (compared to disposals of €211 mn in 1H2025), resulting in a gain on disposal of €6 mn for 1H2026 (compared to a net gain of c.€8 mn for 1H2025). Asset disposals are across all property classes, with more than half of sales in gross sale value in 1H2026 relating to land.

During the six months ended 30 June 2026, REMU executed sale-purchase agreements (SPAs) for disposals of 221 properties with contract value of €34 mn, compared to SPAs for disposals of 189 properties with contract value of €227 mn for 1H2025.

In addition, as at 30 June 2026, REMU maintains a pipeline of €40 mn by contract value, of which €13 mn related to SPAs signed, (compared to a pipeline of €34 mn as at 30 June 2025, of which €19 mn related to SPAs signed).

REMU on-boarded €1 mn of assets in 1H2026 (compared to additions of €8 mn in 1H2025), via the execution of debt for asset swaps and repossessed properties.

As at 30 June 2026, repossessed properties held by REMU had a carrying value of €341 mn, compared to €362 mn at 31 March 2026, and €442 mn as at 30 June 2025.

Assets held by REMU

Repossessed Assets held by REMU (Group) € mn	**1H2026**	**1H2025**	**yoy ±%**	**2Q2026**	**1Q2026**	**qoq ±%**
Opening balance	**377**	660	-43%	**362**	377	-4%
On-boarded assets	**1**	8	-84%	**0**	1	-67%
Sales	**(26)**	(211)	-87%	**(16)**	(10)	70%
Net impairment loss	**(11)**	(15)	-22%	**(5)**	(6)	-31%
Closing balance	**341**	442	-23%	**341**	362	-6%

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.8 Real Estate Management Unit (REMU) (continued)

Analysis by type and country of repossessed properties **30 June 2026 (€ mn)**	**Cyprus**	**Greece**	**Total**
Residential properties	**33**	**4**	**37**
Offices and other commercial properties	**46**	**5**	**51**
Manufacturing and industrial properties	**12**	**6**	**18**
Land (fields and plots)	**202**	**2**	**204**
Golf courses and golf-related property	**31**	**-**	**31**
Total	**324**	**17**	**341**

31 December 2025 (€ mn)	**Cyprus**	**Greece**	**Total**
Residential properties	**41**	**5**	**46**
Offices and other commercial properties	**51**	**7**	**58**
Manufacturing and industrial properties	**12**	**6**	**18**
Land (fields and plots)	**222**	**2**	**224**
Golf courses and golf-related property	**31**	**-**	**31**
Total	**357**	**20**	**377**

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis

B.3.1 Total income

€ mn	1H2026	1H2025	yoy ±%	2Q2026	1Q2026	qoq ±%
Net interest income	**369**	**368**	0%	**188**	**181**	4%
Net fee and commission income	**90**	88	3%	46	44	4%
Net foreign exchange gains and net gains on financial instruments	**14**	18	-23%	10	4	127%
Net insurance result	**33**	24	35%	16	17	-2%
Net gains from revaluation and disposal of investment properties and on disposal of stock of properties	**5**	5	-13%	3	2	76%
Other income	**4**	6	-31%	2	2	-3%
Non-interest income	**146**	**141**	3%	**77**	**69**	12%
Total income	**515**	**509**	**1%**	**265**	**250**	**6%**
Net Interest Margin (annualised)	2.83%	3.05%	-22 bps	2.85%	2.81%	+4 bps
Average interest earning assets (€ mn)	26,308	24,285	8%	26,433	26,145	1%

p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point

Net interest income (NII) for 1H2026 amounted to €369 mn compared to €368 mn for 1H2025, flat yoy as the impact on lower reference rates yoy was offset by strong volume growth in loans and deposits, the well managed cost of deposits as well as the hedging activity.

Net interest income (NII) for 2Q2026 amounted to €188 mn, compared to €181 mn for 1Q2026 up 4% qoq, supported by continued volume growth on loans, deposits and fixed income portfolio as well as improved margins.

Quarterly average interest earning assets (AIEA) for 1H2026 amounted to €26,308 mn, compared to €24,285 mn for 1H2025. The yoy increase of 8% is primarily due to the increase in liquid assets as a result of the increase of deposits by €1.9 bn yoy.

Quarterly average interest earning assets (AIEA) for 2Q2026 amounted to €26,433 mn compared to €26,145 mn for 1Q2026, up 1% qoq.

Net interest margin (NIM) for 1H2026 stood at 2.83% (compared to 3.05% for 1H2025 down 22 bps yoy). The yoy reduction is attributed to the lower reference rates as explained above.

Net interest margin for 2Q2026 stood at 2.85%, up 4 bps qoq as interest rates begin to increase.

Non-interest income for 1H2026 amounted to €146 mn (compared to €141 mn for 1H2025, up 3% yoy) comprising net fee and commission income of €90 mn, net foreign exchange gains and net gains on financial instruments of €14 mn, net insurance result of €33 mn, net gains from revaluation and disposal of investment properties and on disposal of stock of properties of €5 mn and other income of €4 mn. The yoy increase is attributed mainly to the higher net insurance result and to a lesser extent to net fees and commission income.

Non-interest income for 2Q2026 amounted to €77 mn (compared to €69 mn for 1Q2026, up 12% qoq) comprising net fee and commission income of €46 mn, net foreign exchange gains and net gains on financial instruments of €10 mn, net insurance result of €16 mn, net gains from revaluation and disposal of investment properties and on disposal of stock of properties of €3 mn and other income of €2 mn. The qoq increase relates to increases in net foreign exchange gains and net gains on financial instruments.

Net fee and commission income for 1H2026 amounted to €90 mn (compared to €88 mn for 1H2025, up 3% yoy) driven by increased transactional fees and non-transactional fees.

Net fee and commission income for 2Q2026 amounted to €46 mn (compared to €44 mn for 1Q2026). The qoq increase by 4% relates to an increase in transactional fees.

Net foreign exchange gains and net gains on financial instruments amounted to €14 mn for 1H2026 (compared to €18 mn for 1H2025), comprising a net foreign exchange gain of €12 mn (including c.€8 mn customer-related foreign exchange gains) and a net gain on financial instruments of c.€2 mn. The yoy decrease relates to lower foreign exchange income through lower volumes of FX swaps and lower net gains on financial instruments.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.1 Total income (continued)

Customer-related foreign exchange gains are considered as recurring contributors to the Group's profitability, while the remaining elements of net foreign exchange gains and net gains on financial instruments are considered as volatile profit contributors.

Net foreign exchange gains and net gains on financial instruments amounted to €10 mn for 2Q2026 (compared to €4 mn for 1Q2026, up 127% qoq), comprising c.€7 mn net foreign exchange gains (including c.€4 mn customer-related foreign exchange gains) and a net gain of financial instruments of €3 mn. The quarterly increase relates to the improvement in the mark to market of equity shares included in financial instruments resulting to a net gain in 2Q2026 (vs net loss in 1Q2026).

Net insurance result amounted to €33 mn for 1H2026 (compared to €24 mn for 1H2025, up 35% yoy). The yoy increase is attributed to better claim experience as well as reduction in loss component of the insurance contracts in life insurance the acquisition of Ethniki Insurance Cyprus in July 2025 and the increased new business.

Net insurance result amounted to €16 mn for 2Q2026 (compared to €17 mn for 1Q2026), down by 2% qoq reflecting increased claims in the non-life insurance business.

Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties amounted to a net profit of €5 mn for 1H2026 (comprising of c.€6 mn gain on disposal of stock of properties and investment properties, and net loss from revaluation of investment properties of c.€1 mn) flat yoy. REMU profits remain volatile.

Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties amounted to a net profit of €3 mn for 2Q2026 (comprising of c.€3.7 mn gain on disposal of stock of properties and investment properties, and net loss from revaluation of investment properties of c.€0.5 mn) compared to net profit of €2 mn for 1Q2026.

Total income amounted to €515 mn for 1H2026, compared to €509 mn for 1H2025), up 1% yoy as a result of a flat net interest income and higher non-interest income as explained above. Total income amounted to €265 mn for 2Q2026, compared to €250 mn for 1Q2026 up 6% qoq.

B. Group Financial Results – Underlying Basis (continued)

B.3. Income Statement Analysis (continued)

B.3.2 Total expenses

€ mn	1H2026	1H2025	yoy ±%	2Q2026	1Q2026	qoq ±%
Staff costs	(110)	(105)	5%	(57)	(53)	7%
Other operating expenses	(76)	(76)	0%	(38)	(38)	0%
Total operating expenses	**(186)**	**(181)**	**3%**	**(95)**	**(91)**	4%
Special levy on deposits and other levies/contributions	(23)	(16)	47%	(9)	(14)	-36%
Total expenses	**(209)**	**(197)**	**6%**	**(104)**	**(105)**	-1%
Cost to income ratio	**41%**	39%	**2 p.p.**	**39%**	42%	-3 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	**36%**	36%	**-**	**36%**	37%	-1 p.p.

p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point

Total expenses for 1H2026 were €209 mn (compared to €197 mn for 1H2025, up 6% yoy), 52% of which related to staff costs (€110 mn), 37% to other operating expenses (€76 mn) and 11% to special levy on deposits and other levies/contributions (€23 mn). The yoy increase relates mainly to the increase in special levy on deposits and other levies/contributions and higher staff costs. **Total expenses** for 2Q2026 amounted to €104 mn, compared to €105 mn for 1Q2026, broadly flat qoq as the higher staff costs qoq were offset by lower special levy on deposits and other levies/contributions.

Total operating expenses amounted to €186 mn for 1H2026 (compared to €181 mn for 1H2025, up 3% yoy). **Total operating expenses** amounted to €95 mn for 2Q2026, compared to €91 mn for 1Q2026, up 4% qoq. The qoq and yoy increase relates primarily to the increased separation costs included in staff costs recognised mostly in 2Q2026.

Staff costs for 1H2026 amounted to €110 mn (compared to €105 mn for 1H2025, up 5% yoy) and include c.€4 mn performance-related pay accrual and c.€10 mn termination costs (compared to €6 mn performance-related pay accrual and €4 mn termination cost for 1H2025). Net of these accruals, staff costs increased by 2% yoy reflecting salary increments and cost of living adjustments (COLA), which typically take place in the first month of the year, partially offset by lower costs following a Voluntary Staff Exit Plan ('VEP') that was completed at the end of 2025. During 1H2026 a small-scale, targeted VEP was completed, by which 51 employees were approved to leave the Group at a total cost of €10 mn. **Staff costs** for 2Q2026 amounted to €57 mn (compared to €53 mn for 1Q2026, up 7% qoq) and include c.€9 mn termination costs (compared to c.€4 mn performance-related pay accrual and c.€1 mn termination cost for 1Q2026). Net of these accruals, staff costs were broadly flat qoq.

The performance-related pay accrual 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 is 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 the Company based on certain non-market performance and service vesting conditions.

The 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. Annual cycles of LTIP awards with a three year performance period have been granted since 2022 with the latest in April 2026 for 2026 LTIP Cycle, with a maximum of 186,200 share awards granted to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in April 2026 are subject to a three-year performance period 2026-2028 (with all performance conditions being non-market performance conditions).

The shares granted each LTIP cycle will then normally vest in six tranches, with the first tranche vesting after the end of the performance period and the last tranche vesting on the fifth anniversary of the first vesting date, whilst service vesting conditions continue to apply during this period.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.2 Total expenses (continued)

As at 30 June 2026, the Group employed 2,839 persons compared to 2,840 persons as at 31 March 2026 and 2,850 persons as at 31 December 2025.

Other operating expenses for 1H2026 amounted to €76 mn flat yoy. Other operating expenses for 2Q2026 amounted to €38 mn, flat qoq.

Special levy on deposits and other levies/contributions for 1H2026 amounted to €23 mn (compared to €16 mn for 1H2025 up 47% yoy). The yearly increase relates mainly to the contribution of the Bank to the DGF of c.€6 mn which relates to 1H2026 following the notification received in July 2025 by the Management Committee to increase the target level of covered deposits from 0.8% to 1.25% as well as the increased deposit levels by €1.9 bn yoy. Special levy on deposits and other levies/contributions for 2Q2026 amounted to €9 mn compared to €14 mn for 1Q2026, down 36% qoq, reflecting the contribution of the Bank to the DGF of c.€6 mn recognised in 1Q2026.

The **cost to income ratio excluding special levy on deposits and other levies/contributions** for 1H2026 was 36% (flat yoy) reflecting continued cost discipline, benefitting from higher total revenues. The cost to income ratio excluding special levy on deposits and other levies/contributions for 2Q2026 stood at 36%, (compared to 37% for 1Q2026).

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.3 Profit before tax

€ mn	1H2026	1H2025	yoy ±%	2Q2026	1Q2026	qoq ±%
Operating profit	**306**	**312**	-2%	**161**	**145**	11%
Loan credit losses (net of reversals)	7	(19)	-134%	2	5	-61%
Impairments of other financial and non-financial assets	(13)	(14)	-9%	(7)	(6)	1%
Provisions for pending litigations, claims, regulatory and other matters (net of reversals)	0	(1)	-88%	(2)	2	-207%
Total loan credit losses, impairments and provisions	**(6)**	**(34)**	**-80%**	**(7)**	**1**	**-**
Profit before tax	**300**	**278**	8%	**154**	**146**	6%
Cost of risk (net of reversals)	**(0.12%)**	**0.36%**	-48 bps	**(0.06%)**	**(0.17%)**	11 bps

p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point

Operating profit for 1H2026 amounted to €306 mn (compared to €312 mn for 1H2025, down 2% yoy), reflecting mainly higher total expenses as explained above. Operating profit for 2Q2026 amounted to €161 mn (compared to €145 mn for 1Q2026, up 11% qoq).

Loan credit losses net of reversals for 1H2026 amounted to a net reversal of €7 mn, corresponding to a cost of risk of -12 bps, compared to a charge of €19 mn for 1H2025 and a cost of risk of 36 bps. The yearly reduction reflects primarily customer-specific reversals of c.€22 mn which is equivalent to a cost of risk of –39 bps. Loan credit losses for 2Q2026 amounted to a net reversal of €2 mn, corresponding to a cost of risk of -6 bps, (compared to a net reversal of €5 mn and a cost of risk of -17 bps for 1Q2026).

At 30 June 2026, the allowance for expected loan credit losses, including credit losses for off-balance sheet exposures (please refer to Section F. 'Definitions and Explanations' for definition) totalled €177 mn (compared to €180 mn at 31 March 2026 and €177 mn at 31 December 2025) and accounted for 1.5% of gross loans (compared to 1.6% at 31 March 2026 and 31 December 2025, calculated on the same basis).

Impairments of other financial and non-financial assets for 1H2026 amounted to €13 mn (compared to €14 mn for 1H2025), broadly flat yoy. Impairments of other financial and non-financial assets for 2Q2026 amounted to €7 mn compared to €6 mn for 1Q2026, broadly flat qoq. Impairments of other financial and non-financial assets relate primarily to REMU stock properties.

Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for 1H2026 was nil, compared to a charge of €1 mn for 1H2025. Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for 2Q2026 amounted to €2 mn, compared to a net reversal of €2 mn for 1Q2026.

