Interim Report 2026

Bank of Cyprus Holdings

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Company Secretary	Katia Santis
Legal Advisers as to matters of Irish Law	Arthur Cox
Legal Advisers as to matters of English and US Law	Sidley Austin LLP
Legal Advisers as to matters of Cypriot Law	Chryssafinis & Polyviou LLC
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This document contains certain forward-looking statements which can usually be identified by terms used such as 'expect', 'should be', 'will be' and similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Examples of forward-looking statements include, but are not limited to, statements relating to the Bank of Cyprus Holdings Group's (the 'Group') near term and longer term future capital requirements and ratios, intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, the level of the Group's assets, liquidity, performance, return of tangible equity, projected levels of growth, capital distributions (including policy on dividends and share buybacks), prospects, anticipated growth, provisions, impairments, business strategies and opportunities, any commitments and targets (including environmental, social and governance (ESG) commitments and targets). By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend upon circumstances, that will or may occur in the future. Factors that could cause actual business, strategy and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Group include, but are not limited to: general economic and political conditions in Cyprus and other European Union (EU) Member States. Globally, factors that may impact the Group include interest rate and foreign exchange rate 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, as well as uncertainty over the scope of actions that may be required by the Group, governments and other to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations. 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. Further, forward-looking statements may be affected by changes in reporting frameworks and accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards. The forward-looking statements made in this document are only applicable as at the date of publication of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any statement is based.

Non-IFRS performance measures

Bank of Cyprus Holdings Public Limited Company's (the Company) management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the Interim Report as they enable the readers to identify a more consistent basis for comparing the Group's performance between financial periods and provide more detail concerning the elements of performance which management are directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which the operating targets are defined and performance is monitored by the Group's management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as the key measures of the 30 June position. Refer to 'Alternative Performance Measures Disclosures' on pages 154 to 166 of the Interim Report 2026 for further information and calculations of non-IFRS performance measures included throughout this document and their reconciliation to the most directly comparable IFRS measures included in the Interim Condensed Consolidated Financial Statements.

The Interim Report for the six months ended 30 June 2026 is available on the Group's website www.bankofcyprus.com (Group/Investor Relations) (the Group's website).

The Interim Report for the six months ended 30 June 2026 is issued in English.

INTERIM MANAGEMENT REPORT 2026

The Interim Report relates to Bank of Cyprus Holdings Public Limited Company (the Company) and together with its subsidiaries the Group. The Company was listed on the Main Market of the Regulated Securities Market of the Athens Stock Exchange ('ATHEX') and the Cyprus Stock Exchange ('CSE') as at 30 June 2026.

Activities

The Company is the holding company of the Group and of Bank of Cyprus Public Company Ltd ('BOC PCL' or the 'Bank'). The principal activities of BOC PCL and its subsidiary companies involve the provision of banking, financial, and insurance services and the management and disposal of property predominately acquired in exchange of debt.

All Group companies and branches are set out in Note 34 to the Interim Condensed Consolidated Financial Statements. The Group has established branches in Greece. There were no acquisitions of subsidiaries and no material disposals of subsidiaries during the six months ended 30 June 2026. Information on Group companies and acquisitions and disposals during the period are detailed in Note 34 to the Interim Condensed Consolidated Financial Statements.

Group financial results on the underlying basis

Commentary on underlying basis
The financial information presented in this section provides an overview of the Group financial results for the 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 below in section 'Reconciliation of the Interim Consolidated Income Statement for the six months ended 30 June 2026 between the statutory basis and the underlying basis' and in the 'Alternative Performance Measures Disclosures' of the Interim Report 2026.

The main financial highlights for the six months ended 30 June 2026 are set out below:

Interim Consolidated Income Statement on the underlying basis

€ million	**Six months ended 30 June**	
	2026[1]	2025[1]
Net interest income	**369**	368
Net fee and commission income	**90**	88
Net foreign exchange gains and net gains on financial instruments	**14**	18
Net insurance result	**33**	24
Net gains from revaluation and disposal of investment properties and on disposal of stock of properties	**5**	5
Other income	**4**	6
Total income	**515**	509
Staff costs	**(110)**	(105)
Other operating expenses	**(76)**	(76)
Special levy on deposits and other levies/contributions	**(23)**	(16)
Total expenses	**(209)**	(197)
Operating profit	**306**	312
Loan credit losses	**7**	(19)
Impairments of other financial and non-financial assets	**(13)**	(14)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	**-**	(1)
Total loan credit losses, impairments and provisions	**(6)**	(34)
Profit before tax and non-recurring items	**300**	278
Tax	**(47)**	(42)
Profit attributable to non-controlling interests	**(1)**	(1)
Profit after tax (attributable to the owners of the Company)	**252**	235

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

Group financial results on the underlying basis (continued)

Interim Consolidated Income Statement on the underlying basis (continued)

Key Performance Ratios	**Six months ended 30 June**	
	2026	2025
Net interest margin (annualised)	**2.83%**	3.05%
Cost to income ratio	**41%**	39%
Cost to income ratio excluding special levy on deposits and other levies/contributions	**36%**	36%
Operating profit return on average assets (annualised)	**2.1%**	2.3%
Basic earnings per share attributable to the owners of the Company (€)[1]	**0.58**	0.54
Return on tangible equity (ROTE) (annualised)	**18.8%**	18.4%
Return on tangible equity (ROTE) on 15% CET1 ratio[2] (annualised)	**27.3%**	26.0%
Tangible book value per share[3] (€)	**6.15**	5.80
Tangible book value per share excluding the interim cash dividend, as applicable (€)	**5.91**	5.60

1. The diluted earnings per share attributable to the owners of the Company for the six months ended 30 June 2026 amounted to €0.58 (30 June 2025: €0.53).
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 after deducting the excess CET1 capital on a 15% CET1 ratio from the tangible shareholders' equity 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).

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

Interim Consolidated Balance Sheet on the underlying basis

€ million	**30 June 2026[1]**	31 December 2025[1]
Cash and balances with central banks	**7,598**	7,933
Loans and advances to banks	**480**	576
Reverse repurchase agreements	**1,618**	1,619
Debt securities, equity and other investments	**5,803**	5,324
Net loans and advances to customers	**11,333**	10,798
Stock of property	**342**	372
Investment properties	**26**	28
Other assets	**1,934**	1,918
Total assets	**29,134**	28,568
Deposits by banks	**369**	404
Customer deposits	**22,798**	22,187
Debt securities in issue	**980**	983
Subordinated liabilities	**301**	379
Other liabilities	**1,714**	1,665
Total liabilities	**26,162**	25,618
Shareholders' equity	**2,732**	2,710
Other equity instruments	**220**	220
Total equity excluding non-controlling interests	**2,952**	2,930
Non-controlling interests	**20**	20
Total equity	**2,972**	2,950
Total liabilities and equity	**29,134**	28,568

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

Group financial results on the underlying basis (continued)

Interim Consolidated Balance Sheet on the underlying basis (continued)

Key Balance Sheet figures and ratios	**30 June 2026**	31 December 2025
Gross loans (€ million)	**11,491**	10,955
Allowance for expected loan credit losses (€ million)	**177**	177
Customer deposits (€ million)	**22,798**	22,187
Loans to deposits ratio (net)	**50%**	49%
NPE ratio	**1.0%**	1.2%
NPE coverage ratio	**149%**	139%
Leverage ratio	**10.0%**	10.1%

Capital ratios and risk weighted assets	**30 June 2026 (Regulatory)[1]**	31 December 2025 (Regulatory)[2]
Common Equity Tier 1 (CET1) ratio (transitional)	**20.9%**	21.0%
Total capital ratio (transitional)	**25.8%**	25.9%
Risk weighted assets (RWAs) (€ million)	**10,595**	10,424

1. Includes reviewed profits for the six months ended 30 June 2026 net of an ordinary distribution accrual at 70% payout ratio (refer to section 'Capital Base').
2. Includes profits for the year ended 31 December 2025 net of an ordinary distribution at 70% payout ratio (refer to section 'Capital Base').

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

Group financial results on the underlying basis (continued)

Reconciliation of the Interim Consolidated Income Statement for the six months ended 30 June 2026 between the statutory basis and the 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 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	7	(7)	-
Impairment of other financial and non-financial assets	(13)	13	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	-	-	-
Credit losses on financial assets and impairment net of reversals on 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.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis

Capital Base

Total equity excluding non-controlling interests totalled €2,952 million as at 30 June 2026 compared to €2,930 million as at 31 December 2025. Shareholders' equity totalled to €2,732 million as at 30 June 2026 compared to €2,710 million 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 21.0% as at 31 December 2025. Throughout this Interim Management Report, 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 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 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 25.9% 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 approximately 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 approximately 1.27%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) has also been revised downwards compared to 2025.

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 approximately 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 approximately 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 approximately 1.27%, compared to approximately 0.90% as at 31 December 2025.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

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 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 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.

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 approximately €105 million ('the Interim Dividend'). 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.

The information on the 2025 Distribution, as well as distributions in respect of prior years' earnings is provided in section 'Distributions' further below in this Interim Management Report.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (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 435,686,031 as at 31 December 2025. The increase relates to the issuance of ordinary shares in connection with the Group's Short Term Incentive Plan and Long-Term Incentive Plan. There were 276,274 new ordinary shares in total issued for the six months ended 30 June 2026.

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 million (31 December 2025: €220 million).

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

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

Legislative amendments for the conversion of DTA to DTC

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

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

The Group estimates that such fees could range to approximately €5 million per year (for each tax year in scope i.e. since 2018) although the Group understands that such fee may fluctuate annually as to be determined by the Ministry of Finance. The Group has €136 million (31 December 2025: €136 million) that qualify for this treatment (Note 14 of the Interim Condensed Consolidated Financial Statements).

Regulations and Directives

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.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Regulations and Directives (continued)

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.

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.

Funding and Liquidity

Funding

Deposits

Customer deposits totalled €22,798 million at 30 June 2026, compared to €22,187 million at 31 December 2025. 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, which remained the same compared to 31 December 2025.

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

Subordinated liabilities

At 30 June 2026, the carrying amount of the Group's subordinated liabilities amounted to €301 million compared to €379 million as at 31 December 2025 and relate to unsecured subordinated Tier 2 Capital Notes ('T2 Notes'). Additional information is disclosed in Note 23 of the Interim Condensed Consolidated Financial Statements.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Funding and Liquidity (continued)

Funding (continued)

Debt securities in issue

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

In May 2026, the Bank successfully issued €300 million 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 million Fixed rate Reset Senior Preferred Notes due 2027, early on 24 June 2026.

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.

Additional information is disclosed in Note 23 of the Interim Condensed Consolidated Financial Statements.

Liquidity

At 30 June 2026, the Group Liquidity Coverage Ratio (LCR) stood at 305%, compared to 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 billion, compared to €9.2 billion at 31 December 2025.

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

Loans

Group gross loans totalled €11,491 million at 30 June 2026, compared to €10,955 million at 31 December 2025.

New lending for the six months ended 30 June 2026 totalled €1,641 million, up by 2% on a year-to-year basis, and was mainly driven by international corporate and retail housing demand.

At 30 June 2026, the Group net loans and advances to customers totalled €11,333 million, compared to €10,798 million at 31 December 2025.

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 the six months ended 30 June 2026 amounted to a net reversal of €7 million, reflecting specific reversals in the loan portfolio. Further details regarding loan credit losses are provided in section 'Profit before tax'.

Non-performing exposures

Non-performing exposures (NPEs) as defined by the European Banking Authority (EBA) were reduced to €118 million as at 30 June 2026, compared to €127 million 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.

Group financial results on the underlying basis (continued)

Balance Sheet Analysis (continued)

Fixed income portfolio

Fixed income portfolio amounts to €5,604 million as at 30 June 2026, compared to €5,131 million as at 31 December 2025. As at 30 June 2026, the portfolio represents 19% of total assets and comprises €5,257 million measured at amortised cost, €339 million at fair value through other comprehensive income ('FVOCI') and €8 million 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 approximately €5 million.

Reverse repurchase agreements

Reverse repurchase agreements amount to €1,618 million as at 30 June 2026, compared to €1,619 million as at 31 December 2025. The weighted average fixed rate of reverse repurchase agreements is approximately 2.8% p.a. and the remaining average maturity is estimated at less than 1 year.

Real Estate Management Unit (REMU)

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

REMU completed disposals of €26 million in book value in the six months ended 30 June 2026 resulting in a gain on disposal of approximately €6 million, compared to disposals of €211 million in the six months ended 30 June 2025 at a gain of approximately €8 million. Asset disposals are across all property classes, with more than half of sales in gross sale value in the six months ended 30 June 2026 relating to land.

As at 30 June 2026, repossessed properties held by REMU had a carrying value of €341 million, compared to €377 million as at 31 December 2025.

Group financial results on the underlying basis (continued)

Income Statement Analysis

Total income

Net interest income (NII) for the six months ended 30 June 2026 amounted to €369 million compared to €368 million for the six months ended 30 June 2025, as the impact on lower reference rates when compared to the same period last year, was offset by strong volume growth in loans and deposits, the well managed cost of deposits as well as the hedging activity.

Quarterly average interest earning assets (AIEA) for the six months ended 30 June 2026 amounted to €26,308 million, compared to €24,285 million for the six months ended 30 June 2025. The increase is primarily due to the increase in liquid assets as a result of the increase of deposits by €1.9 billion compared to previous year.

Net interest margin (NIM) for the six months ended 30 June 2026 stood at 2.83%, compared to 3.05% for the six months ended 30 June 2025, due to the lower reference rates as explained above.

Non-interest income for the six months ended 30 June 2026 amounted to €146 million, compared to €141 million for the six months ended 30 June 2025 comprising net fee and commission income of €90 million, net foreign exchange gains and net gains on financial instruments of €14 million, net insurance result of €33 million, net gains from revaluation and disposal of investment properties and on disposal of stock of properties of €5 million and other income of €4 million. The increase is attributed mainly to the higher net insurance result and to a lesser extent to net fees and commission income.

Net fee and commission income for the six months ended 30 June 2026 amounted to €90 million, compared to €88 million for the six months ended 30 June 2025, driven by increased transactional fees and non-transactional fees.

Net foreign exchange gains and net gains on financial instruments amounted to €14 million for the six months ended 30 June 2026, compared to €18 million for the six months ended 30 June 2025, comprising a net foreign exchange gain of approximately €12 million (including approximately €8 million customer-related foreign exchange gains) and a net gain on financial instruments of approximately €2 million. The decrease relates to lower foreign exchange income through lower volumes of FX swaps and lower net gains on financial instruments.

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 insurance result amounted to €33 million for the six months ended 30 June 2026, compared to €24 million for the six months ended 30 June 2025. The 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 gains from revaluation and disposal of investment properties and on disposal of stock of properties amounted to a net profit of €5 million for the six months ended 30 June 2026 (comprising of approximately €6 million gain on disposal of stock of properties and investment properties, and net loss from revaluation of investment properties of approximately €1 million), which remained flat compared to 30 June 2025. REMU profits remain volatile.

Total income amounted to €515 million for the six months ended 30 June 2026, compared to €509 million for the six months ended 30 June 2025, as a result of a flat net interest income and higher non-interest income as explained above.

Group financial results on the underlying basis (continued)

Income Statement Analysis (continued)

Total expenses

Total expenses for the six months ended 30 June 2026 were €209 million, compared to €197 million for the six months ended 30 June 2025, €110 million of which related to staff costs, €76 million to other operating expenses and €23 million to special levy on deposits and other levies/contributions. The increase relates mainly to the increase in special levy on deposits and other levies/contributions and higher staff costs.

Total operating expenses amounted to €186 million for the six months ended 30 June 2026, compared to €181 million for the six months ended 30 June 2025.

Staff costs for the six months ended 30 June 2026 amounted to €110 million and include approximately €3 million performance-related pay accrual and approximately €10 million termination costs (compared to €105 million for the six months ended 30 June 2025 which included €6 million performance-related pay accrual and €4 million termination cost). Excluding these accruals, staff costs increases reflect salary increments and cost of living adjustments (COLA), which typically take place in the first quarter of the year, partially offset by lower costs following a Voluntary Exit Plan ('VEP') that was completed at the end of 2025. During the six months ended 30 June 2026 a small-scale targeted VEP was completed, by which 51 employees were approved to leave the Group at a total cost of €10 million.

The performance-related pay accrual relates to the Short-Term Incentive Plan ('STIP') and the Long-Term Incentive Plan ('LTIP') and additional amounts to be granted to employees in 2026 following the renewal of the collective agreement at the end of 2025. 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 each 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 for 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.

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

Other operating expenses for the six months ended 30 June 2026 amounted to €76 million, which remained flat compared to the six months ended 30 June 2025.

Special levy on deposits and other levies/contributions for the six months ended 30 June 2026 amounted to €23 million, compared to €16 million for the six months ended 30 June 2025. The increase relates mainly to the contribution of the Bank to the DGF of approximately €6 million which relates to the six months ended 30 June 2026, 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 billion compared to previous year.

The cost to income ratio excluding special levy on deposits and other levies/contributions for the six months ended 30 June 2026 was 36%, which remained flat compared to 30 June 2025, reflecting continued cost discipline, benefitting from higher total revenues.

Group financial results on the underlying basis (continued)

Income Statement Analysis (continued)

Profit before tax

Operating profit for the six months ended 30 June 2026 amounted to €306 million, compared to €312 million for the six months ended 30 June 2025, reflecting mainly higher total expenses as explained above.

Loan credit losses net of reversals for the six months ended 30 June 2026 amounted to a net reversal of €7 million, compared to a charge of €19 million for the six months ended 30 June 2025. The reduction reflects primarily customer-specific reversals.

At 30 June 2026, the allowance for expected loan credit losses, including credit losses for off-balance sheet exposures totalled €177 million, which remained flat compared to 31 December 2025, and accounted for 1.5% of gross loans, compared to 1.6% at 31 December 2025.

Impairments of other financial and non-financial assets for the six months ended 30 June 2026 amounted to €13 million, compared to €14 million for the six months ended 30 June 2025.

Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for the six months ended 30 June 2026 was nil, compared to a charge of €1 million for the six months ended 30 June 2025.

Profit before tax for the six months ended 30 June 2026 totalled to €300 million, compared to €278 million for the six months ended 30 June 2025.

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

The tax charge for the six months ended 30 June 2026 amounted to €47 million, compared to €42 million for the six months ended 30 June 2025. The increase is mainly due to the increase in the corporation tax rate to 15% from 12.5% and the abolition of premium tax on life insurance policies resulting in a higher income tax charge for the life insurance subsidiary, both effective from 1 January 2026. The tax charge for the six months ended 30 June 2026 was also impacted by the release of a previously recognised deferred tax liability and the recognition of a current tax provision undertaken with a net impact of approximately €4 million credit on the tax expense.

Profit after tax attributable to the owners of the Company for the six months ended 30 June 2026 amounts to €252 million corresponding to a ROTE of 18.8%, compared to €235 million and a ROTE of 18.4% for the six months ended 30 June 2025. ROTE on 15% CET1 ratio for the six months ended 30 June 2026 amounts to 27.3%, compared to 26.0% for the six months ended 30 June 2025, 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) totaled €239 million for the six months ended 30 June 2026, compared to €222 million for the six months ended 30 June 2025.

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 approximately 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 approximately 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 the first quarter of 2026, 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 the six months ended 30 June 2026, 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 billion. 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 billion 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.

Operating Environment (continued)

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.

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.

Operating Environment (continued)

Sovereign ratings (continued)

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.

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 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 compared to previous year, 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 billion, representing 26% of total assets. In addition, 43% of the Group's loan portfolio is Euribor based. In the six months ended 30 June 2026 net interest income remained flat compared to previous year at €369 million, reflecting strong volume growth on loans and liquidity, offsetting the impact on lower interest rates (ECB Deposit rate at 2.0% for the six months ended 30 June 2026, compared to 2.5% for the six months ended 30 June 2025).

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 billion, totaling €12.5 billion 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 deposits 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 billion 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 million (approximately 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 the six months ended 30 June 2026 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 billion, driven by housing and international corporate demand. As a result, since December 2025, gross performing loans have risen by 5% to €11.4 billion, reflecting growth across the entire portfolio of business lines, supported both by domestic demand as well as growth in the international loan book.

Business Overview (continued)

Financial performance (continued)

Growing revenues in a more capital efficient way (continued)

Fixed income portfolio continued to grow in 2026 to €5.6 billion 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 approximately €5 million equivalent to approximately 5 bps of CET1 ratio.

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.

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 million, compared to €141 million for the six months ended 30 June 2025.

During the six months ended 30 June 2026, net fee and commission income amounted to €90 million, compared to €88 million for the six months ended 30 June 2025, 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 million for the six months ended 30 June 2026, compared to €14 million for the six months ended 30 June 2025, 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 and continue to be 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 million, compared to €24 million for the six months ended 30 June 2025, 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, approximately 1,930 companies are registered in the platform and approximately €1.7 billion cash were exchanged via the platform in the six months ended 30 June 2026 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% on a year-to-year basis, while product offering increased by 104% on a year-to-year basis. 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.

Business Overview (continued)

Financial performance (continued)

Lean operating model

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

In the six months ended 30 June 2026, the Group completed a small-scale, targeted VEP through which 51 full-time employees were approved to leave at a total cost of €10 million.

The Group's total operating expenses for the six months ended 30 June 2026 amounted to €186 million, compared to €181 million for the six months ended 30 June 2025, mainly arising from the accrual on performance-related pay accrual and termination cost. Excluding these accruals, staff costs were up 2% on a year-to-year basis reflecting the salary increments and the cost of living adjustments which take place in the first month of the year, whilst other operating expenses remained flat on a year-to-year basis. 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.

Digital transformation

The Group's digital channels continue to grow. As at 30 June 2026, the Group's digital community has increased to 517 thousand active subscribers, across Internet Banking and the BoC Mobile App. Likewise, the BoC Mobile App, had 488 thousand active subscribers as at 30 June 2026.

During the six months ended 30 June 2026, the Group continued to enrich and improve its digital portfolio with new innovative services to its customers. The new Car Dealers Portal was launched, enabling customers to receive car offers from multiple dealers and seamlessly link their chosen offer to a QuickCar Loan through the BoC Mobile app, streamlining the car buying and financing process. Additionally, the introduction of three new Joey features with the aim to enhance customer acquisition, activation and engagement, such as the ability for Joey registrations from six years old and without device, and the Co-guardian feature. Further, 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.

Additionally, 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 million.

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 the six months ended 30 June 2026 the total GWP from all Digital Channels including Genikes website was €1.3 million, compared to €1.0 million in the six months ended 30 June 2025.

Business Overview (continued)

Financial performance (continued)

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.

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.

Business Overview (continued)

Financial performance (continued)

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

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 approximately 27% reduction in Scope 1 and Scope 2 GHG emissions (excluding Scope 1 – Fugitive emissions) by 2025 compared to the baseline of 2021. In the six months ended 30 June 2026 the Bank achieved 5% reduction of Scope 1 and Scope 2 (excluding Scope 1 – Fugitive emissions) GHG emissions compared to the six months ended 30 June 2025.

The Group plans to invest further to energy efficient installations and actions in 2026, including the replacement of fuel intensive machines and vehicles. The Bank achieved a reduction of approximately 6% in Scope 2 GHG emissions in the six months ended 30 June 2026 compared to the six months ended 30 June 2025 from 3,693 tCO2e to 3,483 tCO2e. 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 the six months ended 30 June 2026 compared to the six months ended 30 June 2025. 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 kgCO2e/m2 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 kgCO2e/m2 achieving a approximately 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.

Business Overview (continued)

Financial performance (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 2025. In addition, during the first quarter of 2026 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 million gross loans financing the acquisition or construction of residential property with EPC category A (Green Housing Loans) compared to €452 million gross loans as at 31 December 2025. The gross amount of environmentally friendly loans (including the Green Housing Loans) was approximately €683 million, as at 30 June 2026 compared to €572 million 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 approximately €72 million 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 the year ended 31 December 2025 and disclosures are included in the Sustainability Statement within the Annual Financial Report 2025 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 the six months ended 30 June 2026.

The IDEA Innovation Centre, invested approximately €4.5 million 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 the six months ended 30 June 2026 by offering webinars, team building activities and family events with sole purpose to enhance mental, physical, financial and social health, attended by approximately 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.

Business Overview (continued)

Financial performance (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.

During 2025, 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 the six months ended 30 June 2026, 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.

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 the six months ended 30 June 2026 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 approximately €750 million 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, the 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 the six months ended 30 June 2026, cost of risk was a net release of 12 bps, reflecting customer-specific reversals. Overall, it is expected that for the second half of 2026 cost of risk will be 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.

Going concern

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

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

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, capital requirements and capital resources, liquidity and funding position, taking also into consideration the Group's Financial Plan 2026-2028 approved by the Board at the beginning of March 2026 (the 'Plan') and any reforecast exercises performed thereon, and the operating environment, as well as the recent geopolitical events as described in Note 5 of the Interim Condensed Consolidated Financial Statements. The Group has sensitised its projection to cater for a downside scenario and has used reasonable economic inputs to develop its medium-term strategy.

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

Funding and liquidity
The Directors and Management have considered the Group's funding and liquidity position and are satisfied that the Group has sufficient funding and liquidity throughout the period of assessment. The Group continues to hold a significant liquidity buffer at 30 June 2026 that can be easily and readily monetised in a period of stress.

Principal risks and uncertainties - Risk management and mitigation

As part of its business activities, the Group faces a variety of risks. The Group identifies, monitors, manages and mitigates these risks through various control mechanisms. Credit risk, liquidity and funding risk, market risk (arising from adverse movements in interest rates, foreign currency exchange rates, and in equities, debt securities, and property prices), and operational risk, are some of the principal risks the Group faces. In addition, the Group's principal risks and uncertainties that may also impact its strategy or operations include business model and strategic risk, geopolitical risk, legal risk, digital transformation and technology risks, information security and cyber risk, regulatory compliance risk, insurance and reinsurance risk, climate related and environmental risks, data accuracy and integrity risk, and model risk.

Information relating to the principal risks the Group faces, and risk management is set out in the 'Risk and Capital Management Report' and supplemented with information disclosed in Notes 27 and 30 to 32 of the 'Interim Condensed Consolidated Financial Statements' both of which form part of the Interim Report for the six months ended 30 June 2026.

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

Events after the reporting period

Interim dividend in respect of 2026 earnings
On 3 August 2026, the Board of Directors of the Company approved the payment of an interim dividend by the Company of €0.24 per ordinary share in respect of the Group's financial performance for the six months ended 30 June 2026. The interim dividend, to be paid, amounts to an aggregate cash dividend of approximately €105 million (calculated by reference to the number of shares in issue as at 30 June 2026).

No other significant non-adjusting events have taken place since 30 June 2026.

Distributions

Information on interim dividend in respect of the Group's financial performance for the six months ended 30 June 2026 approved by the Board of Directors on 3 August 2026 is disclosed in the preceding section 'Events after the reporting period'.

Distribution in respect of 2025 earnings

Final cash dividend in respect of 2025 earnings
In February 2026, the Board of Directors declared a final cash dividend of €0.50 per ordinary share in respect of 2025 earnings. The AGM on 15 May 2026, approved a final cash dividend in respect of 2025 earnings. The aggregated cash dividend in respect of the 2025 final dividend amounted to €218 million based on the number of shares in issue as at the relevant record date and was paid in June 2026.

Interim cash dividend in respect of 2025 earnings
In August 2025, the Board of Directors of the Company approved the payment of an interim dividend by the Company of €0.20 per ordinary share in respect of the Group's financial performance for the six months ended 30 June 2025. The interim dividend amounted to an aggregate cash dividend of €87 million based on the number of shares in issue as at the relevant record date and was paid in October 2025.

Distribution in respect of 2024 earnings
In February 2025, the Board of Directors resolved to propose to make a distribution in respect of 2024 earnings, comprising a cash dividend of €0.48 per ordinary share and a share buyback in an aggregate consideration amount of up to €30 million (together, the '2024 Distribution'). The AGM, on 16 May 2025, approved a final cash dividend in respect of earnings for the year ended 31 December 2024. The aggregated cash dividend in respect of the 2024 dividend distribution amounted to €209 million based on the number of shares in issue as at the relevant record date and was paid in June 2025.

Dividends and share buybacks are funded out of distributable reserves.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Interim Report in accordance with International Accounting Standard (IAS) 34 on 'Interim Financial Reporting' as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019.

Each of the Directors, whose names and functions are listed on page 1, confirms that to the best of each person's knowledge and belief:

- the Interim Condensed Consolidated Financial Statements, prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group at 30 June 2026, and its profit for the period then ended; and
- the Interim Report includes a fair review of:
  a. important events that have occurred during the first six months of the year, and their impact on the Interim Condensed Consolidated Financial Statements;
  b. a description of the principal risks and uncertainties for the next six months of the financial year;
  c. details of any related party transactions that have materially affected the Group's financial position or performance in the six months ended 30 June 2026; and
  d. any changes in the related parties' transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Efstratios-Georgios Arapoglou
Chairman

Panicos Nicolaou
Chief Executive Officer

03 August 2026

Risk and Capital Management Report 30 June 2026

The Group's approach to risk management

The management of risk is a critical underpinning to the execution of the Group's strategy. We aim to use a comprehensive risk management approach across the Group, to be able to respond to the everchanging environment in an appropriate manner. Effective risk management is critical to the success of the Group, and as such the Group maintains a risk management framework designed to ensure the safety and soundness of the institution, protect the interests of depositors and shareholders and comply with regulatory requirements. Clearly defined lines of authority and accountability are in place as well as the necessary infrastructure and analytics to allow the Group to identify, assess, monitor and control risk.

1. Risk Management Framework (RMF)

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

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

1.1 Risk Governance

The responsibility for the governance of risk at the Group lies with the Board which is ultimately accountable for the effective management of risks and for the system of internal controls in the Group. The Board is assisted in its risk governance responsibilities by the Board Risk and Board Audit Committees (RC and AC respectively) and at executive management level by the Executive Committee (EXCO), Asset and Liability Committee (ALCO), Acquisition & Disposal Committee (ADC), Executive Technology Committee, Sustainability Committee (SC), Data Quality & Governance Committee (DQGC)and the Credit Committee 3 (CC3).

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

The Executive Committee is the most senior management leadership team and has primary authority and responsibility for the day-to-day operations of and the development of strategy for the Group.

Asset and Liability Committee is the Group's executive committee tasked with decision-making in respect of the Group's balance sheet structure, including funding, liquidity, interest rate risk in the banking book from an economic value and net interest margin (NIM) perspective, foreign exchange (FX) hedging risks and other market risks to ensure it enables the delivery of the Group's Strategic Plan. It provides oversight of funding and liquidity, market and equity/investments risk as well as balance sheet pricing in line with the relevant risk frameworks and policies in accordance with risk appetite.

1. Risk Management Framework (RMF) (continued)

1.1 Risk Governance (continued)

The Acquisition & Disposal Committee responsibility is to assess and approve acquisitions or disposals of the Bank's non-treasury related assets, always in line with the relevant policies and procedures and aligned with the Bank's Risk Appetite Statement (RAS) and strategy.

The Executive Technology Committee is responsible, amongst others, for overseeing technology related risks. This includes ensuring that appropriate justification is in place for the outsourcing of critical systems to third party providers, monitoring, measuring and addressing IT related risks, reviewing and addressing issues and risks escalated through the established governance framework, and addressing any relevant Information Security matters. The CRO is a member of the Executive Technology Committee. The committee escalates IT related matters to the EXCO and the Executive Director of Technology & Operations and the Chief Digital Officer escalate and report monthly on all IT related matters to the Board Technology Committee.

The purpose of the DQGC is to communicate data related updates and escalate issues for discussion and resolution at senior management level. The DQGC escalates and reports on all data related matters to the EXCO and the RC. The Chair of the DQGC provides quarterly updates to the Board.

The Credit Committee 3 (CC3) is the highest executive credit approving authority of the Bank and it is responsible for the assessment and approval of facilities with specific characteristics that fall outside the authorities of the Credit Sanctioning Department. The characteristics of a credit application that define the approving authority relate to the amount of the credit application, the customer's group exposure, the type of the application, etc. For cases above its approving authority, the CC3 can recommend a case for approval by the Board of Directors through the Risk Committee. CC3 comprises of Executive Directors, Directors and senior credit managers.

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

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

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

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

1. Risk Management Framework (RMF) (continued)

1.2 Organisational Model

The RMD is responsible for the Group's risk management framework. The RMD is responsible for the risk identification and risk management of the Group on a day-to-day basis, establishing risk policies as well as monitoring risk profiles. The risk management process is integrated into the Group's internal control system. The Group's independent Risk function designs and maintains the framework. The RMD is led by the Chief Risk Officer who provides oversight and monitoring of all risk management activities. The RMD is organized into several departments, each of which is specialized in one or several categories of risks. The organization of RMD reflects the types of risks inherent in the Group.

* The Manager CRM & RA and the Chief Data Officer also report directly to the Data Quality & Governance Committee.
** The Head Quantitative Strategy & Model Validation within the Strategy & Market Risk Department also reports directly to the Chief Risk Officer.

The RMD organisational model is structured so as to:

- Define risk appetite and report regularly on the status of the risk profile;
- Ensure that all material and emerging risks have proper ownership, management, monitoring and clear reporting;
- Promote proper empowerment in key risk areas that will assist in the creation of a robust risk culture;
- Provide tools and methodologies for risk management to the business units;
- Monitor Key Risk Indicators (KRIs).

1. Risk Management Framework (RMF) (continued)

1.2 Organisational Model (continued)

The RMD operates independently through:

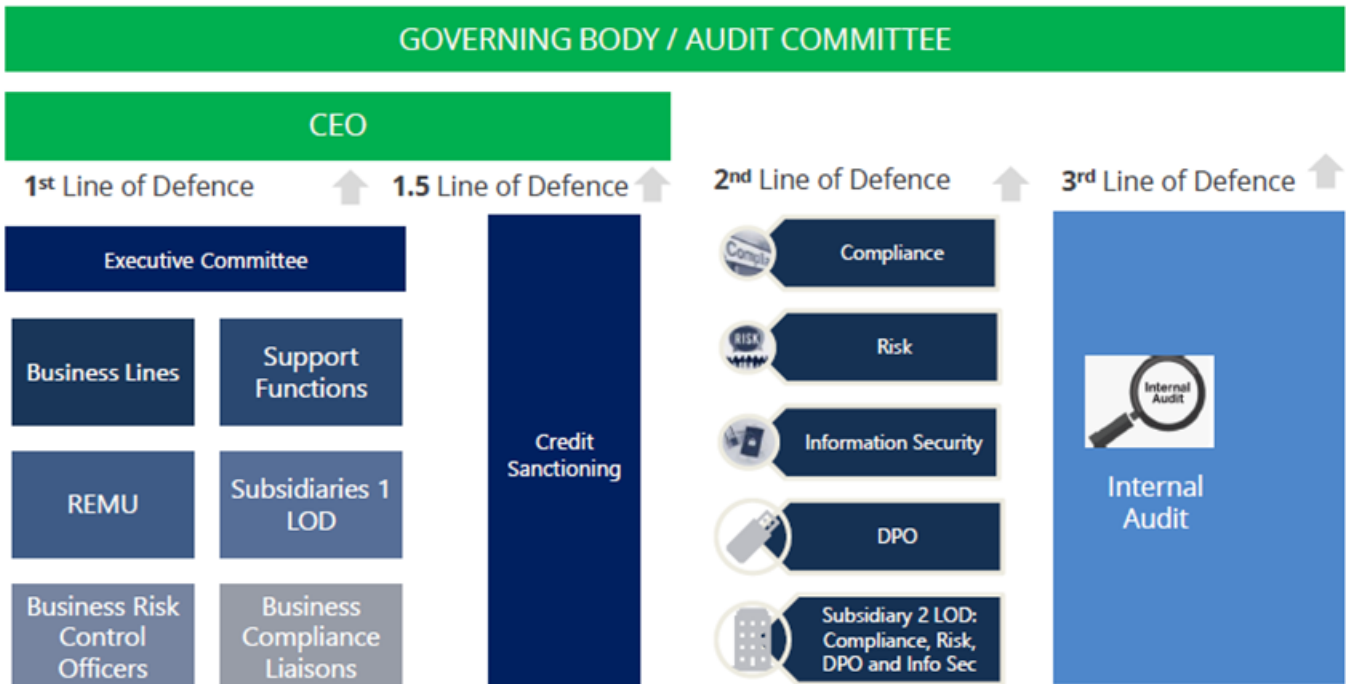
- Organisational independence from the controlled activities;
- Unrestricted and direct access to executive management and the Board, either through the RC or directly;
- Direct and unconditional access to all business lines that have the potential to generate material risk to the Group. Front line managers are required to cooperate with the RMD managers and provide access to all records and files of the Group, as well as any other information necessary;
- A separate and independent budgeting process whereby the RMD's budget is submitted to the BoD for approval following RC recommendation;

Furthermore, this independence is also ensured as:

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

1.3 Three Lines of Defence

In alignment with the regulatory guidelines on corporate governance, the Group applies the "Three Lines of Defence" model to ensure robust risk and compliance management. This framework clearly defines the roles and responsibilities across the Group, promoting effective oversight, control and assurance, through appropriate segregation of duties in the risk management process.



1. Risk Management Framework (RMF) (continued)

1.3 Three Lines of Defence (continued)

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

1.5 Line of Defence (Credit Sanctioning Department)
The Credit Sanctioning department (CS) is responsible for evaluating credit applications that fall outside the approval limits of the Business Lines and require approval by Higher Approving Authorities. CS has specific credit-approval limits, which are applied when assessing and approving credit requests. Credit Sanctioning is organised into specialised teams: CS Retail, CS SME, CS Corporate and the CS Credit Committee 3 team which reviews and recommends cases specifically for approval at CC3 level. Their responsibilities include identifying risks and potential breaches of Credit Risk Policies and preparing recommendations that may include terms and conditions to mitigate these risks.

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

Third Line of Defence
The third line of defence is the Internal Audit Division (IA) which provides independent assurance to the Board and the EXCO on the design adequacy and operating effectiveness of the Group's internal control framework, corporate governance and risk management processes, including the manner in which the first and second lines of defence achieve risk management and control objectives.

1.4 Risk Appetite Framework (RAF)

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

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

The RAF is updated on an annual basis and on an ad-hoc basis in cases where the prevailing economic conditions, significant internal developments, or regulatory guidance, demand so to ensure it remains fit for purpose. The ultimate approval of the RAF lies with the Board, following recommendation from the RC.

1. Risk Management Framework (RMF) (continued)

1.4 Risk Appetite Framework (RAF) (continued)

Risk Appetite Statement (RAS)

The RAS is the articulation, in written form, of the aggregate level and types of risk that the Group is willing to accept in the course of executing its business objectives and strategy. It includes qualitative statements as well as quantitative measures expressed relative to Financial, Non-Financial and Strategic risks. The selected quantitative indicators appropriately track the underlying risks whilst effectively conveying the necessary information. The qualitative statements articulate the reasoning behind assuming or avoiding certain types of risk and cover areas that are not fully quantifiable. As part of the overall framework for risk governance, it forms a boundary condition to strategy and guides the Group in its risk-taking and related business activities.

Specific RAS Indicators serve as the reference points for cascading specific operational limits to the respective Business Lines/Units ensuring consistency with the overall risk appetite of the Group as formalized and quantified in the RAS Indicators.

Risk appetite and Financial Plan interaction

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

RAF and Strategic Decision Making

Strategic papers presented to the Board for approval should be accompanied by a relevant risk assessment conducted by the RMD, to inform of any risk considerations and support the Board of Directors in its decision, ensuring that RAF provisions are adhered to in the decision-making process, supporting a robust risk culture. Depending on the nature of the initiative, the risk assessment aims to identify and, where possible, quantify the impact of relevant risks, on risk profile, capital, liquidity, and examine whether it aligns with the risk appetite.

1.5 Risk Taxonomy

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

The risk taxonomy provides a multi-level categorisation of different risk types/factors enabling the Group to assess, aggregate and manage risks in a consistent and comparable manner through a common risk language and mapping. It also ensures coverage of the Group's risk profile and facilitates the identification of interdependencies and linkages between different risk categories.

It is structured across several hierarchical levels, increasing in granularity, to enhance clarity of risk classification.

