



Announcement

Announcement for the Investor Update Event

Nicosia, 3 March 2026

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014.

Group Profile

The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. At 31 December 2025, the Bank of Cyprus Group operated through a total of 56 branches in Cyprus, of which 2 operated as cash offices. The Bank of Cyprus Group employed 2,850 staff worldwide. At 31 December 2025, the Group's Total Assets amounted to €28.6 bn and Total Equity was €2.9 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.

Bank of Cyprus Holdings Public Limited Company ('BOCH' or the 'Company' and together with its subsidiaries the 'Group') announces that during the Investor Update presentation on Tuesday 3 March 2026, it will present an update on the Group's outlook, financial targets and capital allocation framework.

The updated guidance reflects the Group's strengthened operating performance, disciplined balance sheet management and the positive momentum across core business lines. It also reinforces the Group's capacity to generate sustainably high returns while supporting elevated distribution levels.

The Group's key priorities are to continue to generate sustainable and resilient profitability and deliver attractive shareholder returns. Based on these priorities, BOCH has updated its 2026-2028 financial targets and expects to deliver a mid-teens reported ROTE¹, 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.

Drivers of profitability

Net interest income is expected to stabilise in 2026 as interest rates have normalise (ECB deposit facility rate expected to average to 2% for 2026) and grow by an average of c.3% per annum for 2026-2028. The net interest income targets are based on:

- loan growth of c.4% on average per annum for 2026-2028, supported by domestic loan growth across retail and corporate, in line with expected economic growth as well as selective and cautious expansion of the international loan portfolio to c.€2 bn by end-2028 (from €1.4 bn in December 2025).
- careful growth of the fixed income portfolio, targeting c.22% of total assets by 2028 subject to market conditions and;
- deposit base and cost of deposits are expected to remain broadly at current levels.

As a result, the net interest margin is expected to stabilise over 270 bps in 2026 and grow thereafter, driven mainly by the improved mix of interest earning assets, as liquidity is gradually deployed to loan growth and continuous investment in fixed income portfolio.

Simultaneously the Group aims to grow further its capital-light recurring non-interest income, which comprises net fee and commission income, net insurance result and FX customer related fees. It is expected that recurring non-interest income will grow with a c.4% CAGR, in line with economic activity and an increased volume of transactions, supported primarily by high single digit-growth in net insurance result.

Maintaining cost discipline remains a key priority for the Group. The cost to income ratio² is expected to remain at c.40% throughout 2026-2028.

The normalised cost of risk target of 40-50 bps is reiterated, although it is expected to remain towards the lower end of this range for 2026-2028. There are no signs of asset quality deterioration.

These drivers support sustainable and resilient profitability which should translate into attractive and sustainable shareholder returns, delivering a mid-teens ROTE, on a high capital base.

As at 31 December 2025, the Group's CET1 ratio stood at 21.0%, after high organic capital generation averaging 440 bps per annum for the years 2023-2025. The Group has set a CET1 ratio target of c.15% over the medium-term and clear, disciplined priorities to deploy capital in order to gradually converge towards that target. These priorities are: organic growth, investment in the business and ordinary distributions at the top-end of the distribution policy (i.e. 70% payout

ratio). Moreover, the high capital ratios of the Group provide optionality for additional shareholder returns via top-up dividends as well-as disciplined bolt-on merger and acquisitions.

Distributions

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 profitability³. 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 profitability³. The distributions are expected to be predominantly in cash, including interim dividends, while share buybacks may be considered when appropriate. These distribution targets are subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time.

For further information, please refer to the Investor Update presentation on the website www.bankofcyprus.com (Group/Investor Relations).

For further information, please contact Investor Relations at investors@bankofcyprus.com.

1. Return on Tangible Equity (ROTE) is calculated as Profit after Tax (annualised) (attributable to the owners of the Company) divided by average Shareholders' equity minus intangible assets.
2. Excluding special levy on deposits and other levies/contributions
3. The Group adjusted recurring profitability is defined as the Group's profit after tax (attributable to the owners of the Company) as reported, adjusted for the results of certain one-off items (e.g. capital gains, certain write-downs/write-ups relating to certain re-organisation activities and/or legacy related, as well as material non-cash transactions impacting the profitability) that fall outside the ordinary course of our business and are items that Management and investors would ordinarily identify and consider separately to better understand the underlying trends in the business and after taking into account distributions under other equity instruments such as the annual AT1 coupon).

Forward Looking Statements

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of Bank of Cyprus Holdings plc and its subsidiaries (collectively, the “Group”) and its current goals and expectations relating to its future financial condition and performance, the markets in which it operates and its future capital requirements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements can usually be identified by terms used such as “achieve”, “aim”, “anticipate”, “assume”, “believe”, “continue”, “could”, “estimate”, “expect”, “goal”, “intend”, “may”, “project”, “plan”, “seek”, “should”, “target”, “will” or similar expressions or variations thereof or their negative variations, but their absence does not mean that a statement is not forward-looking. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, but are not limited to, statements relating to the Group’s near term, medium term and longer term future capital requirements and ratios, intentions, beliefs or current expectations and projections about the Group’s future results of operations, financial condition, expected impairment charges, the level of the Group’s assets, liquidity, performance, prospects, anticipated growth, provisions, impairments, business strategies and opportunities. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend upon circumstances, that will or may occur in the future. Factors that could cause actual business, strategy and/or results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements made by the Group include, but are not limited to: general economic and political conditions in Cyprus and other European Union (EU) Member States. Globally, factors that may impact the Group include interest rate and foreign exchange fluctuations, legislative, fiscal and regulatory developments, litigation and other operational risks, adverse market conditions, geopolitical developments, imposed and threatened tariffs and changes to global trade policies, acts of hostility or terrorism and response to those acts or other such events, emerging technologies, including information technology, artificial intelligence, technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks and the impact of outbreaks, epidemics or pandemics. These factors may have significant adverse effects on the market and macroeconomic conditions, including in ways that cannot be anticipated. This creates significantly greater uncertainty about forward-looking statements. Should any one or more of these or other factors materialise, or should any underlying assumptions prove to be incorrect, the actual results or events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The forward-looking statements made in this document are only applicable as at the date of publication of this document. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this document to reflect any change in the Group’s expectations or any change in events, conditions or circumstances on which any statement is based. Changes in our reporting frameworks and accounting standards may have a material impact on the way we prepare our financial statements. In setting future targets and outlook, the Group has made certain assumptions about the macroeconomic environment and the Group’s businesses, which are subject to change.