Profit before tax for 1H2026 totalled to €300 mn, compared to €278 mn for 1H2025. Profit before tax for 2Q2026 totaled €154 mn, compared to €146 mn for 1Q2026.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.4 Profit after tax (attributable to the owners of the Company)

€ mn	1H2026	1H2025	yoy ±%	2Q2026	1Q2026	qoq ±%
Profit before tax	**300**	**278**	**8%**	**154**	**146**	**6%**
Tax	(47)	(42)	11%	(22)	(25)	-9%
(Profit)/loss attributable to non-controlling interests	(1)	(1)	-51%	(1)	0	-
Profit after tax (attributable to the owners of the Company)	**252**	**235**	**7%**	**131**	**121**	**8%**

p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point

The **tax charge** for 1H2026 amounted to €47 mn, compared to €42 mn for 1H2025, up 11% yoy, mainly due to the increase in the corporation tax rate to 15% from 12.5%, effective from 1 January 2026. The tax charge for 2Q2026 amounted to €22 mn, compared to €25 mn for 1Q2026, down 9% qoq primarily reflecting the release of a previously recognised deferred tax liability and the recognition of a current tax provision undertaken with a net impact of c.€4m on the tax charge for 2Q2026.

Profit after tax attributable to the owners of the Company for 1H2026 amounts to €252 mn corresponding to a ROTE of 18.8%, compared to €235 mn and a ROTE of 18.4% for 1H2025. ROTE on 15% CET1 ratio for 1H2026 amounts to 27.3%, compared to 26.0% for 1H2025, calculated on the same basis.

Profit after tax attributable to the owners of the Company for 2Q2026 amounts to €131 mn and a ROTE of 19.2%, compared to €121 mn for 1Q2026 and a ROTE of 18.0%. ROTE on 15% CET1 ratio for 2Q2026 amounts to 27.9%, compared to 26.5% for 1Q2026, 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 (attributable to the owners of the Company) as reported, adjusted for the results of certain one-off items (e.g. capital gains, certain write-downs/write-ups relating to certain re-organisation activities and/or legacy related, as well as material non-cash transactions impacting the profitability) that fall outside the ordinary course of our business and are items that Management and investors would ordinarily identify and consider separately to better understand the underlying trends in the business and after taking into account distributions under other equity instruments such as the annual AT1 coupon amounted to €118 mn for 2Q2026, compared to €121 mn for 1Q2026 and totaled €239 mn for 1H2026 (compared to €222 mn for 1H2025).

C. Operating Environment

The Cypriot economy has continued to be resilient and with strong GDP growth in recent years, consistently being one of the top performers in Eurozone. This performance has continued into the first quarter of the year, despite the ongoing increase in global uncertainty and the continued geopolitical challenges in the Middle East region, supported by solid fiscal developments and sustained improvements in the financial sector.

As a result of this continued strong performance, Cyprus' sovereign ratings remain high, with the major rating agencies (Moody's Investors Service, S&P Global Ratings and Fitch Ratings) assigning an 'A-' or equivalent rating, three notches above investment grade. The ratings note the robust growth performance, the strong fiscal dynamics and declining public debt, as well as the marked improvement in financial system stability.

The conflict between US, Israel and Iran (henceforth 'Iran war'), as well as the on-and-off tensions between Israel and Lebanon, created energy disruptions across the world. Yet, for Cyprus, the positive momentum of 2025, during which GDP grew by 3.8%, continued into 2026, with the first quarter registering growth of 3%, despite a one-off drop in tourism arrivals in March- April 2026. For the whole year, international and local agencies are forecasting growth at c.2.3-2.5%, outpacing the Eurozone average. Private consumption expected to remain the key driver of growth. Export performance is also projected to continue to benefit from a dynamic outlook for services, particularly related to Information and Communication Technology. The tourism sector was negatively affected by the Iran war in March-April 2026, with arrivals declining by c.30% compared to the corresponding period in 2025. However, the sector is now recovering towards the 2025 levels, as per the most recently available data.

In the first quarter of 2026, employment growth remained robust, standing at the same levels as in 2025, at approximately 1.7%, despite the full employment conditions prevailing. Labour productivity over the same period increased by 1.9% (four-quarter moving average estimates), close to the 2% level observed in 2025. These developments suggest that productivity growth remains a strong contributor to overall growth in the economy with efficiency improving and allowing output per worker to increase. This is of particular importance given the prevailing full employment conditions, as the unemployment rate dropped to 3.7% in 1Q2026, from an average of 4.4% in 2025.

Inflation, as measured by the Harmonised Index of Consumer Prices, has reacted to the elevated energy prices prevailing since the start of the Iran war, in line with the rest of the Euro Area. In the first half of 2026, inflation stood at 2.4%, driven mainly by services inflation and food prices, while oil prices, despite their increase, had a muted contribution, due to the very low levels observed in first two months of the year. In 1H2026, core inflation, i.e. excluding energy and food, stood at 2.1%, also driven by elevated services inflation.

In public finances, the budget surplus continued to remain positive, standing at 2.1% in January-May 2026, slightly lower than the 3.3% level in 2025, also due to the tax reform and the timing of the income tax cut-off date. Revenue continued to grow with expenditure growth remaining in line with forecasts. The strong budget surpluses and robust economic growth led to the reduction in the general government debt to GDP, to 49.5% in May 2026, down from 55% at the end of 2025. This decline in public debt represents one of the strongest performances in the European Union, with forecasts, highlighting strong revenue growth, long average debt maturity and limited financing needs, projecting that the ratio will continue to decline in the medium term.

Financial system risks have also reduced over the past years, reflected in the continuous improvement of the private and banking sectors' financial positions. Private sector debt in banks' balance sheets, has declined materially over the past decade and is now among the lowest in Europe, at approximately 57% of GDP. The deleveraging phase now appears to have ended, with total domestic loans excluding the government growing by 2.3% in 2025, and 1.1% in January-May 2026, reaching €20.9 bn. Loans to non-financial companies stood at about 25% of GDP and loans to households at about 29% of GDP.

The non-performing exposures of the Cyprus banking sector also continued to remain low, standing at 3% of total exposures, or €0.8 bn in April 2026, declining slightly compared to 3.2% in December 2025 levels, and after a material drop in 2025, driven by both loan sales and organic reductions. The provision coverage ratio accounted for approximately 79% of non-performing exposures, with around 38% of the current non-performing loans consisting of restructured facilities. This steady progress in the banking sector continues to strengthen the sector's shock absorption capacity.

The current account deficit remains elevated, driven by primary income outflows and sustained imports of goods, a result of high Foreign Direct Investment (FDI). In 2025, the current account deficit improved to 6.4% of GDP compared to 8.2% in 2024, as a result of higher exports of services from a variety of categories, including travel, financial services, and intellectual property. Data for the first quarter of 2026 showed a deterioration, driven by government outflows and lower net exports, also due to lower tourism revenue in the quarter due to the Iran war. Over the past years, the current account deficit has been funded by net FDI inflows, resulting in higher primary income outflows as investment proceeds return to investors. Yet the economy's gross external debt (excluding Special Purpose Entities) continues to decrease.

Short-term risks are mostly external and skewed to the downside, including a downturn in key tourism markets, linked to an escalation of regional conflicts. At the same time, inflation will be further affected if oil prices remain at elevated levels or if they further increase going forward.

C. Operating Environment (continued)

Internationally, the Iran war – which began in March 2026, was under a ceasefire agreement but has recently seen a resumption in hostilities – has strained global oil and gas supplies and also made their transport costlier. Depending on whether the conflict continues, as well as the extent and its duration, this could fuel further inflationary pressures. At the moment, the conflict has heightened and prolonged geopolitical instability and caused trade restrictions and disruptions to global supply chains, which also resulted in rising energy prices. Even though these have partially eased over the ceasefire period, the recent resumption caused a new wave of increases in energy prices, which could potentially further intensify and further affect global inflation, financial markets and economic activity.