1. Risk Management Framework (RMF) (continued)

1.6 Risk Identification

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

To ensure a complete and comprehensive identification of risks, the Group incorporates insights and outcomes arising from several key processes into its risk identification process, including the:

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

1.7 Risk monitoring and reporting

Risk reporting ensures that both the Executive Management and the Board can monitor the main risks of the Group and the maintenance of the Group's risk profile within tolerances for exposure to risk. Risk reporting processes are in place and encompass reporting that facilitates:

- Measurement of the Group's compliance with the Risk Appetite Statement, highlighting any breach of indicators as well as the remediation actions.
- Provision of structured and consistent updates on material and emerging risks, key risk issues and performance against set KRIs ensuring that the Executive Management and the Board have full visibility over risk developments.
- Monitoring and enhancement of data quality, including accuracy, completeness and consistency of risk information used for risk assessments and internal reporting purposes.

Stress testing

Stress testing is a key risk management tool used by the Group to provide insights to the behaviour of different elements of the Group in a crisis scenario and to assess the Group's resilience and capital and liquidity adequacy. To make this assessment, a range of scenarios is used, based on variations of market, economic and other operating environment conditions. Stress tests are performed for both internal and regulatory purposes and serve an important role in:

- Understanding the risk profile of the Group;
- Evaluating whether there is sufficient capital or adequate liquidity under stressed conditions (ICAAP and ILAAP) so as to put in place appropriate mitigants;
- Evaluating of the Group's strategy;
- Establishing or revising limits;
- Assisting the Group to understand the events that might push the Group outside its risk appetite.

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

1. Risk Management Framework (RMF) (continued)

1.7 Risk monitoring and reporting (continued)

Through stress tests, material risks, emerging trends and Risk Appetite indicators are translated into quantitative and qualitative analyses, enabling Management and the Board to assess resilience under stress scenarios. The results of these exercises are formally reported and incorporated into strategic planning. If the stress testing scenarios reveal vulnerability to a given set of risks, management makes recommendations to the Board, through the RC, for remedial measures or actions.

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

- Stress testing undertaken in the context of the Internal Capital Adequacy Assessment Process (ICAAP);
- Stress testing undertaken in the context of the Internal Liquidity Adequacy Assessment Process (ILAAP);
- Annual recovery plan stress tests which use scenarios to assess the adequacy of recovery indicators of both capital and liquidity in identifying the recovery plan options used to exit that stress;
- Ad hoc stress testing as and if required, including in response to regulatory requests;
- Stress testing undertaken for the insurance subsidiaries in the context of the Own Risk and Solvency Assessment (ORSA);
- Stress testing undertaken for the investment firm subsidiary in the context of the Internal Capital Adequacy and Risk Assessment (ICARA).

Other stress testing activity
The Group's stress testing programme also involves undertaking assessments of market risk sensitivities and scenarios, and business-specific scenarios. Specifically, the Market and Liquidity Risk Department performs additional stress tests, which include the following:

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

ICAAP

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

The annual ICAAP is approved by the Board following recommendation from the joint EXCO/ALCO and the RC. The Group undertakes quarterly reviews of its ICAAP results, as well as on an ad-hoc basis if needed, which are submitted to the ALCO and the RC, where actual and forecasted information is considered. During the quarterly reviews, the Group's risk profile is reviewed and any material changes/developments since the annual ICAAP exercise are assessed in terms of capital adequacy.

The 2025 annual ICAAP package was submitted to the ECB in mid-March 2026, indicating that the Group has sufficient capital and available mitigants to support its risk profile and its business and to enable it to meet its regulatory requirements, both under baseline and stressed conditions.

1. Risk Management Framework (RMF) (continued)

1.7 Risk monitoring and reporting (continued)

ILAAP

The ILAAP is a process whose main objective is to assess whether the volume and capacity of liquidity resources available to the Group are adequate to support its business model, to achieve its strategic objectives under both the base and severe stress scenarios, and to meet regulatory requirements, including the LCR and the NSFR. Multiple scenarios are considered which include both firm specific, systemic risk events and a combination of both to ensure the continued stability of the Group's liquidity position within the Group's pre-defined liquidity risk tolerance levels.

The annual ILAAP is approved by the Board following recommendation from the joint EXCO/ALCO and the RC. The Group undertakes quarterly reviews of its ILAAP results through quarterly liquidity stress tests, which are submitted to the ALCO and the RC, where actual and forecasted information is considered. Any material changes/developments since the annual ILAAP exercise are assessed in terms of liquidity and funding.

The 2025 annual ILAAP package was submitted to the ECB in mid-March 2026, indicating that the Group maintains liquidity resources which are adequate to ensure its ability to meet obligations as they fall due under ordinary and stressed conditions.

2. Recovery and resolution planning

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

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

3. Risk Culture

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

An action plan towards the implementation of a firm-wide risk culture is in place across the Group involving various stakeholders including all the control functions, human resources, legal services, Company's secretary office and other. Communications and awareness sessions, together with dedicated training, are regularly conducted to promote Risk Culture to all staff, with guidance from the Risk Culture Liaisons, who are assigned for each division, for monitoring and improving risk culture scores within their area. In addition, the Role of the "Business Risk and Control Officers", dedicated Control Functions liaisons for non-financial risks, within the Front-Lines of the Bank (Consumer, Corporate, and IBUs), contributes on the effort for promoting Risk Culture across the organisation. Risk Culture has also recently been included as an additional pillar within staff performance appraisals.

3. Risk Culture (continued)

As part of the action plan set and the overall Group's initiatives, the Board has set the "tone from the top" through the 'RiskWiser' campaign. This initiative comprises a series of communications, including videos and podcasts, addressed to all staff by members of the Board of Directors and Executive Management, with the objective of strengthening risk awareness and embedding a robust risk culture across the Group.

The action plan is under the auspices of the Chief Risk Officer and the Executive Director People and Change and the Board retains close oversight through Mr Adrian John Lewis, Senior Independent Director. The RMD has a leading role in the action plan which includes, among other actions, the measurement of risk culture, both at Bank wide and divisional level, through a specific Risk Culture Dashboard, the communication of a series of topics aiming at re-enforcing risk culture and the provision of specific training for areas such as credit underwriting and other risk management related topics.

4. Principal and Emerging Risks

As part of its business activities, the Group faces a variety of risks. The Group has identified a broad range of risks to which its businesses are exposed. Material risks are those to which senior management pays particular attention and which could cause the delivery of the Group's strategy, results of operations, financial condition and/or prospects, to differ materially from expectations. Principal risks are described below along with how they are identified, assessed, managed and monitored by the Group, including the available mitigants.

The risks described include emerging risks, which are defined as new risks or existing risks that may escalate or evolve in a different way, with the potential to threaten the execution of the Group's strategy or operations over the medium term. Emerging risks are those which have unknown components, the impact of which could crystallise over a longer time period. The Group adopts a forward-looking approach to identify such risks and implement appropriate mitigation actions. The Group maintains a defined emerging risks identification framework with the aim of integrating newly identified risks into business-as-usual monitoring and control processes. Such risks include Technology risk (section 4.8), Digital Transformation risk (section 4.9), and Regulatory Compliance risk (section 4.11). Reporting of emerging risks to the RC and the EXCO is performed on a bi-annual basis to ensure all significant risks are escalated effectively for discussion and action.

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

4.1 Credit Risk

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

- Counterparty credit risk (CCR): the risk of losses arising when counterparties fail to meet their contractual obligations in full and on time.
- Concentration risk: the risk that arises from the uneven distribution of exposures to individual borrowers, industries, collaterals, products, currencies, or economic sectors.
- Settlement risk: the risk that a counterparty fails to deliver the terms of a contract with the Group.
- Issuer risk: the risk of losses due to a credit deterioration of issuers of instruments in which the Group has invested.
- Country risk: the risk arising from lending, investments or the presence of the Group in a specific country.

Below a summary of each sub-category of credit risk.

4. Principal and Emerging Risks (continued)

4.1 Credit Risk (continued)

Country Risk

Country Risk arises from lending, investments or the presence of the Group in a specific country. Country Risk refers to the possibility that sovereign or other borrowers of a particular country may be unable or unwilling to fulfil their foreign obligations for reasons beyond the usual risks which arise in relation to all lenders. Country risk affects the Group via its operations or investments in other countries (Money Market (MM) placements, bonds, shares, loans & advances etc.). In addition, the Group is affected by credit facilities provided to customers for their international operations or due to collateral in other countries. In this respect, country risk is considered in the risk assessment of all exposures, both on-balance sheet and off-balance sheet.

The Group imposes country risk limits to mitigate significant concentration risk. All limits are reviewed and approved at least annually. All policy documents relating to country and counterparty risk are approved by the Board at least annually. MLR monitors the Treasury country limits on a daily basis and the Non-Treasury country limits on a quarterly basis. ALCO reviews the Country Risk exposures as compared to limits on a quarterly basis and the Board, through its Risk Committee, at least annually. Country risk is monitored at the level of the transaction types listed below and on an aggregate basis.

- Treasury transactions: relate to investments in bonds, MM placements, nostros, pledged amounts, derivatives, Repos, Reverse Repos and commercial transactions with banks;
- Lending: relates to loans given by the Bank or through funding the operations of a branch/subsidiary. For loans where the borrower and guarantor reside in different countries, exposure counts against both countries;
- Commercial transactions with non-banks: relate to letters of credit, letters of guarantee or other similar products;
- Committed lines of credit;
- Properties owned by the Group;
- Investments in branches/subsidiaries abroad: relate to the amounts invested, excluding goodwill, since this is deducted from the capital base.

CCR, Settlement and Issuer Risk

Counterparty Credit Risk (CCR) arises when counterparties fail to meet their contractual obligations, settlement risk arises when counterparties fail to deliver their contractual terms, and issuer risk arises when there is a deterioration of the credit standing of issuers of instruments.

The ALCO sets guidelines and risk tolerance levels and approves the models, the limits and approval levels through the 'Counterparty & Country Credit Models and Limits' and recommends the 'Counterparty and Country Limit Framework' to the Board for approval through the RC.

The internal counterparty credit models set the reference limits for Counterparties and issuers based on their credit rating, the Bank's CET1 capital base and an internal scoring system which considers qualitative and quantitative factors such as:

- Asset risk
- Capital adequacy
- Profitability
- Liquidity
- Market share
- Ownership strength
- Rating outlook
- Country rating

4. Principal and Emerging Risks (continued)

4.1 Credit Risk (continued)

CCR, Settlement and Issuer Risk (continued)

The following types of limits are monitored:

a. Credit limits (for counterparties and issuers): for MM placements, FX (FX swaps, FX forwards) and other derivatives, bonds, commercial transactions, Nostros, pledged amounts for collateral, Repos, Reverse Repos and Factors.
b. Settlement limits: for maturing FX spot, FX forward and FX swap deals, MM placements, Nostro, pledged amounts for collateral and banknotes.

Limits for derivative transactions are assigned to counterparties with a Credit Support Annex (CSA) agreement in place and enforceability of netting. Allocated derivative limits with counterparties that have not signed a CSA or netting is not considered to be enforceable, can be set following ALCO approval. European Markets Infrastructure Regulation (EMIR) requires standard derivative contracts to be cleared through authorized or recognised by ESMA (European Securities and Markets Authority) qualified central clearing counterparties (QCCPs). The Bank has an appointed clearing agent for interest rate swaps that is a direct member of the London Clearing House (LCH) and EUREX.

The derivative sub-limit for the Mark-to-Market of a contract counts within the overall credit limit of the counterparty and can be equal to the total credit limit. There is also a concentration limit for the maximum notional amount of contracts with each counterparty, as per the approved Concentration Risk Policy.

Concentration Risk

Concentration risk refers to the risk of loss arising from the uneven distribution of exposures across counterparties, individual borrowers, industries, collaterals, products, currencies, or economic sectors.

The Concentration Risk Policy is approved by the Board of Directors, following review and endorsement by the Risk Committee and the Executive Committee.

Concentration limits include, inter alia, industry sector concentration, name concentration, Leveraged Transactions, CRAM limits. All limits are reviewed and approved at least annually. These limits are monitored monthly, with more frequent monitoring when required by the type of the limit. Semi-annual/annual quality assurance reviews are also performed on dedicated portfolios such as leveraged customers, syndicated loans, lending for land development, CRAM/NAL loans and shipping related lending.

Credit Risk from loans and advances to customers and Treasury-related transactions

Credit risk arises from loans and advances to customers, including off-balance sheet guarantees and commitments, and from our treasury related activities. Key management and mitigation activities for these distinct categories of products/services are described further below in this section.

Loans and advances to customers

Credit Risk from loans and advances is the risk of loss arising from an obligor's failure to meet the contractual obligations under credit facilities granted by the Group.

4. Principal and Emerging Risks (continued)

4.1 Credit Risk (continued)

Credit Risk Management

In order to manage these risks, the Group has a Credit Risk Management function within RMD. Its primary responsibilities include the following:

- **Policy and Limit Framework:** Developing policies, guidelines and approval limits necessary to manage and control or mitigate the credit and concentration risk in the Group. These documents are reviewed and updated at least annually, or more frequently if deemed necessary, to reflect any changes in the Group's risk appetite and strategy and consider the market environment or any other major changes from external or internal factors that come into effect;
- **Independent Credit Risk Evaluation:** Evaluating credit applications from an independent credit risk perspective before submission for approval to the Credit Committee 3, the RC, or the Board. This ensures compliance with the Group's risk appetite, policies, and guidelines, supporting the role of the observer who holds veto rights;
- **Observer role:** Acting as an observer in the Credit Committee 3 and in specific cases that fall under the approving authority of the Credit Sanctioning Department as delegated by the CRO;
- **Portfolio Monitoring:** Setting Key Risk Indicators (KRIs) for monitoring the loan portfolio quality and adopting a proactive monitoring approach for such risks and preparing all credit risk related regulatory reporting;
- **Measurement of Expected Credit Risk Losses:** Measuring the expected credit losses in an appropriate way in order to have a fair representation of the loan book in the financial statements of the Group.

Risk Appetite and Credit Approval Limits

The Group sets and monitors risk appetite limits relating to credit risk. Furthermore, a limits framework is in place to support the credit granting process and the general rules are documented in the Group's Lending Policy. Relevant circulars and guidelines outline the parameters for the approval of credit applications and related credit limits.

The Group has established credit approving authorities, which are authorised to approve the granting, review and restructuring of credit facilities, including the Credit Sanctioning Department and Credit Committee 3. Credit Committee 3 is comprised of members from various Group divisions outside RMD, ensuring independence of opinion. Applications falling outside the approval limits of Credit Committee 3 are ultimately approved by the Board following recommendation by the RC.

Risk Identification Methodologies

The Group has adopted methodologies and techniques for credit risk identification. These methodologies are revised and modified whenever deemed necessary to reflect changes in the financial environment and adjusted to be in line with the Group's overall strategy and its short-term and long-term objectives.
The Group dedicates considerable resources to assess credit risk and to correctly reflect the value of its on-balance and off-balance sheet exposures in accordance with regulatory and accounting guidelines. This process can be summarised in the following stages:

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

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

4. Principal and Emerging Risks (continued)

4.1 Credit Risk (continued)

Risk Identification Methodologies (continued)

Frequent reporting on credit risk related matters is provided to EXCO, the RC and/or the Board. The reports provide information on various credit risk related metrics, such as the overall loan book performance, forborne facilities, the performance of new lending, specific products or portfolios, new forbearances and modifications and other key performance indicators (KPIs) on portfolio quality.

Credit Risk Mitigation framework

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

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

Credit risk mitigation is also implemented through a number of policies, procedures, guidelines, circulars and limits. Policies are approved by the Board following recommendation by the RC and include the:

- Lending Policy
- Write-off policy
- Concentration Risk Policy
- Valuation Policy
- Credit Risk Monitoring Policy
- Environmental & Social Policy
- Asset Acquisition and Disposal Policy for Debt Settlement
- Loan Syndication Policy
- Green Lending Policy
- Shipping Finance Policy
- Early Warning Policy
- Provisioning Policy

Systems

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

Treasury-related transactions

The Market and Liquidity Risk Department (MLR) is responsible for the identification, assessment, measurement, monitoring and reporting of credit risk related to treasury related transactions, in line with the Bank's approved policies, frameworks, limits and the Group's Risk Appetite.

4. Principal and Emerging Risks (continued)

4.1 Credit Risk (continued)

Treasury-related transactions (continued)

Credit limits (for Counterparties and Issuers) and settlement limits are monitored in line with the approved 'Counterparty & Country Credit Models and Limits' and the 'Counterparty and Country Limit Framework', as mentioned above.

Concentration limits are also established within the approved 'Concentration Risk Policy' to address concentration risk arising from Treasury-related activities covering exposures to individual financial institutions and bond investments.

4.2 Market Risk

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

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

Each of the risks above is defined and further analysed in the subsections below. Furthermore, additional information relating to Market Risk is set out in Note 31 of the Interim Condensed Consolidated Financial Statements.

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

Interest Rate Risk in the Banking Book

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

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

4. Principal and Emerging Risks (continued)

4.2 Market Risk (continued)

Interest Rate Risk in the Banking Book (continued)

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

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

Currency/foreign exchange rates risk

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

In order to limit the risk of loss from adverse fluctuations in foreign exchange rates, overall Intraday and Overnight open currency position limits have been set. The Bank seeks to maintain minimal foreign exchange positions and keep foreign exchange risk at very low levels; and therefore, limits are set accordingly. As the Group does not maintain a Foreign Exchange Trading Book, VaR (Value at Risk) is calculated on a quarterly basis and reported to the ALCO. Intraday and overnight foreign currency position limits are monitored daily, and the open foreign currency position or any breaches follow the escalation process and are reported to the ALCO and to the RC through regular reporting.

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

Equities Price Risk

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

The Group holds equity and fund investments on its balance sheet. The equity portfolio mainly relates to certain legacy positions acquired through loan restructuring activity and specifically through debt for equity swaps, whereas the fund portfolio mainly relates to investments held by the insurance operations of the Group. The policy is to manage the current equity portfolio with the intention of reducing it by selling positions for which there is a market. No new purchases of equities are allowed without ALCO approval. Analysis of equity and fund holdings are reported to ALCO on a quarterly basis. Analysis of the positions the Group maintains as at 30 June 2026 is presented in Note 16 of the Interim Condensed Consolidated Financial Statements.

Debt Securities Price Risk

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

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

4. Principal and Emerging Risks (continued)

4.2 Market Risk (continued)

Debt Securities Price Risk (continued)

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

The debt security portfolio is managed by the Treasury Division and governed by the Bond Investment Policy. The annual bond investment strategy is proposed by Treasury, assessed by RMD and approved by ALCO and ultimately by the Board as part of the approval of the Group Financial Plan. Analysis of the positions the Group maintains as at 30 June 2026 is presented in Note 16 of the Interim Condensed Consolidated Financial Statements.

Property Price Risk

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

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

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

4.3 Liquidity and Funding Risk

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

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

Further information relating to Group risk management in relation to liquidity and funding risk is set out in Note 32 of the Interim Condensed Consolidated Financial Statements. Additionally, information on encumbrance and liquidity reserves is provided below.

4. Principal and Emerging Risks (continued)

4.3 Liquidity and Funding Risk (continued)

4.3.1 Encumbered and unencumbered assets

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

An asset is classified as encumbered if it has been pledged as collateral against secured funding and other collateralised obligations and, as a result, it is no longer available to the Group for further collateral or liquidity requirements.

An asset is classified as unencumbered if it has not been pledged as collateral against secured funding and other collateralised obligations. Unencumbered assets are further analysed into those that are available and can potentially be pledged and those that are not readily available to be pledged for funding requirements in their current form.

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

30 June 2026	Encumbered	Unencumbered		Total
	Pledged as collateral	Which can potentially be pledged	Which are not readily available to be pledged	
	€000	€000	€000	€000
Cash and other liquid assets	55,534	8,873,840	766,783	9,696,157
Investments	113,098	5,649,870	40,273	5,803,241
Loans and advances to customers	808,562	10,474,812	50,081	11,333,455
Property	-	575,476	37,080	612,556
Total on-balance sheet	**977,194**	**25,573,998**	**894,217**	**27,445,409**

31 December 2025				
Cash and other liquid assets	26,411	9,299,777	801,311	10,127,499
Investments	113,701	5,171,888	38,143	5,323,732
Loans and advances to customers	3,673,527	7,068,856	55,959	10,798,342
Property	-	610,723	37,111	647,834
Total on-balance sheet	**3,813,639**	**22,151,244**	**932,524**	**26,897,407**

Encumbered assets consist of loans and advances to customers, investments and cash and other liquid assets. Investments comprised debt securities pledged as supplementary assets for the covered bond (Note 32 of the Interim Condensed Consolidated Financial Statements) and for the clearing of interest rate derivatives transactions through the central clearing house. Loans and advances indicated as encumbered were mainly pledged for the covered bond. As at 31 December 2025, loans and advances were also encumbered for potential use of the funding facilities of the ECB. Cash is mainly used to cover collateral required for derivatives, trade finance transactions and guarantees issued and as part of the supplementary assets for the covered bond.

BOC PCL maintains a Covered Bond Programme set up under the Cyprus Covered Bonds legislation and the Covered Bonds Directive of the Central Bank of Cyprus (CBC). Under the Covered Bond Programme, BOC PCL has in issue covered bonds of €650 million secured by residential mortgages originated in Cyprus. On 27 April 2026, BOC PCL proceeded with certain amendments to the terms of the covered bond, with the maturity date amended to 12 December 2033 and the interest rate amended to 3-month Euribor plus 1.00% payable on a quarterly basis. The covered bonds are listed on the Luxemburg Bourse and have a conditional Pass-Through structure. All the bonds are held by BOC PCL. The covered bonds are eligible collateral for the Eurosystem credit operations and are placed in the ECB pool providing access to funding from the ECB.

4. Principal and Emerging Risks (continued)

4.3 Liquidity and Funding Risk (continued)

4.3.1 Encumbered and unencumbered assets (continued)

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

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

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

The carrying and fair value of the encumbered and unencumbered investments of the Group as at 30 June 2026 and 31 December 2025 are as follows:

30 June 2026	**Carrying value of encumbered investments**	**Fair value of encumbered investments**	**Carrying value of unencumbered investments**	**Fair value of unencumbered investments**
	€000	**€000**	**€000**	**€000**
Equity securities	-	-	170,212	170,212
Other securities	-	-	28,601	28,601
Debt securities	113,098	113,599	5,491,331	5,496,279
Total investments	**113,098**	**113,599**	**5,690,144**	**5,695,092**

31 December 2025				
Equity securities	-	-	164,108	164,108
Other securities	-	-	28,241	28,241
Debt securities	113,702	114,464	5,017,682	5,040,356
Total investments	**113,702**	**114,464**	**5,210,031**	**5,232,705**

4.3.2 Liquidity regulation

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

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

As at 30 June 2026, the Group was in compliance with all regulatory liquidity requirements. As at 30 June 2026, the Group's LCR stood at 305% (compared to 321% at 31 December 2025) and the Group's NSFR stood at 182% (compared to 171% at 31 December 2025).

4. Principal and Emerging Risks (continued)

4.3 Liquidity and Funding Risk (continued)

4.3.3 Liquidity reserves

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

Composition of the liquidity reserves	**30 June 2026**			31 December 2025		
	Internal Liquidity Reserves	**Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 LCR eligible**		Internal Liquidity Reserves	Liquidity reserves as per LCR Delegated Regulation (EU) 2015/61 LCR eligible	
		Level 1	**Level 2A & 2B**		Level 1	Level 2A & 2B
	€000	**€000**	**€000**	€000	€000	€000
Cash and balances with central banks	**7,339,351**	**7,339,351**	**-**	7,673,287	7,673,287	-
Placements with banks	**323,316**	**-**	**-**	412,934	-	-
Liquid investments	**6,497,056**	**5,507,134**	**588,374**	6,066,705	5,233,487	479,338
Available ECB Buffer	**559,696**	**-**	**-**	2,116,075	-	-
Total	**14,719,419**	**12,846,485**	**588,374**	16,269,001	12,906,774	479,338

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

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

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

Currently, the available ECB buffer is not part of the Liquidity reserves as defined under the LCR regulation.

4.4 Operational Risk

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

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

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

4. Principal and Emerging Risks (continued)

4.4 Operational Risk (continued)

Operational Risk Management (ORM) Framework

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

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

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

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

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

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

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

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

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

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

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

4. Principal and Emerging Risks (continued)

4.4 Operational Risk (continued)

Operational Risk Management (ORM) Framework (continued)

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

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

4.4.1 Fraud Risk Management (FRM)

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

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

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

4.4.2 Third-Party Risk Management

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

4. Principal and Emerging Risks (continued)

4.4 Operational Risk (continued)

4.4.2 Third-Party Risk Management (continued)

To mitigate this risk, a number of controls are in place which include regular third-party risk assessments on outsourcing/intragroup and Information and Communication Technology (ICT) contracts, third-party performance assessments, and established third party risk trainings to ensure third-party risk awareness by the Group's staff. The outsourcing and ICT contracts of the Group should be fully aligned with the EBA Guidelines and DORA Regulation on Outsourcing/ICT Arrangements and/or the Third-Party & Outsourcing Risk Management Policy. In cases where the arrangements in scope are not (fully) aligned with the EBA Guidelines, DORA Regulation and/or policies of the Group, risks are identified, and mitigating controls are put in place. Examples of potential risks include inadequate contract clauses, lack of third-party resilience and over-reliance on third parties. These risks are mitigated through the implementation of robust contractual standards, risk-based due diligence, and ongoing monitoring to ensure third-party resilience, as well as the proactive management of concentration risk through diversification, exit planning, and enhanced governance and oversight. Collectively, these measures support regulatory compliance, safeguard operational continuity, and reduce excessive dependency on individual third-party providers.

4.4.3 Business Continuity Risk Management (BCRM)

The Group has a dedicated Business Continuity Risk Management unit under the ORM Function, which provides direction and sets the overall framework to individual business units to mitigate business continuity risks and minimize the impact of severe disruptive incidents such as natural disasters, loss of Information Technology Centre, loss of electricity, pandemics, cyber-attacks, third-party service failures etc. Mitigation is supported through the implementation of a comprehensive Business Continuity Management System (BCMS), encompassing documented Business Continuity Plans, Disaster Recovery Plans, regular testing, exercises and continuous review to strengthen organisational resilience. The framework also ensures that each Business Continuity Plan captures response and recovery strategies, as well as practical workarounds and alternative procedures that enable the continuation or timely restoration of critical operations during disruptions.

4.5 Business Model and Strategic Risks

Business model and strategic risks refer to the uncertainty in implementing the Group's strategy and achieving its business targets. Such risks can arise from changes in the external environment, including economic trends, competition, geopolitics, and regulatory changes, or due to operational factors, such as inadequate planning or implementation. The Group faces competition from banks, financial institutions, insurance and financial technology companies operating locally or abroad, and considers the evolving competitive landscape as an evolving risk area including new technologies and changing consumer behaviour. Intensifying competition may exert pressure on pricing, customer retention, new customer attraction, and market share, potentially challenging the Group's ability to achieve its strategic objectives. As a result, market competition is a key factor influencing the Group's business model and may require adjustments to product offering or cost structure to remain aligned with its strategic direction.

Furthermore, the Group's business environment and operational performance are heavily dependent on the current and future economic conditions and prospects in Cyprus, where the Group's operations are based and earnings are predominantly generated. The Group is also dependent on the economic conditions and prospects in the countries of the main counterparties it conducts business with. Deterioration of the macroeconomic environment can lead to adverse impacts in financial performance impacting the Group's profitability, asset quality or capital resources.

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

4. Principal and Emerging Risks (continued)

4.5 Business Model and Strategic Risks (continued)

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

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

4.6 Geopolitical Risk

Cyprus is a small, open, diversified, services-based economy, with a large external sector and high reliance on tourism and international business services. As a result, external factors, including economic and geopolitical events, that are beyond the control of the Group can have a significant impact on domestic economic activity. A number of macro and market-related risks, including weaker economic activity, elevated energy prices, regional conflicts and increased geopolitical tensions, a volatile interest rate environment, changes in trade policies, high public debt levels in some European countries, and higher competition in the financial services industry, could negatively affect the Group's business environment, results, and operations.

Geopolitical tensions increased further in 2026 as a result of the conflict that involved the US, Israel and Iran, which, despite the numerous ceasefire agreements has seen resumptions in hostilities with the two sides not agreeing on a peace accord. At the same time, the war between Russia and Ukraine has entered its fifth year. The continuation of these conflicts adds considerable uncertainty to the outlook for the global economy with the impact dependent on how these conflicts are resolved. Furthermore, an escalation of the war in Ukraine with the more direct involvement of other countries, will raise the risks for inflation, shortages, and financial distress in Europe primarily.

The ongoing military conflict in the Middle East, despite efforts for a ceasefire, has disrupted the supply of oil and gas, with an inflationary effect observed in both Cyprus and the rest of the EU, the size and extent of which is conditional on the extent and duration of the war. This could imply stagflationary consequences for the global economy, especially if this ultimately affects global growth. Stagflation risks may be further exacerbated given the relatively high public debt positions in many countries – the United States, Japan, France, Italy, and China – which also raises the potential for global financial distress. While both the Cypriot and the global economy enter this crisis from a relatively solid position, despite the existing trade and geopolitical tensions, a prolonged conflict is expected to have lasting implications for energy markets, as states in the Persian Gulf have already seen their production affected. This will, in turn, impact inflation and broader financial conditions, but the magnitude of the impact crucially depends on the duration and the extent of the war. As such, the quantification of potential impacts from the conflict remains uncertain, including, but not limited to, on economic developments, asset valuations, interest rate expectations, and exchange rates.

Although the Group's direct exposure to the Middle East region is limited, the conflict could have an adverse impact on the Cypriot economy, including through higher energy prices that will increase inflationary pressures negative effects on tourism arrivals, increased import costs through higher shipping freight rates and elevated administrative costs, as well as disruptions to trade. Given the Group's exposure to domestic economy sectors that could potentially be affected, such as tourism and trade, we continue to monitor these developments closely.

4. Principal and Emerging Risks (continued)

4.6 Geopolitical Risk (continued)

Furthermore, a material change in US trade or other economic policies can potentially affect global trade. The possibility for the introduction of a higher tariff regime than the currently agreed upon with other countries, by the US administration, may result in various policy reactions from the US trading partners. Last year's trade agreement between the US and the EU, which includes a tariff rate of 15% on European goods exported to the US, without any retaliatory actions by the EU, has eased trade policy uncertainty and provided a more stable environment. Nonetheless, the trade deal makes EU products less competitive in the US, suggesting lower corporate profits for many exporters. Although Cyprus has a marginal goods trade exposure to the United States and is in general not reliant on goods exports, the Cypriot economy might experience indirect effects via the European economy.

Lower export performance could also potentially push the euro exchange rate lower, something that will have spillover effects on energy costs and raise inflationary pressures. As a result, the ECB may be forced to raise interest rates to prevent a spillover from energy prices to the rest of the economy.

The above, as well as the current political context in the United States and Europe, with elevated public debt levels in many developed economies, increase uncertainty concerning the evolution of the global economy. The Group closely monitors these events and their impact on the economy and the business and remains vigilant to take any precautionary measures as required.

Although, there have been distinct improvements in Cyprus' risk profile after the banking crisis, risks do remain given the open structure of the Cypriot economy. Until now, the Cyprus economy has proved robust and flexible to withstand external shocks and has displayed the ability to sufficiently diversify income and production across a variety of sectors in order to maintain GDP growth and decrease unemployment.

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

4.7 Legal Risk

The Group may, from time to time, become involved in legal or arbitration proceedings which may affect its operations and results. Litigation risk arises from pending or potential legal proceedings and regulatory investigations against the Group. In the event that legal issues are not properly dealt with by the Group, this may result in financial and/or reputational loss to the Group. Information on pending litigation, claims, regulatory and other matters is disclosed in Note 27 of the Interim Condensed Consolidated Financial Statements.

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

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

To further address mitigation actions, the engagement of legal professionals, both internal and external, is integral to identifying, managing, and advising on legal risks. These professionals are actively involved in providing legal advice in situations where legal risk may arise, and they ensure that any significant legal risks are escalated appropriately within the Group.

4. Principal and Emerging Risks (continued)

4.8 Technology Risk

Technology risk arises from system downtimes impacting business operations and/or customer service. Downtimes may be caused by hardware or software failures due to malfunctions, failed processes, human error, or cyber incidents. The use of outdated, obsolete and unsupported systems increases this risk. Rapid technological advances and the Group's reliance on digital systems in day-to-day operations render Technology Risk an emerging risk area, where new capabilities, like Artificial Intelligence, can also introduce operational disruption and new vulnerabilities.

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

In line with the evolving technological developments and regulatory requirements, the Group continues to enhance its governance and risk management practices to support compliance with applicable regulations, including the EU Artificial Intelligence Act, and the effective management of associated AI- and model-related risks. The Group's governance and risk management framework for Artificial Intelligence supports the identification, classification and oversight of AI systems, as well as the proportionate management of associated risks throughout their lifecycle, including risks relating to data governance, transparency, human oversight, accuracy and robustness.

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

4.9 Digital Transformation Risk

Digital transformation risk remains a key evolving and emerging risk, as banking models continue to adapt rapidly both locally and globally, driven by technological advancements and customers' accelerated shift towards digital channels.
Money transmission, data driven integrated services and Digital Product Sales continue to evolve rapidly.

The Group's ability to respond effectively to these developments may impact the delivery of its strategic objectives and financial performance.

In the context of the overall business strategy, the Group assesses and develops its Digital Strategy and maintains a clear roadmap that provides for the migration of transactions to Digital Channels, expansion of fully digital and digitally assisted product sales, embedded banking capabilities, and enhanced self-service solutions.

This strategic focus is supported by an established operating model, led by the Chief Digital Officer and supported by appropriately skilled teams working closely with Technology and Control functions to ensure effective execution.

The Group's policies, standards, governance and controls are subject to continuous review and enhancement to ensure alignment with the Group's digital transformation strategy and the effective management of associated risks.

4. Principal and Emerging Risks (continued)

4.10 Information Security (including Cyber) Risk

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

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

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

In addition, the Group maintains a comprehensive Information Security and ICT Risk Management Strategy that forms its strategy with respect to improvements and investments in technology, skills and processes as to further enhance strengthening of detection, response, and protection mechanisms as to minimize system downtimes and cyber security threats, as well as strengthen the overall digital resilience of the Group.

The Group measures Information security (including cyber) risk using a combination of qualitative and quantitative approaches. Regularly report and review of cyber risk and control effectiveness is provided to senior management level as well as at Board Risk and Technology Committees' level to help enable appropriate visibility and governance of the risk and its mitigating actions.

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

4.11 Regulatory Compliance Risk

The Group operates within an evolving regulatory environment which is subject to on-going regulations and the associated regulatory risks, including the impact of the implementation of and amendments in laws, regulations, policies, codes of conduct etc. Regulatory compliance risk is the risk of impairment to the Group's operations, reputation and financial condition from failure to meet laws and regulations, internal standards and policies. This risk may also impact the expectations of key stakeholders such as shareholders, regulators, customers, employees and society. Failure to comply with the regulatory framework requirements or identify and prepare for emerging requirements could lead to, amongst others, increased costs for the Group, regulatory fines, limitation on BOC PCL's capacity to perform banking activities and could have a material adverse effect on the business, financial condition and results, operations and prospects of the Group. Given the evolving regulatory framework and supervisory expectations, regulatory compliance is also treated as an emerging risk area requiring timely assessment and implementation across the Group.

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

4. Principal and Emerging Risks (continued)

4.11 Regulatory Compliance Risk (continued)

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

The Regulatory Compliance and Conduct Department follows the ORM Risk Assessment Scoring Methodology which is established by the Operational Risk Department with regards to the risk classification process. The Regulatory Compliance and Conduct Department identifies and informs business areas about new or updated regulations, enabling them to conduct impact assessments and/or regulatory gap analyses, while the Compliance Division reviews and challenges the latter as the second line of defence.

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

- The assessment of periodic reports submitted by the Group's compliance liaisons;
- The use of aggregated risk measurements for the monitoring of the relevant regulatory compliance risks via the establishment of Key Risk Indicators (KRIs);
- Overseeing and challenging regulatory risks identified by compliance liaisons and subsidiary officers through gap analysis of new or amended regulations, processes, procedures, projects, products/services, and other assessments, to ensure effective management of compliance risks within the Group and recommending additional controls and corrective actions as necessary;
- Overseeing the compliance risk assessment procedures conducted by the compliance liaisons and subsidiary compliance officers, as well as overseeing the implementation of mitigating actions to manage the identified risks;
- Overseeing the complaints process and utilising customer complaints as a source of relevant information in the context of its general monitoring responsibilities;
- Collaborating and sharing information with other internal control functions, including risk management teams, on compliance issues, evaluating regulatory incidents, monitoring mitigating actions to avoid recurrence, managing the risk, and reporting non-compliance incidents to competent authorities in accordance with relevant regulations;
- Conducting periodic onsite/offsite thematic reviews regarding the applicable laws, rules, regulations and standards and providing recommendations/advice to management on measures to be taken to ensure compliance;
- Investigating potential breaches of compliance policy and regulations and conducting these investigations as requested by the relevant authorities, with the support of internal experts and control functions, where applicable.

4.12 Insurance risk and re-insurance risk

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

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

4. Principal and Emerging Risks (continued)

4.12 Insurance risk and re-insurance risk (continued)

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

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

4.13 Climate Related & Environmental Risks

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

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

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

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

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

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

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

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

4. Principal and Emerging Risks (continued)

4.13 Climate Related & Environmental Risks (continued)

Further information on C&E risks and their risk management is provided in the Sustainability Statements, prepared in accordance with the European Sustainability Reporting Standards, that form part of the Group's 2025 Annual Financial Report.

4.14 Data Accuracy and Integrity Risk

Data Accuracy and Integrity Risk refers to the risk that data used for decision making, regulatory reporting, customer communication, and risk management is incorrect, incomplete, inconsistent, or compromised across its lifecycle. This risk is systemic, as data underpins financial reporting, capital adequacy, customer outcomes, and regulatory compliance. Group Data Accuracy & integrity Risk is managed by the Data Quality & Governance control unit which actively identifies, assesses, and monitors such risks. All data risks identified undergo a root cause analysis and impact assessment.

This risk is mitigated by the establishment of a Quality & Governance Framework. Data & Report Quality controls assessment and continuous monitoring are performed at each step of the data life cycle, with frequent updates to Senior Management and Board. The dedicated Data Quality & Governance control unit participates in data initiatives, new products/projects and the RCSA process.

4.15 Model Risk

Model risk arises from the potential for adverse consequences resulting from decisions based on incorrect or misused model outputs. The Group relies on various models for critical activities, including credit risk quantification and assessment, stress testing, capital and liquidity planning, and provisioning. These models incorporate assumptions, methodologies and data inputs.

Errors in model design, incorrect implementation, insufficient validation, or inappropriate use of models may lead to inaccurate risk measurement, mispricing of products, inadequate capital allocation, or incorrect provisioning levels. Such outcomes could result in financial loss, increased volatility in earnings or regulatory breaches.

To mitigate these risks, the Group has established a comprehensive model risk management framework supported by policies, standards, and procedures designed to ensure the consistent and effective management of model risk across the full model lifecycle, from model initiation and development through validation, implementation and ongoing monitoring. The framework defines the key controls required to manage model risk and ensures that models are developed, reviewed, and used in a controlled and transparent manner.

Key elements of the framework include the maintenance of a complete and up to date model inventory, with models categorised according to model risk tier which includes model materiality and complexity, to ensure that validation, monitoring, and governance requirements are applied proportionately. Clear roles and responsibilities are defined across the lifecycle. All models are subject to independent validation by a function that is separate from model development, and ongoing performance monitoring is conducted to assess model stability and fitness for purpose over time.

Model risk is monitored and reported through regular governance processes, with identified issues tracked and addressed in a timely manner. Where model performance deteriorates or limitations are identified, appropriate remedial actions are implemented to ensure continued compliance with internal standards and regulatory expectations.

5. Capital management

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

The capital adequacy framework, as in force, is implemented through the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD). CRR establishes the prudential requirements for capital, liquidity and leverage for credit institutions. It is directly applicable in all EU member states. CRD governs access to deposit-taking activities and internal governance arrangements including remuneration, board composition and transparency. Unlike the CRR, member states were required to transpose the CRD into national law and national regulators were allowed to impose additional capital buffer requirements.

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 1 January 2025, with Regulation (EU) 2024/1623 amending the CRR as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor and Directive (EU) 2024/1619 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks. 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 date of the application of the Fundamental Review of the Trading Book ('FRTB') framework was postponed to 1 January 2026, in accordance with Commission delegated regulation 2024/2795. On 12 June 2025, the European Commission confirmed that the start date for the new market risk rules under the FRTB will be postponed by one additional year to 1 January 2027.

The Regulatory CET1 ratio of the Group as at 30 June 2026 stands at 20.9% and the Total Capital ratio at 25.8%. The ratios as at 30 June 2026 include 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 and an accrual for an ordinary distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges, as further described in Section 'Distributions' in Section 'Group Financial Results – Underlying Basis' of the Interim Management Report.

The Group's minimum capital requirements are presented below:

Minimum CET1 Regulatory Capital Requirements	**30 June 2026**	31 December 2025
Pillar I – CET1 Requirement	4.50%	4.50%
Pillar II – CET1 Requirement	1.41%	1.55%
Capital Conservation Buffer (CCB)	2.50%	2.50%
Other Systematically Important Institutions (O-SII) Buffer	2.25%	1.9375%
Countercyclical Buffer (CcyB)	1.27%	0.90%
Minimum CET1 Regulatory Capital Requirements	11.93%	11.38%

Minimum Total Capital Regulatory Requirements	**30 June 2026**	31 December 2025
Pillar I – Total Capital Requirement	8.00%	8.00%
Pillar II – Total Capital Requirement	2.50%	2.75%
Capital Conservation Buffer (CCB)	2.50%	2.50%
Other Systematically Important Institutions (O-SII) Buffer	2.25%	1.9375%
Countercyclical Buffer (CcyB)	1.27%	0.90%
Minimum Total Capital Regulatory Requirements	16.52%	16.08%

5. Capital management (continued)

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

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

The capital position of the Group and BOC PCL as at 30 June 2026 exceeds both their Pillar I and their Pillar II add-on capital requirements. However, the Pillar II add-on capital requirements are a point-in-time assessment and therefore are subject to change over time.

The CBC, in accordance with the Macroprudential Oversight of Institutions Law of 2015 sets, on a quarterly basis, the CcyB rates in accordance with the methodology described in this law. In January 2025, the CBC, based on its macroprudential policy, increased the CcyB rate from 1.00% to 1.50% of the total risk exposure amount in Cyprus effective from January 2026 (equating to an estimated 1.19% Group requirement as at 30 June 2026). The CcyB for Greek exposures is 0.25% (equating to an estimated 0.02% Group requirement as at 30 June 2026). Other jurisdictional exposures equate to an approximately 0.06% Group requirement as at 30 June 2026. The CcyB for the Group as at 30 June 2026 has been calculated at approximately 1.27% (31 December 2025: 0.90%).

In accordance with the provisions of this law, the CBC is also the responsible authority for the designation of banks that are Other Systemically Important Institutions (O-SIIs) and for the setting of the O-SII Buffer requirement for these systemically important banks. BOC PCL has been designated as an O-SII. In November 2025, following the annual assessment by CBC, the O-SII buffer increased to 2.25%, effective from 1 January. For the year ended 31 December 2025 the O-SII buffer was at 1.9375%.

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

Following the annual SREP performed by the ECB in 2025 and based on the final 2025 SREP Decision received in October 2025, the Group's minimum phased-in CET1 capital ratio and Total Capital ratio requirements decreased effective from 1 January 2026, when disregarding the aforementioned increase of the CcyB and the O-SII buffer, reflecting the reduction in the Pillar II requirement. The Pillar II requirement decreased by 25 bps to 2.50%, effective from 1 January 2026. The non-public guidance for an additional Pillar II CET1 buffer (P2G) was also revised downwards compared to 2025, based on the final SREP Decision.

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

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

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

5. Capital management (continued)

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

Regulatory capital	Group		BOC PCL	
	30 June 2026[1]	31 December 2025[3]	**30 June 2026**[2]	31 December 2025[3]
	€000	€000	**€000**	€000
Common Equity Tier 1 (CET1)[4]	**2,213,741**	2,185,084	**2,176,992**	2,152,361
Additional Tier 1 capital (AT1)	**220,000**	220,000	**220,000**	220,000
Tier 2 capital (T2)	**300,518**	295,060	**303,187**	297,984
Transitional total regulatory capital	**2,734,259**	2,700,144	**2,700,179**	2,670,345
Risk weighted assets – credit risk[5]	**9,321,025**	9,150,192	**9,578,265**	9,381,391
Risk weighted assets – market risk	**-**	-	**-**	-
Risk weighted assets – operational risk	**1,273,846**	1,273,846	**1,242,867**	1,242,867
Total risk weighted assets	**10,594,871**	10,424,038	**10,821,132**	10,624,258
Transitional	**%**	%	**%**	%
Common Equity Tier 1 (CET1) ratio	**20.9**	21.0	**20.1**	20.3
Total capital ratio	**25.8**	25.9	**25.0**	25.1
Leverage ratio	**8.5**	8.5	**8.3**	8.4

[1.] Includes 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 and an accrual for an ordinary distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges. Such distribution accrual does not constitute a binding commitment for a distribution payment nor does it constitute a warranty or representation that such a payment will be made.

[2.] Includes unaudited/unreviewed 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 and an accrual for an ordinary distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges. Such distribution accrual does not constitute a binding commitment for a distribution payment nor does it constitute a warranty or representation that such a payment will be made.

[3.] Includes profits for the year ended 31 December 2025 net of a deduction for a distribution in respect of 2025 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €218 million.

[4.] CET1 includes regulatory deductions, comprising of, amongst others, intangible assets amounting to €21.063 thousand for the Group and €13.694 thousand for BOC PCL as at 30 June 2026 (31 December 2025: €24,509 thousand for the Group and €15,409 thousand for BOC PCL).

[5.] Includes Credit Valuation Adjustments (CVA).

5. Capital management (continued)

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

Fully loaded	**Group**		**BOC PCL**	
	30 June 2026[1,4]	31 December 2025[3,4]	**30 June 2026[2,4]**	31 December 2025[3,4]
	%	%	**%**	%
Common Equity Tier 1 ratio	**20.6**	20.6	**19.8**	19.9
Total capital ratio	**25.4**	25.5	**24.6**	24.7
Leverage ratio	**8.5**	8.5	**8.3**	8.4

[1.] Includes 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 and an accrual for an ordinary distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges. Such distribution accrual does not constitute a binding commitment for a distribution payment nor does it constitute a warranty or representation that such a payment will be made.

[2.] Includes unaudited/unreviewed 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 and an accrual for an ordinary distribution at a payout ratio of 70% of the Group's adjusted recurring profitability for the period, which represents the top-end range of the Group's approved distribution policy in line with the principles of Commission Delegated Regulation (EU) (241/2014) for foreseeable dividends and charges. Such distribution accrual does not constitute a binding commitment for a distribution payment nor does it constitute a warranty or representation that such a payment will be made.

[3] Includes profits for the year ended 31 December 2025 net of a deduction for a distribution in respect of 2025 earnings, following relevant recommendation by the Board of Directors to the shareholders for a final cash dividend of €218 million.

[4] Fully loaded under Articles 495a, 495b, 495d and 500a of the Capital Requirements Regulation (CRR).

Capital Ratios at 30 June 2026

The CET1 ratio (on a transitional basis) has decreased by approximately 10 bps during the six months ended 30 June 2026, whereas on a fully loaded basis the ratio has remained unchanged. The impact on regulatory capital ratios is mainly driven by the profitability generated in the six months ended 30 June 2026, the payment of AT1 coupon, the accrual for a distribution at a payout ratio of 70% of the Group's adjusted recurring profitability, the increase in risk weighted assets due to business growth during the six month period and the impact on capital ratios from the regulatory requirements of real estate assets as described below.

A charge, which amounted to 15 bps as at 30 June 2026, is deducted from own funds in relation to ECB expectations for NPEs. 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 are 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 the Group's CET1 ratio compared to 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.

5. Capital management (continued)

Capital requirements of subsidiaries

The insurance subsidiaries of the Group comply with the requirements of the Superintendent of Insurance including the minimum solvency ratio. The regulated Cyprus Investment Firm (CIF) of the Group, The Cyprus Investment and Securities Corporation Ltd (CISCO), complies with the minimum capital adequacy ratio requirements. In 2021 the new prudential regime for Investment Firms ('IFs') as per the Investment Firm Regulation (EU) 2019/2033 ('IFR') on the prudential requirements of IFs and the Investment Firm Directive (EU) 2019/2034 ('IFD') on the prudential supervision of IFs came into effect. Under the new regime CISCO has been classified as a Non-Systemic 'Class 2' company and is subject to the new IFR/IFD regime in full. The payment services subsidiary of the Group, JCC Payment Systems Ltd, currently licensed as an Electronic Money Institution, complies with regulatory capital requirements under the Electronic Money Laws of 2012 (N. 81(I)/2012) as amended.

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

The Bank Recovery and Resolution Directive (BRRD) requires EU member states to apply the BRRD's provisions requiring EU credit institutions to maintain a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), subject to the provisions of the Commission Delegated Regulation (EU) 2016/1450. On 27 June 2019, as part of the reform package for strengthening the resilience and resolvability of European banks, the BRRD II came into effect which was transposed and implemented in Cyprus law in May 2021.

In December 2025, BOC PCL received notification from the SRB, by which the MREL requirement is 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). The revised MREL requirements became binding with immediate effect.

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

The MREL ratio as at 30 June 2026, calculated according to the SRB's eligibility criteria currently in effect and based on internal estimate, 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) creating a comfortable buffer over the requirements. The CBR stood at 6.02% as at 30 June 2026, compared to 5.33% as at 31 December 2025. The increase is attributed to the revision of the O-SII buffer from 1.9375% to 2.25% on 1 January 2026 as well as the increase of the CcyB rate, as explained above.

Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	**€000**	€000
Interest income	*8*	**418,867**	429,320
Income similar to interest income	*8*	**562**	3,501
Interest expense	*9*	**(50,561)**	(65,242)
Expense similar to interest expense	*9*	**(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	*10*	**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	*11*	**(109,740)**	(104,869)
Special levy on deposits and other levies/contributions	*12*	**(22,802)**	(15,519)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	*27*	**(157)**	(1,353)
Other operating expenses	*12*	**(76,550)**	(76,391)
Operating profit before credit losses and impairment		**309,683**	307,754
Credit losses on financial assets	*13*	**(322)**	(15,901)
Impairment net of reversals on non-financial assets	*13*	**(10,492)**	(14,009)
Profit before tax		**298,869**	277,844
Income tax	*14*	**(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)	*15*	**57.8**	53.5
Diluted earnings per share attributable to the owners of the Company (€ cent)	*15*	**57.6**	53.3

		Six months ended 30 June	
		2026	2025
	Notes	**€000**	€000
Profit for the period		**252,339**	235,775
Other comprehensive income (OCI)			
OCI that may be reclassified in the consolidated income statement in subsequent periods		**(727)**	160
Fair value reserve (debt instruments)		**(716)**	213
Net (losses)/gains on investments in debt instruments measured at fair value through OCI (FVOCI)		**(716)**	213
Foreign currency translation reserve		**(11)**	(53)
Loss on translation of net investments in foreign subsidiaries and operations		**(11)**	(53)
OCI not to be reclassified in the consolidated income statement in subsequent periods		**1,085**	649
Fair value reserve (equity instruments)		**914**	493
Net gains on investments in equity instruments designated at FVOCI		**914**	493
Property revaluation reserve		**102**	5
Deferred tax credit	*14*	**102**	5
Actuarial gains on defined benefit plans		**69**	151
Remeasurement gains on defined benefit plans		**69**	151
Other comprehensive income for the period net of taxation		**358**	809
Total comprehensive income for the period		**252,697**	236,584
Attributable to:			
Owners of the Company		**252,144**	235,447
Non-controlling interests		**553**	1,137
Total comprehensive income for the period		**252,697**	236,584

		30 June 2026	31 December 2025
Assets	*Notes*	**€000**	€000
Cash and balances with central banks	*29*	**7,598,047**	7,933,036
Loans and advances to banks	*29*	**480,355**	575,508
Reverse repurchase agreements	*30*	**1,617,755**	1,618,955
Derivative financial assets	*17*	**64,940**	88,342
Investments at FVPL	*16*	**195,794**	201,914
Investments at FVOCI	*16*	**350,265**	356,580
Investments at amortised cost	*16*	**5,257,183**	4,765,238
Loans and advances to customers	*19*	**11,333,455**	10,798,342
Life insurance business assets attributable to policyholders		**1,009,749**	923,191
Prepayments, accrued income and other assets	*21*	**338,016**	375,535
Stock of property	*20*	**342,178**	372,202
Investment properties		**26,326**	28,330
Deferred tax assets	*14*	**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	*17*	**26,272**	19,256
Customer deposits	*22*	**22,797,850**	22,187,465
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	*17*	**(18,141)**	12,612
Insurance contract liabilities		**931,424**	877,716
Accruals, deferred income and other liabilities	*24*	**674,179**	642,778
Provisions for pending litigation, claims, regulatory and other matters	*27*	**62,803**	67,523
Debt securities in issue	*23*	**979,625**	983,446
Subordinated liabilities	*23*	**300,518**	378,720
Deferred tax liabilities	*14*	**37,975**	45,260
Total liabilities		**26,161,622**	25,618,875
Equity			
Share capital	*25*	**43,596**	43,569
Share premium	*25*	**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	*25*	**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

Mr. E.G. Arapoglou
Chairman

Mr. P. Nicolaou
Chief Executive Officer

Mrs. K. Santis
Company Secretary

Mrs. E. Livadiotou
Executive Director Finance

	Attributable to the owners of the Company												
	Share capital (Note 25)	Share premium (Note 25)	Capital redemption reserve (Note 25)	Treasury shares (Note 25)	Other capital reserves (Note 11)	Retained earnings	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	**Total**	Other equity instruments (Note 25)	Non-controlling interests	**Total equity**
	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**	€000	€000	**€000**
1 January 2026	43,569	594,358	1,084	(21,537)	2,593	1,984,158	84,636	4,261	16,660	**2,709,782**	220,000	19,745	**2,949,527**
Profit for the period	-	-	-	-	-	251,785	-	-	-	**251,785**	-	554	**252,339**
Other comprehensive income/(loss) after tax for the period	-	-	-	-	-	69	103	198	(11)	**359**	-	(1)	**358**
Total comprehensive income/(loss) after tax for the period	-	-	-	-	-	251,854	103	198	(11)	**252,144**	-	553	**252,697**
Dividends (Note 26)	-	-	-	-	-	(217,981)	-	-	-	**(217,981)**	-	-	**(217,981)**
Share-based benefits - cost	-	-	-	-	900	-	-	-	-	**900**	-	-	**900**
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	**-**	-	(175)	**(175)**
Payment of coupon to AT1 holders (Note 25)	-	-	-	-	-	(13,063)	-	-	-	**(13,063)**	-	-	**(13,063)**
Issue of shares under share-based schemes (Note 25)	27	-	-	-	(710)	683	-	-	-	**-**	-	-	**-**
30 June 2026	**43,596**	**594,358**	**1,084**	**(21,537)**	**2,783**	**2,005,651**	**84,739**	**4,459**	**16,649**	**2,731,782**	**220,000**	**20,123**	**2,971,905**

	Attributable to the owners of the Company										Other equity instruments (Note 25)	Non-controlling interests	**Total equity**
	Share capital (Note 25)	Share premium (Note 25)	Capital redemption reserve (Note 25)	Treasury shares (Note 25)	Other capital reserves (Note 11)	Retained earnings	Property revaluation reserve	Financial instruments fair value reserve	Foreign currency translation reserve	**Total**			
	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**	€000	€000	**€000**
1 January 2025	44,050	594,358	570	(21,463)	1,849	1,865,327	84,869	3,623	16,691	**2,589,874**	220,000	20,194	**2,830,068**
Profit for the period	-	-	-	-	-	234,639	-	-	-	**234,639**	-	1,136	**235,775**
Other comprehensive income/(loss) after tax for the period	-	-	-	-	-	151	4	706	(53)	**808**	-	1	**809**
Total comprehensive income/(loss) after tax for the period	-	-	-	-	-	234,790	4	706	(53)	**235,447**	-	1,137	**236,584**
Dividends (Note 26)	-	-	-	-	-	(209,443)	-	-	-	**(209,443)**	-	-	**(209,443)**
Share-based benefits - cost	-	-	-	-	763	-	-	-	-	**763**	-	-	**763**
Payment of coupon to AT1 holders (Note 25)	-	-	-	-	-	(13,063)	-	-	-	**(13,063)**	-	-	**(13,063)**
Issue of shares under share-based schemes (Note 25)	33	-	-	-	(619)	586	-	-	-	**-**	-	-	**-**
Share buyback-repurchase of shares (Note 25)	-	-	-	(30,000)	-	-	-	-	-	**(30,000)**	-	-	**(30,000)**
30 June 2025	**44,083**	**594,358**	**570**	**(51,463)**	**1,993**	**1,878,197**	**84,873**	**4,329**	**16,638**	**2,573,578**	**220,000**	**21,331**	**2,814,909**

		Six months ended 30 June	
		2026	2025
	Note	**€000**	€000
Profit before tax		**298,869**	277,844
Adjustments for:			
Depreciation of property and equipment and amortisation of intangible assets		**17,963**	17,400
Impairment net of reversals on non-financial assets		**10,492**	14,009
Credit losses on financial assets		**322**	15,901
Net (gains)/losses on derecognition of financial assets measured at amortised cost		**(4,250)**	2,171
Amortisation of discounts/premiums and interest on debt securities		**(78,779)**	(61,266)
Dividend income	*16*	**(1,009)**	(73)
(Gain)/loss from revaluation of financial instruments designated as fair value hedges		**(38,285)**	1,115
Interest on subordinated liabilities and debt securities in issue		**29,816**	34,767
Interest on reverse repurchase agreements		**(15,095)**	(15,095)
Share-based benefits cost	*11*	**870**	632
Net gains on disposal of stock of property and investment properties		**(5,943)**	(7,633)
Profit on sale and write offs of property and equipment and intangible assets		**(88)**	(16)
Interest expense on lease liability		**478**	553
Premium tax included in net insurance service result as directly attributable expense		**18**	1,305
Net losses from revaluation of investment properties		**864**	1,775
Net exchange differences		**(8,569)**	33,184
		207,674	316,573
Change in:			
Loans and advances to banks		**(28,490)**	86,748
Deposits by banks		**(34,982)**	137,956
Obligatory balances with central banks		**(83,893)**	(81,121)
Balances with central banks for ancillary services		**(1,660)**	(2,484)
Customer deposits		**610,385**	383,837
Short-term reverse repurchase agreements		**(652)**	-
Life insurance business assets attributable to policyholders and Insurance contract liabilities		**(32,850)**	(27,961)
Loans and advances to customers		**(529,640)**	(484,881)
Prepayments, accrued income and other assets		**28,680**	102,975
Provisions for pending litigation, claims, regulatory and other matters		**(4,720)**	(34,994)
Accruals, deferred income and other liabilities		**(15,066)**	66,015
Derivative financial instruments		**30,418**	(15,874)
Investments measured at FVPL		**6,120**	(10,893)
Stock of property		**30,105**	217,964
		181,429	653,860
Tax paid		**(10,859)**	(7,813)
Net cash from operating activities		**170,570**	646,047
Cash flows from investing activities			
Purchases of debt securities, treasury bills and equity securities		**(987,240)**	(828,756)
Proceeds on disposal/redemption of investments in debt and equity securities		**524,282**	373,586
Interest received from debt securities		**67,066**	49,281
Interest received from reverse repurchase agreements		**16,982**	10,552
Dividend income from equity securities	*16*	**1,009**	73
Purchases of property and equipment		**(4,940)**	(5,153)
Additions to intangible assets		**(7,083)**	(5,796)
Proceeds on disposal of property and equipment and intangible assets		**-**	75
Proceeds on disposal of investment properties		**2,279**	1,311
Acquisition of investment in associates	*21*	**(6,017)**	-
Net cash used in investing activities		**(393,662)**	(404,827)

		Six months ended 30 June	
		2026	2025
	Note	**€000**	€000
Cash flow from financing activities			
Payment of coupon to AT1 holders	*25*	**(13,063)**	(13,063)
Share buyback-repurchase of shares	*25*	**-**	(30,000)
Proceeds from the issue of debt securities in issue (net of transaction costs)		**297,606**	-
Redemption of debt securities in issue	*23*	**(300,000)**	-
Redemption of subordinated liabilities	*23*	**(82,413)**	-
Dividend paid on ordinary shares		**(197,985)**	(181,783)
Interest paid on subordinated liabilities		**(2,232)**	-
Interest paid on debt securities in issue		**(18,102)**	(22,500)
Principal elements of lease payments		**(4,713)**	(6,317)
Dividend paid by subsidiaries to non-controlling interests		**(175)**	-
Net cash used in financing activities		**(321,077)**	(253,663)
Net decrease in cash and cash equivalents		**(544,169)**	(12,443)
Cash and cash equivalents 1 January		**8,289,470**	7,723,845
Cash and cash equivalents 30 June	*29*	**7,745,301**	7,711,402

Non-cash transactions

Repossession of collaterals
During the six months ended 30 June 2026, the Group acquired properties by taking possession of collaterals held as security for loans and advances to customers of €870 thousand (30 June 2025: €4,610 thousand).

Recognition of RoU assets and lease liabilities
During the six months ended 30 June 2026 the Group recognised RoU assets and corresponding lease liabilities of €371 thousand (30 June 2025: €338 thousand).

1. Corporate information

Bank of Cyprus Holdings Public Limited Company (the 'Company') was incorporated in Ireland on 11 July 2016, as a public limited company under company number 585903 in accordance with the provisions of the Companies Act 2014 of Ireland (Companies Act 2014). Its registered office is Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland. The Company is domiciled in Ireland and is tax resident in Cyprus.

Bank of Cyprus Holdings Public Limited Company is the holding company of Bank of Cyprus Public Company Limited ('BOC PCL' or the 'Bank') with principal place of business in Cyprus. The Bank of Cyprus Holdings Group (the 'Group') comprises the Company, its subsidiary, BOC PCL, and the subsidiaries of BOC PCL. Bank of Cyprus Holdings Public Limited Company is the ultimate parent company of the Group.

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

BOC PCL is a significant credit institution for the purposes of the SSM Regulation and has been designated by the CBC as an 'Other Systemically Important Institution' (O-SII). The Group is subject to joint supervision by the European Central Bank (ECB) and the Central Bank of Cyprus (CBC) for the purposes of its prudential requirements.

The shares of the Company are listed and trading on the Cyprus Stock Exchange (CSE) and the Athens Stock Exchange (ATHEX).

Interim Condensed Consolidated Financial Statements
The Interim Condensed Consolidated Financial Statements of the Company for the six months ended 30 June 2026 (the Consolidated Financial Statements) were authorised for issue by a resolution of the Board of Directors on 03 August 2026.

2. Unaudited financial statements

The Consolidated Financial Statements have not been audited by the Group’s external auditors.

The Group’s external auditors have conducted a review in accordance with the International Standard on Review Engagements 2410 ‘Review of Interim Financial Information performed by the Independent Auditor of the Entity’.

3. Summary of material accounting policies

3.1 Basis of preparation

The Consolidated Financial Statements have been prepared on a historical cost basis, except for properties held for own use and investment properties, investments at fair value through other comprehensive income (FVOCI), financial assets (including, where applicable, loans and advances to customers and investments) at fair value through profit or loss (FVPL) and derivative financial assets and derivative financial liabilities that have been measured at fair value, insurance and reinsurance contract assets and liabilities measured at their fulfilment values in accordance with IFRS 17, non-current assets held for sale measured at fair value less costs to sell, where applicable, and stock of property measured at net realisable value where this is lower than cost. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and otherwise carried at cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

Presentation of the Consolidated Financial Statements
The Consolidated Financial Statements are presented in Euro (€) and all amounts are rounded to the nearest thousand, except where otherwise indicated. A comma is used to separate thousands and a dot is used to separate decimals.

The Group presents its balance sheet broadly in order of liquidity.

3.2 Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with the International Accounting Standard (IAS) applicable to interim financial reporting as adopted by the European Union (EU) (IAS 34), the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019.

3. Summary of material accounting policies (continued)

3.2. Statement of compliance (continued)

The Consolidated Financial Statements do not comprise statutory financial statements for the purposes of the Companies Act 2014 of Ireland. The Company's statutory financial statements for the purposes of Chapter 4 of Part 6 of the Companies Act 2014 of Ireland for the year ended 31 December 2025, upon which the auditors have expressed an unqualified opinion, were approved by the Board of Directors on 30 March 2026 and are expected to be delivered to the Registrar of Companies of Ireland within 56 days of 30 September 2026.

The Consolidated Financial Statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the Consolidated Financial Statements of Bank of Cyprus Holdings Public Limited Company for the year ended 31 December 2025, prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and ESEF requirements, which are available at the Group's website (www.bankofcyprus.com).

3.3 Changes in accounting policies, presentation and disclosures

The accounting policies adopted and methods of computation are consistent with those followed for the preparation of the annual consolidated financial statements for the year ended 31 December 2025 and set out in Note 2 of those consolidated financial statements, except for the adoption of new and amended standards and interpretations that did not have an impact on the Consolidated Financial Statements as explained in Note 3.3.1.

3.3.1 New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on 1 January 2026 and which are explained below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (amendments)
The IASB issued targeted amendments to report the financial effects of nature-dependent electricity contracts, which are often structured as power purchase agreements (PPAs). The amendments include clarifying the application of the 'own-use' requirements, permitting hedge accounting if these contracts are used as hedging instruments; and adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. These amendments did not have an impact on the Group's results and financial position.

Annual Improvements to IFRS Accounting Standards — Volume 11
The amendments contained in the Annual Improvements relate to:

i. IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter
ii. IFRS 7 Financial Instruments - Disclosures and its accompanying Guidance on implementing IFRS 7
iii. IFRS 9 Financial Instruments - Derecognition of lease liabilities and Transaction price
iv. IFRS 10 Consolidated Financial Statements - Determination of a 'de facto agent'
v. IAS 7 Statement of Cash Flows - Cost Method

These amendments did not have an impact on the Group's results and financial position.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of financial Instruments (amendments)
The IASB issued amendments to IFRS 9 and IFRS 7. The amendments: (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system, (b) add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, (c) add new disclosures for certain instruments with contractual terms that can change cash flows, (d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). These amendments did not have an impact on the classification of loans and therefore on the Group's results and financial position.

3. Summary of material accounting policies (continued)

3.4 Standards and Interpretations that are issued but not yet effective

3.4.1 Standards and Interpretations issued by the IASB and adopted by the EU

IFRS 18 Presentation and Disclosure in Financial Statements (new standard)
The standard introduces new requirements for the presentation and disclosure of information in financial statements, with a focus on the structure of the statement of profit or loss and enhanced transparency. Key changes include the classification of income and expenses into operating, investing and financing categories, the introduction of disclosures for management-defined performance measures (MPMs), and enhanced principles on aggregation and disaggregation, which apply to the primary financial statements and the notes in general. The standard does not impact the recognition or measurement of items but may change the presentation of operating profit or loss. IFRS 18 introduces narrow scope amendments to IAS 7 Statement of Cash Flows, requiring operating profit or loss as the starting point for the indirect method and removing options for the classification of interest and dividends. IFRS 18 has been endorsed by the EU, is effective for reporting periods beginning on or after 1 January 2027 and will be applied retrospectively, also applicable to comparative information. The Group is currently in the process of implementation of the new standard and does not expect an impact on net profit or equity. However, it anticipates changes to the presentation of its financial performance and related disclosures, as IFRS 18 requires operating, investing and financing activities to be presented separately.

3.4.2 Standards and Interpretations issued by the IASB but not yet adopted by the EU

IFRS 19 Subsidiaries without Public Accountability: Disclosures (new standard)
The IASB issued a new accounting standard for subsidiaries. IFRS 19 Subsidiaries without Public Accountability will enable subsidiaries to keep only one set of accounting records in order to meet the needs of both their parent company and the users of their financial statements. In addition, the IFRS 19 will permit reduced disclosures better suited to the needs of the users of the financial statements while still maintaining the usefulness of the information. When endorsed by the EU, the new standard will be effective for annual periods beginning on or after 1 January 2027. The new standard does not apply to the financial statements of the Group.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (amendments)
The latest amendments to IFRS 19 help eligible subsidiaries by reducing disclosure requirements for Standards and amendments issued between February 2021 and May 2024. The amendment ensures consistency by applying the same principles for reducing disclosures as used in the original IFRS 19. Key features include exclusions for public accountability disclosures and cross-references to IFRS 18 for management performance. When endorsed by the EU, these amendments will be effective for annual periods beginning on or after 1 January 2027. The standard and its amendments do not apply to the financial statements of the Group.

IAS 21 The effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation currency (amendments)
The IASB has issued targeted amendments to IAS 21, clarifying how entities should translate financial statements when moving from a non-hyperinflationary currency to a hyperinflationary one. These amendments are designed to enhance the relevance of reported information while keeping implementation costs manageable. They aim to reduce inconsistencies in practice and establish clearer framework for financial reporting in hyperinflationary environments. When endorsed by the EU, these amendments will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. These amendments do not apply to the financial statements of the Group.

IFRS 20 Regulatory Assets and regulatory Liabilities (new standard)
The IASB issued in May 2026 a new accounting standard for companies subject to a specific type of rate regulation, that determines how much a company can charge customers and when it can charge them. IFRS 20 Regulatory Assets and Regulatory Liabilities aims to help investors better understand how that rate regulation affects a company’s financial performance, financial position and its prospects for future cash flows. Companies that supply vital services such as electricity, water and gas are often subject to this type of regulation. IFRS 20 will be effective for annual periods beginning on or after 1 January 2029. The new standard does not apply to the financial statements of the Group.

3. Summary of material accounting policies (continued)

3.4 Standards and Interpretations that are issued but not yet effective (continued)

3.4.2 Standards and Interpretations issued by the IASB but not yet adopted by the EU (continued)

IAS 28 Investments in Associates and Joint Ventures: Amendments to the Fair Value Option (amendments)
The IASB has issued targeted amendments to clarify which investments in associates and joint ventures a company is eligible to measure using the fair value option in IAS 28 Investments in Associates and Joint Ventures. The amendments clarify that, for the purposes of applying paragraphs 18–19 of IAS 28, similar entities include entities that have a main business activity of investing in particular types of assets as set out in IFRS 18. When endorsed by the EU, these amendments will be effective for annual periods beginning on 1 January 2027 at the same time when an entity first applies IFRS 18. The amendments are not expected to have an impact on the financial performance and financial position of the Group.

4. Going concern

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

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

In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including projections of profitability, cash flows, capital requirements and capital resources, liquidity and funding position, taking also into consideration the Group's Financial Plan approved by the Board at the beginning of March 2026 (the 'Plan') and any reforecast exercises performed thereon and the operating environment, as well as the recent geopolitical events as described in Note 5. The Group has sensitised its projection to cater for a downside scenario and has used reasonable economic inputs to develop its medium-term strategy.

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

Funding and liquidity
The Directors and management have considered the Group's funding and liquidity position and are satisfied that the Group has sufficient funding and liquidity throughout the period of assessment. The Group continues to hold a significant liquidity buffer at 30 June 2026 that can be monetised in a period of stress.

5. Economic and geopolitical environment

Cyprus is a diversified, small, open, services-based economy, with a large external sector and reliance on tourism and international business and information and communication technology (ICT) services that has demonstrated resilience and growth in recent years, navigating through global uncertainties and regional challenges.

The Cypriot economy continued to be resilient in 2025 with strong GDP growth in recent years, consistently being one of the top performers in the Eurozone, despite the ongoing increase in uncertainty across the world as well as the recent geopolitical challenges that have erupted in the region. Cyprus' performance is supported by solid fiscal developments and sustained improvements in the financial sector. GDP grew by 3.8% in 2025 and labour productivity over the same period increased by 2.5%, higher than the 1.8% level observed in 2024. Inflation, as measured by the Harmonised Index of Consumer Prices (HICP), has been declining since its peak in July-August 2022, reaching 2.3% in 2024 and standing at 0.8% in 2025, the lowest in the Eurozone. The solid economic performance continued in 2026, with GDP growth in the first quarter standing at 3%. In the first six months of 2026, HICP inflation stood at 2.4%, driven by higher energy prices from March onwards due to the Iran conflict.

5. Economic and geopolitical environment (continued)

External factors which are beyond the control of the Group, including developments in the European Union and in the global economy, or in specific countries with which Cyprus maintains close economic and investment links, can have a significant impact on domestic economic activity. A number of macro and market related risks, including weaker economic activity, a highly volatile interest rate environment, and higher competition in the financial services industry, could negatively affect the Group's business environment, results, and operations. The heightened geopolitical tensions between the world's largest economies are adding uncertainty to the global economy outlook, given that wars and other geopolitical developments can be very disruptive to the economy. At the current juncture, uncertainties arise from the ongoing conflicts in Russia/Ukraine and the Middle East.

Although there have been distinct improvements in Cyprus' risk profile after the banking crisis, substantial risks remain. As in most small open economies, Cyprus' overall country risk is a combination of sovereign, banking, political, and economic structure risk, influenced by external developments. Given the above, the Group recognises that unforeseen political events can have negative effects on the Group's activities.

The major escalation in the Middle East in 2026 is disrupting the geopolitical balance and shaking international markets, especially with regards to energy. While both the Cypriot and the global economy enter this crisis from a relatively solid position, despite the existing trade and geopolitical tensions, this conflict is expected to have implications for energy markets and it turn impact inflation and broader financial conditions, but the magnitude of the impact crucially depends on how long the conflict lasts.

The economic outlook is impacted by the unpredictable geopolitical situation and impact of higher energy prices remains uncertain. Secondary effects stemming from these developments, e.g., the reaction of central banks or the sufficiency of energy supplies in Europe, as well as the economic impact of such effects are hard to predict and could be significant. Although the Group's direct exposure to the Middle East region is limited, the conflict could have an adverse impact on the Cypriot economy, including, a negative impact on tourism, import costs through higher freight notes and administrative services sectors, an increase in energy prices resulting in inflationary pressures, and disruptions to trade.

The Group's direct exposure to the countries in the Middle East Region directly affected by the conflict (and specifically exposure in Israel, Iran, Lebanon, Saudi Arabia, United Arab Emirates, Qatar, Bahrain and Kuwait) is limited. Specifically, the Group has bond exposures of an aggregated nominal amount of €61 million all classified at the amortised cost category, and loans and advances to customers of a gross amount of €151 million as at 30 June 2026, by reference to the country of risk as defined in Note 30.2 and expanded to also include exposures for loans and advances to customers with collateral located in these countries and/or business activities within these countries, as applicable.

The Group is closely monitoring the developments, utilising dedicated governance structures including a Crisis Management Committee as required. The Group is continuously monitoring the current affairs and the impact of the forecasted macroeconomic conditions and geopolitical developments on the Group's strategy to proactively manage emerging risks. In its models, the Group includes related events in its stress testing scenarios to obtain a better understanding of the potential capital impact. The Group, considering its capital and liquidity position, its risk profile as well as the results of its stress testing scenarios demonstrates that is well positioned to withstand volatility that may arise from a deterioration in the geopolitical and global economic environment.

6. Significant judgements, estimates and assumptions

The preparation of the Consolidated Financial Statements requires the Company's Board of Directors and management to make judgements, estimates and assumptions that can have a material impact on the amounts recognised in the Consolidated Financial Statements and the accompanying disclosures, as well as the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affecting future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments may, however, change due to market changes or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

6. Significant judgements, estimates and assumptions (continued)

The significant judgements, estimates and assumptions relate to the calculation of expected credit losses (ECL), the estimation of the net realisable value of stock of property and the provisions for pending litigation and claims, which are presented in Notes 6.1 to 6.3 below. Other judgements, estimates and assumptions are disclosed in Notes 5.4 to 5.13 of the annual consolidated financial statements for the year ended 31 December 2025.

6.1 Calculation of expected credit losses

The calculation of ECL requires management to apply significant judgement and make estimates and assumptions, involving significant uncertainty at the time these are made. Changes to these estimates and assumptions can result in significant changes to the timing and amount of ECL to be recognised. The Group's calculations are outputs of models, of underlying assumptions on the choice of variable inputs and their interdependencies.

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Elements of ECL models that are considered accounting judgements and estimates include:

Assessment of significant increase in credit risk (SICR)
IFRS 9 does not include a definition of significant increase in credit risk. The Group assesses whether significant increase in credit risk has occurred since initial recognition using predominantly quantitative and in certain cases qualitative information and backstop indicators. The determination of the relevant criteria to determine whether a significant increase in credit risk has occurred, is based on statistical metrics and could be subject to management judgement. The relevant criteria are set, monitored and updated on a yearly basis by the Risk Management Division and endorsed by the Group Provisions and Impairments Committee. For exposures which are subject to individual impairment assessment, the Group does not rely solely on quantitative and backstop indicators to assess whether SICR has occurred. Instead, judgement is exercised based on the specific facts and circumstances of each case. Lifetime ECL applies when a significant increase in credit risk has occurred on an individual or collective basis.

Determining the probability of default (PD) at initial recognition requires management estimates in particular cases. Specifically, in the case of exposures existing prior to the adoption of IFRS 9, a retrospective calculation of the PD was made in order to quantify the risk of each exposure at the time of the initial recognition. In certain cases, estimates about the date of initial recognition might be required.

For the retail portfolio, the Group uses a PD at origination incorporating behavioural information (score cards) whereas, for the corporate portfolio, the Group uses the internal credit rating information. For revolving facilities, management estimates are required with respect to the lifetime and hence a behavioural maturity model is utilised, assigning an expected maturity based on product and customer behaviour.

Scenarios and macroeconomic factors
The Group determines the ECL, which is a probability weighted amount, by evaluating a range of possible outcomes. Management uses forward-looking scenarios and assesses the suitability of weights used. These are based on management's assumptions taking into account macroeconomic, market and other factors. Changes in these assumptions and in other external factors could significantly impact ECL. Macroeconomic inputs and weights per scenario are monitored by the Economic Research Department and are based on internal model analysis and expert judgement, considering also external forecasts.

The Cypriot economy has demonstrated remarkable resilience and growth in recent years, navigating through global uncertainties and regional challenges, while the credit profile of Cyprus has improved significantly in the more recent period, as a result of the improvement in overall macroeconomic conditions, good institutional strength and effective policy making. In 2025, the economy achieved a growth rate of 3.8%, driven by rising exports and strong economic activity in key sectors such as tourism, information and communications, construction and trade. This follows a period of strong growth with an annual average of 5.2% over 2015-2024. The unemployment rate has remained low, averaging 4.4% in 2025, indicating almost full employment conditions. Inflation has been successfully stabilized, with rates declining from 2.3% in 2024 to 0.8% in 2025. General government debt metrics have significantly improved in recent years. The government debt to GDP ratio dropped to 55% in December 2025 from 63% in 2024 and 113.6% at the end of 2020.

6. Significant judgements, estimates and assumptions (continued)

6.1 Calculation of expected credit losses (continued)

In the first quarter of 2026, and despite the ongoing increase in uncertainty, GDP growth stood at 3%, while HICP inflation in the January-June 2026 period stood at 2.4%, driven by higher oil prices. Looking ahead, continued budgetary surpluses and favourable debt dynamics are expected to further reduce the debt ratio, with estimates indicating that it will stand below 50% by the end of the year. As per the most recent forecasts by local and foreign agencies (CBC, MoF, IMF, EC), growth in the medium term, is expected to continue to outpace eurozone peers and average more than 2.5% annually in 2026-2028, driven by services exports and private consumption on the expenditure side, and by international business services and the ICT sector on the production side.

However, risks remain in the domestic operating environment, as well as the external environment on which it depends. Legacy loans owned by credit acquiring companies still linger in the economy, the current account deficit remains sizable and, while public debt has dropped relative to GDP, government expenditures need more rationalisation. It is likely that long term yields may remain elevated for longer, with potential for increases, if inflation pressures remain and geopolitical uncertainties escalate. At the same time, while the US trade policy is not expected to have any meaningful direct effects on the Cyprus economy, some indirect effects could materialise due to the more uncertain global macroeconomic environment. Cyprus remains exposed to travel, energy and other disruptions that can impact its economy.