Secondary effects—such as central bank responses or any long-term effects due to energy supply issues—are difficult to anticipate but could prove significant. These developments raise the possibility of stagflationary outcomes for the global economy, with potential spillovers to Cyprus, including an impact on the tourism season, again depending on whether the conflict continues as well as its duration. At this stage, the extent of the implications for the Group remains uncertain. Although the Group's direct exposure to the Middle East is limited, a continuation of the conflict could still impact the Cypriot economy through weaker tourism, higher import costs due to increased freight rates and administrative expenses, rising energy prices that add to inflationary pressures, as well as to overall disruptions to trade.

At the same time, the uncertainty surrounding US trade policies has negatively affected global trade and is expected to have a dampening effect on the global economy, while it would also increase price pressures, especially in the United States. European products face a tariff of 15% as per the US-EU trade agreement, they may become less competitive, suggesting lower corporate profits for at least some exporters. Although Cyprus has limited exports of goods to the US, the country might experience indirect effects via lower growth in Europe and the US. Finally, the continued increase in public debt to precarious levels by some countries across the world could potentially hinder growth, especially as some countries seek to gradually decrease their fiscal deficits.

Medium-term risks for Cyprus stem from climate change initiatives and a possible further deterioration in the global geopolitical outlook. The digital and green transitions remain key medium-term challenges, including structural reforms to further strengthen governance and economic resilience.

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 continues to follow policies that aim at correcting fiscal imbalances as well as reforming and restructuring its banking system.

In May 2026, **Fitch Ratings** affirmed the long-term foreign currency issuer default rating at A-, with a positive outlook. The affirmation rating reflects strong fiscal performance and policy credibility, highlights diversification toward higher-value services (IT), as well as continued debt reduction and favourable growth prospects.

Moody's Investors Service affirmed in May 2026 the long-term issuer and senior unsecured ratings of the Government of Cyprus to A3, with a stable outlook. As the rating agency mentions, this reflects the strong economic resilience and robust medium-term growth prospects, the downward trajectory of public debt, and the strong capital adequacy and profitability of the banking sector.

Similarly, **S&P Global Ratings** in March 2026 upgraded Cyprus' outlook to positive, after raising it in November, and affirmed its long-term local and foreign currency sovereign credit ratings to A-. The revision of the outlook primarily reflects the potential for Cyprus' external debt position to strengthen over the next few years, with public debt expected to decline to 32% of GDP by 2029. The Middle East conflict is seen as a temporary drag on growth and inflation.

DBRS Ratings GmbH (DBRS Morningstar) affirmed Cyprus' Long-Term Foreign and Local Currency – Issuer Ratings to A in March 2026, with a stable trend. The rating agency notes that the upgrade reflects the sharp decrease of the public debt burden in recent years and the agency's expectation that public debt metrics will continue to materially improve over the next years. This is further supported by a stable political environment and a comparatively strong pace of economic growth.

D. Business Overview

Credit ratings

The Group's financial performance is highly correlated to the economic and operating conditions in Cyprus. In December 2025, **Moody's Investors Service affirmed** the Bank's long-term deposit rating **at A3** and revised the **outlook to positive** from stable. **This is the highest long-term deposit rating for the Bank since 2011.** The affirmation reflects the expectation that the Bank will maintain strong financial fundamentals, including robust capital levels, solid profitability, and sustained improvements in asset quality. The change in outlook reflects the improved operating environment assessment and expectations for strong financial metrics, including robust capital levels. In December 2025, **S&P Global Ratings affirmed** the long-term issuer credit rating of the Bank to the **investment grade BBB-** and revised the **outlook to positive** from stable. The outlook revision reflects the easing economic risks for banks operating in Cyprus, while the reduced credit risk in the system is expected to continue. It also reflects the Bank's strengthened performance and resilience as well as continued improvement in asset quality. Finally, in November 2025, **Fitch Ratings upgraded** long-term issuer default rating to the **investment grade BBB** from BBB-, changing the **outlook to stable** from the positive. The one-notch upgrade reflects the improvement of the Cypriot operating environment as well as the continued improvements in Bank's standalone credit profile from a further reduced stock of legacy problem assets, sound profitability prospects and satisfactory capital buffers.

Financial performance

The Group is a leading player in the financial sector in Cyprus, with a diversified and sustainable business model. The Group's financial performance for the six month ended remained strong, generating ROTE of 18.8% and earnings per share of €0.58, delivering strong organic capital generation of 225 bps. This strong financial performance was the outcome of stable net interest income despite the average lower interest rates yoy, a growing recurring non-interest income, continued cost disciplined and robust asset quality.

Interest rate environment

The structure of the Group's balance sheet remains highly liquid. As at 30 June 2026, cash and balances with central banks amounted to €7.6 bn, representing 26% of total assets. In addition, 43% of the Group's loan portfolio is Euribor based. In 1H2026 net interest income remained flat yoy at €369 mn, reflecting strong volume growth on loans and liquidity, offsetting the impact on lower interest rates (ECB Deposit rate at 2.0% for 1H2026 vs 2.5% in 1H2025).

During the six months ended 30 June 2026, the Group continued its hedging activities to manage the sensitivity of net interest income. The hedging tools include the use of receive fixed interest rate swaps, investment in fixed rate bonds, engagement into reverse repurchase agreements and the offering of fixed rate loans.

During the six months ended 30 June 2026, the Group carried out additional hedging activities of €0.4 bn, totaling €12.5 bn as at 30 June 2026, representing 47% of interest earning assets. The average fixed rate of receive fixed interest rate swaps and reverse repos is 2.6%. 19% 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 and 12% of the Group's loan portfolio is fixed rated. The Group's fixed income portfolio represents 19% of total assets and amounts to €5.6 bn as at 30 June 2026. Overall, these actions have led to a reduction in the net interest income sensitivity (to a parallel shift in interest rates by 25 bps) by €16 mn (c.50% reduction) since 31 December 2022.

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 1H2026 via prudent underwriting standards. Growth in new lending in Cyprus has been focused on selected industries in line with the Bank's target risk profile. During the six months ended 30 June 2026, the Group's new lending remained strong at €1.6 bn, driven by housing and international corporate demand. As a result, since December 2025, gross performing loans have risen by 5% to €11.4 bn, reflecting growth across the entire portfolio of business lines, supported both by domestic demand as well as growth in the international loan book.

Fixed income portfolio continued to grow in 2026 to €5.6 bn and currently represents 19% of total assets. This portfolio is mostly measured at amortised cost and is highly rated with average rating at Aa3. The amortised cost fixed income portfolio as at 30 June 2026 has an unrealised fair value gain of c.€5 mn equivalent to c.5 bps of CET1 ratio (compared to a fair value loss of €48 mn as at 31 March 2026); with the increase in the fair value relating to the interest rate reductions whilst market volatility remains.

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.

D. Business Overview (continued)

Growing revenues in a more capital efficient way (continued)

The Group's non-interest income is an important contributor to the Group's profitability.

During the six months ended 30 June 2026, the Group generated non-interest income of €146 mn, up 3% yoy, of which recurring non-interest income amounted to €132 mn, up 9% yoy.

During 1H2026, net fee and commission income amounted to €90 mn up 3% yoy, driven both by transactional and non-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 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 €15 mn for 1H2026, up 6% yoy, reflecting strong transaction growth and structural improvements in third-party cost absorption.