For the ECL, the Group updated its forward-looking scenarios, factoring in updated macroeconomic assumptions and other monetary and fiscal developments at the national and the EU level based on developments and events as at the reporting date.

For the ECL calculations, the Group uses an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, as described in Note 2.16.5 of the annual consolidated financial statements for the year ended 31 December 2025. The approach employed, involves the generation of multiple scenarios which are anchored to the baseline scenario. All scenarios are updated on a quarterly basis for the purposes of the ECL calculation in tandem with the baseline scenario. The updated macroeconomic inputs (incorporating any uncertainties and downside risks) are therefore reflected in the scenario parameters, starting from the baseline and updated in turn for the adverse and the favourable scenarios accordingly. All other things equal, if the baseline becomes more pessimistic, then both the favourable and downside scenarios would be adjusted accordingly, reflecting the fact that the economic variables used in the scenarios are conditional on the economy's position in the business cycle.

A dynamic scenario approach is followed, as explained above, where the scenario parameters derived reflect the Group's view of the economic conditions. The probability weights attached to the scenarios are a function of their relative position on the distribution, with a lower probability weight attached to the scenarios that were assessed to be more distant from the centre of the distribution. The baseline scenario is defined over the range of values corresponding to 50% probability of equidistant deviations around the mean of the historical distribution. The favourable and adverse scenarios are defined over the range of values to the right and left of the distribution and specifically, at the 60% and the 5% of the probability distribution respectively.

Qualitative adjustments or overlays are occasionally made when inputs calculated do not capture all the characteristics of the market. These are reviewed and adjusted, if considered necessary, by the Risk Management Division, endorsed by the Group Provisions and Impairments Committee, and approved by the Board of Directors following recommendation by the Board Risk and Audit Committees.

The most significant macroeconomic variables for each of the scenarios used by the Group as at 30 June 2026 and 31 December 2025 are presented in the table below. The Group uses three different economic scenarios in the calculation of default probabilities and provisions. The scenarios factor in updated macroeconomic assumptions and other monetary and fiscal developments based on events as at the reporting date. In 2026, the Group changed the probability structure of the scenario-weights used in the ECL calculations to 40-50-10 (31 December 2025: 30-50-20) for the adverse, baseline and favourable scenarios respectively, assigning a higher probability to the adverse scenario, to account for the increased geopolitical uncertainty following the Middle East military conflict and the potential economic consequences. This reflects management's view of specific characteristics of the Cyprus economy that render it more vulnerable to external and internal shocks and resulted in an ECL charge of €5.5 million for the six months ended 30 June 2026.

6. Significant judgements, estimates and assumptions (continued)

6.1 Calculation of expected credit losses (continued)

The Group uses actual values for the input variables used for the calculation of the forecasts. These values are sourced mainly from the Cyprus Statistical Service and Eurostat, with the residential property price index obtained from the CBC, and interest rate data obtained from the ECB. In the case of property prices, the Group additionally uses data from the Royal Institute of Chartered Surveyors. For the forward reference period, the Group uses the forecast values for the same variables, as prepared by BOC PCL's Economic Research Department. The results of the internal forecast exercises are consistent with publicly available forecasts from official sources including the European Commission, the International Monetary Fund, the ECB and the Ministry of Finance of the Republic of Cyprus.

30 June 2026

Year	Scenario	Weight (%)	Real GDP (% change)	Unemployment rate (% of labour force)	Consumer Price Index (average % change)	RICS House Properties Price Index (average % change)	RICS Retail Properties Price Index (average % change)	6-month Euribor rate
2026	Adverse	40.0	-3.1	6.7	4.8	-2.3	-3.0	2.5
	Baseline	50.0	2.3	3.7	3.5	2.8	0.7	2.5
	Favourable	10.0	2.8	3.6	2.9	3.0	0.9	2.6
2027	Adverse	40.0	-4.5	8.4	3.9	-4.9	-4.4	3.2
	Baseline	50.0	2.5	3.7	1.3	2.0	0.8	2.8
	Favourable	10.0	2.9	3.6	1.4	2.3	1.0	2.8
2028	Adverse	40.0	-0.5	7.7	3.1	-0.5	-1.3	2.7
	Baseline	50.0	2.2	3.8	1.6	2.0	1.0	2.5
	Favourable	10.0	2.5	3.6	2.0	2.0	1.0	2.5
2029	Adverse	40.0	0.7	6.9	2.7	1.5	-0.4	2.5
	Baseline	50.0	2.1	3.8	2.1	2.0	1.1	2.2
	Favourable	10.0	2.1	3.7	2.1	2.0	1.1	2.2
2030	Adverse	40.0	2.7	5.5	2.3	3.0	1.7	2.2
	Baseline	50.0	2.1	3.8	2.0	1.9	1.2	2.2
	Favourable	10.0	2.1	3.6	2.0	1.9	1.2	2.2
2031	Adverse	40.0	2.5	4.9	2.0	3.1	3.6	2.2
	Baseline	50.0	2.0	3.7	2.0	1.9	1.2	2.2
	Favourable	10.0	2.0	3.6	2.0	1.9	1.2	2.2

31 December 2025

Year	Scenario	Weight %	Real GDP (% change)	Unemployment rate (% of labour force)	Consumer Price Index (average % change)	RICS House Properties Price Index (average % change)	RICS Retail Properties Price Index (average % change)	6-month Euribor rate
2026	Adverse	30.0	-5.1	8.0	-1.4	-3.9	3.9	1.5
	Baseline	50.0	2.6	4.3	2.6	2.5	0.9	2.2
	Favourable	20.0	4.1	4.1	3.4	3.9	2.2	2.4
2027	Adverse	30.0	-2.3	7.4	-0.9	-4.3	3.1	1.5
	Baseline	50.0	2.4	4.3	2.1	2.2	0.9	2.4
	Favourable	20.0	2.6	4.1	2.7	2.8	1.5	2.5
2028	Adverse	30.0	0.3	6.7	1.2	-0.2	1.5	2.0
	Baseline	50.0	2.2	4.3	1.9	2.2	0.9	2.7
	Favourable	20.0	2.3	4.1	2.2	2.3	1.1	2.7
2029	Adverse	30.0	1.7	6.2	1.6	3.1	0.6	2.3
	Baseline	50.0	2.1	4.2	2.0	2.1	0.9	2.6
	Favourable	20.0	2.1	4.1	2.0	2.1	0.9	2.6
2030	Adverse	30.0	3.3	5.9	1.9	4.1	2.5	2.5
	Baseline	50.0	2.1	4.2	2.0	2.0	0.9	2.5
	Favourable	20.0	2.1	4.1	2.0	2.0	0.9	2.5

The adverse scenarios may outpace the base and favourable scenarios after the initial shock has been adjusted to, and the economy starts to expand from a lower base. Thus, in the adverse scenario GDP will follow a growth trajectory that will ultimately equal and surpass the baseline before converging. Property prices are determined by multiple factors with GDP growth featuring prominently.

The scenarios used are described below.

6. Significant judgements, estimates and assumptions (continued)

6.1 Calculation of expected credit losses (continued)

The baseline scenario was updated for the 30 June 2026 reporting, considering available information and relevant developments until then, and reflect the Group's views as at the reporting date. Growth in 2025 and the first quarter of 2026 remained above the Euro area average, supported by the continued recovery in tourism and expanding services activity, especially in the tech sector. In particular, real GDP increased by 3.8% in 2025 and grew by 3% in the first quarter of 2026. Tourist arrivals in Cyprus, after exceeding four million in 2024, have continued growing in 2025, up by 12.2% for the year but have declined in 2026, due to the Iran war. In the first half of 2026, the decline in arrivals stands at 10.1% compared to the previous year, even though recent months show a stabilization in tourism flows, with June 2026 down just 1.7% compared to June 2025. Under the baseline scenario the economy's GDP growth is expected to stand at 2.3% in 2026 and 2.5% in 2027, while the consumer price inflation is forecast to rise to 3.5% in 2026 and ease to 1.3% in 2027. House prices, as measured by the RICS house price index, are expected to rise by 2.8% in 2026 following strong increases in the 2022-2025 period. Similarly, prices for retail properties are expected to grow by 0.7%. The economic backdrop is characterised by robust growth, despite heightened uncertainty amidst a material increase geopolitical risk. The current environment also assumes a total of rate hikes by the ECB in 2026 in line with market expectations, as a response to higher but transitory inflation, with the 6-month Euribor rate expected to average at 2.53% over the year. Geopolitical tensions act as a headwind to growth via higher potential fragmentation in global trade patterns, but artificial intelligence (AI) deployment is also underpinning global trade and investment.

The adverse scenario is consistent with assumptions for a global economic slowdown driven by a material increase in geopolitical tensions, especially in the Middle East region, which result in elevated energy prices and thus higher inflation, which curtail consumption growth and force central banks to raise interest rates and thus observe a steepening of yield curves. Given that the Cypriot economy relies on services, particularly on tourism, international business, and information and communication services with an outward orientation, this makes the Cypriot economy more exposed to the international environment than other economies. The material drop in external demand will lead to a material slowdown of economic activity. The adverse scenario assumes a deeper impact of these conditions on the real economy than under the baseline scenario. Under the adverse scenario, real GDP is expected to decline by 3.1% in 2026 and by 4.5% in 2027. The unemployment rate is expected to rise to 6.7% in 2026 and to 8.4% in 2027, while inflation is forecast to stand at 4.8% in 2026 and slowly ease to 3.9% in 2027. House and retail prices will also decline in line with the contraction in real GDP, while the ECB is envisaged to proceed with rate hikes in 2026, to counter higher inflation and then with rate cuts in the 2028-2030 period to address the weakening economy.

The favourable scenario represents a more favourable outlook than the baseline scenario. In this case, the impact of the Iran conflict on the Cyprus economy appears to be short-lived and a deal is reached relatively fast, while geopolitical tensions ease globally. These developments provide a boost to consumer and business confidence in Cyprus, as they ease any issues pertaining to a deterioration in the international environment. Under the favourable scenario, real GDP is expected to grow by 2.8% in 2026 and by 2.9% in 2027. In the labour market the unemployment rate will continue its slow downwards path, averaging 3.6% in 2026 and 2027 and consumer price inflation post a smaller increase to 2.9% in 2026, before easing to 1.4% in 2027. House prices are expected to rise by 3% in 2026, while retail prices are expected to increase by 0.9%.

For Stage 3 customers, the calculation of individually assessed provisions is the weighted average of three scenarios: base, adverse and favourable, with the aforementioned 50-40-10 weights. The base scenario focuses on the following variables, which are based on the specific facts and circumstances of each customer: the operational cash flows, the timing of recovery of collaterals and the haircuts from the realisation of collateral. Under the adverse scenario, operational cash flows are materially constrained, haircuts applied on real estate collateral are substantially increased by and the recovery of collaterals is delayed compared to the baseline scenario. Assumptions used in estimating expected future cash flows (including cash flows that may result from the realisation of collateral) reflect current and expected future economic conditions and are generally consistent with those used in the Stage 3 collectively assessed exposures.

The above assumptions are also influenced by the ongoing regulatory dialogue BOC PCL maintains with its lead regulator, the ECB, and other regulatory guidance and interpretations issued by various regulatory and industry bodies such as the ECB and the EBA.

6. Significant judgements, estimates and assumptions (continued)

6.1 Calculation of expected credit losses (continued)

Any changes in these assumptions or difference between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

For collectively assessed customers the calculation is also the weighted average of three scenarios: base, adverse and favourable.

Assessment of loss given default (LGD)
For the estimation of loss given default (LGD) key estimates are the timing and net recoverable amount from repossession or realisation of collaterals (including through portfolio sales), which mainly comprise real estate assets, as well as the minimum LGD rate which provides for a minimum loss rate which acts as a floor. During the period ended 30 June 2026 the Group has also introduced a workout period assumption, whereby defaulted exposures remaining unresolved beyond a specified period of years are assumed to be fully provided. The introduction of the workout period assumption resulted in an ECL charge of €1 million for the six months ended 30 June 2026.

Assumptions have been made about the future changes in property values, as well as the timing for the realisation of collateral, taxes and expenses on the repossession and subsequent sale of the collateral, as well as any other applicable haircuts. Indexation has been used as the basis to estimate updated market values of properties, supplemented by management judgement where necessary, given the difficulty in differentiating between short-term impacts and long-term structural changes and the shortage of market evidence for comparison purposes. Assumptions were made on the basis of a macroeconomic scenario for future changes in property prices and qualitative adjustments or overlays were applied to the projected future property value increases to restrict the level of future property price growth to 0% for all scenarios for loans and advances to customers which are secured by property collaterals.

At 30 June 2026, the weighted average haircut (including liquidity haircut and selling expenses) used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) is approximately 42% under the baseline scenario (31 December 2025: approximately 42%).

At 30 June 2026, the timing of recovery from real estate collaterals used for the provision calculation for loans and advances to customers (for both Stage 1 and Stage 2 exposures and collectively assessed Stage 3 exposures) has been estimated to be on average 7.5 years under the baseline scenario (31 December 2025: average of 7.5 years).

For the calculation of individually assessed provisions of Stage 3 exposures, the timing of recovery of collaterals as well as the haircuts used, are based on the specific facts and circumstances of each case.

Any changes in these assumptions or variance between assumptions made and actual results could result in significant changes in the estimated amount of expected credit losses of loans and advances to customers.

Modelling adjustments
Forward-looking models have been developed for ECL parameters (PD, EAD, LGD) for all portfolios and segments sharing similar characteristics. Model validation (initial and periodic) is performed by the independent validation unit within the Risk Management Division and involves assessment of a model under both quantitative (i.e. stability and performance) and qualitative terms. The frequency and level of rigour of model validation is commensurate to the overall use, complexity and materiality of the models (i.e. risk tiering). In certain cases, judgement is exercised in the form of expert judgment and/or management overlay by applying adjustments on the modelled parameters. Governance of these models lies with the Risk Management Division, where a governance process is in place around the determination of the impairment measurement methodology including inputs, assumptions and overlays. Any management overlays are determined by the Risk Management Division, endorsed by the Group Provisions and Impairments Committee and approved by the Board of Directors following recommendation by the Board Risk and Audit Committees.

Foot-and-Mouth Disease
For the ECL measurement as at 30 June 2026, sectors identified as affected by the Foot-and-Mouth Disease (FMD), have been classified as High Risk and therefore rating downgrades were applied on customers operating in these sectors which resulted in an ECL charge of €0.3 million and exposures of gross book value of €7.8 million to transition to Stage 2.

6. Significant judgements, estimates and assumptions (continued)

6.1 Calculation of expected credit losses (continued)

Climate and Environmental Risk overlay
The Group, in the last quarter of 2025, introduced an overlay to incorporate the impact of climate-related transition, physical and water scarcity risks. This has been determined through the use of separate scenario analysis (Network for Greening the Financial System Current Policies scenario) combined with internal analysis and data and for the quantification the impact on projected customer financial performance, collateral valuation and internal credit ratings has been considered. This overlay continues to be applied and resulted in an ECL release of €0.7 million for the six months ended 30 June 2026 (year ended 31 December 2025: €4.3 million charge) and net flows to Stage 2 of exposures of a gross book value of €3 million (31 December 2025: €21 million).

The Group has exercised critical judgement on a best effort basis, to consider all reasonable and supportable information available at the time of the assessment of the ECL allowance as at 30 June 2026. The Group will continue to evaluate the ECL allowance and the related economic outlook each quarter, so that any changes arising from the uncertainty on the macroeconomic outlook and geopolitical developments are timely captured.

Portfolio segmentation
The individual assessment is performed not only for individually significant assets but also for other exposures meeting specific criteria determined by management. The selection criteria for the individually assessed exposures are based on management judgement and are reviewed on a quarterly basis by the Risk Management Division and are adjusted or enhanced, if deemed necessary. Following the wars in Ukraine and the Middle East, the selection criteria were further enhanced in prior years to include significant exposures to customers with passport of origin or residency in Russia, Ukraine or Belarus and/or business activity within these countries, as well as significant exposures with repayment deriving from Israel, Iran and Lebanon (as applicable).

Further details on impairment allowances and related credit information are set out in Note 30.

In addition to the above significant judgments and assumptions made for the calculation of the ECL, the Group also applies judgment for the following:

Expected lifetime of revolving facilities
The expected lifetime of revolving facilities is based on a behavioural maturity model for revolving facilities based on BOC PCL's available historical data, where an expected maturity for each revolving facility based on the customer's profile is assigned.

Off-balance sheet credit exposures
ECL allowances also include allowances on off-balance sheet credit exposures represented by guarantees given and by irrevocable commitments to disburse funds. Off-balance sheet credit exposures of the individually assessed assets require assumptions on the probability, timing and amount of cash outflows. For the collectively assessed off-balance sheet credit exposures, the allowance for provisions is calculated using the Credit Conversion Factor (CCF) model.

6.2 Stock of property - estimation of net realisable value

Stock of property is measured at the lower of cost and net realisable value. The net realisable value is determined through valuation techniques, requiring significant judgement, taking into account all available reference points, such as expert valuation reports, current market conditions, applying an appropriate illiquidity discount where considered necessary, taking into consideration observed sales, the holding period of the asset, realisation strategy and any other relevant parameters. Selling expenses are deducted from the realisable value.

More details on the stock of property are presented in Note 20.

6.3 Provisions for pending litigation, claims and other matters

The accounting policy for provisions for pending litigation, claims, regulatory and other matters is described in Note 2.35 of the annual consolidated financial statements for the year ended 31 December 2025.

6. Significant judgements, estimates and assumptions (continued)

6.3 Provisions for pending litigation, claims and other matters (continued)

Judgement is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Provisions for pending litigation, claims and other matters usually require a higher degree of judgement than other types of provisions. It is expected that the Group will continue to have a material exposure to litigation and regulatory proceedings and investigations relating to legacy issues in the medium term. The matters for which the Group determines that the probability of a future loss is more than remote will change from time to time, as will the matters as to which a reliable estimate can be made and the possible loss for such matters can be estimated. Actual results may prove to be significantly higher or lower than the estimated possible loss in those matters, where an estimate was made. In addition, loss may be incurred in matters with respect to which the Group believed the probability of loss was remote.

For a detailed description of the nature of uncertainties and assumptions and the effect on the amount and timing of pending litigation, claims and other matters refer to Note 27.

7. Segmental analysis

The Group's activities are mainly concentrated in Cyprus. Cyprus operations are organised into operating segments based on the line of business. The results of the overseas subsidiaries and branches of the Group, namely in Greece, Romania and Russia, are presented within segment 'Other', given the size of these operations which are in a run-down mode and relate to legacy operations of the Group. Further, the results of certain small subsidiaries of the Group are allocated to the segments based on their key activities.

The operating segments are analysed below:

i. The Corporate, Small and Medium-sized Enterprises (SME) and Retail business lines are managing loans and advances to customers. Retail business line also includes the Affluent Banking unit, which offers banking and investment services to its clients. Categorisation of loans per customer group is detailed further below.
ii. IBU & International corporate comprises of:
    1. IBU, which specialises in the offering of banking services to the international corporate customers based in Cyprus, particularly international business companies whose ownership and business activities lie outside Cyprus, and non-resident individual customers of BOC PCL.
    2. International corporate, which comprises of International Corporate Banking, Project Finance & Loan Syndication and Shipping Centre. International Corporate Banking provides financing from Cyprus in respect of projects based overseas, with main focus being in Greece and the United Kingdom. Project Finance & Loan Syndication acts mainly as participant in large international loan syndication transactions. Shipping Centre provides shipping financing primarily for ocean-going cargo vessels.
iii. The Restructuring and Recoveries Unit (RRU) is the specialised division responsible for managing exposures to borrowers experiencing financial difficulty which are transferred to this unit. The unit provides tailored restructuring solutions to effectively address distressed situations.
iv. The Real Estate Management Unit (REMU) manages and promotes for sale properties acquired through debt-for-property swaps, along with foreclosed assets, implementing exit strategies to monetise these assets. REMU manages all such properties, whether recorded directly on the Bank's balance sheet or held through individual subsidiary property companies.
v. Treasury is responsible for managing assets and liabilities within the Risk Appetite Framework set by the Board of Directors. Treasury manages the Group's liquid assets, investing in fixed income securities and in the interbank market. This business line manages the interest rate and foreign exchange risks to which the Group is exposed to and is also responsible for liquidity management and for ensuring compliance with internal and regulatory liquidity guidelines. It is also responsible for raising funding through the issuance of debt in the wholesale markets.
    Treasury also incorporates (i) the Institutional Wealth Management and Custody unit, which provides services to institutional investors, such as order execution, custody and depositary services, and (ii) Global Markets and Treasury Sales unit, which offers currency exchange and derivative solutions to customers, while it is also responsible for the execution of client transactions.
vi. The Insurance business line is involved in both life and non-life insurance business.
vii. Payment Services comprise the subsidiary company JCC Payment Systems Ltd (JCC), which is involved in the development of inter-banking systems, acquiring and processing of debit and credit card transactions, other payment services and other activities.

7. Segmental analysis (continued)

viii. The segment 'Other' includes central functions of BOC PCL, such as finance, risk management, compliance, legal, information technology, corporate affairs, human resources and other. These functions provide services to the operating segments. Segment 'Other' also includes the subsidiary company The Cyprus Investment and Securities Corporation Ltd (CISCO) and other small subsidiary companies in Cyprus (other than the insurance subsidiaries, property companies under REMU and the payment services subsidiary of the Group (JCC)), as well as the overseas legacy activities of the Group.

BOC PCL broadly categorises its loans per customer group, in the following customer sectors:

i. Retail – all individuals, regardless of the facility amount, and legal entities (including their related individuals) with facilities from BOC PCL of up to €500 thousand excluding business property loans, and/or annual credit turnover up to €1 million.
ii. Small and medium-sized enterprises (SME) – any company or group of companies (including personal and housing loans to the directors or shareholders of a company) with facilities from BOC PCL in the range of €500 thousand to €4 million and/or annual credit turnover in the range of €1 million to €10 million.
iii. Corporate – any company or group of companies (including personal and housing loans to the directors or shareholders of a company) with available credit lines with BOC PCL of over €4 million and/or having a minimum annual credit turnover of over €10 million. These companies are either local larger corporations or international companies or companies in the shipping sector. Lending includes direct lending or through syndications.

Management monitors the operating results of each operating segment separately for the purposes of performance assessment and resource allocation. Segment performance is evaluated based on profit after tax and non-controlling interests. Inter-segment transactions and balances are eliminated on consolidation.

Operating segment disclosures are provided as presented to the Group Executive Committee.

Income and expenses associated with each business line are included within the business line results for determining its performance. Fund transfer pricing and internal charges methodologies are applied between the business lines as to reflect the performance of each business line. Income and expenses incurred directly by the business lines are allocated to the business lines as incurred. Indirect income and expenses are re-allocated from the central functions to the business lines. For the purposes of the analysis by business line for the banking and Treasury business lines, notional tax rate is charged/credited to the profit or loss before tax of each business line.

The loans and advances to customers, the customer deposits and the related income and expense are generally included in the segment where the business is managed, instead of the segment where the transaction is recorded.

7. Segmental analysis (continued)

Analysis by business line

Six months ended 30 June 2026	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Net interest income/(expense)	62,494	63,712	26,226	169,212	2,451	(3,193)	756	50,961	-	(3,837)	**368,782**
Net fee and commission income/(expense)	9,050	24,491	5,301	33,314	1,810	(39)	(4,885)	2,703	15,018	3,628	**90,391**
Net foreign exchange gains/(losses)	811	4,106	397	1,245	6	-	-	5,520	(54)	9	**12,040**
Net gains on financial instruments	-	-	-	-	-	-	1,182	2	40	280	**1,504**
Net gains/(losses) on derecognition of financial assets measured at amortised cost	1,343	765	(260)	597	2,476	-	-	-	-	(671)	**4,250**
Net insurance result	-	-	-	-	-	-	33,073	-	-	-	**33,073**
Net (losses)/gains from revaluation and disposal of investment properties	-	-	-	-	-	(152)	-	-	-	361	**209**
Net gains on disposal of stock of property	-	-	-	-	-	4,533	-	-	-	337	**4,870**
Other income	5	16	5	71	58	708	349	-	1,728	873	**3,813**
Total operating income	73,703	93,090	31,669	204,439	6,801	1,857	30,475	59,186	16,732	980	**518,932**
Staff costs	(4,533)	(7,705)	(3,239)	(29,829)	(3,115)	(1,342)	(3,038)	(1,769)	(3,668)	(51,502)	**(109,740)**
Special levy on deposits and other levies/contributions	(2,840)	(5,091)	(1,566)	(13,113)	(14)	-	-	(178)	-	-	**(22,802)**
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	-	-	-	-	-	-	(250)	-	(1,262)	1,355	**(157)**
Other operating expenses	(15,228)	(12,364)	(7,385)	(53,388)	(3,528)	(3,468)	(3,583)	(6,686)	(7,699)	36,779	**(76,550)**
Operating profit/(loss) before credit losses and impairment	51,102	67,930	19,479	108,109	144	(2,953)	23,604	50,553	4,103	(12,388)	**309,683**
Credit losses on financial assets	10,741	(1,307)	(1,493)	(3,537)	(2,201)	(2,070)	(163)	(270)	-	(22)	**(322)**
Impairment net of reversals on non-financial assets	-	-	-	-	-	(10,397)	(6)	-	-	(89)	**(10,492)**
Profit/(loss) before tax	61,843	66,623	17,986	104,572	(2,057)	(15,420)	23,435	50,283	4,103	(12,499)	**298,869**
Income tax	(9,277)	(9,993)	(2,698)	(15,686)	309	2,170	(3,469)	(7,542)	(1,084)	740	**(46,530)**
Profit/(loss) after tax	52,566	56,630	15,288	88,886	(1,748)	(13,250)	19,966	42,741	3,019	(11,759)	**252,339**
Non-controlling interests-(profit)/loss	-	-	-	-	-	200	-	-	(754)	-	**(554)**
Profit/(loss) after tax attributable to the owners of the Company	**52,566**	**56,630**	**15,288**	**88,886**	**(1,748)**	**(13,050)**	**19,966**	**42,741**	**2,265**	**(11,759)**	**251,785**

7. Segmental analysis (continued)

Analysis by business line (continued)

	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
Six months ended 30 June 2025	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Net interest income/(expense)	68,088	64,395	26,494	176,708	5,063	(4,612)	482	37,185	-	(6,348)	**367,455**
Net fee and commission income/(expense)	10,346	23,937	5,224	32,684	1,070	(34)	(4,419)	2,189	14,188	2,997	**88,182**
Net foreign exchange gains/(losses)	811	4,199	428	1,264	17	-	-	8,122	(298)	123	**14,666**
Net (losses)/gains on financial instruments	(940)	-	-	-	-	598	1,108	-	314	852	**1,932**
Net (losses)/gains on derecognition of financial assets measured at amortised cost	(2,916)	(100)	(510)	(1,629)	2,998	-	-	-	-	(14)	**(2,171)**
Net insurance result	-	-	-	-	-	-	24,421	-	-	-	**24,421**
Net (losses)/gains from revaluation and disposal of investment properties	-	-	-	-	-	(403)	-	-	-	(1,391)	**(1,794)**
Net gains on disposal of stock of property	-	-	-	-	-	7,228	-	-	-	424	**7,652**
Other income	7	1	7	76	9	1,833	268	2	2,448	892	**5,543**
Total operating income	75,396	92,432	31,643	209,103	9,157	4,610	21,860	47,498	16,652	(2,465)	**505,886**
Staff costs	(4,240)	(7,337)	(3,199)	(28,161)	(4,350)	(1,854)	(1,967)	(1,951)	(3,750)	(48,060)	**(104,869)**
Special levy on deposits and other levies/contributions	(1,866)	(3,213)	(910)	(9,382)	(14)	-	-	(134)	-	-	**(15,519)**
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	-	-	-	-	-	-	-	-	-	(1,353)	**(1,353)**
Other operating expenses	(14,871)	(10,779)	(7,508)	(50,837)	(4,565)	(5,761)	(2,498)	(6,001)	(7,264)	33,693	**(76,391)**
Operating profit/(loss) before credit losses and impairment	54,419	71,103	20,026	120,723	228	(3,005)	17,395	39,412	5,638	(18,185)	**307,754**
Credit losses on financial assets	1,400	(2,554)	(6,055)	(6,020)	(2,491)	(36)	(18)	(124)	-	(3)	**(15,901)**
Impairment net of reversals on non-financial assets	-	-	-	-	-	(13,935)	-	-	-	(74)	**(14,009)**
Profit/(loss) before tax	55,819	68,549	13,971	114,703	(2,263)	(16,976)	17,377	39,288	5,638	(18,262)	**277,844**
Income tax	(6,978)	(8,569)	(1,746)	(14,338)	283	(4,132)	(1,068)	(4,911)	(580)	(30)	**(42,069)**
Profit/(loss) after tax	48,841	59,980	12,225	100,365	(1,980)	(21,108)	16,309	34,377	5,058	(18,292)	**235,775**
Non-controlling interests-(profit)/loss	-	-	-	-	-	84	-	-	(1,264)	44	**(1,136)**
Profit/(loss) after tax attributable to the owners of the Company	**48,841**	**59,980**	**12,225**	**100,365**	**(1,980)**	**(21,024)**	**16,309**	**34,377**	**3,794**	**(18,248)**	**234,639**

7. Segmental analysis (continued)

Analysis of total revenue

Total revenue includes net interest income, net fee and commission income, net foreign exchange gains, net gains/(losses) on financial instruments, net gains/(losses) on derecognition of financial assets measured at amortised cost, net insurance result, net gains/(losses) from revaluation and disposal of investment properties, net gains/(losses) on disposal of stock of property and other income. There was no revenue deriving from transactions with a single external customer that amounted to 10% or more of Group revenue.

	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
Six months ended 30 June 2026	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Revenue from third parties	78,350	55,917	26,466	122,058	6,955	6,413	35,300	169,532	13,880	4,061	**518,932**
Inter-segment (expense)/revenue	(4,647)	37,173	5,203	82,381	(154)	(4,556)	(4,825)	(110,346)	2,852	(3,081)	**-**
Total revenue	**73,703**	**93,090**	**31,669**	**204,439**	**6,801**	**1,857**	**30,475**	**59,186**	**16,732**	**980**	**518,932**
Six months ended 30 June 2025											
Revenue from third parties	81,000	52,300	28,357	121,205	9,424	9,688	26,216	160,610	14,314	2,772	**505,886**
Inter-segment (expense)/revenue	(5,604)	40,132	3,286	87,898	(267)	(5,078)	(4,356)	(113,112)	2,338	(5,237)	**-**
Total revenue	**75,396**	**92,432**	**31,643**	**209,103**	**9,157**	**4,610**	**21,860**	**47,498**	**16,652**	**(2,465)**	**505,886**

Analysis of assets and liabilities

	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
30 June 2026	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Assets											
Assets	3,832,803	1,656,880	984,698	4,918,085	31,698	578,820	1,360,232	15,241,779	155,923	678,016	**29,438,934**
Inter-segment assets	(90,709)	-	-	-	-	(103,849)	(20,918)	-	(23,364)	(66,567)	**(305,407)**
Total assets	**3,742,094**	**1,656,880**	**984,698**	**4,918,085**	**31,698**	**474,971**	**1,339,314**	**15,241,779**	**132,559**	**611,449**	**29,133,527**
31 December 2025											
Assets											
Assets	3,617,958	1,481,519	982,697	4,766,487	38,939	613,598	1,289,390	15,216,918	184,469	688,079	**28,880,054**
Inter-segment assets	(89,258)	-	-	-	-	(99,089)	(23,588)	-	(52,769)	(46,948)	**(311,652)**
Total assets	**3,528,700**	**1,481,519**	**982,697**	**4,766,487**	**38,939**	**514,509**	**1,265,802**	**15,216,918**	**131,700**	**641,131**	**28,568,402**

7. Segmental analysis (continued)

Analysis of assets and liabilities (continued)

	Corporate	IBU & International corporate	SME	Retail	Restructuring and recoveries	REMU	Insurance	Treasury	Payment Services	Other	**Total**
30 June 2026	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	**€000**
Liabilities											
Liabilities	2,782,285	4,772,684	1,451,096	13,849,511	11,339	22,605	1,152,501	1,794,899	124,003	506,106	**26,467,029**
Inter-segment liabilities	(212,052)	-	-	-	-	(13,522)	(2,960)	-	(37,719)	(39,154)	**(305,407)**
Total liabilities	**2,570,233**	**4,772,684**	**1,451,096**	**13,849,511**	**11,339**	**9,083**	**1,149,541**	**1,794,899**	**86,284**	**466,952**	**26,161,622**

31 December 2025											
Liabilities											
Liabilities	2,837,279	4,531,741	1,396,335	13,489,070	14,951	23,146	1,091,374	1,922,404	153,390	470,837	**25,930,527**
Inter-segment liabilities	(219,880)	-	-	-	-	(12,998)	(10,164)	-	(36,678)	(31,932)	**(311,652)**
Total Liabilities	**2,617,399**	**4,531,741**	**1,396,335**	**13,489,070**	**14,951**	**10,148**	**1,081,210**	**1,922,404**	**116,712**	**438,905**	**25,618,875**

Segmental analysis of customer deposits and loans and advances to customers is presented in Notes 22 and Notes 19, 30.2 and 30.4 respectively.

7. Segmental analysis (continued)

Analysis of turnover

Turnover is represented by total operating income as follows:

	Six months ended 30 June	
	2026	2025
	€000	€000
Net interest income	**368,782**	367,455
Net fee and commission income	**90,391**	88,182
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 result	**33,073**	24,421
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
	518,932	505,886

8. Interest income and income similar to interest income

Interest income

	Six months ended 30 June	
	2026	2025
	€000	€000
Financial assets at amortised cost:		
- Loans and advances to customers	**235,045**	241,731
- Loans and advances to banks and central banks	**81,860**	102,808
- Reverse repurchase agreements	**21,818**	15,095
- Debt securities	**73,569**	57,162
- Other financial assets	**1,364**	3,079
Debt securities at FVOCI	**3,009**	4,104
Non-trading derivatives - hedge accounting:		
- Debt securities at amortised cost	**379**	671
- Debt securities at FVOCI	**1,823**	4,670
	418,867	429,320

Income similar to interest income

	Six months ended 30 June	
	2026	2025
	€000	€000
Loans and advances to customers measured at FVPL	**-**	3,377
Debt securities at FVPL	**476**	-
Derivative financial instruments	**86**	124
	562	3,501

9. Interest expense and expense similar to interest expense

Interest expense

	Six months ended 30 June	
	2026	2025
Financial liabilities at amortised cost:	**€000**	€000
- Customer deposits	**29,922**	32,567
- Deposits by banks	**2,765**	3,560
- Debt securities in issue	**26,251**	24,689
- Subordinated liabilities	**8,454**	10,078
Non-trading derivatives - hedge accounting:		
- Customer deposits	**(12,305)**	(2,966)
- Debt securities in issue	**(4,398)**	(1,978)
- Subordinated liabilities	**(490)**	(1,145)
Interest expense on lease liabilities	**362**	437
	50,561	65,242

Expense similar to interest expense

	Six months ended 30 June	
	2026	2025
	€000	€000
Derivative financial instruments	**86**	124

10. Net gains on financial instruments

	Six months ended 30 June	
	2026	2025
	€000	€000
Trading portfolio:		
- derivative financial instruments	**2**	12
Investments at FVPL:		
- debt securities	**(165)**	-
- other securities	**256**	758
- mutual funds	**1,347**	1,180
- equity securities	**64**	422
Net gains on other financial assets measured at FVPL	**-**	500
Net losses on loans and advances to customers measured at FVPL	**-**	(940)
Revaluation of financial instruments designated as fair value hedges:		
- hedging instruments	**(38,211)**	3,500
- hedged items	**38,211**	(3,500)
	1,504	1,932

11. Staff costs

Staff costs

	Six months ended 30 June	
	2026	2025
	€000	€000
Salaries	**77,130**	76,026
Employer's contributions	**13,390**	13,017
Variable compensation:		
Accrual for short-term incentive award	**2,307**	4,947
Share-based benefits expense (Note 11.1)	**870**	632
Retirement benefit plan costs	**6,289**	5,995
Exit cost and other termination benefits	**9,754**	4,252
	109,740	104,869

Staff costs are presented in the Consolidated Income Statement net of software capitalisation costs and costs included in the insurance contracts fulfilment cash flow liabilities under IFRS 17. An analysis of expenses by nature incurred by the Group is included in Note 12.1.

The cost for the short-term incentive award for the six months ended 30 June 2026 comprises the cost for the short-term incentive award for the performance year 2026 under the short-term incentive plan (STIP) the Group established since prior years and the additional amounts to be granted to employees for 2026 under the agreement reached in December 2025 between ETYK and the Association of Cyprus Banks as part of the collective agreement renewal, of a net amount of €2,307 thousand (this is net of a credit for 2025 respective amounts) (30 June 2025: €4,947 thousand). Of the total amount, an amount of €308 thousand (30 June 2025: €660 thousand) relates to employers' contributions.

During the six months ended 30 June 2026, the Group provided termination benefits to 51 of the Group's full time employees at a total cost of €9,754 thousand (30 June 2025: €4,252 thousand).

11.1 Share-based compensation plan

During the six months ended 30 June 2026, a maximum of 186,200 share awards were granted by the Company to 21 members of the Extended Executive Committee of the Group in respect of the performance period 2026-2028 (with all performance conditions being non-market performance conditions) for the 2026 Long-Term Incentive Plan (LTIP) Cycle, under the Group's established Long-Term Incentive Plan.

Further, during the six months ended 30 June 2026, 267,701 shares were issued and allotted to members of the Extended Executive Committee of the Group in respect of the 2023 and 2022 LTIP Cycles (performance periods ended in 2025 and 2024) in respect of awards vested in 2026 representing 40% and 12% respectively of the shares awarded under the 2023 and 2022 LTIP Cycles.

The table below provides a summary of share-based awards granted under the Group’s Long Term Incentive Plan, including details of awards for which the performance period has expired as well as those remaining outstanding at the reporting date.

LTIP Cycle	Grant Date	Maximum amounts of share awards granted (*excluding amounts forfeited)	Amounts of share awarded upon performance period expiry	Amounts not yet vested for those awards the performance period expired
LTIP 2022-2024	22 December 2022	819,860	723,159	347,138
LTIP 2023-2025	3 October 2023	479,160	452,553	271,620
LTIP 2024-2026*	3 April 2024	392,640	n/a	n/a
LTIP 2025-2027*	31 March 2025	270,850	n/a	n/a
LTIP 2026-2028	2 April 2026	186,200	n/a	n/a

11. Staff costs (continued)

11.1 Share-based compensation plan (continued)

The following table presents movements in outstanding share-based awards during the six months ended 30 June 2026 and the year ended 31 December 2025.

	30 June 2026		31 December 2025	
	Number of shares	**Weighted average grant date fair value**	Number of shares	Weighted average grant date fair value
		€		€
As at 1 January	**1,564,800**	**3.29**	1,652,030	2.54
Granted during the period/year	**186,200**	**8.44**	278,440	5.86
Change in estimate of number of awards to vest	**(14,851)**	**-**	(56,921)	-
Vested during the period/year	**(267,701)**	**-**	(289,253)	-
Forfeited during the period/year	**-**	**n/a**	(19,496)	n/a
30 June/31 December	**1,468,448**	**4.09**	1,564,800	3.29

12. Other operating expenses

	Six months ended 30 June	
	2026	2025
	€000	€000
Technology and systems	**20,120**	19,189
Property-related costs	**5,720**	6,853
Consultancy, legal and professional fees	**9,147**	11,163
Insurance	**2,566**	2,940
Advertising and marketing	**5,293**	3,970
Depreciation of property and equipment (Note 12.1)	**8,298**	8,004
Amortisation of intangible assets (Note 12.1)	**7,280**	7,312
Supervisory and other regulatory charges	**3,238**	2,765
Communication expenses	**3,133**	3,227
Cash transfer expenses	**1,744**	1,738
Other operating expenses	**10,011**	9,230
	76,550	76,391

During the six months ended 30 June 2026, the Group recognised €82 thousand relating to rent expense for short-term leases, included within 'Property-related costs' (30 June 2025: €251 thousand).

Special levy on deposits and other levies/contributions as presented in the Consolidated Income Statement are set out below:

	Six months ended 30 June	
	2026	2025
	€000	€000
Special levy on deposits of credit institutions in Cyprus	**16,800**	15,519
Contribution to Deposit Guarantee Fund	**6,002**	-
	22,802	15,519

The special levy on credit institutions in Cyprus (the Special Levy) is imposed on the level of deposits as at the end of the previous quarter, at the rate of 0.0375% per quarter.

12. Other operating expenses (continued)

BOC PCL contributed to the Deposit Guarantee Fund (DGF) on a semi-annual basis until 3 July 2024, when the target level of at least 0.8% of covered deposits was reached, as determined by the Management Committee of the Deposit Guarantee and Resolution of Credit and Other Institutions Schemes (DGS). In July 2025, the Group was notified that the Management Committee of the DGS had resolved to increase the target level of covered deposits from 0.8% to 1.25%, and therefore authorised institutions are required to make semi-annual contributions from the second half of 2025 in order to reach the revised target level over a five-year period, by June 2030.

12.1 Expenses by nature

Analysis of staff costs and other operating expenses incurred by the Group by nature, is presented in the table below:

	Six months ended 30 June 2026				
	Directly attributable expenses	**Capitalised as internally developed computer software**	**Staff costs** (Note 11)	**Other operating expenses** (Note 12)	**Total**
	€000	**€000**	**€000**	**€000**	**€000**
Salaries and employer's contributions	**6,339**	**950**	**90,520**	**-**	**97,809**
Variable compensation:					
Accrual for short-term incentive award	**-**	**-**	**2,307**	**-**	**2,307**
Share-based benefits expense	**-**	**-**	**870**	**-**	**870**
Retirement benefit plan costs	**583**	**-**	**6,289**	**-**	**6,872**
Exit cost and other termination benefits	**-**	**-**	**9,754**	**-**	**9,754**
Depreciation	**408**	**-**	**-**	**4,118**	**4,526**
Depreciation of RoU assets	**533**	**-**	**-**	**4,180**	**4,713**
Amortisation of intangible assets	**1,444**	**-**	**-**	**7,280**	**8,724**
Other operating expenses	**2,108**	**-**	**-**	**60,972**	**63,080**
Total	**11,415**	**950**	**109,740**	**76,550**	**198,655**

	Six months ended 30 June 2025				
	Directly attributable expenses	Capitalised as internally developed computer software	Staff costs (Note 11)	Other operating expenses (Note 12)	Total
	€000	€000	€000	€000	€000
Salaries and employer's contributions	5,618	992	89,043	-	95,653
Variable compensation:					
Accrual for short-term incentive award	-	-	4,947	-	4,947
Share-based benefits expense	-	-	632	-	632
Retirement benefit plan costs	632	-	5,995	-	6,627
Exit cost and other termination benefits	-	-	4,252	-	4,252
Depreciation	229	-	-	4,014	4,243
Depreciation of RoU assets	552	-	-	3,990	4,542
Amortisation of intangible assets	1,303	-	-	7,312	8,615
Other operating expenses	1,892	-	-	61,075	62,967
Total	**10,226**	**992**	**104,869**	**76,391**	**192,478**

Directly attributable expenses are expenses incurred by the insurance subsidiaries of the Group that relate directly to the fulfilment of insurance and re-insurance contracts within the scope of IFRS 17.

13. Credit losses on financial assets and impairment net of reversals on non-financial assets

	Six months ended 30 June	
	2026	2025
Credit losses on financial assets	**€000**	€000
Credit losses to cover credit risk on loans and advances to customers		
Impairment net of reversals on loans and advances to customers (Note 30.4)	**6,763**	22,745
Recoveries of loans and advances to customers previously written off	**(17,613)**	(4,244)
Changes in expected cash flows	**8,655**	(3,588)
Financial guarantees and commitments	**(4)**	697
	(2,199)	15,610
Credit losses on other financial instruments		
Amortised cost debt securities	**303**	123
FVOCI debt securities	**5**	(6)
Loans and advances to banks	**(3)**	10
Balances with central banks	**3**	(3)
Reverse repurchase agreements	**(35)**	-
Other financial assets	**2,248**	167
	2,521	291
	322	15,901

	Six months ended 30 June	
	2026	2025
Impairment net of reversals on non-financial assets	**€000**	€000
Stock of property (Note 20)	**10,486**	13,657
Other non-financial assets	**6**	352
	10,492	14,009

14. Income tax

	Six months ended 30 June	
	2026	2025
	€000	€000
Current tax:		
- Cyprus	**49,024**	35,815
Cyprus special defence contribution	**322**	11
Deferred tax (credit)/charge	**(6,783)**	3,081
Prior years' tax adjustments	**(86)**	1,505
Other tax charges and provisions	**4,053**	1,657
	46,530	42,069

In December 2025, the Cyprus Parliament passed a number of legislative bills into law, the provisions of which constitute the Cyprus Tax Reform. As part of the Laws voted, the Income Tax Law of 2002 (118(I)/2002) has been amended and amongst other, it increased the corporate income tax rate from 12.5% to 15%, effective from 1 January 2026.

The tax rates prevailing in the countries, other than Cyprus, the Group has entities incorporated, for the six months ended 30 June 2026 and the year ended 31 December 2025 were: Greece 22%, Romania 16% and Russia 20%.

For life insurance business up until 31 December 2025 a minimum income tax charge of 1.5% on gross premiums was applicable. This amounted to €1,287 thousand for the six months ended 30 June 2025 and was recorded in 'Net insurance service result'. The premium tax on life insurance companies was abolished effective from 1 January 2026, as part of the Cyprus Tax Reform.

14. Income tax (continued)

The increase in the tax expense for the six months ended 30 June 2026 is mainly due to the increase in the corporation tax rate to 15% from 12.5%, effective from 1 January 2026 and the abolition of premium tax resulting in a higher income tax charge for the life insurance subsidiary. The tax charge for the six months ended 30 June 2026 was also impacted by the release of a previously recognised deferred tax liability and the recognition of a current tax provision undertaken with a net impact of approximately €4 million credit on the tax expense.

Tax law is, at times, complex, and it is the role of courts and tribunals to act as the final authority on the correct interpretation of tax law. In prior years the Group had received a refund in relation to withholding taxes suffered by the Group in an overseas location in which the Group used to operate. A judgement has since been handed down in respect of such taxes which creates an uncertain tax position as to whether the Group may be required to repay in cash the amount received. During the second half of 2025 a provision has been recorded in order to cover the cost of the uncertain tax position.

The Group is in scope of the Cyprus Pillar Two Law (Directive (EU) 2022/2523 voted into Law 151(I)/2024) which provides for a minimum effective tax rate of 15% for the global activities of large multinational groups. The Group is eligible for the transitional provision under Article 12 for the purpose of Domestic Minimum Top-up Tax (DMTT) and Article 55 for the purpose of the Income Inclusion Rule (IRR) of the Cyprus Pillar Two Law which results in zeroing any top up tax liability in Cyprus computed in accordance with the rules laid out in the Cyprus Pillar Two Law for the six months ended 30 June 2026 and the year ended 31 December 2025. The Group does not anticipate any top up tax liability arising from the foreign jurisdictions in which it has subsidiary entities.

The Group is subject to income tax in the various jurisdictions in which it operates and the calculation of the Group's income tax charge, top-up tax liability under Cyprus Pillar Two Law and provisions for income tax necessarily involves a degree of estimation and judgement. There are transactions and calculations for which the ultimate income tax treatment is uncertain and cannot be determined until resolution has been reached with the relevant tax authority. The Group has a number of open income tax returns with various income tax authorities and liabilities relating to these judgemental matters which are based on estimates of whether additional income taxes will be due. In case the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax

The net deferred tax assets comprise:

	30 June 2026	31 December 2025
	€000	€000
Deferred tax assets	**166,417**	166,763
Deferred tax liabilities	**(37,975)**	(45,260)
Net deferred tax assets	**128,442**	121,503

The deferred tax assets (DTA) relate to Cyprus operations.

14. Income tax (continued)

The movement of the net deferred tax assets is set out below:

	30 June 2026	31 December 2025
	€000	€000
1 January	**121,503**	134,901
Deferred tax recognised in the consolidated income statement - tax credit/(charge)	**6,783**	(38,243)
Deferred tax recognised in the consolidated income statement - tax credit due to effect of tax rate changes	**-**	25,484
Deferred tax recognised in the consolidated statement of comprehensive income - tax credit/(charge)	**102**	(232)
Deferred taxes arising on business combinations	**-**	(219)
Other transfers	**54**	(188)
30 June/31 December	**128,442**	121,503

The Group offsets income tax assets and liabilities only if it has a legally enforceable right to set-off current income tax assets and current income tax liabilities.

BOC PCL has DTA that meets the requirements of the Income Tax Law Amendment 28(I) of 2019 relating to income tax losses transferred to BOC PCL as a result of the acquisition of certain operations of Laiki Bank on 29 March 2013, under 'The Resolution of Credit and Other Institutions Law'. The DTA recognised upon the acquisition of certain operations of Laiki in 2013 amounted to €417 million (corresponding to €3.3 billion tax losses) for which BOC PCL paid a consideration as part of the respective acquisition. The period of utilisation of the tax losses which may be converted into tax credits is eleven years following the amendment of the Law in 2019, starting from 2018 i.e., by end of 2028.

As a result, the Group has DTA amounting to €136,473 thousand as at 30 June 2026 (31 December 2025: €136,473 thousand) that meet the requirements under this Law, the recovery of which is guaranteed. On an annual basis, an amount is either converted to annual tax credit and is reclassified from the DTA to current tax receivables or it is used in the determination of the taxable income of the relevant year, as the annual instalment can be claimed as a deductible expense. The annual instalment is reflected as a charge in the Consolidated Income Statement.

The Law, provides that an annual fee is charged on an annual basis until expiration of such losses in 2028. The Group estimates that such fees could range to approximately €5,300 thousand per year (for each tax year in scope i.e., since 2018) although the Group understands that such fee may fluctuate annually as to be determined by the Ministry of Finance.

The DTA subject to the Law is accounted for on the same basis as described in Note 2.10 of the annual consolidated financial statements for the year ended 31 December 2025.

14. Income tax (continued)

Accumulated income tax losses

The accumulated income tax losses are presented in the table below:

	Total income tax losses	Income tax losses for which a deferred tax asset was recognised	Income tax losses for which no deferred tax asset was recognised
30 June 2026	**€000**	**€000**	**€000**
Expiring within 7 years	**716**	**-**	**716**
Utilisation in annual instalments up to 2028	**909,818**	**909,818**	**-**
	910,534	**909,818**	**716**
31 December 2025			
Expiring within 5 years	831	-	831
Utilisation in annual instalments up to 2028	909,818	909,818	-
	910,649	909,818	831

As part of the Cyprus Tax Reform the carry-forward period for tax losses in Cyprus has been extended from five years to seven years.

15. Earnings per share

Basic earnings per share

	Six months ended 30 June	
	2026	2025
Profit for the period attributable to the owners of the Company (€ thousand) (basic)	**251,785**	234,639
Weighted average number of shares in issue during the period, excluding treasury shares (thousand)	**435,678**	438,528
Basic earnings per share attributable to the owners of the Company (€ cent)	**57.8**	53.5

Diluted earnings per share

	Six months ended 30 June	
	2026	2025
Profit for the period attributable to the owners of the Company (€ thousand)	**251,785**	234,639
Weighted average number of shares in issue during the period, excluding treasury shares, adjusted for the dilutive effect of all rights on shares (thousand)	**437,157**	440,088
Diluted earnings per share attributable to the owners of the Company (€ cent)	**57.6**	53.3

For diluted earnings per share the weighted average number of ordinary shares in issue is adjusted for the dilutive effect of ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the Long-Term Incentive Plan (LTIP) for the LTIP Cycles 2022-2026 (Note 11) and the Short-Term Incentive Plan (STIP) award granted for the performance year 2023.

16. Investments

The analysis of the Group's investments is presented in the table below:

	30 June 2026	31 December 2025
	€000	€000
Investments at FVPL	**195,794**	201,914
Investments at FVOCI	**350,265**	356,580
Investments at amortised cost	**5,257,183**	4,765,238
	5,803,242	5,323,732

Out of these, the amounts pledged as collateral are shown below:

Investments pledged as collateral	**30 June 2026** **€000**	31 December 2025
Investments at amortised cost	**113,098**	113,701
	113,098	113,701

Investments pledged as collateral as at 30 June 2026 and 31 December 2025 are mainly used as supplementary assets for the covered bond and collateral for the clearing of interest rate derivative transactions through the central clearing house.

The average Moody's Investors Service credit rating of the debt securities portfolio of the Group as at 30 June 2026 is Aa3 (31 December 2025: Aa3).

The maximum exposure to credit risk for debt securities is disclosed in Note 30.1.

The increase in the investment portfolio as at 30 June 2026 is consistent with the strategy of the Group to grow the fixed income portfolio.

	Investments at FVPL	**Investments at FVOCI**	**Investments at amortised cost**	**Total**
30 June 2026	€000	€000	€000	**€000**
Mutual funds	152,612	-	-	**152,612**
Debt securities	8,479	338,767	5,257,183	**5,604,429**
Equity securities	6,102	11,498	-	**17,600**
Other securities	28,601	-	-	**28,601**
	195,794	**350,265**	**5,257,183**	**5,803,242**

	Investments at FVPL	**Investments at FVOCI**	**Investments at amortised cost**	**Total**
31 December 2025	€000	€000	€000	**€000**
Mutual funds	148,076	-	-	**148,076**
Debt securities	19,537	346,608	4,765,238	**5,131,383**
Equity securities	6,060	9,972	-	**16,032**
Other securities	28,241	-	-	**28,241**
	201,914	**356,580**	**4,765,238**	**5,323,732**

The other securities include an equity instrument with embedded option derivative amounting to €24,409 thousand as at 30 June 2026 (31 December 2025: €24,409 thousand) and a non-equity security amounting to €4,192 thousand as at 30 June 2026 (31 December 2025: €3,832 thousand).

16. Investments (continued)

Further analysis of the Group's investments is provided in the tables below.

Equity securities

	FVPL	**FVOCI**	**Total**
30 June 2026	€000	€000	**€000**
Listed on the Cyprus Stock Exchange	-	865	**865**
Listed on other stock exchanges	6,102	80	**6,182**
Unlisted	-	10,553	**10,553**
	6,102	**11,498**	**17,600**

	FVPL	FVOCI	Total
31 December 2025	€000	€000	€000
Listed on the Cyprus Stock Exchange	-	268	268
Listed on other stock exchanges	6,060	65	6,125
Unlisted	-	9,639	9,639
	6,060	9,972	16,032

The Group irrevocably made the election to classify the majority of its equity investments as equity investments at FVOCI on the basis that these are not held for trading. Their carrying value amounts to €11,498 thousand at 30 June 2026 (31 December 2025: €9,972 thousand) and is equal to their fair value.

Equity investments at FVOCI comprise mainly investments in private Cyprus registered companies, acquired through loan restructuring activity and specifically through debt for equity swaps.

Dividend income amounting to €1,009 thousand has been received and recognised during the six months ended 30 June 2026 in other income (30 June 2025: €73 thousand).

During the six months ended 30 June 2026, no holdings of equity investments measured at FVOCI have been disposed of (30 June 2025: nil).

Mutual funds at FVPL

	30 June 2026	31 December 2025
	€000	€000
Listed on other stock exchanges	**23,544**	32,714
Unlisted	**129,068**	115,362
	152,612	148,076

The majority of the unlisted mutual funds relate to investments whose underlying assets are listed on stock exchanges and are therefore presented in Level 2 hierarchy in Note 18.

16. Investments (continued)

Debt securities and other securities

Analysis by issuer type	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
30 June 2026	€000	€000	€000	**€000**
Cyprus government	1,467	217,836	861,890	**1,081,193**
Greek government	-	-	37,246	**37,246**
Other governments	7,012	20,061	1,497,321	**1,524,394**
Financial institutions	-	69,844	1,497,398	**1,567,242**
Other financial corporations	4,192	-	83,030	**87,222**
Supranational organisations	-	27,837	862,067	**889,904**
Other non-financial corporations	24,409	3,225	419,113	**446,747**
Allowance for expected credit losses	-	(36)	(882)	**(918)**
	37,080	**338,767**	**5,257,183**	**5,633,030**

	FVPL	FVOCI	Amortised cost	Total
31 December 2025	€000	€000	€000	€000
Cyprus government	3,979	223,497	916,110	1,143,586
Greek government	144	-	23,519	23,663
Other governments	15,414	25,570	1,306,562	1,347,546
Financial institutions	-	66,978	1,322,601	1,389,579
Other financial corporations	3,832	-	67,575	71,407
Supranational organisations	-	27,364	821,430	848,794
Other non-financial corporations	24,409	3,230	308,020	335,659
Allowance for expected credit losses	-	(31)	(579)	(610)
	47,778	346,608	4,765,238	5,159,624

16. Investments (continued)

Geographic dispersion by country of issuer	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
30 June 2026	€000	€000	€000	**€000**
Cyprus	25,876	217,836	861,890	**1,105,602**
Greece	-	10,575	187,001	**197,576**
Germany	49	6,563	386,187	**392,799**
France	3,387	17,014	269,353	**289,754**
Other European Union countries	3,576	31,742	1,756,482	**1,791,800**
United Kingdom	-	-	34,275	**34,275**
USA and Canada	4,192	3,225	436,739	**444,156**
Other countries	-	24,011	464,071	**488,082**
Supranational organisations	-	27,837	862,067	**889,904**
Allowance for expected credit losses	-	(36)	(882)	**(918)**
	37,080	**338,767**	**5,257,183**	**5,633,030**

	FVPL	FVOCI	Amortised cost	Total
31 December 2025	€000	€000	€000	€000
Cyprus	28,388	223,497	916,110	1,167,995
Greece	144	11,002	167,916	179,062
Germany	48	2,938	318,809	321,795
France	3,617	23,332	308,945	335,894
Other European Union countries	11,749	31,453	1,479,953	1,523,155
United Kingdom	-	-	32,577	32,577
USA and Canada	3,832	3,230	325,927	332,989
Other countries	-	23,823	394,150	417,973
Supranational organisations	-	27,364	821,430	848,794
Allowance for expected credit losses	-	(31)	(579)	(610)
	47,778	346,608	4,765,238	5,159,624

Analysis by currency	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
30 June 2026	€000	€000	€000	€000
Euro	32,888	321,000	4,922,249	**5,276,137**
US dollar	4,192	17,803	277,835	**299,830**
Pound sterling	-	-	57,981	**57,981**
Allowance for expected credit losses	-	(36)	(882)	**(918)**
	37,080	**338,767**	**5,257,183**	**5,633,030**

	FVPL	FVOCI	Amortised cost	Total
31 December 2025	€000	€000	€000	€000
Euro	43,946	329,349	4,465,300	4,838,595
US dollar	3,832	17,290	255,004	276,126
Pound sterling	-	-	45,513	45,513
Allowance for expected credit losses	-	(31)	(579)	(610)
	47,778	346,608	4,765,238	5,159,624

16. Investments (continued)

Listing analysis	**FVPL**	**FVOCI**	**Amortised cost**	**Total**
30 June 2026	€000	€000	€000	**€000**
Listed on the Cyprus Stock Exchange	-	-	14,379	**14,379**
Listed on other stock exchanges	8,479	338,803	5,243,686	**5,590,968**
Unlisted	28,601	-	-	**28,601**
Allowance for expected credit losses	-	(36)	(882)	**(918)**
	37,080	**338,767**	**5,257,183**	**5,633,030**

	FVPL	FVOCI	Amortised cost	Total
31 December 2025	€000	€000	€000	€000
Listed on the Cyprus Stock Exchange	-	-	46,348	46,348
Listed on other stock exchanges	19,537	346,639	4,719,469	5,085,645
Unlisted	28,241	-	-	28,241
Allowance for expected credit losses	-	(31)	(579)	(610)
	47,778	346,608	4,765,238	5,159,624

The Group uses fair value hedging to manage the interest rate risk in relation to its FVOCI bonds (Note 17).

There were no reclassifications between measurement classes of investments during the six months ended 30 June 2026 and the year ended 31 December 2025.

17. Derivative financial instruments

The contract amount and fair value of the derivative financial instruments is set out below:

	30 June 2026			31 December 2025		
		Fair value			Fair value	
	Contract amount	**Assets**	**Liabilities**	Contract amount	Assets	Liabilities
	€000	**€000**	**€000**	€000	€000	€000
Derivatives held for trading						
Forward exchange rate contracts	**17,617**	**300**	**161**	20,897	143	43
Currency swaps	**416,738**	**4,842**	**24**	647,043	492	2,585
Interest rate caps/floors	**29,642**	**664**	**568**	21,426	629	548
	463,997	**5,806**	**753**	689,366	1,264	3,176
Derivatives qualifying for hedge accounting						
Fair value hedges - interest rate swaps	**1,561,500**	**45,118**	**764**	1,651,500	46,384	3,258
Portfolio fair value hedges - interest rate swaps	**5,016,252**	**14,016**	**24,755**	5,038,484	40,694	12,822
Net investments - forward exchange rate contracts	**56**	**-**	**-**	81	-	-
	6,577,808	**59,134**	**25,519**	6,690,065	87,078	16,080
Total	**7,041,805**	**64,940**	**26,272**	7,379,431	88,342	19,256

Derivatives identified above as trading comprise derivatives entered into with economic hedging intent (hedging the changes in interest rates, foreign currency exchange rates or other risks) to which the Group does not apply hedge accounting or derivative positions which arise as a result of activity generated by corporate customers. Derivatives identified as derivatives qualifying for hedge accounting comprise only those derivatives to which the Group applies hedge accounting.

Hedge accounting

The Group elected, as a policy choice permitted by IFRS 9, to continue to apply hedge accounting in accordance with IAS 39.

17. Derivative financial instruments (continued)

Fair value hedges
The Group uses interest rate swaps to hedge the interest rate risk arising as a result of the possible adverse movement in the fair value of fixed rate debt securities measured at FVOCI and amortised cost, debt securities in issue and subordinated liabilities, as well as customer deposits.

The Group generally uses macro-hedging for balance sheet items and specifically deposits, and micro-hedging for debt securities and its funding operations in capital markets, for which derivative contracts are arranged, typically for a nominal amount identical to that of the hedged item and with the same financial characteristics. Effectiveness is assessed by comparing changes in the fair value of the derivatives with changes in the fair value of the hedged item attributable to the hedged risk by applying a hypothetical derivative method.

As part of its structural interest rate risk management the Group contracts fixed-rate receiver swaps to hedge interest rate risk by setting up fair value hedges for a portfolio of liabilities being the core Non-Maturing Deposits (NMDs). This strategy is designated as a fair value hedge, under the IAS 39 as adopted by the EU (IAS 39 carve-out), and its effectiveness is assessed by comparing changes in the fair value of the designated hedged item, attributable to changes in the benchmark interest rate, with the respective changes in the fair value of the interest rate swaps used as hedging instruments.

Changes in the fair value of derivatives designated as fair value hedges (both for micro hedges and macro hedges) and the fair value of the hedged items in relation to the risk being hedged are recognised in the Consolidated Income Statement.

In the case of fair value macro hedges, fair value changes of the hedged portfolios are recognised in the liability side of the consolidated balance sheet under caption 'Changes in the fair value of hedged items in portfolio hedges of interest rate risk', which as at 30 June 2026 amounted to a cumulative fair value change-debit of €18,141 thousand (31 December 2025: €12,612 thousand-credit).

Hedges of net investments
The Group's consolidated balance sheet is impacted by foreign currency exchange differences between Euro and all non-Euro functional currencies of overseas subsidiaries and other foreign operations. The Group hedges its structural currency risk when it considers that the cost of such hedging is within an acceptable range (in relation to the underlying risk). Hedging is effected through the use of forward exchange rate contracts.

As at 30 June 2026, forward exchange rate contracts amounting to €56 thousand (30 June 2025: €765 thousand) have been designated as hedging instruments and have given rise to approximately nil loss (30 June 2025: nil loss).

17. Derivative financial instruments (continued)

The accumulated fair value adjustment arising from the hedging relationships is presented in the table below:

	Carrying amount of hedged items		**Accumulated amount of fair value hedging adjustments gains/(losses) on the hedged item**	
30 June 2026	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Derivatives qualifying for hedge accounting	**€000**	**€000**	**€000**	**€000**
Fair value hedges - interest rate swaps				
-debt securities - investments	306,098	-	(22,365)	-
-debt securities in issue	-	979,625	-	(5,686)
-subordinated liabilities	-	300,518	-	5,857
-customer deposits (macro hedge)	-	5,016,252	-	18,141
Net investments - forward exchange rate contracts				
-net assets/liabilities	-	56	-	-
Total	**306,098**	**6,296,451**	**(22,365)**	**18,312**

	Carrying amount of hedged items		Accumulated amount of fair value hedging adjustments gains/(losses) on the hedged item	
31 December 2025	Assets	Liabilities	Assets	Liabilities
Derivatives qualifying for hedge accounting	€000	€000	€000	€000
Fair value hedges - interest rate swaps				
-debt securities - investments	314,072	-	(23,529)	-
-debt securities in issue	-	983,446	-	(10,871)
-subordinated liabilities	-	378,720	-	4,336
-customer deposits (macro hedge)	-	5,038,484	-	(12,612)
Net investments - forward exchange rate contracts				
-net assets/liabilities	-	81	-	-
Total	314,072	6,400,731	(23,529)	(19,147)

For assets hedged using fair value hedges, the average fixed rate of hedging instruments is 2.01% as at 30 June 2026 (31 December 2025: 2.35%). For liabilities hedged using fair value hedges, the average fixed rate is 2.52% for Euro denominated instruments of a nominal value €6,175,000 thousand and 4.16% for US Dollar denominated instruments of a nominal value US$104,000 thousand as at 30 June 2026 (31 December 2025: 2.57% for Euro denominated instruments of a nominal value €6,283,000 thousand and 4.16% for US Dollar denominated instruments of a nominal value US$104,000 thousand).

18. Fair value measurement

The following table presents the carrying value and fair value of the Group's financial assets and liabilities.

	30 June 2026		31 December 2025	
	Carrying value	**Fair value**	Carrying value	Fair value
Financial assets	**€000**	**€000**	€000	€000
Cash and balances with central banks	**7,598,047**	**7,598,047**	7,933,036	7,933,036
Loans and advances to banks	**480,355**	**472,011**	575,508	572,132
Reverse repurchase agreements	**1,617,755**	**1,619,216**	1,618,955	1,626,840
Derivative financial assets	**64,940**	**64,940**	88,342	88,342
Investments at FVPL	**195,794**	**195,794**	201,914	201,914
Investments at FVOCI	**350,265**	**350,265**	356,580	356,580
Investments at amortised cost	**5,257,183**	**5,262,632**	4,765,238	4,788,675
Loans and advances to customers	**11,333,455**	**11,311,870**	10,798,342	10,819,086
Life insurance business assets attributable to policyholders	**998,829**	**998,829**	911,961	911,961
Other financial assets	**171,661**	**171,661**	205,708	205,708
	28,068,284	**28,045,265**	27,455,584	27,504,274
Financial liabilities				
Deposits by banks	**369,117**	**352,057**	404,099	383,109
Derivative financial liabilities	**26,272**	**26,272**	19,256	19,256
Customer deposits	**22,797,850**	**22,771,130**	22,187,465	22,166,268
Debt securities in issue	**979,625**	**1,002,922**	983,446	1,015,763
Subordinated liabilities	**300,518**	**310,380**	378,720	388,020
Other financial liabilities and lease liabilities	**511,719**	**511,719**	496,935	496,935
	24,985,101	**24,974,480**	24,469,921	24,469,351

The fair value of financial assets and liabilities in the above table is as at the reporting date and does not represent any expectations about their future value.

The Group uses the following hierarchy for determining and disclosing fair value:

Level 1: financial instruments valued using quoted prices in active markets.

Level 2: financial instruments valued using models for which all inputs that have a significant impact on fair value are market observable.

Level 3: financial instruments valued using models for which inputs that have a significant impact on fair value are not based on market observable data.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

The following is a description of the determination of fair value for financial instruments which are recorded at fair value on a recurring and on a non-recurring basis and for financial instruments which are not measured at fair value but for which fair value is disclosed, using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the instruments.

Derivative financial instruments
Derivative financial instruments valued using a valuation technique with market observable inputs are mainly interest rate swaps, currency swaps, currency rate options, forward foreign exchange rate contracts and interest rate collars. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including foreign exchange spot and forward rates and interest rate curves.

18. Fair value measurement (continued)

Credit Valuation Adjustments (CVA) and Debit Valuation Adjustments (DVA)
The CVA and DVA are incorporated into derivative valuations to reflect the impact on fair value of counterparty risk and BOC PCL's own credit quality respectively.

The Group calculates the CVA by applying the PD of the counterparty, conditional on the non-default of the Group, to the Group's expected positive exposure to the counterparty and multiplying the result by the loss expected in the event of default. Conversely, the Group calculates the DVA by applying BOC PCL's PD, conditional on the non-default of the counterparty, to the expected positive exposure of the counterparty to the Group and multiplying the result by the loss expected in the event of default.

The expected exposure of derivatives is calculated as per the CRR and takes into account the netting agreements where they exist. A standard Loss Given Default (LGD) assumption in line with industry norm is adopted. Alternative LGD assumptions may be adopted when both the nature of the exposure and the available data support this.

The Group does not hold any significant derivative instruments which are valued using a valuation technique with significant non-market observable inputs.

Investments at FVPL, investments at FVOCI and investments at amortised cost
Investments which are valued using a valuation technique or pricing models, primarily consist of unquoted equity securities, other securities and debt securities. These assets are valued using valuation models which sometimes only incorporate market observable data and at other times use both observable and non-observable data. The rest of the investments are valued using quoted prices in active markets.

Loans and advances to customers
The fair value of loans and advances to customers is based on the present value of expected future cash flows. Future cash flows have been based on the future expected loss rate per loan portfolio, taking into account expectations for the credit quality of the borrowers. The discount rate includes components that capture the risk-free rate per currency, funding cost, servicing cost and the cost of capital, considering the risk weight of each loan.

Customer deposits
The fair value of customer deposits is determined by calculating the present value of future cash flows. The discount rate takes into account current market rates and the credit profile of BOC PCL. The fair value of deposits repayable on demand and deposits protected by the Deposit Protection Guarantee Scheme is approximated by their carrying values.

Loans and advances to banks
Loans and advances to banks with maturity over one year are discounted using an appropriate risk-free rate plus the appropriate credit spread. For short-term lending, the fair value is approximated by the carrying value.

Reverse repurchase agreements
Fair values of reverse repurchase agreements that are held on a non-trading basis are determined by calculating the present value of future cash flows. The cashflows are discounted using an appropriate risk-free rate plus the appropriate credit spread.

Deposits by banks
Deposits by banks with maturity over one year are discounted using an appropriate risk-free rate plus the appropriate credit spread. For short-term funding, the fair value is approximated by the carrying value.

Debt securities in issue and Subordinated liabilities
Debt securities and subordinated liabilities issuances are traded in an active market with quoted prices.

Model inputs for valuation
Observable inputs to the models for the valuation of unquoted equity and debt securities include, where applicable, current and expected market interest rates, market expected default rates, market implied country and counterparty credit risk and market liquidity discounts.

18. Fair value measurement (continued)

The following table presents the fair value measurement hierarchy of the Group's financial assets and financial liabilities recorded at fair value and financial assets and financial liabilities for which fair value is disclosed, by level of fair value hierarchy.

30 June 2026	Level 1 €000	Level 2 €000	Level 3 €000	**Total €000**
Financial assets measured at fair value				
Derivatives held for trading				
Forward exchange rate contracts	-	300	-	**300**
Currency swaps	-	4,842	-	**4,842**
Interest rate caps/floors	-	664	-	**664**
	-	5,806	-	**5,806**
Derivatives qualifying for hedge accounting				
Fair value hedges - interest rate swaps	-	45,118	-	**45,118**
Portfolio fair value hedges - interest rate swaps	-	14,016	-	**14,016**
	-	59,134	-	**59,134**
Investments at FVPL	38,125	128,639	29,030	**195,794**
Investments at FVOCI	338,847	252	11,166	**350,265**
Other financial assets	-	-	17,750	**17,750**
	376,972	**193,831**	**57,946**	**628,749**
Other financial assets not measured at fair value				
Loans and advances to banks	-	472,011	-	**472,011**
Investments at amortised cost	5,043,480	219,152	-	**5,262,632**
Reverse repurchase agreements	-	1,619,216	-	**1,619,216**
Loans and advances to customers	-	-	11,311,870	**11,311,870**
	5,043,480	**2,310,379**	**11,311,870**	**18,665,729**

30 June 2026	Level 1 €000	Level 2 €000	Level 3 €000	**Total €000**
Financial liabilities measured at fair value				
Derivatives held for trading				
Forward exchange rate contracts	-	161	-	**161**
Currency swaps	-	24	-	**24**
Interest rate caps/floors	-	568	-	**568**
	-	753	-	**753**
Derivatives qualifying for hedge accounting				
Fair value hedges - interest rate swaps	-	764	-	**764**
Portfolio fair value hedges - interest rate swaps	-	24,755	-	**24,755**
	-	25,519	-	**25,519**
	-	**26,272**	**-**	**26,272**
Other financial liabilities not measured at fair value				
Deposits by banks	-	352,057	-	**352,057**
Customer deposits	-	-	22,771,130	**22,771,130**
Debt securities in issue	1,002,922	-	-	**1,002,922**
Subordinated liabilities	310,380	-	-	**310,380**
	1,313,302	**352,057**	**22,771,130**	**24,436,489**

18. Fair value measurement (continued)

31 December 2025	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Financial assets measured at fair value				
Derivatives held for trading				
Forward exchange rate contracts	-	143	-	143
Currency swaps	-	492	-	492
Interest rate caps/floors	-	629	-	629
	-	1,264	-	1,264
Derivatives qualifying for hedge accounting				
Fair value hedges - interest rate swaps	-	46,384	-	46,384
Portfolio fair value hedges - interest rate swaps	-	40,694	-	40,694
	-	87,078	-	87,078
Investments at FVPL	58,311	115,161	28,442	201,914
Investments at FVOCI	346,673	268	9,639	356,580
Other financial assets	-	-	15,000	15,000
	404,984	203,771	53,081	661,836
Other financial assets not measured at fair value				
Loans and advances to banks	-	572,132	-	572,132
Investments at amortised cost	4,514,735	273,940	-	4,788,675
Reverse repurchase agreements	-	1,626,840	-	1,626,840
Loans and advances to customers	-	-	10,819,086	10,819,086
	4,514,735	2,472,912	10,819,086	17,806,733

31 December 2025	Level 1 €000	Level 2 €000	Level 3 €000	Total €000
Financial liabilities measured at fair value				
Derivatives held for trading				
Forward exchange rate contracts	-	43	-	43
Currency swaps	-	2,585	-	2,585
Interest rate caps/floors	-	548	-	548
	-	3,176	-	3,176
Derivatives qualifying for hedge accounting				
Fair value hedges - interest rate swaps	-	3,258	-	3,258
Portfolio fair value hedges - interest rate swaps	-	12,822	-	12,822
	-	16,080	-	16,080
	-	19,256	-	19,256
Other financial liabilities not measured at fair value				
Deposits by banks	-	383,109	-	383,109
Customer deposits	-	-	22,166,268	22,166,268
Debt securities in issue	1,015,763	-	-	1,015,763
Subordinated liabilities	388,020	-	-	388,020
	1,403,783	383,109	22,166,268	23,953,160

The cash and balances with central banks are financial instruments whose carrying value is a reasonable approximation of fair value because they are mostly short-term in nature or are repriced to current market rates frequently. The carrying value of other financial assets and other financial liabilities is a close approximation of their fair value and they are categorised as Level 3.

18. Fair value measurement (continued)

For one investment included in other securities mandatorily measured at FVPL as a result of the SPPI assessment and categorised as Level 3 with a carrying amount of €4,192 thousand as at 30 June 2026 (31 December 2025: €3,832 thousand), a change in the conversion factor by 10% would result in a change in the value of the other securities by €419 thousand (31 December 2025: €383 thousand).

The fair value of one investment included in other securities measured at FVPL and categorised as Level 3 with a carrying value of €24,409 thousand as at 30 June 2026 (31 December 2025: €24,409 thousand) has been determined by reference to recent transactions for comparable instruments (Note 16).

During the six months ended 30 June 2026 and the year ended 31 December 2025 there were no significant transfers between Level 1 and Level 2.

Movements in Level 3 assets measured at fair value
Transfers from Level 3 to Level 2 occur when the market for some securities becomes more liquid, which eliminates the need for the previously required significant unobservable valuation inputs. Following a transfer to Level 2 the instruments are valued using valuation models incorporating observable market inputs. Transfers into Level 3 reflect changes in market conditions as a result of which instruments become less liquid. Therefore, the Group requires significant unobservable inputs to calculate their fair value.

The movement in Level 3 assets which are measured at fair value is presented below:

	30 June 2026			31 December 2025			
	Other financial assets	**Financial instruments**	**Total**	Other financial assets	Loans and advances to customers	Financial instruments	Total
	€000	**€000**	**€000**	€000	€000	€000	€000
1 January	**15,000**	**38,081**	**53,081**	25,500	131,008	20,173	176,681
Additions	**2,750**	**841**	**3,591**	15,000	-	24,610	39,610
Conversion of instruments into common shares	**-**	**-**	**-**	-	-	(8,434)	(8,434)
Fair value gains	**-**	**1,168**	**1,168**	9,933	-	2,566	12,499
Net gains on loans and advances to customers measured at FVPL	**-**	**-**	**-**	-	1,315	-	1,315
Repayment/derecognition of loans	**-**	**-**	**-**	(35,433)	(138,159)	-	(173,592)
Interest on loans	**-**	**-**	**-**	-	5,836	-	5,836
Foreign exchange adjustments	**-**	**106**	**106**	-	-	(834)	(834)
30 June/31 December	**17,750**	**40,196**	**57,946**	15,000	-	38,081	53,081

The effect on profit or loss or other comprehensive income from fair value changes of financial assets classified as Level 3 in the fair value measurement hierarchy is mainly attributable to the unobservable inputs, which relate mainly to the discount factor used and the expected cash flows, and relates to financial assets held as at the end of the reporting period.

19. Loans and advances to customers

	30 June 2026	31 December 2025
	€000	€000
Gross loans and advances to customers at amortised cost	**11,490,611**	10,955,397
Allowance for ECL of loans and advances to customers (Note 30.4)	**(157,156)**	(157,055)
	11,333,455	10,798,342

19. Loans and advances to customers (continued)

The following tables present the Group's gross loans and advances to customers at amortised cost by staging and by business line concentration.

30 June 2026 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total** **€000**
Corporate	3,395,139	372,143	17,054	8,834	**3,793,170**
IBU & International corporate					
- IBU	121,961	16,290	482	79	**138,812**
- International corporate	1,519,827	8,566	-	13	**1,528,406**
SMEs	922,798	64,432	1,529	4,026	**992,785**
Retail					
- housing	3,622,346	172,830	9,868	9,559	**3,814,603**
- consumer, credit cards and other	1,016,823	101,261	7,742	9,853	**1,135,679**
Restructuring					
- corporate	211	204	2,297	11,691	**14,403**
- SMEs	638	954	6,519	857	**8,968**
- retail housing	1,483	1,687	12,593	993	**16,756**
- retail other	33	408	8,603	527	**9,571**
Recoveries					
- corporate	-	-	2,540	320	**2,860**
- SMEs	-	-	7,452	326	**7,778**
- retail housing	-	-	12,964	2,236	**15,200**
- retail other	-	6	9,663	1,951	**11,620**
	10,601,259	**738,781**	**99,306**	**51,265**	**11,490,611**

31 December 2025 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	3,152,460	402,590	20,309	9,054	3,584,413
IBU & International corporate					
- IBU	120,217	16,128	291	95	136,731
- International corporate	1,342,145	13,383	-	6	1,355,534
SMEs	916,985	64,742	6,886	4,253	992,866
Retail					
- housing	3,514,129	167,869	10,889	9,729	3,702,616
- consumer, credit cards and other	974,919	100,303	8,090	10,146	1,093,458
Restructuring					
- corporate	396	906	2,254	11,131	14,687
- SMEs	605	1,884	4,746	1,092	8,327
- retail housing	1,915	2,785	17,114	793	22,607
- retail other	584	434	8,332	617	9,967
Recoveries					
- corporate	-	-	2,766	297	3,063
- SMEs	-	-	3,878	473	4,351
- retail housing	-	-	12,982	2,291	15,273
- retail other	8	-	9,338	2,158	11,504
	10,024,363	771,024	107,875	52,135	10,955,397

Loans and advances to customers pledged as collateral are disclosed in Note 32.