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 generating recurring income, remaining valuable and sustainable contributors to the Group's profitability. The Group further strengthened its insurance operations with the acquisition of Ethniki Insurance Cyprus Limited, in July 2025, as part of its strategy to broaden the Group's insurance operations and diversify further its business model. The legal merger of Ethniki Insurance Cyprus Limited with Eurolife and GI was completed in December 2025. Ethniki Insurance Cyprus Ltd was an established market player in the life and non-life insurance sectors in Cyprus, with a market share of 3% and 4% respectively. During the six months ended 30 June 2026, the Group's net insurance result amounted to €33 mn, up 35% yoy due to improved claim experience as well as reduction in loss component of the insurance contracts in life insurance, the acquisition of Ethniki Insurance Cyprus Limited in July 2025 and higher new business.

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 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 ecommerce to financial services.

The Business-to-Business services include invoice, remittance, tender, ecosystem management and advertising. Currently, c.1,930 companies are registered in the platform and c.€1.7 bn cash were exchanged via the platform in 1H2026 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. During the six months ended 30 June 2026, the gross merchandise value of the Marketplace increased by 160% yoy, while product offering increased by 104% yoy. Currently, the Marketplace includes 16 categories, including fashion, technology, small appliances, toys, beauty, health & wellness, personal care devices, luggage & travel gear, DIY, home & garden, heating & cooling, white goods and bookstore sectors.

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 1H2026, the Group completed a small-scale, targeted VEP through which 51 full-time employees were approved to leave at a total cost of €10 mn.

The Group's total operating expenses for the six months ended 30 June 2026 amounted to €186 mn, up 3% yoy, mainly arising from the accrual on performance-related pay accrual and termination cost. Excluding these accrual, staff costs were up 2% yoy reflecting the salary increments and the cost of living adjustments which take place in the first month of the year, partially offset by the completion of VEP in 4Q2025, whilst other operating expenses remained flat yoy. The cost to income ratio excluding special levy on deposits and other levies/contributions for the six months ended 30 June 2026 stood at 36%, reflecting disciplined cost management and high total revenues.

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, (ii) redefine distribution model across existing and new channels, (iii) digitally transform the way the Group serves its customers and operates internally, and (iv) strengthen employee engagement through a robust set of organisational health initiatives.

D. Business Overview (continued)

Lean operating model (continued)

Digital transformation

In the dynamic world of banking, 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 needs of its customers. 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 30 June 2026, the Group's digital community has increased to 517k active subscribers, across Internet Banking and the BoC Mobile App. Likewise, the BoC Mobile App, had 488k active subscribers as at 30 June 2026.

During 2Q2026, the Group continued to enrich and improve its digital portfolio with new innovative services to its customers. The ability for Businesses to open a Sight Account or Fixed Term Deposit digitally, with a debit card option, has been launched, allowing businesses and professionals to manage transactions, make payments, and receive funds securely through digital banking channels.

The launch of Wealthyhood x BoC, provides customers instant access to a user-friendly digital investment platform that makes investing simpler and more accessible.

One of the Group's new digital innovations, Digital Housing Loan, accessible through both the BoC Mobile App and Internet Banking, has transformed the traditional housing loan process, enabling customers to obtain a decision instantly, and make the whole process faster with less visits to the branch. As at 30 June 2026, Digital Housing Loans amounted to €33 mn.

In collaboration with Genikes Insurance, the ability to purchase insurance policies is integrated into the BoC Mobile App and Internet Banking, enabling customers to access motor or home insurance plans through digital channels at preferential rates. In 1H2026 the total GWP from all Digital Channels including Genikes website was €1.3 mn compared to €1.0 mn in 1H2025.

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda

Climate change and transition to a sustainable economy is one of the greatest challenges. As part of its vision to be the leading financial hub in Cyprus, the Group is determined to **lead the transition of Cyprus to a sustainable future**. The Group continuously evolves towards its ESG agenda and continues to progress towards building a forward-looking organisation embracing ESG in all aspects of business as usual. In 2026, the Bank received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment and rating C (on a scale A+ to D-) which is considered "Prime" in the ISS Corporate ESG Ratings assessment.

Reaffirming its strong commitment to sustainability and to the long term value creation for all its stakeholders, in November 2023, the Bank was the first bank in Cyprus to become an official signatory of the United Nations Principles for Responsible Banking representing a single framework for a sustainable banking industry developed through a collaboration between banks worldwide and the United Nations Environment Programme Finance Initiative (UNEP FI). The Group during 2026 successfully published its second UN Principles for Responsible Banking Individual Progress Report.

In line with the Group's Beyond Banking approach and its commitment to create a stronger, safer and future-focused organisation the Bank proceeded, in 2024, with the issuance of an inaugural green bond. During 2025, the Bank published the relevant Green Bond Allocation and Impact report. An amount equivalent to the net proceeds of the notes had been allocated to eligible green projects as described in the Bank's sustainable finance framework, which includes green buildings, energy efficiency, clean transport and renewable energy.

The Group during 2026 successfully published its second Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS), incorporated in the Group's Annual Financial Report for the year ended 31 December 2025.

The ESG strategy formulated in 2021 is continuously expanding. The Group is maintaining its leading role in the Social and Governance pillars and focus on increasing the Group's positive impacts on the Environment by transforming not only its own operations, but also the operations of its customers.

D. Business Overview (continued)

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda (continued)

The Group has committed to the following primary ESG ambitions, which reflect the pivotal role of ESG in the Group's strategy:

- Become carbon neutral by 2050 with interim target to reduce 42% GHG emission in own operations by 2030
- Become Net Zero by 2050
- Steadily increase Green Asset Ratio
- Steadily increase Green Mortgage Ratio
- The aspiration to achieve a representation of at least 30% women in Group's management bodies (defined as the Executive Committee (EXCO) and the Extended EXCO) by 2030 has been reached earlier since 31 December 2023.

For the Group to continue its progress against its primary ESG ambition and address the evolving regulatory expectations, it further enhanced in 2026, its ESG working plan which was established in 2022. Progress on the ESG working plan is closely monitored by the Sustainability Committee, the EXCO and the Board Committees on a quarterly basis.

Environmental Pillar

The Group has estimated the Scope 1 and Scope 2 greenhouse gas (GHG) emissions of 2021 relating to own operations in order to set the baseline for carbon neutrality target by 2050. The Bank being the main contributor of GHG emissions of the Group, designed in 2022 the strategy to meet the interim GHG emission reduction target set for 2030. To become carbon neutral by 2050, the Group has set an interim target to reduce Scope 1 and Scope 2 emissions by 42% by 2030. The Bank, following the implementation of various energy upgrade actions since 2021, achieved a c.27% reduction in Scope 1 and Scope 2 GHG emissions (excluding Scope 1 – Fugitive emissions) by 2025 compared to the baseline of 2021. In 1H2026 the Bank achieved 5% reduction of Scope 1 and Scope 2 (excluding Scope 1 – Fugitive emissions) GHG emissions compared to 1H2025.

The Group plans to invest further to energy efficient installations and actions in 2026 including the replacement of fuel intensive machineries and vehicles. The Bank achieved a reduction of c.6% in Scope 2 GHG emissions in 1H2026 compared to 1H2025 from 3,693 tCO_2e to 3,483 tCO_2e. The Group expects that the Scope 2 emissions will be reduced further when the energy market in Cyprus shifts further towards renewable energy. The Bank's renewable energy production decreased by 10%, from 223,669 Kwh to 201,285 Kwh, in 1H2026 compared to 1H2025. The reduction in renewable energy production mainly reflects a temporary suspension of solar panel usage due to branch renovation works.

The Group is gradually integrating climate-related and environmental (C&E) risks into its Business Strategy. The Bank was the first bank in Cyprus to join the Partnership for Carbon Accounting Financials (PCAF) in October 2022, and has estimated and published the Financed Scope 3 GHG emissions associated with its loan and investment portfolio as well as Insurance associated GHG emissions using the PCAF standards, methodology and proxies. Following the estimation of Financed Scope 3 GHG emissions of loan portfolio, the Bank established a decarbonization target on Mortgage loan portfolio. The decarbonization target on Mortgage portfolio was established by applying the International Energy Agency's Below 2 Degree Scenario. For the Bank's Mortgage loan portfolio to be aligned with the climate scenario and effectively be associated with lower transition risks, the baseline as at 31 December 2022 of 53.5 $kgCO_2e/m^2$ should be reduced by 43% by 31 December 2030. The carbon intensity of the portfolio as at 30 June 2026 is estimated at 44,13 $kgCO_2e/m^2$ achieving a c.18% reduction compared to baseline, due to increase in financing of energy efficient residential properties in the first half of 2026. A Variable Green Housing product and a Fixed Green Housing product aligned with Green Loan Principles (GLPs) of Loan Market Association (LMA) were launched at the end of 2023 and 9M2024 respectively to support the Bank to meet the decarbonization target on Mortgage loans and effectively limit the level of climate transition risk that is exposed to. In addition, the Bank has set lending and investment limits on specific carbon intensive sectors which are widely considered to be associated with high climate transition risk. Further, having introduced and implementing a Business Environment Scan process, the Bank developed green/transition new lending metrics in certain sectors to support its customer's transition to a low carbon economy and effectively manage climate transition risks.

During 2024 and 2025, the Bank has made considerable progress in integrating climate-related and environmental risks into its risk management approach and risk culture. The Bank revised and enhanced the Materiality assessment process on C&E risks. The Bank has carried out a comprehensive identification and assessment of C&E risks as drivers of existing financial and non-financial risks considering its business profile and loan portfolio composition. As part of this process, the Bank has identified the risk drivers, both physical and transition, which could potentially have an impact on its risk profile and operations and has assessed the severity of each risk driver for all the existing categories of risks.

D. Business Overview (continued)

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda (continued)

Environmental Pillar (continued)

In 2024, the Bank participated in the syndicated ‘Synesgy solution’ (ESG Due Diligence process) across the Cypriot Banking system designed to enhance data collection, score customers on their performance against various aspects around C&E risks and provide guidance on remediation actions. This process involves the utilization of structured ESG questionnaires, through the ‘Synesgy’ platform, applied at the individual company level to derive an ESG score. Progress in data collection has been marked by 2025 which is expected to be enhanced during 2026 as the ESG landscape develops across the EU and the Country. The Bank established a structure and detailed Business Environment Scan process to monitor the impact of C&E risks on its business environment in the short, medium and long-term. The results of the preliminary (quarterly) and final (annual) impact assessment have been incorporated in the Materiality assessment of C&E risks as well as informed the Bank’s Business Strategy of FY2025. In addition, during 1Q2026 the Bank has incorporated ESG factors in the credit risk component of customer’ pricing.

The Bank offers a range of environmentally friendly products to manage transition risk and help its customers become more sustainable. Specifically, the Bank offers loans for energy upgrades of homes, installation of solar panels, acquisition of new hybrid or electric car, as well as financing of renewable energy projects. In addition, as at 30 June 2026 the Bank had a pool of €560 mn gross loans financing the acquisition or construction of residential property with EPC category A (Green Housing Loans) compared to €452 mn gross loans as at 31 December 2025. The gross amount of environmentally friendly loans (including the Green Housing Loans) was c.€683 mn as at 30 June 2026 compared to €572 mn as at 31 December 2025.

Social Pillar

At the centre of the Group’s leading social role lie its contributions in the Bank of Cyprus Oncology Centre (with an overall investment of more than c.€72 mn since 1998), the immediate and efficient response of Bank of Cyprus’ SupportCY network consisting of companies and organisations, to various needs of the society as well as in cases of crises and emergencies, through the activation of programs, specialized equipment and a highly trained Volunteers Corps, the contribution of the Bank of Cyprus Cultural Foundation in promoting the cultural heritage of the island, and the work of IDEA Innovation Centre. Bank of Cyprus Oncology Centre has been assessed as an Entity Specific material topic for reporting purposes of FY2025 and disclosures are included in the Sustainability Statement of FY2025 as well.

The new exhibition ‘Cyprus Insula’ launched in 9M2024 being hosted in the lately renovated premises and museums of the Cultural Foundation. As a result of the high interest of the public, it has been decided to extend the exhibition until June 2026. The physical attendees of Cultural foundation events were 12,934 in 1H2026.

The IDEA Innovation Centre, invested c.€4.5mn in start-up business creation since its incorporation, supported creation of 105 new companies to date, provided support to more than 270 entrepreneurs through its Startup program since incorporation, and supported the development of 130 new jobs in the Cypriot Economy. Staff continued to engage in voluntary initiatives to support charities, foundations, people in need and initiatives to protect the environment.

The Group continued its emphasis on staff wellness during 1H2026 by offering webinars, team building activities and family events with sole purpose to enhance mental, physical, financial and social health, attended by c.1,170 employees through its Well at Work program.

Moreover, the Group aims and is committed to provide financial literacy and education to young people aged 6-17 through the “JOEY” app, the banking app for children and teenagers. The Group has established a target to open a total of at least 25,000 JOEY accounts by 2030 compared to a total of 8,965 accounts opened as at December 2025, where 12,888 accounts were opened as at 30 June 2026.

D. Business Overview (continued)

Enhancing organisational resilience and ESG (Environmental, Social and Governance) agenda (continued)

Governance Pillar

The Group continues to operate successfully within a complex regulatory framework of a holding company which is registered in Ireland, listed on two Stock Exchanges and run in compliance with a number of rules and regulations. Its governance and management structures enable it to achieve present and future economic prosperity, environmental integrity and social equity across its value chain. The Group operates within a framework with adequate control environment, which enable risk assessment and risk management based on the relevant policies under the leadership of the Board of Directors. The Group has set up a Governance Structure to oversee its ESG agenda. Progress on the implementation and evolution of the Group's ESG strategy is monitored by the Sustainability Committee, the EXCO and the Board of Directors. The Sustainability Committee is a dedicated executive committee set up in early 2021 to oversee the ESG agenda of the Group, review the evolution of the Group's ESG strategy, monitor the development and implementation of the Group's ESG objectives and the embedding of ESG priorities in the Group's business targets. The Group's ESG Governance structure continues to evolve, so as to better address the Group's evolving ESG needs. The Group's regulatory compliance continues to be an undisputed priority.

In FY2025, in order to enhance the awareness and skillset on ESG matters, the Group performed relevant trainings to all staff, control functions, insurance subsidiaries, Senior Management and to the Board of Directors and plans to continue enrich ESG training activities in FY2026. The Group has continued to upgrade its staff's skillset by providing training and development opportunities to all staff and capitalising on modern delivery methods. In 1H2026, the Group's employees attended 34,157 hours of trainings covering a variety of topics including Business Conduct and Compliance topics in accordance with the Group's Corporate Governance Policy and Framework.

The Group's 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, in the Group's management bodies since 31 December 2023. Women representation in Group management bodies increased to be 38% as at 30 June 2026. As at 30 June 2026 the female representation within the Board of Directors was 36%. During 2026, the Group has been recognised as one of the 30 leading listed entities in Greece distinguished for their adoption of diversity best practices and their commitment to inclusion and balanced representation at the Board of Directors level based on 'The RSM Board Diversity Survey 2025'. The survey recognises and promotes leading corporate governance practices and highlights the importance of diversity in strategic decision-making.