Additional analysis and information on loans and advances to customers and related allowance for ECL are set out in Note 30.

20. Stock of property

The carrying amount of stock of property is determined as the lower of cost and net realisable value. Impairment is recognised if the net realisable value is below the cost of the stock of property. During the six months ended 30 June 2026 an impairment loss of €10,486 thousand (30 June 2025: €13,657 thousand) was recognised in 'Impairment net of reversals on non-financial assets' in the Consolidated Income Statement. At 30 June 2026, stock of property of €276,193 thousand (31 December 2025: €283,868 thousand) is carried at net realisable value.

There is no stock of property pledged as collateral.

The carrying amount of the stock of property is analysed in the tables below:

	30 June 2026	31 December 2025
	€000	€000
Net book value at 1 January	**372,202**	648,757
Additions	**1,167**	10,440
Disposals	**(25,532)**	(258,765)
Transfers from property, plant and equipment	**4,827**	-
Transfers to non-current assets and disposal groups held for sale	**-**	(1,214)
Impairment for the period/year	**(10,486)**	(27,016)
Net book value at 30 June/31 December	**342,178**	372,202

In June 2025, the Group completed the disposal of 80.1% of its holding in certain property subsidiaries comprising plots of land property. As a result of the transaction, the Group derecognized the underlying stock of property and its retained holding of 19.9% (which the buyer can require the Group to dispose to buyer) in the property company holding the underlying plots of land, was recognised as an investment measured at FVPL (Note 16).

Analysis by type and country	**Cyprus**	**Greece**	**Total**
30 June 2026	**€000**	**€000**	**€000**
Residential properties	31,675	2,208	**33,883**
Offices and other commercial properties	38,684	2,376	**41,060**
Manufacturing and industrial properties	10,992	4,555	**15,547**
Hotels	7,005	315	**7,320**
Land (fields and plots)	242,268	2,100	**244,368**
Total	**330,624**	**11,554**	**342,178**
31 December 2025			
Residential properties	39,803	2,746	42,549
Offices and other commercial properties	39,342	2,786	42,128
Manufacturing and industrial properties	10,621	4,623	15,244
Hotels	7,005	339	7,344
Land (fields and plots)	262,765	2,172	264,937
Total	359,536	12,666	372,202

21. Prepayments, accrued income and other assets

	30 June 2026	31 December 2025
	€000	€000
Financial assets		
Debtors	**48,511**	41,984
Receivable relating to tax	**1,227**	1,746
Other assets	**121,923**	161,978
	171,661	205,708
Non-financial assets		
Insurance and reinsurance contract assets	**51,856**	54,759
Current tax receivable	**37,965**	50,053
Prepaid expenses	**1,707**	1,255
Retirement benefit plan assets	**3,520**	3,350
Other assets	**71,307**	60,410
	166,355	169,827
	338,016	375,535

There were no financial assets classified as Stage 2 as at 30 June 2026 and 31 December 2025. In addition, financial assets amounting to €17,750 thousand were measured at FVPL as at 30 June 2026 (31 December 2025: €15,000 thousand).

Within other non-financial assets an amount of €18,550 thousand as at 30 June 2026 (31 December 2025: €18,550 thousand) relates to contract assets from contracts with customers, and an amount of €6,017 thousand (31 December 2025: n/a) related to the cost of subscribing to the share capital of Wealthyhood Ltd, which is classified as an investment in associate accounted for using the equity method.

22. Customer deposits

	30 June 2026	31 December 2025
	€000	€000
By type of deposit		
Demand	**12,390,265**	12,036,917
Savings	**3,493,297**	3,402,642
Time or notice	**6,914,288**	6,747,906
	22,797,850	22,187,465
By geographical area		
Cyprus	**18,576,461**	18,088,884
Greece	**1,434,541**	1,518,290
United Kingdom	**432,725**	401,282
United States	**122,269**	130,574
Germany	**71,585**	73,416
Romania	**25,686**	26,340
Russia	**69,312**	79,624
Ukraine	**237,600**	208,891
Belarus	**1,093**	1,428
Israel	**245,458**	230,294
Other countries	**1,581,120**	1,428,442
	22,797,850	22,187,465

Deposits by geographical area are based on the country of residence of the Ultimate Beneficial Owner.

	30 June 2026	31 December 2025
	€000	€000
By currency		
Euro	**20,736,735**	20,249,508
US Dollar	**1,635,176**	1,578,033
British Pound	**307,457**	302,817
Russian Rouble	**953**	893
Other currencies	**117,529**	56,214
	22,797,850	22,187,465

	30 June 2026	31 December 2025
By business line	**€000**	€000
Corporate	**2,570,233**	2,617,399
IBU & International corporate		
- IBU	**4,549,036**	4,280,583
- International corporate	**223,648**	251,158
SMEs	**1,451,096**	1,396,335
Retail	**13,849,511**	13,489,070
Restructuring		
– corporate	**4,990**	5,865
– SMEs	**1,491**	525
– retail other	**4,413**	8,010
Recoveries		
– corporate	**445**	551
Institutional Wealth Management and Custody	**142,987**	137,969
	22,797,850	22,187,465

23. Debt securities in issue and Subordinated liabilities

			30 June 2026		31 December 2025	
			Nominal value	**Carrying value**	Nominal value	Carrying value
Subordinated liabilities	**Contractual interest rate**	**Issuer**	**€000**	**€000**	€000	€000
Subordinated Tier 2 Capital Note - April 2021	6.625% up to 23 October 2026	BOCH	**n/a**	**n/a**	82,413	83,660
Subordinated Tier 2 Capital Note - September 2025	4.250% up to 18 September 2031	BOCH	**300,000**	**300,518**	300,000	295,060
			300,000	**300,518**	382,413	378,720
Debt securities in issue						
Senior Preferred Notes - June 2021	2.50% up to 24 June 2026	BOC PCL	**n/a**	**n/a**	300,000	304,353
Senior Preferred Notes - July 2023	7.375% up to 25 July 2027	BOC PCL	**350,000**	**375,608**	350,000	365,789
Green Senior Preferred Notes - May 2024	5% up to 2 May 2028	BOC PCL	**300,000**	**303,131**	300,000	313,304
Senior Preferred Notes - May 2026	3.875% up to 20 May 2030	BOC PCL	**300,000**	**300,886**	n/a	n/a
			950,000	**979,625**	950,000	983,446

BOCH and BOC PCL maintain a Euro Medium Term Note (EMTN) Programme with an aggregate nominal amount up to €4,000 million.

The fair value of the subordinated liabilities and the debt securities in issue as at 30 June 2026 and 31 December 2025 is disclosed in Note 18.

During the six months ended the following redemptions and issuances took place:

Subordinated Liabilities

Subordinated Tier 2 Capital Note - April 2021
On 23 April 2026, BOCH exercised its option to redeem the remaining outstanding Tier 2 Capital Note issued in April 2021, of principal amount €82,413 thousand in aggregate. As at 30 June 2026, no principal amount of this security remained outstanding.

Debt securities in issue

Senior Preferred Notes – June 2021
On 24 June 2026, BOC PCL exercised its option to redeem the outstanding €300 million Senior Preferred Notes issued in June 2021. As at 30 June 2026, no principal amount of this security remained outstanding.

Senior Preferred Notes -May 2026
In May 2026, BOC PCL issued a €300 million senior preferred note under the EMTN Programme. The note was priced at 99.822% with a fixed coupon of 3.875% per annum, payable annually in arrear and resettable on 20 May 2030. The note matures on 20 May 2031. BOC PCL has the option to redeem the note early on 20 May 2030, subject to applicable regulatory consents. The note is listed on the Luxembourg Stock Exchange's Euro MTF market.

24. Accruals, deferred income and other liabilities

	30 June 2026	31 December 2025
	€000	€000
Income tax payable and related provisions	**127,687**	90,948
Special defence contribution payable	**4,845**	11,599
Retirement benefit plan liabilities	**52**	107
Provisions for financial guarantees and commitments	**19,466**	19,470
Liabilities arising from non-participating investment contracts	**172,282**	151,785
Accrued expenses and other provisions	**87,355**	110,182
Deferred income	**9,009**	22,147
Items in the course of settlement	**60,626**	25,922
Lease liabilities	**31,094**	35,069
Creditors for card processing transactions	**16,792**	42,249
Dividends payable	**45,792**	25,795
Other liabilities	**99,179**	107,505
	674,179	642,778

As at 30 June 2026, other liabilities include an amount of €10,385 thousand (31 December 2025: €10,385 thousand) relating to the guarantee fee for the conversion of DTA into tax credits (Note 14) and an amount of €20,208 thousand for the ancillary guarantee fund (31 December 2025: €19,696 thousand).

Dividends payable of €45,792 thousand as at 30 June 2026 relate to dividends declared out of Group profits for the years 2022-2025 and are outstanding as at 30 June 2026 (31 December 2025: €25,795 thousand that relate to dividends declared out of Group profits for the years 2022-2025).

25. Share capital

	30 June 2026		31 December 2025	
	Number of shares (thousand)	**€000**	Number of shares (thousand)	€000
Authorised				
Ordinary shares of €0.10 each	**10,000,000**	**1,000,000**	10,000,000	1,000,000
Issued				
1 January	**435,686**	**43,569**	440,502	44,050
Issue of shares under share-based schemes	**276**	**27**	327	33
Share buyback - repurchase and cancellation of shares	**-**	**-**	(5,143)	(514)
30 June/31 December	**435,962**	**43,596**	435,686	43,569

Authorised and issued share capital

All issued ordinary shares carry the same rights.

The authorised capital of the Company is €1,000,000 thousand divided into 10,000,000 thousand ordinary shares of a nominal value €0.10 each. There were no changes to the authorised share capital during the six months ended 30 June 2026 and the year ended 31 December 2025.

As at 30 June 2026, the Company had 435,962 thousand issued shares (31 December 2025: 435,686 thousand issued shares) of a nominal value of €0.10 each.

During the six months ended 30 June 2026, 276 thousand shares (year ended 31 December 2025: 327 thousand shares) of a nominal value of €0.10 each were issued and granted to the eligible employees of the Group in the context of the share-based schemes disclosed in Note 11. Further during the year ended 31 December 2025 the number of shares issued decreased by 5,143 thousand shares following a share repurchase programmed carried out.

25. Share capital (continued)

Share premium reserve

There were no changes to the share premium reserve during the six months ended 30 June 2026 and the year ended 31 December 2025.

Share repurchase programme (Buyback)

In February 2025, the Group launched a programme to buy back ordinary shares of the Company for an aggregate consideration of up to €30,000 thousand as part of the distribution in respect of 2024 earnings. The programme took place on the Main Market of the Regulated Securities Market of the ATHEX and the CSE. The purpose of the programme was to reduce the Company's issued share capital and therefore the shares purchased under the programme were cancelled. Under the 2025 buyback programme which was completed on 16 June 2025, 5,143 thousand shares were repurchased for a total consideration of €30,000 thousand. In July 2025, the shares repurchased were cancelled.

Capital redemption reserve

The capital redemption reserve is a legal reserve arising as a result of the acquisition and cancellation of the Company's ordinary shares under buyback programmes and represents transfers from share capital. The capital redemption reserve is not distributable. As at 30 June 2026 and 31 December 2025, the capital redemption reserve amounted to €1,084 thousand representing 10,841 thousand shares in the Company which have been cancelled as a result of the buyback programs executed during the years ended 31 December 2025 and 2024 relating to the distributions in respect of 2024 and 2023 earnings respectively.

Treasury shares of the Company

The consideration paid, including any directly attributable incremental costs (net of income taxes), for shares of the Company held by the Company and by entities controlled by the Group is deducted from equity attributable to the owners of the Company as treasury shares, until these shares are cancelled or reissued. No gain or loss is recognised in the Consolidated Income Statement on the purchase, sale, issue or cancellation of such shares.

The life insurance subsidiary of the Group, as at 30 June 2026, held a total of 153 thousand ordinary shares of the Company of a nominal value of €0.10 each (31 December 2025: 153 thousand ordinary shares of a nominal value of €0.10 each), as part of its financial assets which are invested for the benefit of insurance policyholders. The cost of acquisition of these shares was €21,537 thousand (31 December 2025: €21,537 thousand).

Other equity instruments

	30 June 2026	31 December 2025
	€000	€000
2023 Reset Perpetual Additional Tier 1 Capital Securities	**220,000**	220,000
	220,000	220,000

During the six months ended 30 June 2026, coupon payments for the total amount of €13,063 thousand (30 June 2025: €13,063 thousand) were made to the holders of the AT1 instrument and recognised in retained earnings.

26. Distributions

Information on interim dividend in respect of the Group's financial performance for the six months ended 30 June 2026 approved by the Board of Directors on 3 August 2026 is disclosed in Note 35.

Distribution in respect of 2025 earnings

Final cash dividend in respect of 2025 earnings
In February 2026, the Board of Directors declared a final cash dividend of €0.50 per ordinary share in respect of 2025 earnings. The AGM on 15 May 2026, approved a final cash dividend in respect of 2025 earnings. The aggregated cash dividend in respect of the 2025 final dividend amounted to €218 million based on the number of shares in issue as at the relevant record date and was paid in June 2026.

26. Distributions (continued)

Interim cash dividend in respect of 2025 earnings
In August 2025, the Board of Directors of the Company approved the payment of an interim dividend by the Company of €0.20 per ordinary share in respect of the Group's financial performance for the six months ended 30 June 2025. The interim dividend, amounted to an aggregate cash dividend of €87 million based on the number of shares in issue as at the relevant record date and was paid in October 2025.

Distribution in respect of 2024 earnings
In February 2025, the Board of Directors resolved to propose to make a distribution in respect of 2024 earnings, comprising a cash dividend of €0.48 per ordinary share and a share buyback in an aggregate consideration amount of up to €30 million (together, the '2024 Distribution'). The AGM, on 16 May 2025, approved a final cash dividend in respect of earnings for the year ended 31 December 2024. The aggregated cash dividend in respect of the 2024 dividend distribution amounted to €209 million based on the number of shares in issue as at the relevant record date and was paid in June 2025.

27. Provisions for pending litigation, claims, regulatory and other matters

The Group, in the ordinary course of business, is involved in various disputes and legal proceedings and is subject to enquiries and examinations, requests for information, audits, investigations and other proceedings by regulators, governmental and other public bodies, actual and threatened, relating to the suitability and adequacy of advice given to clients or the absence of advice, lending and pricing practices, selling and disclosure requirements, reporting and information security requirements and a variety of other matters. In addition, as a result of the deterioration of the Cypriot economy and banking sector in 2012 and the subsequent restructuring of BOC PCL in 2013 as a result of the bail-in Decrees, BOC PCL is subject to a number of proceedings that either precede or result from the events that occurred during the period of the bail-in Decrees.

Apart from what is described below, the Group considers that none of these matters are material, either individually or in aggregate. Nevertheless, provisions have been made where: (a) there is a present obligation (legal or constructive) arising from past events, (b) the settlement of the obligation is expected to result in an outflow of resources embodying economic benefits, and (c) a reliable estimate of the amount of the obligation can be made. The Group has not disclosed an estimate of the potential financial effect on its contingent liabilities arising from these matters where it is not practicable to do so, because it is too early or the outcome is too uncertain or, in cases where it is practicable, where disclosure could prejudice conduct of the matters. Provisions have been recognised for those cases where the Group is able to reliably estimate probable losses (Note 6.3). Where an individual provision is material, the fact that a provision has been made is stated except to the extent that doing so would be prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. There are also situations where the Group may enter into a settlement agreement. This may occur only if such settlement is in the Group's interest (such settlement does not constitute an admission of wrongdoing) and only takes place after obtaining legal advice and all approvals by the appropriate bodies of management. While the outcome of these matters is inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of legal proceedings, regulatory and other matters as at 30 June 2026 and hence it is not believed that such matters, when concluded, will have a material impact upon the financial position of the Group.

27.1 Pending litigation and claims

Investigations and litigation relating to securities issued by BOC PCL
A number of institutional and retail investors have filed various separate actions against BOC PCL alleging that BOC PCL is guilty of misselling in relation to securities issued by BOC PCL between 2007 and 2011. Remedies sought include the return of the money investors paid for these securities. Claims are currently pending before the courts in Cyprus and in Greece.

The bonds and capital securities in respect of which claims have been brought are the following: 2007 Capital Securities, 2008 Convertible Bonds, 2009 Convertible Capital Securities (CCS) and 2011 Convertible Enhanced Capital Securities (CECS).

BOC PCL is defending these claims, particularly with respect to institutional investors and retail investors who received investment advice from independent investment advisors. In the case of retail investors, if it can be demonstrated that the relevant BOC PCL's officers 'persuaded' them to proceed with the purchase and/or purported to offer 'investment advice', BOC PCL may face significant difficulties.

27. Provisions for pending litigation, claims, regulatory and other matters (continued)

27.1 Pending litigation and claims (continued)

Provision has been made based on management's best estimate of probable outflows for capital securities related litigation. In establishing the provision estimate, the Group, where relevant, uses a number of scenarios to address uncertainties around key assumptions. Certain information usually required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is not disclosed on the grounds that it could be expected to seriously prejudice the outcome of the litigation and/or the possible taking of legal action.

Bail-in related litigation
Depositors
A number of BOC PCL's depositors, who allege that they were adversely affected by the bail-in, filed claims against BOC PCL and other parties (such as the CBC and the Ministry of Finance of Cyprus) including against BOC PCL as the alleged successor of Laiki Bank on the grounds that, inter alia, the 'Resolution Law of 2013' and the Bail-in Decrees were in conflict with the Constitution of the Republic of Cyprus and the European Convention on Human Rights. They are seeking damages for their alleged losses resulting from the bail-in of their deposits. There are also cases under the bail-in category where the plaintiffs are alleging that BOC PCL failed to follow their instructions, and cases where they are alleging that the bail-in was wrongfully applied. BOC PCL is defending these actions. In relation to the bail-in decree related cases, the court ruled in favour of BOC PCL on the grounds that the measures that the government implemented were necessary to prevent the collapse of the financial sector, which would have detrimental consequences for the country's economy. Under the circumstances the government could rely on the doctrine of necessity when it imposed the bail-in. To date, a number of cases have been tried with only a few remaining as against BOC PCL.

Provision has been made based on management's best estimate of probable outflows for depositors related litigation.

Shareholders
A number of actions for damages have been filed with the District Courts of Cyprus alleging either the unconstitutionality of the Resolution Law and the Bail-in Decrees, or a misapplication of same by BOC PCL (as regards the way and methodology whereby such Decrees have been implemented), or that BOC PCL failed to follow instructions promptly prior to the bail-in coming into force. As at the present date, both the Resolution Law and the Bail-in Decrees have not been annulled by a court of law and thus remain legally valid and in effect. BOC PCL contests all of these claims.

Legal position of the Group
All of the above claims are being vigorously disputed by the Group, in close consultation with the appropriate state and governmental authorities. The position of the Group is that the Resolution Law and the Decrees take precedence over all other laws. As matters now stand, both the Resolution Law and the Decrees issued thereunder are constitutional and lawful, in that they were properly enacted and have not so far been annulled by any court.

Provident fund case
In December 2015, the Bank of Cyprus Employees Provident Fund (the Provident Fund) filed an action against BOC PCL claiming €70 million allegedly owed as part of BOC PCL's contribution by virtue of an agreement with the Union dated 31 December 2011. Towards the end of 2024, the Group reached a final settlement arrangement and the case was unreservedly withdrawn, as a result of which, the Group recognised a provision as at 31 December 2024. The financial settlement took place early in 2025. This matter is now concluded, without anything pending at court.

Employment litigation
Former employees of the Group have instituted a number of employment claims including unfair dismissals. The Group does not consider that the pending cases in relation to employment will have a material impact on its financial position.

Additionally, a number of former employees have filed claims against BOC PCL contesting entitlements received relating to the various voluntary exit plans. As at the reporting date, most of these cases have been withdrawn with only one such case remaining to be heard before the District Court. Another case is pending at appeal. The Group does not expect that these actions will have a material impact on its financial position.

27. Provisions for pending litigation, claims, regulatory and other matters (continued)

27.1 Pending litigation and claims (continued)

Banking and other business cases
There are a number of banking, investment services and other business-related cases arising in the ordinary course of the Group's activities where the amounts claimed are significant. These cases primarily concern allegations relating to the Group's policies, procedures, conduct of business practices and the provision of banking, investment and other financial services, including allegations that may have resulted in losses or damages to customers or other counterparties. Such matters also include claims relating to compliance with applicable legal and regulatory requirements and disputes concerning the execution, interpretation or implementation of customer instructions and business arrangements. Further, there are several other banking, investment and business-related claims where the amounts involved are not as significant.

Management has assessed either the probability of loss as remote or possible and/or does not expect any future outflows with respect to these cases to have a material impact on the financial position of the Group. Such matters arise as a result of the Group's activities and management appropriately assesses the facts and risks of each case on an ongoing basis.

General criminal investigations and proceedings
The Attorney General and the Cypriot Police (the Police) are conducting various investigations and inquiries following and relating to the financial crisis which culminated in March 2013. BOC PCL is cooperating fully with the Attorney General and the Police and is providing all information requested of it. Based on the currently available information, the Group is of the view that any further investigations or claims resulting from these investigations will not have a material impact on its financial position.

Other
Investigative procedures relating to potentially overstated and/or fictitious claims paid by the non-life insurance subsidiary of the Group continue. The information usually required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is not disclosed on the grounds that it could be expected to seriously prejudice the outcome of the investigative procedures and/or the possible taking of legal action. Based on the available facts and circumstances as at 30 June 2026 and 31 December 2025, management has determined that no probable liability is expected from any parties and therefore no liability for potential future claims has been recognised in the financial statements for the six months ended 30 June 2026 or the year ended 31 December 2025.

27.2 Regulatory matters

The Hellenic Capital Market Commission (HCMC) Investigation
The HCMC has been in the process of investigating matters concerning the Group's investment in Greek Government Bonds from 2009 to 2011, including, inter alia, related non-disclosure of material information in BOC PCL's CCS, CECS and rights issue prospectuses (tracking the investigation carried out by CySEC in 2013), Greek government bonds' reclassification, ELA disclosures and allegations by some investors regarding BOC PCL's non-compliance with Markets in Financial Instruments Directive (MiFID) in respect of investors' direct investments in Greek Government Bonds.

A specific estimate of the outcome of the investigations or of the amount of possible fines cannot be given at this stage, though it is not expected that any resulting liability or damages will have a material impact on the financial position of the Group.

Central Bank of Cyprus (CBC)
The CBC had conducted an investigation in the past into BOC PCL's issuance of capital securities and concluded that BOC PCL breached certain regulatory requirements concerning the issuance of Convertible Capital Securities (Perpetual) in 2009, but not in relation to the CECS in 2011. The CBC had, in 2013, imposed a fine of €4 thousand upon BOC PCL. The latter filed a recourse. The Administrative Court cancelled both the CBC's decision and the fine that was imposed upon BOC PCL in a judgment in 2020. In 2021, CBC decided to re-examine this matter and to re-open the investigation. This matter is still pending as at the period-end.

27. Provisions for pending litigation, claims, regulatory and other matters (continued)

27.2 Regulatory matters (continued)

Consumer Protection Service (CPS)
In July 2017, CPS imposed a fine of €170 thousand upon BOC PCL after concluding an ex officio investigation regarding some terms in both BOC PCL's and Marfin Popular Bank's loan documentation, that were found to constitute unfair commercial practices. Decisions of the CPS (according to rulings of the Administrative Court) are not binding but merely an expression of opinion. BOC PCL has filed a recourse before the Administrative Court against this decision. The Administrative Court has issued its judgment in 2022 in favour of BOC PCL, and the CPS decision along with the fine have been cancelled. An appeal has been submitted by CPS with regards to this judgment, which is still pending as at 30 June 2026.

In April 2021, the director of CPS filed an application for the issuance of a court order against BOC PCL, prohibiting the use of a number of contractual terms included in BOC PCL's consumer contracts and requiring the amendment of any such contracts (present and future) so as to remove such unfair terms. This matter is still pending before the court as at 30 June 2026.

Following an investigation into certain housing loan agreement terms, in the year ended 31 December 2025 the CPS found that some contractual terms included in the Bank's housing loan agreements were deemed to be unfair and imposed a fine of €800 thousand, which BOC PCL paid under protest. BOC PCL has appealed the decision to the Minister of Commerce. The decision of the Minister was issued in January 2026, largely upholding the decision of the CPS, except with respect to one of the clauses which was found to be partly unfair. BOC PCL had 60 days as of this date to comply. BOC PCL took the necessary actions to comply.

Cyprus Consumers' Association (CCA)
In March 2021, BOC PCL was served with an application filed by the CCA for the issuance of a court order prohibiting the use of a number of contractual terms included in BOC PCL's consumer contracts and requiring the amendment of any such contracts (present and future) so as to remove such terms deemed as unfair. The said contractual terms were determined as unfair pursuant to the decisions issued by the Consumer Protection Service of the Ministry of Energy, Commerce, Industry and Tourism against BOC PCL in 2016 and 2017. BOC PCL will take all necessary steps for the protection of its interests. This matter is still pending before the court as at 30 June 2026.

The Consumer Protection Law 2021 brings under one umbrella the existing legislation on unfair contract terms and practices with some enhanced powers vested in the Consumer Protection Service, i.e. power to impose increased fines which are immediately payable. The Consumer Protection Law 2021 has no retrospective effect in that it does not apply to any contracts/practices entered into and/or terminated prior to this law coming into effect as opposed to contracts/practices which are only entered into/adopted as from the date of publication of the new Law on Consumer Protection.

There are many factors that may affect the range of outcomes and the resulting financial impact of these matters is unknown.

27.3 Other matters

Other matters include among others, provisions for various other open examination requests by governmental and other public bodies, legal matters and provisions for warranties and indemnities related to the disposal process of certain operations and assets of the Group, as well as the provision maintained by the Group as at 30 June 2026 in connection with the reinstatement of bailed-in provident funds (as a result of the 2013 bail-in) of the banking sector employees, following an in-principle agreement reached with the Cyprus Government in November 2025.

The provisions for pending litigation and claims, regulatory and other matters described above and provided in the tables below do not include insurance claims arising in the ordinary course of business of the Group's insurance subsidiaries as these are included in 'Insurance contract liabilities'.

27. Provisions for pending litigation, claims, regulatory and other matters (continued)

27.4 Provisions for pending litigation, claims, regulatory and other matters

2026	Pending litigation and claims (Note 27.1)	Regulatory matters (Note 27.2)	Other matters (Note 27.3)	**Total**
	€000	€000	€000	**€000**
1 January	29,065	2,309	36,149	**67,523**
Net increase in provisions including unwinding of discount	1,736	100	2,934	**4,770**
Utilisation of provisions	(4,877)	-	-	**(4,877)**
Release of provisions	(4,613)	-	-	**(4,613)**
30 June	**21,311**	**2,409**	**39,083**	**62,803**

2025	Pending litigation and claims (Note 27.1)	Regulatory matters (Note 27.2)	Other matters (Note 27.3)	**Total**
	€000	€000	€000	**€000**
1 January	68,512	3,109	20,999	92,620
Net increase in provisions including unwinding of discount	3,176	-	1,860	5,036
Utilisation of provisions	(29,216)	-	(7,131)	(36,347)
Release of provisions	(3,683)	-	-	(3,683)
Other movements	-	-	2,894	2,894
30 June	38,789	3,109	18,622	60,520

Provisions for pending litigation, claims, regulatory and other matters recorded in the Consolidated Income Statement during the six months ended 30 June 2026 amounted to €157 thousand, and comprise the total of lines 'Net increase in provisions including unwinding of discount' and 'Release of provisions' of the table above (30 June 2025: €1,353 thousand).

Some information required by IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is not disclosed on the grounds that it can be expected to prejudice seriously the outcome of the litigation or the outcome of the negotiation in relation to provisions for warranties and indemnities related to the disposal process of certain operations and assets of the Group.

28. Contingent liabilities and commitments

As part of the services provided to its customers, the Group enters into various irrevocable commitments and contingent liabilities. These consist of financial and other guarantees, letters of credit and other undrawn commitments to lend.

Even though these obligations may not be recognised on the consolidated balance sheet, they do entail credit risk and are therefore part of the overall credit risk exposure of the Group (Note 30.1).

28.1 Capital commitments

Capital commitments for the acquisition of property, equipment and intangible assets as at 30 June 2026 amount to €19,443 thousand (31 December 2025: €20,666 thousand).

28. Contingent liabilities and commitments (continued)

28.2 Contingent liabilities

The Group, as part of the disposal process of certain of its operations and assets, has provided various representations, warranties and indemnities to the buyers. These relate to, among other things, the ownership of the loans, the validity of the liens, tax exposures and other matters agreed with the buyers. As a result, the Group may be obliged to compensate the buyers in the event of a valid claim by the buyers with respect to the above representations, warranties and indemnities.

A provision has been recognised, based on management's best estimate of probable outflows, where it was assessed that such an outflow is probable (Note 27.3).

29. Cash and cash equivalents

Cash and cash equivalents comprise:

	30 June 2026	31 December 2025
	€000	€000
Cash and non-obligatory balances with central banks	**7,322,898**	7,743,440
Loans and advances to banks with original maturity less than three months	**422,403**	546,030
	7,745,301	8,289,470

Analysis of cash and balances with central banks and loans and advances to banks

	30 June 2026	31 December 2025
	€000	€000
Cash and non-obligatory balances with central banks	**7,322,898**	7,743,440
Obligatory balances with central banks	**223,823**	139,930
Balances with central banks for ancillary systems (restricted)	**51,326**	49,666
Total cash and balances with central banks	**7,598,047**	7,933,036

Loans and advances to banks with original maturity less than three months	**422,403**	546,030
Loans and advances to banks with original maturity more than three months	**40**	3,412
Restricted loans and advances to banks	**57,912**	26,066
Total loans and advances to banks	**480,355**	575,508

Restricted loans and advances to banks include €34,957 thousand collaterals under derivative transactions (31 December 2025: €2,270 thousand) which are not immediately available for use by the Group, but are released once the transactions are terminated. As at 30 June 2026, €2,400 thousand were placed as collateral for the reverse repurchase agreements (31 December 2025: €669 thousand).

The average balance of obligatory deposits that should be maintained with central banks was set at €217,121 thousand for the period of June 2026 to July 2026 (31 December 2025: €210,054 thousand for the period December 2025 to February 2026).

30. Risk management - Credit risk

Credit risk is the risk of financial loss arising from the failure of a borrower or counterparty to meet its contractual obligations to the Group, including the credit risk of customers (loans and advances) and counterparty credit risk from investments, balances with central banks, loans and advances to banks and derivatives including reverse repos. The Group is inherently exposed to credit risk through its lending and investing activities, and it monitors these risks via a range of controls across all Group entities to identify, measure, and manage credit risk, including measures to prevent undue risk concentrations.

30. Risk management - Credit risk (continued)

To manage credit risk effectively, the Group has a comprehensive credit risk management framework. This framework is built on established credit risk policies and procedures that govern all lending and investment decisions and is complemented by internal risk assessment methods and models (such as customer credit rating and scoring systems, as disclosed in Note 43.4 of the annual consolidated financial statements for the year ended 31 December 2025) which evaluate counterparty creditworthiness.

Credit risk governance and structure
The Credit Risk Management department, develops and sets credit risk policies, guidelines and approval limits which are necessary to manage and control or mitigate the credit and concentration risk of the Group. The Credit Risk Control & Monitoring department oversees compliance with credit risk policies applicable to each business line and monitors the quality of the Group's loans and advances portfolio.

The Credit Risk Management department, in cooperation with the Credit Risk Control & Monitoring Department, provides independent oversight of the credit sanctioning process, monitors the quality of credit decisions and processes, and assesses adherence to the Bank's credit risk policies, procedures and approval limits.

Diversification and concentration risk
A key aspect of credit risk is credit risk concentration which is defined as the risk that arises from the uneven distribution of exposures to individual borrowers, specific industry or economic sectors, geographical regions, product types or currencies. The credit risk exposure of the Group's lending portfolio is diversified across the various sectors of the economy. To control concentration risk, the Credit Risk Management department determines concentration limits for each sector, identifies any prohibited sectors and specifies sectors which may require prior approval before credit applications are submitted. The loan portfolio is analysed by reference to customers' creditworthiness, their economic sector of activity and geographical concentration, enabling the early identification of any undue concentrations of risk. Connected counterparty exposures (related customer accounts) are aggregated and monitored on a consolidated basis, to ensure compliance with concentration limits.

The concentration risk and diversification of the Group's investment portfolio is managed by the Treasury Division in line with limits and parameters set in the various policies and frameworks, while the Market and Liquidity Risk department assesses the credit risk of exposures to credit institutions counterparties, governments and other exposures, including the credit risk arising from the reverse repurchase agreements.

The Group sets credit risk control limits and country risk exposure limits, as part of its risk appetite to mitigate concentration risk across both the lending and investment books. Credit risk models and limits are presented to be reviewed by and recommended for approval by the Board Risk Committee and ultimately approved by the Board of Directors, in line with the Group’s authorisation framework.

Credit risk monitoring and mitigation
An overview of the Group's credit risk monitoring processes and mitigation techniques focuses to the nature of each major type of exposure, as described below.

Loans and advances to customers
The Credit Risk Management department sets effective credit standards for new loans to customers, ensuring that credit approval is primarily based on a borrower’s financial position and repayment capacity. Following the granting of an exposure, post approval monitoring is in place to ensure adherence to both terms and conditions set in the approval process and credit risk policies and procedures. The Group also monitors and controls the concentration risk of loans and advances by limit setting as explained above. Regular reporting of credit risk concentration and related monitoring activities to management takes place.

The Group, as part of its risk mitigating measures obtains collateral, which serves as a secondary source of repayment in the event of borrower default. The main types of collateral obtained by the Group include mortgages on real estate, cash collateral/blocked deposits, bank guarantees, government guarantees, pledges of equity securities and debt instruments of public companies, fixed and floating charges over corporate assets (including on vessels for shipping loans), assignment of life insurance policies, assignment of rights on contracts of sale and personal and corporate guarantees. The Group regularly monitors the changes in the market value of the collateral and, where necessary, requests additional collateral in accordance with the terms of the relevant agreement. The Group's requirements on obtaining collateral, valuation and management of collateral are set out in relevant policies of the Group.

30. Risk management - Credit risk (continued)

Off-balance sheet exposures
The Group also assumes credit risk from various irrecoverable commitments and contingent liabilities, by offering guarantee facilities, documentary credits and other commitments to extend the credit lines to its customers to secure their liquidity needs. Even though these obligations may not be recognised on the statement of financial position, such commitments expose the Group to risks similar to those of loans and advances and are therefore monitored under the same credit risk policies and control processes.

The Group issues guarantees on behalf of its customers, that may require BOC to make payment if the customer fails to fulfil its obligation to a third party. The Group also enters into commitments, such as documentary credits which commit the Group to pay a beneficiary if specified conditions (typically related to trade transactions) are met.

The approval, monitoring and credit risk mitigation on off-balance sheet exposures apply as for loans and advances to customers.

Other financial instruments
The nature of credit risk and collateral for other financial instruments (other than loans and advances to customers and off balance sheet exposures) depends on the type of instrument. Debt securities and Treasury bills are generally unsecured, except for certain covered bonds or similar instruments, which are secured by pools of financial assets. In addition, some debt securities are government guaranteed. Reverse repurchase agreements are generally secured by underlying bonds and are governed by Global Master Repurchase Agreements (GMRA), providing a robust legal framework for collateralisation, close-out netting and risk mitigation.

The Market and Liquidity Risk Department monitors the debt security investment and reverse repo arrangement limits in place for governing the level of riskiness of the overall portfolio, as well as the credit limits per issuer.

In the case of derivative financial instruments, the Group mitigates counterparty credit risk by centrally clearing the majority of its derivative transactions through approved central counterparties, thereby reducing counterparty credit risk via netting and margining. In addition, the Group uses standard ISDA Master Agreements and Credit Support Annexes (CSA) for its over-the-counter (OTC) derivative transactions. These agreements provide the contractual framework within which dealing activity of OTC products is conducted, as well as daily collateral exchange provisions and close-out netting provisions across all outstanding transactions if either party defaults.

As at 30 June 2026 and 31 December 2025, the majority of derivative exposures is centrally cleared. In addition, there are derivatives covered by ISDA/CSA and GMRA provisions which are subject to daily margining and collateral management practices. An analysis of derivative asset and liability exposures is presented in Note 17. The Group’s level of collateral under derivative transactions is disclosed in Note 29.

30.1 Maximum exposure to credit risk and collateral and other credit enhancements

The table below presents the maximum exposure to credit risk before taking into account, the tangible and measurable collateral and credit enhancements held.

30. Risk management - Credit risk (continued)

30.1 Maximum exposure to credit risk and collateral and other credit enhancements (continued)

	30 June 2026	31 December 2025
	€000	€000
Balances with central banks	**7,501,626**	7,833,526
Loans and advances to banks (Note 29)	**480,355**	575,508
Reverse repurchase agreements	**1,617,755**	1,618,955
Debt securities (Note 16)	**5,604,429**	5,131,383
Derivative financial instruments (Note 17)	**64,940**	88,342
Loans and advances to customers (Note 19)	**11,333,455**	10,798,342
Debtors (Note 21)	**48,511**	41,984
Insurance and reinsurance contract assets (Note 21)	**51,856**	54,759
Other financial assets (Note 21)	**123,150**	163,724
On-balance sheet total	**26,826,077**	26,306,523
Contingent liabilities		
Acceptances and endorsements	**2,245**	3,020
Guarantees	**659,423**	669,051
Commitments		
Documentary credits	**14,925**	22,932
Undrawn formal stand-by facilities, credit lines and other commitments to lend	**2,224,074**	2,126,297
Off-balance sheet total	**2,900,667**	2,821,300
	29,726,744	29,127,823

In accordance with the terms of the reverse repurchase agreements of a carrying value of €1,618 million that are held by the Group as at 30 June 2026, the Group accepts collateral that it is permitted to sell (31 December 2025: €1,619 million). As at 30 June 2026, the total fair value of the collateral received was €1,567 million (31 December 2025: €1,566 million), with an average rating of Aa2 (31 December 2025: Aa3), none of which had been resold or repledged. As at 30 June 2026, cash collateral of €2.4 million was placed with the counterparties and €60.4 million had been received from the counterparties (31 December 2025: cash collateral of €1 million was placed with the counterparties and €64 million had been received from the counterparties). The weighted effective yield of the reverse repurchase agreements is approximately 2.8% p.a. (31 December 2025: 2.6% p.a.) and the weighted average duration is estimated at approximately 0.6 years (31 December 2025: 0.8 years).

Analysis of the debt securities by issuer, country of issuer and average rating of the debt portfolio is disclosed in Note 16.

30.2 Credit risk concentration of loans and advances to customers

The credit risk concentration, which is based on industry (economic activity) and business line, as well as the geographical concentration, is presented in the table below. The geographical concentration of loans and advances to customers by country of risk is based on the country of residency for individuals and the country of registration for companies.

The geographical analysis, for credit risk concentration purposes, is based on the Group’s Country Risk Policy which is followed for monitoring the Group's exposures. Market and Liquidity Risk department is responsible for analysing the country risk of exposures. ALCO reviews the country risk of exposures on a quarterly basis and the Board, through its Risk Committee, reviews the country risk of exposures and any breaches of country risk limits on a regular basis and at least annually.

30. Risk management - Credit risk (continued)

30.2 Credit risk concentration of loans and advances to customers (continued)

30 June 2026	Cyprus	Greece	United Kingdom	USA	Other countries	**Gross loans at amortised cost**
By economic activity	€000	€000	€000	€000	€000	**€000**
Private individuals	4,966,330	9,002	33,205	4,702	38,511	**5,051,750**
Hotels and catering	1,073,815	70,276	75,463	55,064	-	**1,274,618**
Real estate	1,042,709	10,962	570	-	17,014	**1,071,255**
Construction	141,129	43,147	3	-	-	**184,279**
Trade	912,791	7,478	3	17,535	18	**937,825**
Professional and other services	635,294	10,544	79	71,677	18,595	**736,189**
Manufacturing	277,086	102,422	178	104,140	2,885	**486,711**
Shipping	27,066	36,337	-	-	348,940	**412,343**
Other sectors	841,102	267,885	-	22,559	204,095	**1,335,641**
	9,917,322	**558,053**	**109,501**	**275,677**	**630,058**	**11,490,611**

30 June 2026	Cyprus	Greece	United Kingdom	USA	Other countries	**Gross loans at amortised cost**
By business line	€000	€000	€000	€000	€000	**€000**
Corporate	3,670,758	114,303	7,973	-	136	**3,793,170**
IBU & International corporate						
- IBU	112,054	1,655	4,321	1,263	19,519	**138,812**
- International corporate	153,318	437,250	75,447	270,970	591,421	**1,528,406**
SMEs	988,483	762	1,565	-	1,975	**992,785**
Retail						
- housing	3,778,584	3,162	18,368	3,281	11,208	**3,814,603**
- consumer, credit cards and other	1,133,194	896	866	163	560	**1,135,679**
Restructuring						
- corporate	14,015	-	269	-	119	**14,403**
- SMEs	8,968	-	-	-	-	**8,968**
- retail housing	16,565	-	125	-	66	**16,756**
- retail other	9,539	10	22	-	-	**9,571**
Recoveries						
- corporate	2,300	-	143	-	417	**2,860**
- SMEs	7,207	1	19	-	551	**7,778**
- retail housing	11,276	6	341	-	3,577	**15,200**
- retail other	11,061	8	42	-	509	**11,620**
	9,917,322	**558,053**	**109,501**	**275,677**	**630,058**	**11,490,611**

31 December 2025	Cyprus	Greece	United Kingdom	USA	Other countries	Gross loans at amortised cost
By economic activity	€000	€000	€000	€000	€000	€000
Private individuals	4,846,458	8,929	27,046	4,492	37,011	4,923,936
Hotels and catering	1,057,005	27,239	75,078	28,817	-	1,188,139
Real estate	873,315	8,329	572	-	22,355	904,571
Construction	348,101	49,197	2	-	-	397,300
Trade	880,996	8,143	3	16,959	15,047	921,148
Professional and other services	615,246	561	5,116	60,402	18,575	699,900
Manufacturing	271,316	123,403	117	62,134	2,900	459,870
Shipping	27,952	36,889	-	-	298,627	363,468
Other sectors	692,718	264,375	-	8,552	131,420	1,097,065
	9,613,107	527,065	107,934	181,356	525,935	10,955,397

30. Risk management - Credit risk (continued)

30.2 Credit risk concentration of loans and advances to customers (continued)

31 December 2025	Cyprus	Greece	United Kingdom	USA	Other countries	Gross loans at amortised cost
By business line	€000	€000	€000	€000	€000	€000
Corporate	3,513,867	70,283	117	-	146	3,584,413
IBU & International corporate						
- IBU	109,603	2,190	5,111	1,434	18,393	136,731
- International corporate	160,407	449,496	80,085	176,858	488,688	1,355,534
SMEs	989,882	394	980	-	1,610	992,866
Retail						
- housing	3,666,173	3,215	19,218	2,884	11,126	3,702,616
- consumer, credit cards and other	1,090,447	1,472	897	175	467	1,093,458
Restructuring						
- corporate	13,748	-	835	-	104	14,687
- SMEs	8,174	-	153	-	-	8,327
- retail housing	22,297	-	124	-	186	22,607
- retail other	9,940	2	13	5	7	9,967
Recoveries						
- corporate	2,572	-	6	-	485	3,063
- SMEs	3,801	1	19	-	530	4,351
- retail housing	11,209	6	324	-	3,734	15,273
- retail other	10,987	6	52	-	459	11,504
	9,613,107	527,065	107,934	181,356	525,935	10,955,397

The loans and advances to customers include lending exposures in Cyprus with collaterals in Greece with a carrying value as at 30 June 2026 of €130,508 thousand (31 December 2025: €135,794 thousand).

The loans and advances to customers reported within 'Other countries' as at 30 June 2026 include exposures of €3.6 million in Russia (31 December 2025: €3.9 million) and €0.4million in Ukraine (31 December 2025: €0.4 million).

30.3 Movement of loans and advances to customers

The movement of the gross loans and advances to customers at amortised cost by staging is presented in the tables below:

30 June 2026	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
1 January	10,024,363	771,024	107,875	52,135	**10,955,397**
Transfers to stage 1	168,856	(168,856)	-	-	**-**
Transfers to stage 2	(193,483)	199,316	(5,833)	-	**-**
Transfers to stage 3	(4,108)	(5,281)	9,389	-	**-**
Write offs	(166)	(2,069)	(4,901)	(880)	**(8,016)**
Interest accrued and other adjustments	192,356	7,146	7,132	3,865	**210,499**
New loans originated or purchased and drawdowns of existing facilities	1,518,941	27,214	670	380	**1,547,205**
Loans derecognised or repaid (excluding write offs)	(1,100,756)	(85,808)	(15,019)	(4,236)	**(1,205,819)**
Changes to contractual cash flows due to modifications	(4,744)	(3,905)	(7)	1	**(8,655)**
30 June	**10,601,259**	**738,781**	**99,306**	**51,265**	**11,490,611**

30. Risk management - Credit risk (continued)

30.3 Movement of loans and advances to customers (continued)

31 December 2025	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
1 January	9,126,495	775,080	220,357	63,394	10,185,326
Transfers to stage 1	216,748	(213,265)	(3,483)	-	-
Transfers to stage 2	(247,962)	261,340	(13,378)	-	-
Transfers to stage 3	(12,236)	(11,475)	23,711	-	-
Write offs	(367)	(486)	(14,837)	(327)	(16,017)
Interest accrued and other adjustments	390,057	38,043	32,796	5,401	466,297
New loans originated or purchased and drawdowns of existing facilities	2,909,940	66,709	1,066	64	2,977,779
Loans derecognised or repaid (excluding write offs)	(2,356,288)	(151,527)	(55,734)	(8,133)	(2,571,682)
Changes to contractual cash flows due to modifications	(2,024)	6,605	(469)	(13)	4,099
Disposal of held for sale portfolio (Project River)	-	-	(82,154)	(8,251)	(90,405)
31 December	10,024,363	771,024	107,875	52,135	10,955,397

For revolving facilities, overdrafts and credit cards, the net positive change in balance by stage excluding write-offs is reported in 'New loans originated' and the net negative change is reported in 'Loans derecognised or repaid'.

The analysis of gross loans and advances to customers at amortised cost by staging and by business line is included in Note 19.

30.4 Credit losses of loans and advances to customers

The movement in ECL of loans and advances to customers, including those classified as held for sale, is as follows:

30 June 2026	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
1 January	35,085	49,130	54,858	17,982	**157,055**
Transfers to stage 1	10,192	(10,192)	-	-	**-**
Transfers to stage 2	(481)	2,543	(2,062)	-	**-**
Transfers to stage 3	(84)	(522)	606	-	**-**
Impact of transfers between stages during the period*	(9,124)	8,566	2,462	(26)	**1,878**
Foreign exchange and other adjustments	-	-	102	-	**102**
Write offs	(166)	(2,069)	(4,901)	(880)	**(8,016)**
Interest (provided) not recognised in the income statement	-	-	788	464	**1,252**
New loans originated or purchased*	5,456	-	-	-	**5,456**
Loans derecognised or repaid (excluding write offs)*	(3,294)	(587)	(2,149)	(130)	**(6,160)**
Write offs*	150	483	2,068	420	**3,121**
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations*	5,944	(4,118)	(183)	897	**2,540**
Changes to contractual cash flows due to modifications not resulting in derecognition*	(34)	(47)	7	2	**(72)**
30 June	**43,644**	**43,187**	**51,596**	**18,729**	**157,156**
Individually assessed	22,000	20,263	12,646	11,664	**66,573**
Collectively assessed	21,644	22,924	38,950	7,065	**90,583**
	43,644	**43,187**	**51,596**	**18,729**	**157,156**

30. Risk management - Credit risk (continued)

30.4 Credit losses of loans and advances to customers (continued)

30 June 2025	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
1 January	12,005	38,739	107,519	20,534	178,797
Transfers to stage 1	10,341	(10,341)	-	-	-
Transfers to stage 2	(352)	1,820	(1,468)	-	-
Transfers to stage 3	(74)	(667)	741	-	-
Impact of transfers between stages during the period*	(9,787)	8,810	3,613	(193)	2,443
Foreign exchange and other adjustments	-	-	(205)	1	(204)
Write offs	(217)	(113)	(8,747)	(456)	(9,533)
Interest (provided) not recognised in the income statement	-	-	1,823	610	2,433
New loans originated or purchased*	2,171	-	-	-	2,171
Loans derecognised or repaid (excluding write offs)*	(2,009)	(634)	(4,118)	(240)	(7,001)
Write offs*	209	96	3,120	108	3,533
Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations*	12,699	2,536	6,569	1,160	22,964
Changes to contractual cash flows due to modifications not resulting in derecognition*	100	308	(1,774)	1	(1,365)
Disposal of held for sale portfolio (Project River)	-	-	(28,674)	(2,649)	(31,323)
30 June	25,086	40,554	78,399	18,876	162,915
Individually assessed	10,231	20,626	19,151	10,877	60,885
Collectively assessed	14,855	19,928	59,248	7,999	102,030
	25,086	40,554	78,399	18,876	162,915

* Individual components of the 'Impairment net of reversals on loans and advances to customers' (Note 13).

The ECL charge relating to the 'Changes to models and inputs (changes in PDs, LGDs and EADs) used for ECL calculations' for the six months ended 30 June 2026 and the six months ended 30 June 2025 is mainly driven by the below components as provided in the reconciliation in the table below:

	ECL charge	
	30 June 2026	30 June 2025
Categories	**€000**	€000
(i) Impact from changes in macros parameters (including revision of weights)	**2,244**	8,128
(ii) PD - macro model calibration in 2025	**n/a**	4,850
(iii) Climate & Environmental risk - overlay (Note 6.1)	**(706)**	n/a
(iv) LGD workout period introduction (Note 6.1)	**987**	n/a
(v) Net impact from other remeasurements and models updates (changes in EAD, LGD, PDs)	**15**	10,564
(vi) ECL charge on held for sale portfolio	**n/a**	(578)
Total ECL charge	**2,540**	22,964

The impact in respect of calibration/adjustment to the ECL models is presented in the period/year of implementation/introduction. For the following period/year the impact is reported as n/a as such adjustments are then embedded to the business as usual run of the ECL models.

30. Risk management - Credit risk (continued)

30.4 Credit losses of loans and advances to customers (continued)

The analysis of credit losses of loans and advances to customers by business line, is presented in the table below:

30 June 2026	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
Corporate	23,960	21,739	4,617	760	**51,076**
IBU & International corporate					
- IBU	84	263	144	3	**494**
- International corporate	9,520	324	-	-	**9,844**
SMEs	3,522	3,787	576	202	**8,087**
Retail					
- housing	2,759	9,117	2,799	671	**15,346**
- consumer, credit cards and other	3,757	7,770	4,478	846	**16,851**
Restructuring					
- corporate	1	18	1,167	11,243	**12,429**
- SMEs	11	29	2,889	80	**3,009**
- retail housing	29	69	5,888	460	**6,446**
- retail other	1	71	6,466	333	**6,871**
Recoveries					
- corporate	-	-	1,596	250	**1,846**
- SMEs	-	-	4,709	312	**5,021**
- retail housing	-	-	7,846	1,986	**9,832**
- retail other	-	-	8,421	1,583	**10,004**
	43,644	**43,187**	**51,596**	**18,729**	**157,156**

31 December 2025	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	Total €000
Corporate	19,313	26,679	9,009	712	55,713
IBU & International corporate					
- IBU	73	349	111	8	541
- International corporate	8,576	1,629	-	-	10,205
SMEs	2,580	4,080	3,313	196	10,169
Retail					
- housing	2,288	9,355	3,034	569	15,246
- consumer, credit cards and other	2,193	6,688	4,694	766	14,341
Restructuring					
- corporate	2	64	1,206	10,871	12,143
- SMEs	4	46	1,721	150	1,921
- retail housing	29	208	7,234	356	7,827
- retail other	27	32	6,018	333	6,410
Recoveries					
- corporate	-	-	1,782	242	2,024
- SMEs	-	-	2,091	462	2,553
- retail housing	-	-	7,285	1,766	9,051
- retail other	-	-	7,360	1,551	8,911
	35,085	49,130	54,858	17,982	157,055

During the six months ended 30 June 2026 the total non-contractual write-offs recorded by the Group amounted to €337 thousand (year ended 31 December 2025: €252 thousand, six months ended 30 June 2025: €109 thousand). The contractual amount outstanding on financial assets that were written off during the six months ended 30 June 2026 and that are still subject to enforcement activity is €2,109 thousand (31 December 2025: €2,322 thousand).

30. Risk management - Credit risk (continued)

30.4 Credit losses of loans and advances to customers (continued)

Sensitivity analysis
The Group has performed sensitivity analysis relating to the loan portfolio in Cyprus, which represents more than 99% of the total loan portfolio of the Group with reference dates 30 June 2026 and 31 December 2025.

The Group has applied sensitivity analysis to the below parameters and the impact on the ECL, for loans and advances to customers at amortised cost for both individually and collectively assessed ECL calculations per stage, is presented in the table below:

	Increase/(decrease) on ECL for loans and advances to customers at amortised cost			
	Stage 1	Stage 2	Stage 3	**Total**
30 June 2026	€000	€000	€000	**€000**
Increase the adverse weight by 5% and decrease the favourable weight by 5%	1,082	1,797	637	**3,516**
Decrease the adverse weight by 5% and increase the favourable weight by 5%	(1,500)	(850)	(637)	**(2,987)**
100% weight applied to the adverse scenario	15,269	17,235	7,338	**39,842**
Increase the expected recovery period by 1 year	421	863	699	**1,983**
Decrease the expected recovery period by 1 year	(310)	(674)	(596)	**(1,580)**
Increase the collateral realisation haircut by 5%	948	1,642	1,589	**4,179**
Decrease the collateral realisation haircut by 5%	(713)	(1,207)	(1,475)	**(3,395)**
Increase in the PDs of stages 1 and 2 by 20%*	5,563	18,802	-	**24,365**
Decrease in the PDs of stages 1 and 2 by 20%*	(7,945)	(7,347)	-	**(15,292)**

	Increase/(decrease) on ECL for loans and advances to customers at amortised cost			
	Stage 1	Stage 2	Stage 3	Total
31 December 2025	€000	€000	€000	€000
Increase the adverse weight by 5% and decrease the favourable weight by 5%	879	1,790	804	3,473
Decrease the adverse weight by 5% and increase the favourable weight by 5%	(1,136)	(870)	(804)	(2,810)
100% weight applied to the adverse scenario	10,259	26,795	8,194	45,248
Increase the expected recovery period by 1 year	359	724	692	1,775
Decrease the expected recovery period by 1 year	(290)	(586)	(585)	(1,461)
Increase the collateral realisation haircut by 5%	801	1,450	1,697	3,948
Decrease the collateral realisation haircut by 5%	(631)	(1,089)	(1,563)	(3,283)
Increase in the PDs of stages 1 and 2 by 20%*	3,828	21,428	-	25,256
Decrease in the PDs of stages 1 and 2 by 20%*	(6,247)	(8,553)	-	(14,800)

*The impact on the ECL also includes the transfer between stages of the loans and advances to customers following the increase/decrease in the PD.

30.5 Currency concentration of loans and advances to customers

The following table presents the currency concentration of the Group's loans and advances to customers at amortised cost.

	30 June 2026	31 December 2025
Gross loans at amortised cost	**€000**	€000
Euro	**10,475,488**	10,152,024
US Dollar	**910,075**	694,545
British Pound	**98,530**	101,452
Swiss Franc	**6,085**	6,905
Other currencies	**433**	471
	11,490,611	10,955,397

30. Risk management - Credit risk (continued)

30.6 Forbearance/Restructuring

Forborne/restructured loans and advances are those loans and advances that have been modified because the borrower is considered unable to meet the terms and conditions of the contract due to financial difficulties. Taking into consideration these difficulties, the Group decides to modify the terms and conditions of the contract to provide the borrower with the ability to service the debt or refinance the contract, either partially or fully. They include the facilities for which the Group has modified the repayment programme (e.g. provision of a grace period, suspension of the obligation to repay one or more instalments, reduction in the instalment amount and/or elimination of overdue instalments relating to capital or interest).

The practice of extending forbearance/restructuring measures constitutes a grant of a concession whether temporarily or permanently to that borrower. A concession may involve changes to the contractual terms of a debt or payment in some form other than cash, such as a settlement arrangement whereby the borrower transfers collateral pledged to the Group.

For an account to qualify for forbearance/restructuring it must meet certain criteria including the viability of the customer. The extent to which the Group reschedules accounts that are eligible under its existing policies may vary depending on its view of the prevailing economic conditions and other factors which may change from year to year. In addition, exceptions to policies and practices may be allowed in specific situations to comply with legal or regulatory requirements.

Forbearance/restructuring activities may include measures that restructure the borrower's business (operational restructuring) and/or measures that restructure the borrower's financing (financial restructuring).

Forbearance/restructuring options may be of a short or long-term nature or a combination thereof. The Group has developed and deployed sustainable restructuring solutions, which are suitable for borrowers and acceptable for the Group.

Short-term restructuring solutions are defined as restructured repayment solutions of duration of less than two years. In the case of loans for the construction of commercial property and project finance, a short-term solution may not exceed one year.

Short-term restructuring solutions can include the following:

i. Suspension of capital or capital and interest: granting to the borrower a grace period in the payment of capital (i.e. during this period only interest is paid) or capital and interest, for a specific period of time.
ii. Reduced payments: decrease of the amount of repayment instalments over a defined short-term period in order to accommodate the borrower’s new cash flow position.
iii. Arrears and/or interest capitalisation: capitalisation of the arrears and of any unpaid interest to the outstanding principal balance for repayment under a rescheduled program.

Long-term restructuring solutions can include the following:

i. Interest rate reduction: permanent or temporary reduction of interest rate (fixed or variable) into a fair and sustainable rate.
ii. Extension of maturity: extension of the maturity of the loan which allows a reduction in instalment amounts by spreading the repayments over a longer period.
iii. Sale of Assets: Part of the restructuring can be the agreement with the borrower for immediate or over time sale of assets (mainly real estate) to reduce borrowing.
iv. Modification of existing terms of previous decisions: In the context of the new sustainable restructuring solution, any terms of previous decisions that are assessed not feasible to be met are revisited.
v. Consolidation/refinancing of existing facilities: In cases where the borrower maintains several separate loans with different collaterals, these can be consolidated and a new repayment schedule can be set and the new loan can be secured with all existing collaterals.
vi. Hard Core Current Account Limit: In such cases a loan with a longer repayment may be offered to replace/reduce the current account limit.
vii. Split and freeze: the customer’s debt is split into sustainable and unsustainable parts. The sustainable part is restructured to a sustainable repayment program. The unsustainable part is ‘frozen’ for the restructured duration of the sustainable part. At the maturity of the restructuring, the frozen part is either forgiven pro rata (based on the actual repayment of the sustainable part) or restructured.
viii. Rescheduling of payments: the existing contractual repayment schedule is adjusted to a new sustainable repayment program based on a realistic, current and forecasted assessment of the cash flow generation of the borrower.

30. Risk management - Credit risk (continued)

30.6 Forbearance/Restructuring (continued)

ix. Liquidation Collateral: An agreement between BOC PCL and a borrower for the voluntary sale of mortgaged assets, for partial or full repayment of the debt.
x. Currency Conversion: This solution is provided to match the credit facility currency and the borrower's income currency.
xi. Additional Financing: This solution can be granted, simultaneously with the restructuring of the existing credit facilities of the borrower, to cover any financing gap.
xii. Partial or total write off: This solution corresponds to the Group forfeiting the right to legally recover part or the whole of the amount of debt outstanding by the borrower.
xiii. Debt/equity swaps: debt restructuring that allows partial or full repayment of the debt in exchange of obtaining an equivalent amount of equity in the company by the Group, with the remaining debt right sized to the cash flows of the borrower to allow repayment. This solution is used only in exceptional cases and only where all other efforts for restructuring are exhausted and after ensuring compliance with the banking law.
xiv. Debt/asset swaps: agreement between the Group and the borrower to voluntarily transfer the mortgaged asset or other immovable property to the Group, to partially or fully repay the debt. Any residual debt may be restructured with an appropriate repayment schedule in line with the borrower's reassessed repayment ability.

All forborne loans are classified as Stage 2 or Stage 3, if they are considered to be credit impaired. The loans forborne continue to be classified as Stage 3 in the case they are performing forborne exposures under probation for which additional forbearance measures are extended, or performing forborne exposures, previously classified as NPEs that present more than 30 days past due within the probation period.

Forbearance modifications of loans and advances that do not affect payment arrangements, such as restructuring of collateral or security arrangements, are not regarded as sufficient to categorise the facility as credit impaired, as by themselves do not necessarily indicate credit distress affecting payment ability such that would require the facility to be classified as NPE.

The forbearance characteristic contributes in two specific ways for the calculation of lifetime ECL for each individual facility. Specifically, it is taken into consideration in the scorecard development, where, if this characteristic is identified as statistically significant, it affects negatively the rating of each facility. It also contributes in the construction through the cycle probability of default and cure curves, where, when feasible, a specific curve for the forborne products is calculated and assigned accordingly.

The below table presents the movement of the Group's forborne loans and advances to customers measured at amortised cost.

	30 June 2026	31 December 2025
	€000	€000
1 January	**355,422**	366,839
New loans and advances classified as forborne in the period/year	**5,984**	85,169
Loans no longer classified as forborne and repayments	**(55,453)**	(92,363)
Write off	**(9)**	(3,177)
Interest accrued and other adjustments	**9,231**	23,893
Derecognition of held for sale portfolio (Project River)	**-**	(24,939)
30 June/31 December	**315,175**	355,422

The forborne loans classification is discontinued when all EBA criteria for the discontinuation of the classification as forborne exposure are met. The criteria are set out in the EBA Final draft Implementing Technical Standards (ITS) on supervisory reporting and non-performing exposures.

The below tables present the Group's forborne loans and advances to customers by economic activity and business line classification (including staging), as well as the ECL allowance and tangible collateral held for such forborne loans.

30. Risk management - Credit risk (continued)

30.6 Forbearance/Restructuring (continued)

Credit risk concentration

By economic activity	**30 June 2026 €000**	31 December 2025 €000
Trade	**8,796**	8,591
Manufacturing	**790**	984
Hotels and catering	**368**	467
Construction	**2,262**	128,101
Real estate	**136,393**	32,823
Private individuals	**59,716**	69,926
Professional and other services	**64,858**	71,183
Other sectors	**41,992**	43,347
	315,175	355,422

30 June 2026 **By business line**	Stage 1 €000	Stage 2 €000	Stage 3 €000	POCI €000	**Total €000**
Corporate	-	221,357	14,301	8,588	**244,246**
IBU & International corporate					
- IBU	-	-	1	-	**1**
SMEs	-	5,456	1,036	-	**6,492**
Retail					
- housing	-	14,748	5,778	1,119	**21,645**
- consumer, credit cards and other	-	2,946	1,346	51	**4,343**
Restructuring					
- corporate	-	183	732	11,484	**12,399**
- SMEs	-	756	2,428	555	**3,739**
- retail housing	-	197	1,614	361	**2,172**
- retail other	-	625	6,472	993	**8,090**
Recoveries					
- corporate	-	-	572	39	**611**
- SMEs	-	-	4,191	6	**4,197**
- retail housing	-	-	1,114	182	**1,296**
- retail other	-	-	5,137	807	**5,944**
	-	**246,268**	**44,722**	**24,185**	**315,175**

30. Risk management - Credit risk (continued)

30.6 Forbearance/Restructuring (continued)

31 December 2025	Stage 1	Stage 2	Stage 3	POCI	Total
By business line	€000	€000	€000	€000	€000
Corporate	-	244,748	18,160	8,782	271,690
IBU & International corporate					
- IBU	-	-	1	-	1
SMEs	-	7,370	4,532	323	12,225
Retail					
- housing	-	18,031	6,569	1,443	26,043
- consumer, credit cards and other	-	3,311	1,889	20	5,220
Restructuring					
- corporate	-	111	1,072	10,911	12,094
- SMEs	-	1,031	2,432	586	4,049
- retail housing	-	1,623	9,398	793	11,814
- retail other	-	234	1,651	430	2,315
Recoveries					
- corporate	-	-	720	33	753
- SMEs	-	-	1,160	-	1,160
- retail housing	-	-	5,367	844	6,211
- retail other	-	-	1,559	288	1,847
	-	276,459	54,510	24,453	355,422

ECL allowance

	30 June 2026	31 December 2025
	€000	€000
Stage 1	**-**	-
Stage 2	**10,462**	14,811
Stage 3	**19,378**	25,182
POCI	**13,704**	13,068
	43,544	53,061

Fair value of collateral

	30 June 2026	31 December 2025
	€000	€000
Stage 1	**-**	-
Stage 2	**233,514**	258,333
Stage 3	**40,896**	49,776
POCI	**23,498**	23,844
	297,908	331,953

The fair value of collateral presented above has been computed to the extent that the collateral mitigates credit risk.

31. Risk management - Market risk

Market risk is the risk of loss from adverse changes in market prices namely from changes in interest rates, credit spreads, foreign currency exchange rates, property and security prices. Market and Liquidity Risk department is responsible for monitoring the risk on financial instruments resulting from such changes with the objective to minimise the impact on earnings and capital. The department also monitors property price risk, liquidity risk and credit risk from counterparties and countries. It is also responsible for monitoring compliance with the various market risk policies and procedures.

Interest rate risk

Interest rate risk refers to the current or prospective risk to Group's capital and earnings arising from adverse movements in interest rates that affect the Group's banking book positions.

Interest rate fluctuations affect the economic value of the Group’s assets, liabilities and off-balance sheet items, through corresponding changes in the cash flow amounts and discount rates and therefore their present value. Changes in interest rates also affect the earnings by increasing or decreasing the net interest income of interest rate-sensitive items. As such, interest rate risk is measured primarily by reference to the impact on net interest income and impact on economic value.

The Group’s balance sheet composition has recently evolved as a result of strategic decisions aimed at reducing the net interest income sensitivity. While it continues to be comprised by a significant proportion of floating rate assets, the share of fixed rate assets, including loans and advances to customers and bonds, has increased. On the liability side, core non maturing deposits (NMDs), which largely behave as fixed rate and stable liabilities, continue to dominate, while the increased use of derivatives to hedge these positions has further transformed the balance sheet structure and contributed to a more stable net interest income profile. The net interest income and economic value measures exhibit an inverse relationship to interest rate movements: rising interest rates lead to higher net interest income measure but lower economic value, while falling interest rates result in lower net interest income but higher economic value. The balance sheet composition transformation resulted in lower sensitivity in the net interest income metric and higher sensitivity in the Economic Value metric.

Interest rate risk is managed through internal and regulatory limits on the change in net interest income and economic value of equity under various adverse interest rate shock scenarios. Internal limits on net interest income are set as a percentage of the annualised net interest income while regulatory limits on net interest income and economic value of equity are set as a percentage of the Group Tier 1 regulatory capital.

Treasury Division is responsible for the management of the interest rate risk arising from the banking book and asset and liability positions, effected through the hedging strategy. The Group maintains a structural hedging strategy subject to oversight by ALCO and the Board Risk Committee. This involves a set of techniques and financial instruments (derivatives, primarily interest rate swaps, and reverse repo arrangements complementing the natural hedges arising from the balance sheet structure) used to manage the risk of adverse changes in interest rates, affecting the net interest income and the economic value of the Group and aims to ensure financial stability and robust risk management. The Group uses derivatives and currently applies fair value hedge accounting. The Group applies macro fair value hedging to NMDs and micro fair value hedging to fixed rate debt securities measured at FVOCI, debt securities in issue and subordinated liabilities. For fair value hedges the Group uses interest rate swaps to manage the fair value movements of fixed rate financial instruments due to changes in the benchmark rate.

Market and Liquidity Risk department is responsible to measure, monitor and manage the interest rate risk on the banking book (IRRBB) based on the established Risk Appetite Framework (RAF) of the Group. One of the risk metrics that Market and Liquidity Risk department uses for monitoring and managing the IRRBB is the Net Interest Income Sensitivity, which measures changes to net interest income under varying interest rate scenarios over a one-year horizon and assuming a constant balance sheet over this period. The main purpose of the Net Interest Income Sensitivity is to measure the vulnerability of the profitability to changing interest rate conditions. In addition, another risk metric employed by the Group for this purpose is the Economic Value of Equity Sensitivity. This represents the change in the net present value of all cash flows in the balance sheet under a set of interest rate shock scenarios and is calculated on the entire balance sheet under a run-off assumption, i.e. no replenishment of matured transactions.

The Group does not maintain a trading book.

31. Risk management - Market risk (continued)

Sensitivity analysis
The table below sets out the impact on the Group's net interest income, over a one-year period, from reasonably possible changes in the interest rates of the Euro and the US Dollar, being the main currencies, using the assumptions of the prevailing market risk policy as at 30 June 2026 and 31 December 2025 respectively.

Currency	**Interest Rate Scenario**	**Impact on Net Interest Income €000**	
		30 June 2026 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)	31 December 2025 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)
All	Parallel up	**81,857**	87,912
All	Parallel down	**(61,668)**	(66,603)
All	Steepening	**(24,716)**	(26,954)
All	Flattening	**47,535**	50,488
All	Short up	**69,744**	73,954
All	Short down	**(52,533)**	(56,551)
Euro	Parallel up	**75,262**	84,417
Euro	Parallel down	**(57,488)**	(64,373)
Euro	Steepening	**(22,703)**	(25,772)
Euro	Flattening	**42,860**	47,839
Euro	Short up	**62,812**	70,129
Euro	Short down	**(48,130)**	(54,100)
US Dollar	Parallel up	**6,595**	3,495
US Dollar	Parallel down	**(4,180)**	(2,230)
US Dollar	Steepening	**(2,013)**	(1,182)
US Dollar	Flattening	**4,675**	2,649
US Dollar	Short up	**6,932**	3,825
US Dollar	Short down	**(4,403)**	(2,451)

The above sensitivities incorporate assumptions on the pass-through rate of time deposits of 32% for both the upside and the downside scenario for Euro denominated deposits for the six months ended 30 June 2026 (31 December 2025: 35% for both the upside and the downside scenarios for Euro denominated deposits). The above sensitivities are computed under the assumption of a constant balance sheet.

31. Risk management - Market risk (continued)

The table below sets out the impact on the Group's equity (change in the Economic Value) from reasonably possible changes in the interest rates under various interest rate scenarios for the Euro and the US Dollar in line with the EBA guidelines.

Currency	Interest Rate Scenario	Impact on Equity €000	
		30 June 2026 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)	31 December 2025 (+135 bps/-100 bps for Euro and +160 bps/-100 bps for US Dollar)
All	Parallel up	**(119,155)**	(80,847)
All	Parallel down	**34,079**	20,821
All	Steepening	**54,956**	54,516
All	Flattening	**(169,069)**	(160,229)
All	Short up	**(189,731)**	(171,570)
All	Short down	**72,329**	65,791
Euro	Parallel up	**(121,412)**	(82,964)
Euro	Parallel down	**75,807**	48,881
Euro	Steepening	**103,335**	102,639
Euro	Flattening	**(159,634)**	(151,050)
Euro	Short up	**(183,604)**	(165,505)
Euro	Short down	**140,605**	127,597
US Dollar	Parallel up	**4,515**	4,234
US Dollar	Parallel down	**(3,824)**	(3,619)
US Dollar	Steepening	**6,576**	6,394
US Dollar	Flattening	**(9,435)**	(9,179)
US Dollar	Short up	**(6,127)**	(6,065)
US Dollar	Short down	**4,053**	3,986

The aggregation of the impact on equity was performed as per the EBA guidelines by adding the negative impact and 50% of the positive impact of each scenario. The increased IRRBB hedging, the different magnitude of the shocks and revision of embedded models and assumptions impact the sensitivity scenarios year-on-year.

In addition to the above fluctuations in net interest income and Economic Value, interest rate changes can result in fluctuations in the fair value of investments at FVPL (including investments held for trading) and in the fair value of derivative financial instruments impacting the profit and loss of the Group.

The equity of the Group is also affected by changes in market interest rates. The impact on the Group's equity arises from changes in the fair value of mainly fixed rate debt securities classified at FVOCI.

The sensitivity analysis is based on the assumption of a parallel shift of the yield curve. The table below sets out the impact on the Group's profit/(loss) before tax and equity as a result of reasonably possible changes in the interest rates of the major currencies.

31. Risk management - Market risk (continued)

Parallel change in interest rates	**Impact on profit/(loss) before tax**	**Impact on equity**
30 June 2026	**€000**	**€000**
+1.6% for US Dollar +1.35% for Euro +3% for British Pound	**(1,137)**	**(2,587)**
-1% for US Dollar -1% for Euro -3% for British Pound	**842**	**1,916**

Parallel change in interest rates	Impact on profit/(loss) before tax	Impact on equity
31 December 2025	€000	€000
+1.6% for US Dollar +1.35% for Euro +3% for British Pound	(6,224)	(1,837)
-1% for US Dollar -1% for Euro -3% for British Pound	4,610	1,360

The hedging relationships have been taken into account in the Net Interest Income (NII) and Economic Value of Equity (EVE) sensitivity tables.

The Group is also exposed to currency risk, price risk and property price risk. For further information, please refer to Note 44 of the annual consolidated financial statements for the year ended 31 December 2025.

32. Risk management - Liquidity and funding risk

Liquidity Risk

Liquidity risk is the risk that the Group is unable to fully or promptly meet current and future payment obligations as and when they fall due. This risk includes the possibility that the Group may have to raise funding at high cost or sell assets at a discount to fully and promptly satisfy its obligations.

It reflects the potential mismatch between incoming and outgoing payments, taking into account unexpected delays in payment inflows and unexpectedly high payment outflows. Liquidity risk involves both the risk of unexpected increases in the cost of funding of the portfolio of assets and the risk of being unable to liquidate a position in a timely manner on reasonable terms.

In order to limit this risk, management has in place an established Liquidity Risk Policy of managing assets, taking liquidity into consideration and monitoring cash flows and liquidity on a regular basis. The Group has developed internal control processes and contingency plans for managing liquidity risk.

Management and structure

The Board of Directors sets the Group's Liquidity Risk Appetite which defines the level of risk at which the Group should operate.

The Board Risk Committee regularly reviews the Group's liquidity position and recommends the Group Liquidity Risk Policy and the Liquidity Limits Framework to the Board of Directors for approval. The Group Liquidity Risk Policy and the Liquidity Limits Framework are ultimately approved by the Board of Directors.

The ALCO is responsible for setting the policies for the effective management and monitoring of liquidity risk across the Group.

The Treasury Division is responsible for liquidity management at Group level, ensuring compliance with internal policies and regulatory liquidity requirements and providing direction as to the actions to be taken regarding liquidity needs. The Treasury Division assesses on a regular basis the adequacy of the liquid assets and takes the necessary actions to ensure adequate liquidity position.

32. Risk management - Liquidity and funding risk (continued)

Liquidity is also monitored by Market and Liquidity Risk department, to ensure compliance with both internal policies and limits, and with the limits set by the regulatory authorities. Market and Liquidity Risk department reports the liquidity position to ALCO at least monthly. It also provides the results of various stress tests to ALCO and the Board Risk Committee at least quarterly.

Liquidity is monitored and managed on an ongoing basis through:

(i) Risk appetite: establishes the Group's Risk Appetite Statement together with the appropriate limits for the management of all risks including liquidity risk.

(ii) Liquidity Risk Policy: sets the principles, the roles and responsibilities for managing liquidity risk as well as the liquidity and funding risk management framework, stress testing and the reporting on liquidity and funding.

(iii) Liquidity limits: a number of internal and regulatory limits are monitored on a regular basis. Where applicable, a traffic light system (RAG) is used for ratios, in order to raise flags and take action when the ratios deteriorate.

(iv) Early Warning Indicators: monitoring of a range of indicators for early signs of liquidity risk in the market or specific to the Group. These are designed to immediately identify the emergence of increased liquidity risk so as to maximise the time available to execute appropriate mitigating actions.

(v) Liquidity Contingency Plan: maintenance of a Liquidity Contingency Plan (LCP) which is designed to provide a framework where a liquidity stress could be effectively identified and managed. The LCP provides a communication plan and includes management actions to respond to liquidity stresses.

(vi) Recovery Plan: the Group has developed a Recovery Plan (RP), the key objectives of which are, among others, to set key Recovery and Early Warning Indicators and to set in advance a range of recovery options to enable the Group to be adequately prepared to respond to stressed conditions and restore the Group's liquidity position.

Monitoring process

Daily

The daily monitoring of the stock of highly liquid assets is important to safeguard and ensure the uninterrupted operations of the Group's activities. The Market and Liquidity Risk department prepares a daily report analysing the internal liquidity buffer and compares it to the previous day's buffer. Results are made available to members of the Risk Management and Treasury Divisions. In addition, the Treasury Division monitors daily and intraday the customer inflows and outflows in the main currencies used by the Group.

The liquidity buffer is made up of: Banknotes, CBC balances (excluding the Minimum Reserve Requirements (MRR)), unpledged cash and nostro current accounts, as well as money market placements up to the stress horizon, available ECB credit line and market value net of haircut of unencumbered/available liquid bonds (including any eligible bonds received as collateral from reverse repurchase agreements).

Weekly

Market and Liquidity Risk department prepares a report indicating the level of liquid assets including Credit Institutions Money-Market Placements as per LCR definitions, which is submitted to CBC.

Market and Liquidity Risk department also prepares the liquidity stress testing for bank specific, market wide and combined scenarios on a weekly basis. The requirement is to have sufficient liquidity buffer to enable BOC PCL to survive a twelve-month stress period, including capacity to raise funding under all scenarios. This is circulated internally to Treasury Division to facilitate the internal monitoring process.

The design of the stress tests follows authoritative guidance and is based on the liquidity risk drivers which are recognised internationally by both the Prudential Regulation Authority (PRA) and EBA. In addition, it takes into account SREP recommendations, as well as the Annual Risk Identification Process of the Group. The stress test assumptions are reviewed on an annual basis and are approved by the Board of Directors following relevant recommendation by the Board Risk Committee. Whenever it is considered appropriate to amend the assumptions during the year, approval is requested from ALCO and the Board of Directors. The main items impacted in the different scenarios are: deposit outflows, wholesale funding, loan repayments, off balance sheet commitments, marketable securities, own issue covered bond, interbank takings and cash collateral for derivatives and reverse repurchase agreements.

32. Risk management - Liquidity and funding risk (continued)

Furthermore, a report is submitted to the regulator on a weekly basis, which includes information on deposits breakdown, cash flow information, survival period, LCR ratio, rollover of funding, funding gap (through the Maturity Ladder analysis), concentration of funding and collateral details. It concludes on the overall liquidity position of BOC PCL and describes the measures already implemented, if any, and those which will be implemented in the short-term to improve liquidity position if needed.

Monthly
Market and Liquidity Risk department prepares reports on the monitoring of compliance with internal and regulatory liquidity requirements and submits them to the ALCO, the Executive Committee and the Board Risk Committee.

Market and Liquidity Risk department also reports the Liquidity Coverage Ratio (LCR) and Additional Liquidity Monitoring Metrics (ALMM) to the CBC/ECB on a monthly basis.

Quarterly
The results of the stress testing scenarios are reported to ALCO and the Board Risk Committee quarterly as part of the quarterly Internal Liquidity Adequacy Assessment Process (ILAAP) review.

Annually
The Group prepares on an annual basis its ILAAP package. The ILAAP package provides a holistic view of the Group's liquidity adequacy under normal and stress conditions. Within ILAAP, the Group evaluates its liquidity risk in the context of established policies and processes for the identification, measurement, management and monitoring of liquidity risk as implemented by the Group.