E. Strategy and Outlook

The Group's key priorities are to continue to generate sustainable and resilient profitability and deliver attractive shareholder returns, while simultaneously supporting the Group's stakeholders and the broader economic environment. The main drivers to accomplish these priorities are the following:

- **Generate high quality revenue growth** through domestic loan growth and selective expansion of international loan portfolio and growth in both banking and non-banking areas (such as capital-light insurance revenues) to grow recurring non-interest income and to complement the strength of the domestic franchise.
- **Maintain sustainable and resilient profitability** via ongoing cost management discipline while continuing to invest in IT, including AI and maintaining low cost of risk in order to retain a low-risk business model.
- **Achieve strong capital generation and upscaled distributions** by maintaining high capital strength, whilst gradually returning excess through organic growth and investing the surplus capital for long-term value and maintaining strategic optionality.

Based on these priorities, the Group has set its 2026-2028 financial targets at the Investor Update event in March 2026 and expects to deliver a mid-teens reported ROTE, equivalent to a ROTE of over 20%, based on 15% CET1 ratio basis. This level of profitability supports strong organic capital generation of 350-400 bps per annum over 2026-2028. Capitalising on the strong performance of 1H2026 as well as the earlier and higher interest rate increases during 2026, the Group now expects that the ROTE will be in the upper end of the mid-teens range for 2026.

The net interest income outlook for 2026 is now upgraded. For 2026, net interest income is expected to reach to c.€750 mn, reflecting the faster pace and higher interest rate increases as well as strong volume growth.

Additionally, the loan growth target of over 5% for 2026 is expected to be comfortably met, supported by domestic demand and careful expansion of international loan portfolio.

Maintaining cost discipline remains a key priority for the Group. For 2026, cost to income ratio, excluding special levy on deposits and other levies/contributions is revised downwards to below 40%, on the back of strong revenues and continued cost discipline.

During 1H2026, cost of risk was a net release of 12 bps, reflecting customer specific reversals of 39 bps (c.€22 mn). The underlying cost of risk for the first half of 2026 amounted to 28 bps. Overall, it is expected that for 2H2026, the underlying cost of risk to remain stable compared to the 1H2026 level, trending below the normalised range of 40-50 bps. There are no signs of asset quality deterioration.

In 2026, the Group is targeting an ordinary distribution at a 70% payout ratio, at the top-end of its distribution policy as well as a top-up dividend of up to 20%, resulting in a total payout of up to 90% of the Group's adjusted recurring profitability. For 2027 and 2028, the Group is targeting an ordinary distribution at 70% and a top-up dividend of up to 30%, resulting in a total payout of up to 100% per annum of the Group's adjusted recurring profitability. Top-up dividends are to be considered annually alongside the full-year financial results by the Board of Directors and remain subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time. The distributions are expected to be predominantly in cash, including interim dividends, while share buybacks may be considered when appropriate.

E. Strategy and Outlook (continued)

The key financial targets are summarised below:

Key metrics	1H2026	2026	2027-2028
ROTE (reported)	18.8%	Mid-teens *Towards the upper end of the range*	Mid-teens
ROTE on 15% CET1 ratio	27.3%	>20%	>20%
Distributions (payout)[1] Ordinary Top-up	€0.24 per share Interim dividend	70% Up to 20%[2]	70% p.a. Up to 30% p.a.[2]
Organic capital generation[3]	225 bps	350-400 bps p.a.	
Supported by:			
Cost to income ratio[4]	36%	c.40%	
Cost of risk	Net release of 12 bps	At the lower end of normalised cost of risk 40-50 bps	

1) On adjusted recurring profitability
2) Subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time
3) Pre RWA and other movements, based on profit after tax (pre-distributions) and after AT1 coupon payment (where applicable)
4) Excluding special levy on deposits and other levies/contribution

F. Definitions and Explanations

Adjusted recurring profitability	The Group's profit after tax (attributable to the owners of the Company) as reported, adjusted for the results of certain one-off items (e.g. capital gains, write-downs/write-ups relating to certain re-organisation activities and/or legacy related, as well as material non-cash transactions impacting the profitability) that fall outside the ordinary course of the Group's business and are items that Management and investors would ordinarily identify and consider separately to better understand the underlying trends in the business and after taking into account distributions under other equity instruments such as the annual AT1 coupon.
Allowance for expected loan credit losses	As of 30 September 2025, the definition of both gross loans and allowance for expected loan credit losses was updated with respect to the residual fair value adjustment on initial recognition now being deducted from gross loans instead of being included in the allowance for expected loan credit losses. This revision was implemented to align the underlying basis with the statutory basis for gross loans and advances to customers measured at amortised cost and is not material. There is no impact on the net loans as a result of this update in the definitions. Comparative information has been revised to reflect this adjustment to conform with the current period's disclosure format, unless otherwise stated. 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) and (ii) allowance for expected credit losses for off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities.
AT1	AT1 (Additional Tier 1) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Basic earnings per share (attributable to the owners of the Company)	Basic earnings per ordinary 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 shares in issue during the period, excluding treasury shares.
Carbon neutral	The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
CET1 capital ratio (transitional basis)	CET1 capital ratio (transitional basis) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, applicable as at the reporting date.
CET1 Fully loaded (FL)	The CET1 fully loaded (FL) ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, applicable as at the reporting date.
Cost to Income ratio	Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).
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 adjusted for the ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the share-based Incentive Plans.
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 mortgages assets.

F. Definitions and Explanations (continued)

Gross loans	As of 30 September 2025, the definition of both gross loans and allowance for expected loan credit losses was updated with respect to the residual fair value adjustment on initial recognition now being deducted from gross loans instead of being included in the allowance for expected loan credit losses. This revision was implemented to align the underlying basis with the statutory basis for gross loans and advances to customers measured at amortised cost and is not material. There is no impact on the net loans as a result of this update in the definitions. Comparative information has been revised to reflect this adjustment to conform with the current period's disclosure format, unless otherwise stated. Gross loans comprise: (i) gross loans and advances to customers measured at amortised cost (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 (where applicable). Loans and advances to customers classified and measured at FVPL amounted to nil at 30 June 2026, at 31 March 2026 and 31 December 2025.
Gross performing loans	Gross loans (as defined) excluding the Restructuring and Recoveries Division (RRD) exposures (forming part of legacy exposures (as defined) of €87 mn as at 30 June 2026, compared to €91 mn as at 31 March 2026 and €90 mn as at 31 December 2025).
Group	The Group consists of Bank of Cyprus Holdings Public Limited Company, "BOC Holdings" or the "Company", its subsidiary Bank of Cyprus Public Company Limited, the "Bank" and the Bank's subsidiaries.
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.
Leverage Ratio Exposure (LRE)	Leverage Ratio Exposure (LRE) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended.
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 (where applicable), for the reporting period/year.
Loan credit losses charge	Loan credit losses charge (cost of risk) (year-to-date) is calculated as the annualised 'loan credit losses' (as defined) 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.
MSCI ESG Rating	The use by the Company and the Bank of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI Logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of the Company or the Bank by MSCI. MSCI Services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI Names and logos are trademarks or service marks of MSCI.
Net Interest Margin	Net interest margin is calculated as the net interest income (annualised) 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.

F. Definitions and Explanations (continued)

Net performing loan book	Net performing loan book is the total net loans and advances to customers (as defined) less the Restructuring and Recoveries Division (RRD) exposures (forming part of legacy exposures (as defined).
Net Stable Funding Ratio (NSFR)	The NSFR is calculated as the amount of “available stable funding” (ASF) relative to the amount of “required stable funding” (RSF). The regulatory limit, enforced in June 2021, has been set at 100% as per the CRR II.
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 and net gains/(losses) on financial instruments and (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 European Banking Authorities (EBA) standards and European Central Bank’s (ECB) Guidance to Banks on Non-Performing Loans (which was published in March 2017), non-performing exposures (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: (a) Retail exposures: Total arrears/excess amount greater than €100, (b) Exposures other than retail: Total arrears/excess amount greater than €500 and the amount in arrears/excess in relation to the customer’s total exposure is at least 1%.

The NPEs are reported before the deduction of allowance for expected loan credit losses (as defined).

F. Definitions and Explanations (continued)

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	NPEs ratio is calculated as the NPEs (as defined) divided by gross loans (as defined).
Operating profit	Operating profit 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 and profit attributable to non-controlling interests.
Operating profit return on average assets	Operating profit return on average assets is calculated as the annualised operating profit (as defined) 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.
Phased-in Capital Conservation Buffer (CCB)	In accordance with the legislation in Cyprus which has been set for all credit institutions, the applicable rate of the CCB is 1.25% for 2017, 1.875% for 2018 and 2.5% for 2019 (fully phased-in).
Profit/(loss) before tax and non-recurring items	Profit/(loss) before tax and non-recurring items is the operating profit (as defined) adjusted for loan credit losses (as defined),impairments of other financial and non-financial assets and provisions for litigation, claims, regulatory and other matters (net of reversals).
Profit after tax and before non-recurring items (attributable to the owners of the Company)	This refers to the profit after tax (attributable to the owners of the Company), excluding any 'non-recurring items' (as defined).
Quarterly average interest earning assets	This relates to the average of 'interest earning assets' as at the beginning and end of the relevant quarter. Interest earning assets include: cash and balances with central banks, plus reverse purchase agreements (reverse repos) plus loans and advances to banks, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus investments (excluding equities, mutual funds and other non interest bearing investments).
Qoq	Quarter on quarter change
Return on Tangible equity (ROTE)	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 minus intangible assets at each quarter end.
Return on Tangible equity (ROTE) on 15% CET1 ratio	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 minus intangible assets and after deducting any accrual for ordinary distribution deducted from CET1 but not from shareholders' equity and the excess CET1 capital on a 15% CET1 ratio from the tangible book value at each quarter end.
Shareholders' equity	Shareholders' equity comprise total equity adjusted for non-controlling interest and other equity instruments.
Special levy on deposits and other levies/contributions	Relates to the special levy on deposits of credit institutions in Cyprus, contributions to the Single Resolution Fund (SRF), contributions to the Deposit Guarantee Fund (DGF), as well as the DTC levy, where applicable.

F. Definitions and Explanations (continued)

Tangible book value per share	Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter end divided by the number of ordinary shares in issue (excluding treasury shares) at the period/quarter end.
Tangible book value per share excluding the cash dividend	Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter/year end and the amounts of any cash dividend approved/recommended for distribution in respect of earnings of the relevant year the dividend relates to, divided by the number of ordinary shares (excluding treasury shares) at the period/quarter end.
Total Capital ratio	Total capital ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Total expenses	Total expenses comprise staff costs, other operating expenses and the special levy on deposits and other levies/contributions. It does not include 'advisory and other transformation costs-organic', where applicable.
Total income	Total income comprises net interest income and non-interest income (as defined).
Total loan credit losses, impairments and provisions	Total loan credit losses, impairments and provisions comprise loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for pending litigation, claims regulatory and other matters net of reversals).
Underlying basis	This refers to the statutory basis after being adjusted for reclassification of certain items as explained in the Basis of Presentation.
Write offs	Loans together with the associated loan credit losses are written off when there is no realistic prospect of recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
Yoy	Year on year change

Basis of Presentation

This announcement covers the results of Bank of Cyprus Holdings Public Limited Company, “BOC Holdings” or “the Company”, its subsidiary Bank of Cyprus Public Company Limited, the “Bank” or “BOC PCL”, and together with the Bank’s subsidiaries, the “Group”, for the six months ended 30 June 2026.

At 31 December 2016, the Bank was listed on the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX). On 18 January 2017, BOC Holdings, incorporated in Ireland, was introduced in the Group structure as the new holding company of the Bank. On 19 January 2017, the total issued share capital of BOC Holdings was admitted to listing and trading on the LSE and the CSE. On 19 September 2024 the Company delisted its share capital from the LSE and cancelled its LSE listing and on 23 September 2024 the Company’s ordinary shares were listed on the Main Market of the Regulatory Securities Market on the Athens Exchange.

Financial information presented in this announcement is being published for the purposes of providing an overview of the Group financial results for the six months ended 30 June 2026.

The financial information in this announcement is not audited and does not constitute statutory financial statements of BOC Holdings within the meaning of section 340 of the Companies Act 2014. The statutory financial statements for the year ended 31 December 2025, upon which the auditors have given an unqualified opinion are expected to be delivered to the Registrar of Companies of Ireland within 56 days of 30 September 2026. The Board of Directors approved the statutory financial statements for the year ended 31 December 2025 on 30 March 2026. The Board of Directors approved the Group financial results for the six months ended 30 June 2026 on 3 August 2026.

Statutory basis: Statutory information is set out on pages 4-5. However, a number of factors have had a significant effect on the comparability of the Group’s financial position and performance. Accordingly, the results are also presented on an underlying basis.

Underlying basis: The financial information presented under the underlying basis provides an overview of the Group financial results for the six months ended 30 June 2026, which the management believes best fits the true measurement of the financial performance and position of the Group. For further information, please refer to ‘Commentary on Underlying Basis’ on page 7. The statutory results are adjusted for certain items (as described on section B.1) to allow a comparison of the Group’s underlying financial position and performance.

The financial information included in this announcement is neither reviewed nor audited by the Group’s external auditors.

The Interim Condensed Consolidated financial statements for the six months ended 30 June 2026 have not been audited by the Group’s external auditors. The Group’s external auditors have conducted a review of the Interim Condensed Consolidated financial statements in accordance with the International Standard on Review Engagements (Ireland) 2410 ‘Review of Interim Financial Information performed by the Independent Auditor of the Entity’.

This announcement and the presentation for the Group Financial Results for the six months ended 30 June 2026 have been posted on the Group’s website www.bankofcyprus.com (Group/Investor Relations/Financial Results).

Definitions: The Group uses definitions in the discussion of its business performance and financial position which are set out in section F, together with explanations.

The Group Financial Results for the six months ended 30 June 2026 are presented in Euro (€) and all amounts are rounded as indicated. A comma is used to separate thousands and a dot is used to separate decimals.

Forward Looking Statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Bank of Cyprus Holdings plc and its subsidiaries (collectively, the “Group”) and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates and its future capital requirements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements can usually be identified by terms used such as “achieve”, “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “goal”, “intend”, “may”, “project”, “plan”, “seek”, “should”, “target”, “will” or similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, but are not limited to, statements relating to the Group’s near term, medium 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, expected impairment charges, the level of the Group’s assets, liquidity, performance, prospects, anticipated growth, provisions, impairments, business strategies and opportunities. 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. Globally, factors that may impact the Group include interest rate and foreign exchange fluctuations, legislative, fiscal and regulatory developments, litigation and other operational risks, adverse market conditions, geopolitical developments, imposed and threatened tariffs and changes to global trade policies, acts of hostility or terrorism and response to those acts or other such events, emerging technologies, including information technology, artificial intelligence, technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks and the impact of outbreaks, epidemics or pandemics. These factors may have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. 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. 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. Changes in our reporting frameworks and accounting standards may have a material impact on the way we prepare our financial statements. In setting future targets and outlook, the Group has made certain assumptions about the macroeconomic environment and the Group’s businesses, which are subject to change.

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Contacts

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The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. At 30 June 2026, the Bank of Cyprus Group operated through a total of 57 branches in Cyprus, of which 1 operated as cash office. The Bank of Cyprus Group employed 2,839 staff worldwide. At 30 June 2026, the Group’s Total Assets amounted to €29.1 bn and Total Equity was €3.0 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.