The Market and Liquidity Risk department also prepares annually an ECB/SRB liquidity report, the 'Joint liquidity template' that runs for five consecutive days. The report includes information on deposits breakdown, cash flow information, survival period, LCR ratio, rollover of funding, funding gap (through the Maturity Ladder analysis), concentration of funding and collateral details. It concludes on the overall liquidity position of BOC PCL and describes the measures implemented and to be implemented in the short-term to improve the liquidity position if needed.

As part of the Group's procedures for monitoring and managing liquidity risk, there is a Group Liquidity Contingency Plan (LCP) for handling liquidity difficulties. The LCP details the steps to be taken in the event that liquidity problems arise, which escalate to a special meeting of the LCP Committee. The LCP sets out the members of this committee and a series of possible actions that can be taken. The LCP is reviewed and tested at least annually.

Liquidity ratios

The Group LCR is calculated based on the Delegated Regulation (EU) 2015/61. It is designed to establish a minimum level of high quality liquid assets sufficient to meet an acute stress lasting for 30 calendar days. The minimum regulatory requirement is 100%. The Group also calculates its NSFR as per Capital Requirements Regulation, which requires the maintenance of an NSFR ratio greater than or equal to 100%. The NSFR is the ratio of available stable funding to required stable funding. NSFR has been developed to promote a sustainable maturity structure of assets and liabilities.

Funding risk

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

Main sources of funding

As at 30 June 2026, the Group's main sources of funding were its deposit base and wholesale funding. Deposits are the primary source of funding. Wholesale funding is also an important source of funding, comprising of the issuances of senior preferred debt of an aggregated nominal amount of €950 million, the issuance of Tier 2 of an aggregate nominal amount of €300 million, and the AT1 issuance of an aggregate nominal amount of €220 million. As at 30 June 2026, the wholesale funding nominal amount was €1,470 million (31 December 2025: €1,552 million) as analysed in Notes 23 and 25.

32. Risk management - Liquidity and funding risk (continued)

Funding to subsidiaries

The funding provided by BOC PCL to its subsidiaries for liquidity purposes is repayable as per the terms of the respective agreements.

The subsidiaries may proceed with dividend distributions in the form of cash to BOC PCL, provided that they are not in breach of their regulatory capital and liquidity requirements, where applicable.

Collateral requirements and other disclosures

Collateral requirements
The carrying values of the Group's encumbered assets as at 30 June 2026 and 31 December 2025 are summarised below:

	30 June 2026	31 December 2025
	€000	€000
Cash and other liquid assets	**55,534**	26,411
Investments	**113,098**	113,701
Loans and advances	**808,562**	3,673,527
	977,194	3,813,639

Cash is mainly used to cover collateral required for derivatives, trade finance transactions and guarantees issued and as part of the supplementary assets for the covered bond.

As at 30 June 2026 and 31 December 2025, investments are mainly used as supplementary assets for the covered bond, and as collateral for the clearing of interest rate derivatives transactions through the central clearing house.

As at 30 June 2026, loans and advances indicated as encumbered are mainly pledged for the covered bond. As at 31 December 2025, loans and advances indicated as encumbered were mainly pledged for any potential use of the funding facilities of the ECB and for the covered bond. Loans and advances to customers include mortgage loans in Cyprus of a nominal amount of €815 million as at 30 June 2026 (31 December 2025: €1,002 million), pledged as collateral for the covered bond issued by BOC PCL in 2011 under its Covered Bond Programme. As at 30 June 2026, no housing loans were pledged in the collateral pool of the CBC as the scheme accepting them as eligible collateral was terminated by the ECB as at 30 March 2026 (31 December 2025: €2,632 million).

BOC PCL maintains a Covered Bond Programme set up under the Cyprus Covered Bonds legislation and the Covered Bonds Directive of the CBC. Under the Covered Bond Programme, BOC PCL has in issue covered bonds of €650 million secured by residential mortgages originated in Cyprus. On 27 April 2026, BOC PCL proceeded with certain amendments to the terms of the covered bond, with the maturity date amended to 12 December 2033 and the interest rate amended to 3-month Euribor plus 1.00% on a quarterly basis from 3-month Euribor plus 1.25% previously. The covered bonds are listed on the Luxemburg Bourse. The covered bonds have a conditional Pass-Through structure. All the bonds are held by BOC PCL. The covered bonds are eligible collateral for the Eurosystem credit operations and are placed as collateral for accessing funding from the ECB.

In addition to the encumbered assets presented above, as at 30 June 2026 cash collateral of €2.4 million has been placed with counterparties in relation to the reverse repurchase agreements (31 December 2025: €1 million) (Note 30).

Other disclosures
Deposits by banks include balances of €8,348 thousand as at 30 June 2026 (31 December 2025: €9,579 thousand) relating to borrowings from international financial and similar institutions for funding, aiming to facilitate access to finance and improve funding conditions for small or medium sized enterprises, active in Cyprus. The carrying value of the respective loans and advances granted to such enterprises serving this agreement amounts to €15,478 thousand as at 30 June 2026 (31 December 2025: €17,864 thousand).

33. Related party transactions

Related parties of the Group include the parent company (BOCH), subsidiary undertakings, associates and joint ventures, key management personnel, members of the Board of Directors and their connected persons. Connected persons for the purpose of this disclosure include spouses, minor/dependent children and companies in which the directors/key management personnel, hold directly or indirectly, at least 50% of the voting shares in a general meeting, or act as executive director or exercise control of the entities in any way.

Aggregate amounts outstanding at year end and additional transactions

The tables below show the deposits, loans and advances and other credit balances held by the members of the Board of Directors and key management personnel and their connected persons, as at the balance sheet date.

	30 June 2026	31 December 2025
	€000	€000
Loans and advances		
- member of the Board of Directors and key management personnel	**1,369**	1,398
- connected persons	**1,030**	1,002
	2,399	2,400
Deposits		
- members of the Board of Directors and key management personnel	**3,189**	3,712
- connected persons	**4,390**	4,422
	7,579	8,134

The above table does not include period/year-end balances for members of the Board of Directors, key management personnel and their connected persons who resigned during the period/year, nor balances of customers that do not meet the definition of connected persons as at the reporting dates.

The aggregate expected credit loss allowance on the above loans and credit facilities is below €6 thousand as at 30 June 2026 (31 December 2025: below €5 thousand). All principal and interest that has fallen due on these loans or credit facilities has been paid.

All transactions with members of the Board of Directors and their connected persons are made on normal business terms, as for comparable transactions with customers of a similar credit standing, including interest rates. A number of loans and advances have been extended to key management personnel on the same terms as those applicable to the rest of the Group's employees and to their connected persons on the same terms as those of customers of a similar credit standing.

The table below discloses interest, commission and insurance premium income, as well as other transactions and expenses with the members of the Board of Directors, key management personnel and their connected persons for the reference periods.

	Six months ended 30 June	
	2026	2025
	€000	€000
Interest income for the period	**39**	45
Interest expense for the period	**8**	14
Fee and commission income for the period	**9**	-
Insurance premium income for the period	**246**	247
Insurance expenses for the period	**1**	1
Fees and emoluments for the period	**3,270**	2,978

33. Related party transactions (continued)

No amounts included in the table above relate to variable remuneration as no performance period ended in the six months ended 30 June 2026 and 30 June 2025 and there were no share based schemes cycles for which the performance period ended in the six months ended 30 June 2026 and 30 June 2025. During the six months ended 30 June 2026, a total of 267,701 shares of a nominal value of €0.10 each vested and respective shares were issued to the executive Directors and the key management personnel of the Group in the context of the share based schemes that have vested in the period (LTIP and STIP) and relate to performance periods that ended in prior years as presented in Note 11.

Interest income and expense and other transactions income and expenses are disclosed for the period during which they were members of the Board of Directors or served as key management personnel. Fees and emoluments are included for the period that they serve as members of the Board of Directors or key management personnel.

In addition to loans and advances, there were contingent liabilities and commitments in respect of members of the Board of Directors and their connected persons, mainly in the form of documentary credits, guarantees and commitments to lend, amounting to €163 thousand as at 30 June 2026 (31 December 2025: €173 thousand).

There were also contingent liabilities and commitments to key management personnel and their connected persons amounting to €1,095 thousand as at 30 June 2026 (31 December 2025: €1,217 thousand).

The total unsecured amount of the loans and advances and contingent liabilities and commitments to members of the Board of Directors, key management personnel and their connected persons (using forced-sale values for tangible collaterals and assigning no value to other types of collaterals) at 30 June 2026 amounted to €1,560 thousand (31 December 2025: €1,558 thousand).

During the six months ended 30 June 2026 premiums of €116 thousand (30 June 2025: €94 thousand) and nil claims (30 June 2025: nil) were paid by/to the members of the Board of Directors of the Company and their connected persons to/from the insurance subsidiaries of the Group.

During the six months ended 30 June 2026 an amount of €684 thousand (30 June 2025: €496 thousand) has been paid to connected persons of key management personnel for the cost of services capitalised within property and equipment. These services were rendered on normal business terms as for comparable services received from third parties.

During the six months ended 30 June 2025 one member of the key management personnel transacted with REMU for the purchase of a property with a carrying amount of €114 thousand. The transaction was made on normal business terms as for comparable transactions with third parties. No similar transaction took place during the six months ended 30 June 2026.

There were no other transactions during the six months ended 30 June 2026 and the six months ended 30 June 2025 with connected persons of the current members of the Board of Directors or with any members who resigned during the periods.

34. Group companies

The main subsidiary companies and branches included in the Consolidated Financial Statements of the Company, their registered office, their activities and the percentage held by the Company (directly or indirectly) as at 30 June 2026 are:

Company	Country of incorporation	Activities	Percentage holding (%)
Bank of Cyprus Public Company Ltd	Cyprus	Commercial bank	100
EuroLife Ltd	Cyprus	Life insurance	100
General Insurance of Cyprus Ltd	Cyprus	Non-life insurance	100
JCC Payment Systems Ltd	Cyprus	Development of inter-banking systems, acquiring and processing of card transactions, other payment services and other activities	75
The Cyprus Investment and Securities Corporation Ltd (CISCO)	Cyprus	Investment banking, brokerage, discretionary asset management and investment advice services	100
Jinius Ltd	Cyprus	Digital Economy Platform	100
Kermia Ltd	Cyprus	Property holding	100
Kermia Properties & Investments Ltd	Cyprus	Property management and disposal of repossessed properties	100
S.Z. Eliades Leisure Ltd	Cyprus	Land development and operation of a golf resort	70
Auction Yard Ltd	Cyprus	Auction company	100
BOC Secretarial Company Ltd	Cyprus	Secretarial services	100
Bank of Cyprus Public Company Ltd (branch of BOC PCL)	Greece	Administration of guarantees and holding of real estate properties	n/a

In addition to the above companies, as at 30 June 2026, BOC PCL had 100% shareholding, either directly or indirectly, in the companies listed below, whose activity is the ownership and management of immovable property:

Cyprus: Pelika Properties Ltd, Cobhan Properties Ltd, Nalmosa Properties Ltd, Emovera Properties Ltd, Blodar Properties Ltd, Les Coraux Estates Ltd, Natakon Company Ltd, Oceania Ltd, Dominion Industries Ltd, Ledra Estate Ltd, Laiki Lefkothea Center Ltd, Labancor Ltd, Joberco Ltd, Domita Estates Ltd, Memdes Estates Ltd, Melsolia Properties Ltd, Solomaco Properties Ltd, Unital Properties Ltd, Lisbo Properties Ltd, Mantinec Properties Ltd, Hillbay Properties Ltd, Forenaco Properties Ltd, Hovita Properties Ltd, Fogland Properties Ltd, Tebasco Properties Ltd, Altco Properties Ltd, Olivero Properties Ltd, Elosa Properties Ltd, Mostero Properties Ltd, Helal Properties Ltd, Pendalo Properties Ltd, Bonsova Properties Ltd, Thermano Properties Ltd, Lorman Properties Ltd, Rulemon Properties Ltd, Diafor Properties Ltd, Kartama Properties Ltd, Paramina Properties Ltd, Soblano Properties Ltd, Talamon Properties Ltd, Zemialand Properties Ltd, Coeval Properties Ltd, Finevo Properties Ltd, Mazima Properties Ltd, Riveland Properties Ltd, Secretsky Properties Ltd, Senadaco Properties Ltd, Tasabo Properties Ltd, Venetolio Properties Ltd, Zandexo Properties Ltd, Odolo Properties Ltd, Molemo Properties Ltd, Samilo Properties Ltd, Enelo Properties Ltd, Monata Properties Ltd, Carilo Properties Ltd, Olisto Properties Ltd, Holstone Properties Ltd, Gelimo Properties Ltd, Philiki Ltd, Dadela Properties Ltd, Fernia Properties Ltd, Wolfenia Properties Ltd and Ellagio Properties Ltd.

Romania: Otherland Properties Dorobanti SRL.

At 30 June 2026, BOC PCL had 100% shareholding in the companies listed below, whose principal activities comprise the holding of shares and other investments and the provision of services.

Cyprus: Stamoland Properties Ltd, Petrassimo Properties Ltd and Gosman Properties Ltd.

At 30 June 2026, BOC PCL had 100% shareholding in BOC Terra AIF V.C.I.C. Plc which is a real estate alternative investment fund, currently inactive.

At 30 June 2026, BOC PCL had 100% shareholding, either directly or indirectly, in the companies listed below which are reserved to accept property:

Cyprus: Rifelo Properties Ltd, Leziga Properties Ltd, Bavara Properties Ltd, Amirela Properties Ltd, Erlino Properties Ltd and Ontra Properties Ltd.

34. Group companies (continued)

In addition, BOC PCL holds 100% of the following intermediate holding companies:

Cyprus: Otherland Properties Ltd, Janoland Properties Ltd and Hydrobius Ltd.

BOC PCL also holds 100% of the following companies which are inactive:

Cyprus: Laiki Bank (Nominees) Ltd, Paneuropean Ltd, Nelcon Transport Co. Ltd, Canosa Properties Ltd, Homirova Properties Ltd, Tolmeco Properties Ltd, Jobelis Properties Ltd, Spacous Properties Ltd, Wingstreet Properties Ltd, Eracor Properties Ltd, Balasec Properties Ltd, Nouralia Properties Ltd, Alezia Properties Ltd and Finerose Properties Ltd.

Greece: Kyprou Zois (branch of EuroLife Ltd), Kyprou Asfalistiki (branch of General Insurance of Cyprus Ltd), Kyprou Commercial SA and Kyprou Properties SA.

BOC PCL also holds indirectly 75% of Settle Cyprus Ltd, which is inactive.

Further, at 30 June 2026, BOC PCL had 100% shareholding, in the companies listed below which are in run-down:

Romania: BOC Asset Management Romania S.A.

Russia: MC Investment Assets management LLC.

Serbia: Fortuna Astrum Ltd.

All Group companies are accounted for as subsidiaries using the full consolidation method. All companies listed above have share capital consisting of ordinary shares.

Acquisitions of subsidiaries and other acquisition transactions

During the six months ended 30 June 2026, there were no acquisitions of subsidiaries.

In March 2026, the Group entered into an agreement with The Cyprus Development Bank Public Company Limited ('CDB'), for the acquisition of performing loans and deposits and certain other assets and liabilities of CDB (the 'Transaction'). The Transaction perimeter includes a portfolio of performing loans of a contractual amount of approximately €150 million and deposits of approximately €500 million as at 31 December 2025. As at the date of these Consolidated Financial Statements, completion of the Transaction remains subject to certain conditions precedent (including obtaining regulatory approval) being fulfilled.

Dissolution and disposal of subsidiaries

There were no material disposals of subsidiaries during the six months ended 30 June 2026. Demoro Properties Ltd, Allioma Properties Ltd, Battersee Properties Ltd, Bonayia Properties Ltd and Fantasio Properties Ltd were dissolved during the six months ended 30 June 2026. Ortizelo Properties Ltd, Kernland Properties Ltd and Weinar Properties Ltd were disposed of during the six months ended 30 June 2026.

As at 30 June 2026, the following subsidiaries were in the process of dissolution or in the process of being struck off: Imoreth Properties Ltd, Inroda Properties Ltd, Zunimar Properties Ltd and Nikaba Properties Ltd.

35. Events after the reporting period

Interim dividend in respect of 2026 earnings
On 3 August 2026, the Board of Directors of the Company approved the payment of an interim dividend by the Company of €0.24 per ordinary share in respect of the Group's financial performance for the six months ended 30 June 2026. The interim dividend, to be paid, amounts to an aggregate cash dividend of approximately €105 million (calculated by reference to the number of shares in issue as at 30 June 2026).

The consolidated financial statements for the six months ended 30 June 2026 do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2026.

Dividends are funded out of distributable reserves.

35. Events after the reporting date (continued)

No other significant non-adjusting events have taken place since 30 June 2026.

Independent review report to Bank of Cyprus Holdings Public Limited Company

Report on the interim condensed consolidated financial statements

Our conclusion

We have reviewed Bank of Cyprus Holdings Public Limited Company's Interim Condensed Consolidated Financial Statements (the "interim financial statements") in the Interim Report of Bank of Cyprus Holdings Public Limited Company for the six month period ended 30 June 2026 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019.

The interim financial statements comprise:

- the Interim Consolidated Balance Sheet as at 30 June 2026;
- the Interim Consolidated Income Statement and the Interim Consolidated Statement of Comprehensive Income for the period then ended;
- the Interim Consolidated Statement of Cash Flows for the period then ended;
- the Interim Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019.

As disclosed in note 3.2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' ("ISRE (Ireland) 2410") issued for use in Ireland. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (Ireland) 2410. However future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019. In preparing the Interim Report including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Transparency (Directive 2004/109/EC) Regulations 2007, as amended, and Part 2 (Transparency Requirements) of the Central Bank (Investment Market Conduct) Rules 2019 and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Dublin
3 August 2026

Alternative Performance Measures Disclosures

30 June 2026

DEFINITIONS

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 items, 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 AT1 coupon.
Allowance for expected loan credit losses	Comprises (i) allowance for expected credit losses (ECL) on loans and advances to customers (including allowance for expected credit losses on loans and advances to customers held for sale, where applicable) and (ii) allowance for expected credit losses on off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities.
Basic earnings per share (attributable to the owners of the Company)	Basic earnings per share (attributable to the owners of the Company) is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of ordinary shares in issue during the period/year, excluding treasury shares.
Carbon neutral	The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
Cost to Income ratio	Cost to income ratio is calculated as total expenses (as defined), divided by total income (as defined).
Diluted earnings per share (attributable to the owners of the Company)	Diluted earnings per share (attributable to the owners of the Company) is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of ordinary shares in issue during the period/year, excluding treasury shares and adjusted to take into account the potential dilutive effect of the ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the Long-Term Incentive Plan and Short-Term Incentive Plan, where applicable.
Green Asset ratio	The proportion of a credit institution's assets financing and invested in EU Taxonomy-aligned economic activities as a share of total covered assets.
Green Mortgage ratio	The proportion of a credit institution's assets financing EU Taxonomy-aligned mortgages (acquisition, construction or renovation of buildings) as a share of total mortgage assets.
Gross loans	Gross loans comprise: (i) gross loans and advances to customers measured at amortised cost (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.
Gross performing loans	Gross loans (as defined) excluding the Restructuring and Recoveries Division (RRD) exposures (forming part of legacy exposures (as defined)).
Interest earning assets	Interest earning assets include: cash and balances with central banks, loans and advances to banks, reverse repurchase agreements, net loans and advances to customers (as defined), net loans and advances to customers classified as non-current assets held for sale (where applicable), and investments (excluding equities, mutual funds and other non-interest bearing investments).
Legacy exposures	Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.

Leverage ratio	The leverage ratio is the ratio of tangible total equity to total assets as presented on the balance sheet. Tangible total equity comprises of equity attributable to the owners of the Company and other equity instruments minus intangible assets.
Loan credit losses (PL)	Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers (including credit losses on loans and advances to customers classified as non-current assets held for sale, where applicable), (ii) net gains/(losses) on derecognition of financial assets measured at amortised cost relating to loans and advances to customers, and (iii) net gains/(losses) on loans and advances to customers at FVPL (where applicable), for the reporting period/year.
Loan credit losses charge (cost of risk)	Loan credit losses charge (cost of risk) (year-to-date) is calculated as the loan credit losses (as defined) (annualised based on year-to-date days) divided by the average gross loans. The average gross loans are calculated as the average of the opening balance and the closing balance of Gross loans (as defined), for the reporting period/year.
Net Interest Margin	Net interest margin is calculated as the net interest income (annualised based on year-to-date days) divided by the quarterly average interest earning assets (as defined).
Net loans and advances to customers	Net loans and advances to customers comprise gross loans (as defined) net of allowance for expected loan credit losses (as defined but excluding allowance for expected credit losses on off-balance sheet exposures disclosed on the balance sheet within other liabilities).
Net loans to deposits ratio	Net loans to deposits ratio is calculated as gross loans (as defined) net of allowance for expected loan credit losses (as defined), divided by customer deposits.
Net 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 (excluding net gains/(losses) on loans and advances to customers at FVPL), Net insurance result, Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of property, and Other income.
Non-performing exposures (NPEs)	As per the EBA standards and the ECB's Guidance to Banks on Non-Performing Loans (which was published in March 2017), NPEs are defined as those exposures that satisfy one of the following conditions: (i) The borrower is assessed as unlikely to pay its credit obligations in full without the realisation of the collateral, regardless of the existence of any past due amount or of the number of days past due. (ii) Defaulted or impaired exposures as per the approach provided in the Capital Requirement Regulation (CRR), which would also trigger a default under specific credit adjustment, diminished financial obligation and obligor bankruptcy. (iii) Material exposures as set by the CBC, which are more than 90 days past due. (iv) Performing forborne exposures under probation for which additional forbearance measures are extended.

(v) Performing forborne exposures previously classified as NPEs that present more than 30 days past due within the probation period.

From 1 January 2021 two regulatory guidelines came into force that affect NPE classification and Days-Past-Due calculation. More specifically, these are the RTS on the Materiality Threshold of Credit Obligations Past-Due (EBA/RTS/2016/06) and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07).

The Days-Past-Due (DPD) counter begins counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than as of the first day of presenting any amount of arrears or excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality threshold. Payments towards the exposure that do not reduce the arrears/excesses below the materiality threshold will not impact the counter.

For retail debtors, when a specific part of the exposures of a customer that fulfils the NPE criteria set out above is greater than 20% of the gross carrying amount of all on balance sheet exposures of that customer, then the total customer exposure is classified as non-performing; otherwise only the specific part of the exposure is classified as non-performing. For non-retail debtors, when an exposure fulfils the NPE criteria set out above, then the total customer exposure is classified as non-performing.

Material arrears/excesses are defined as follows:
- Retail exposures: Total arrears/excess amount greater than €100,
- Exposures other than retail: Total arrears/excess amount greater than €500,

and the arrears/excess amount is at least 1% of the customer's total exposure.

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

Non-recurring items	Non-recurring items as presented in the 'Consolidated Income Statement – Underlying basis' relate to 'Advisory and other transformation costs - organic', if applicable, which comprise mainly of fees of external advisors in relation to transformation activities and other strategic projects of the Group.
NPE coverage ratio	The NPE coverage ratio is calculated as the allowance for expected loan credit losses (as defined) over NPEs (as defined).
NPE ratio	NPE ratio is calculated as the NPEs (as defined) divided by Gross loans (as defined).
Operating profit	Operating profit on the underlying basis comprises profit before loan credit losses (as defined), impairments of other financial and non-financial assets, provisions for pending litigation, claims, regulatory and other matters (net of reversals), tax, (profit)/loss attributable to non-controlling interests and non-recurring items (as defined).
Operating profit return on average assets	Operating profit return on average assets is calculated as the operating profit (as defined) (annualised based on year-to-date days) divided by the quarterly average of total assets for the relevant period. Average total assets exclude total assets of discontinued operations at each quarter end, if applicable.
Profit/(loss) 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).

Return on Tangible equity (ROTE)	Return on Tangible Equity (ROTE) is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised based on year-to-date days), divided by the quarterly average of Shareholders' equity (as defined) minus intangible assets at each quarter end.
Return on Tangible equity (ROTE) on 15% CET1 ratio	Return on Tangible equity (ROTE) on 15% CET1 ratio is calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised based on year-to-date days), divided by the quarterly average of Shareholders' equity (as defined) minus intangible assets and after deducting any accrual for distribution deducted from CET1 but not from shareholders' equity as at the end of the relevant period/year and the excess CET1 capital on a 15% CET1 ratio at each quarter end.
Shareholders' equity	Shareholders' equity comprises total equity adjusted for non-controlling interest and other equity instruments. It is represented by equity attributable to the owners of the Company (per statutory basis).
Tangible book value per share	Tangible book value per share is calculated as Shareholders' equity (as defined) less intangible assets at each quarter end, divided by the number of ordinary shares in issue at the end of the period/year, excluding treasury shares.
Tangible equity	Tangible equity comprises of equity attributable to the owners of the Company (per statutory basis) and other equity instruments minus intangible assets.
Time deposits pass-through	Calculated as a percentage of the cost (interest expense) of Time and Notice deposits over the average 6-month Euribor rate for the period.
Total expenses	Total expenses on the underlying basis comprise the total staff costs, special levy on deposits and other levies/contributions and other operating expenses (excluding 'Advisory and other transformation costs-organic', (on an underlying basis)).
Total income	Total income on the underlying basis comprises the total of Net interest income, Net fee and commission income, Net foreign exchange gains and net gains/(losses) on financial instruments (excluding net gains/(losses) on loans and advances to customers at FVPL), Net insurance result, Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of property and Other income (on an underlying basis).
Underlying basis	The underlying basis is computed by adjusting the results per the statutory basis as explained in the 'Reconciliation of the Interim Consolidated Income Statement for the six months ended 30 June 2026 between the statutory basis and the underlying basis' within the Interim Management Report. A reconciliation between the statutory and the underlying basis is disclosed in the Interim Management Report under section 'Group financial results on the underlying basis'.

Reconciliations

Reconciliation between the Interim Consolidated Income Statement under the statutory basis and the underlying basis in the Interim Report is included in Section 'Reconciliation of the Interim Consolidated Income Statement for the six months ended 30 June 2026 between the statutory basis and the underlying basis' within the Interim Management Report.

Reconciliations between the non-IFRS performance measures and the most directly comparable IFRS measures which allow for the comparability of the underlying basis to the statutory basis are disclosed below.

For the purpose of the 'Alternative Performance Measures Disclosures', reference to 'Note' relates to the respective note in the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2026.

1. Reconciliation of Allowance for expected credit losses (ECL) on loans and advances to customers

	30 June 2026	31 December 2025
	€000	€000
Allowance for expected credit losses (ECL) on loans and advances to customers per the underlying basis *(as defined above)*	**176,622**	176,525
Reconciling items:		
Provisions for financial guarantees and commitments *(Note 24)*	**(19,466)**	(19,470)
Allowance for ECL for loans and advances to customers per the Interim Condensed Consolidated Financial Statements *(Note 19)*	**157,156**	157,055

2. Reconciliation of NPEs

	30 June 2026	31 December 2025
	€000	€000
NPEs per the underlying basis *(as defined above)*	**118,281**	126,768
Reconciling items:		
POCI (NPEs) *(Note 1 below)*	**(18,975)**	(18,893)
Stage 3 gross loans and advances to customers at amortised cost per the Interim Condensed Consolidated Financial Statements *(Note 19)*	**99,306**	107,875

NPE ratio	**30 June 2026**	31 December 2025
NPEs *(as per table above)* (€000)	**118,281**	126,768
Gross loans and advances to customers at amortised cost per the Interim Condensed Consolidated Financial Statements *(Note 19)* (€000)	**11,490,611**	10,955,397
Ratio of NPEs/Gross loans (%)	**1.0%**	1.2%

NPE Coverage ratio	**30 June 2026**	31 December 2025
Allowance for expected credit losses (ECL) on loans and advances to customers *(as per table 1 above)* (€000)	**176,622**	176,525
NPEs *(as per table above)* (€000)	**118,281**	126,768
NPE Coverage ratio (%)	**149%**	139%

Note 1: Gross loans and advances to customers at amortised cost include an amount of €18,975 thousand POCI - NPEs (out of a total of €51,265 thousand POCI loans Note 19 of Interim Condensed Consolidated Financial Statements) (31 December 2025: €18,893 thousand POCI - NPEs (out of a total of €52,135 thousand POCI loans)).

Reconciliations (continued)

3. Reconciliation of Loan credit losses

	Six months ended 30 June	
	2026	2025
	€000	€000
Loan credit losses (net of reversals) per the underlying basis	**(6,449)**	18,721
Loan credit losses (as defined) are reconciled to the statutory basis as follows:		
Credit losses to cover credit risk on loans and advances to customers (reversal) *(Note 13)*	**(2,199)**	15,610
Net (gains)/losses on derecognition of financial assets measured at amortised cost – loans and advances to customers	**(4,250)**	2,171
Net losses on loans and advances to customers measured at FVPL *(Note 10)*	**-**	940
	(6,449)	18,721

4. Reconciliation of Adjusted recurring profitability to Profit after tax for the period attributable to the owners of the Company

	Six months ended 30 June	
	2026	2025
	€000	€000
Adjusted recurring profitability per the underlying basis *(as defined above)*	**238,722**	221,576
Reconciling items:		
Payment of coupon to AT1 holders *(Note 25)*	**13,063**	13,063
Profit after tax for the period attributable to the owners of the Company per the Interim Consolidated Income Statement	**251,785**	234,639

Key Performance Ratios Information

1. Net Interest Margin (NIM)

The components for the calculation of net interest margin are provided below:

	Six months ended 30 June	
	2026	2025
1.1 Net interest income used in the calculation of NIM	**€000**	€000
Net interest income per the underlying basis/statutory basis	**368,782**	367,455
Net interest income used in the calculation of NIM (annualised)	**743,676**	741,000

1.2 Interest earning assets	**30 June 2026**	31 March 2026	31 December 2025
	€000	€000	€000
Cash and balances with central banks	**7,598,047**	7,658,545	7,933,036
Loans and advances to banks	**480,355**	535,908	575,508
Reverse repurchase agreements	**1,617,755**	1,617,947	1,618,955
Loans and advances to customers	**11,333,455**	11,028,008	10,798,342
Investments			
Debt securities	**5,604,429**	5,392,515	5,131,383
Total interest earning assets	**26,634,041**	26,232,923	26,057,224
1.3 Quarterly average interest earning assets (€000)			
- for the six months ended 30 June 2026			**26,308,063**
- for the six months ended 30 June 2025			24,285,089

	Six months ended 30 June	
1.4. Net Interest Margin (NIM)	**2026**	2025
Net interest income (annualised) *(as per table 1.1 above)* (€000)	**743,676**	741,000
Quarterly average interest earning assets *(as per table 1.3 above)* (€000)	**26,308,063**	24,285,089
NIM (%)	**2.83%**	3.05%

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Key Performance Ratios Information (continued)

2. Cost to income ratio

2.1 Reconciliation of the components of total expenses used in the cost to income ratio calculation from the underlying basis to the statutory basis is provided below:

	Six months ended 30 June	
2.1 Total Expenses per the underlying basis	**2026**	2025
	€000	€000
Staff costs per the underlying basis/statutory basis	**109,740**	104,869
Special levy on deposits and other levies/contributions per the underlying basis/statutory basis	**22,802**	15,519
Other operating expenses per the underlying basis/statutory basis	**76,550**	76,391
Total Expenses per the underlying basis	**209,092**	196,779

2.2 Reconciliation of the components of total income used in the cost to income ratio calculation from the underlying basis to the statutory basis is provided below:

	Six months ended 30 June	
2.2.1 Total Income per the underlying basis	**2026**	2025
	€000	€000
Net interest income per the underlying basis/statutory basis *(as per table 1.1 above)*	**368,782**	367,455
Net fee and commission income per the underlying basis/statutory basis	**90,391**	88,182
Net foreign exchange gains, Net gains on financial instruments and Net gains/(losses) on derecognition of financial assets measured at amortised cost per the underlying basis *(as per table 2.2.2 below)*	**13,544**	17,538
Net insurance result* *(per the statutory basis)*	**33,073**	24,421
Net gains/(losses) from revaluation and disposal of investment properties and Net gains on disposal of stock of property *(per the statutory basis)*	**5,079**	5,858
Other income *(per the statutory basis)*	**3,813**	5,543
Total Income per the underlying basis	**514,682**	508,997

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

Key Performance Ratios Information (continued)

2. Cost to income ratio (continued)

	Six months ended 30 June	
2.2.2 Reconciliation of Net foreign exchange gains, Net gains on financial instruments and Net gains/(losses) on derecognition of financial assets measured at amortised cost between the statutory basis and the underlying basis	**2026**	2025
	€000	€000
Net foreign exchange gains, Net gains on financial instruments and Net gains/(losses) on derecognition of financial assets measured at amortised cost per the underlying basis	**13,544**	17,538
Reclassifications for:		
Net losses on loans and advances to customers measured at FVPL, disclosed within 'Loan credit losses' per the underlying basis *(as per table 3 in Section 'Reconciliations' above)*	**-**	(940)
Net gains/(losses) on derecognition of financial assets measured at amortised cost - loans and advances to customers, disclosed within 'Loan credit losses' per the underlying basis *(as per table 3 in Section 'Reconciliations' above)*	**4,250**	(2,171)
Net foreign exchange gains, Net gains on financial instruments and Net gains/(losses) on derecognition of financial assets measured at amortised cost per the statutory basis (see below)	**17,794**	14,427
Net foreign exchange gains, Net gains on financial instruments and Net gains/(losses) on derecognition of financial assets measured at amortised cost (as per table above) are reconciled to the statutory basis as follows:		
Net foreign exchange gains	**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)
	17,794	14,427

	Six months ended 30 June	
	2026	2025
Cost to income ratio		
Total expenses *(as per table 2.1 above)* (€000)	**209,092**	196,779
Total income *(as per table 2.2.1 above)* (€000)	**514,682**	508,997
Total expenses / Total income (%)	**41%**	39%

Cost to income ratio excluding special levy on deposits and other levies/contributions	Six months ended 30 June	
	2026	2025
Total expenses *(as per table 2.1 above)* (€000)	**209,092**	196,779
Less: Special levy on deposits and other levies/contributions (*as per table 2.1 above*) (€000)	**(22,802)**	(15,519)
Total expenses excluding special levy on deposits and other levies/contributions (€000)	**186,290**	181,260
Total income *(as per table 2.2.1 above)* (€000)	**514,682**	508,997
Total expenses excluding special levy on deposits and other levies/contributions / Total income (%)	**36%**	36%

Key Performance Ratios Information (continued)

3. Operating profit return on average assets

The components used in the determination of the operating profit return on average assets are provided below:

	30 June 2026	31 March 2026	31 December 2025
	€000	€000	€000
Total assets per the statutory basis	**29,133,527**	28,705,738	28,568,402
Quarterly average total assets (€000)			
- for the six months ended 30 June 2026			**28,802,556**
- for the six months ended 30 June 2025			26,809,103

	2026	2025
Total income for the six months ended 30 June *(as per table 2.2.1 above)* – annualised (€000)	**1,037,895**	1,026,430
Total expenses for the six months ended 30 June *(as per table 2.1 above)* – annualised (€000)	**(421,650)**	(396,820)
Operating profit – annualised (€000)	**616,245**	629,610
Quarterly average total assets for the six months ended 30 June *(as per table above)* (€000)	**28,802,556**	26,809,103
Operating profit return on average assets (annualised) (%)	**2.1%**	2.3%

4. Cost of Risk

	Six months ended 30 June	
	2026	2025
	€000	€000
Loan credit losses (net of reversals) *(as per table 3 in Section 'Reconciliations' above)* – annualised	**(13,005)**	37,752
Average gross loans (as defined) *(as per table 2 in Section 'Reconsiliations' above)*	**11,223,004**	10,583,817
Cost of Risk (CoR) (net of release) %	**(0.12%)**	0.36%

5. Basic earnings per share attributable to the owners of the Company

The components used in the determination of the 'Basic earnings per share attributable to the owners of the Company (€ cent)' are provided below:

	Six months ended 30 June	
	2026	2025
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the period (€000)	**251,785**	234,639
Weighted average number of shares in issue during the period, excluding treasury shares (thousand)	**435,678**	438,528
Basic earnings per share attributable to the owners of the Company for the period (€ cent)	**57.8**	53.5

Key Performance Ratios Information (continued)

6. Return on tangible equity (ROTE)

The components used in the determination of 'Return on tangible equity (ROTE)' are provided below:

	2026	2025
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the six months ended 30 June (€000) - annualised	**507,743**	473,167
Quarterly average tangible shareholders' equity for the six months ended 30 June *(as per table 6.2 below)* (€000)	**2,705,499**	2,573,173
ROTE (%) - annualised	**18.8%**	18.4%

6.1 Tangible shareholders' equity	**30 June 2026**	31 March 2026	31 December 2025
	€000	€000	€000
Equity attributable to the owners of the Company (per the statutory basis)	**2,731,782**	2,828,561	2,709,782
Less: Intangible assets (per the statutory basis)	**(50,281)**	(51,426)	(51,920)
Total tangible shareholders' equity	**2,681,501**	2,777,135	2,657,862
6.2 Quarterly average tangible shareholders' equity (€000)			
- for the six months ended 30 June 2026			**2,705,499**
- for the six months ended 30 June 2025			2,573,173

7. Return on tangible equity (ROTE) on 15% CET1 ratio

The components used in the determination of 'Return on tangible equity (ROTE) on 15% CET1 ratio' are provided below:

	2026	2025
Profit after tax (attributable to the owners of the Company) per the underlying basis/statutory basis for the six months ended 30 June (€000) - annualised	**507,743**	473,167
Quarterly average tangible shareholders' equity adjusted for excess CET1 capital on a 15% CET1 ratio for the six months ended 30 June *(as per table 7.2 below)* (€000)	**1,861,697**	1,820,403
ROTE on 15% CET1 (%) - annualised	**27.3%**	26.0%

7.1 Tangible shareholders' equity on 15% CET1 ratio	**30 June 2026**	31 March 2026	31 December 2025
	€000	€000	€000
Equity attributable to the owners of the Company (per the statutory basis)	**2,731,782**	2,828,561	2,709,782
Less: Intangible assets (per the statutory basis)	**(50,281)**	(51,426)	(51,920)
Less: Accrual for distribution* and FY2025 distribution **	**(167,105)**	(302,400)	(217,843)
Less: Excess CET1 capital* on a 15% CET1 ratio	**(624,510)**	(598,071)	(621,478)
Total tangible shareholders' equity on 15% CET1 ratio	**1,889,886**	1,876,664	1,818,541

** Amount of foreseeable charge for shareholders' ordinary distribution accrual at the top-end range of the Group's approved ordinary distribution policy (i.e. payout at 70% for ordinary distribution) deducted from CET1 ratio as applicable.*

*** FY2025 distribution is adjusted to the extent not already deducted from the Equity attributable to the owners of the Company (per the statutory basis) at each period end.*

Key Performance Ratios Information (continued)

7. Return on tangible equity (ROTE) on 15% CET1 ratio (continued)

7.2 Quarterly average tangible shareholders' equity on 15% CET1 ratio (€000)	
- for the six months ended 30 June 2026	**1,861,697**
- for the six months ended 30 June 2025	1,820,403

8. Tangible book value per share

	30 June 2026	30 June 2025
	€000	€000
Tangible shareholder's equity *(as per table 6.1 above)* (€000)	**2,681,501**	2,526,708
Number of shares in issue at the end of the period, excluding treasury shares (thousand)	**435,809**	435,544
Tangible book value per share (€)	**6.15**	5.80

9. Leverage ratio

	30 June 2026	31 December 2025
Tangible total equity (including Other equity instruments) *(as per table 9.1 below)* (€000)	**2,901,501**	2,877,862
Total assets per the statutory basis (€000)	**29,133,527**	28,568,402
Leverage ratio	**10.0%**	10.1%

9.1 Tangible total equity	**30 June 2026**	31 December 2025
	€000	€000
Equity attributable to the owners of the Company per the statutory basis	**2,731,782**	2,709,782
Other equity instruments per the statutory basis	**220,000**	220,000
Less: Intangible assets per the statutory basis	**(50,281)**	(51,920)
Tangible total equity	**2,901,501**	2,877,862