



Announcement

Group Financial Results for the year ended 31 December 2025

Nicosia, 31 March 2026

Key Highlights for the year ended 31 December 2025

Strong volume growth

- Record new lending of €3.0 bn, up 23% yoy
- Gross performing loans at €10.9 bn, up 8% yoy
- Mainly retail deposit base at €22.2 bn, up 8% yoy

Attractive profitability

- Profit after tax of €481¹ mn; €128 mn¹ in 4Q2025
- ROTC of 18.6% for FY2025; Basic earnings per share of €1.10
- Cost to income ratio² remains low at 37%

Liquid, resilient balance sheet

- NPE ratio reduced to 1.2%
- Low cost of risk at 33 bps
- LCR ratio of 321%; surplus liquidity of €9.2 bn

Robust capital and distribution capacity

- CET1 ratio at 21.0% and Total Capital ratio at 25.9%
- Organic capital generation³ of 436 bps
- Total distribution at 70% payout ratio; €305 mn cash dividend⁴

1. Attributable to the owners of the Company

2. Excluding special levy on deposits and other levies/contributions

3. Pre RWA and other movements, based on profit after tax (pre-distributions) and after AT1 coupon payment (where applicable)

4. €87 mn interim dividend paid in October 2025; proposed final cash dividend of €218 mn subject to approval at the AGM scheduled on 15 May 2026

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

A. Group Financial Results – Statutory Basis

Audited Consolidated Income Statement for the year ended 31 December 2025

	2025	2024
	€000	€000
Interest income	839,153	999,920
Income similar to interest income	6,274	10,163
Interest expense	(114,674)	(187,330)
Expense similar to interest expense	(242)	(1,289)
<i>Net interest income</i>	730,511	821,464
Fee and commission income	188,003	184,418
Fee and commission expense	(8,404)	(7,475)
Net foreign exchange gains	28,930	27,285
Net gains on financial instruments	15,522	10,672
Net losses on derecognition of financial assets measured at amortised cost	(2,013)	(13)
Net insurance finance income/(expense) and net reinsurance finance income/(expense)	(1,106)	(3,907)
Net insurance service result	90,178	76,791
Net reinsurance service result	(29,363)	(26,693)
Net losses from revaluation and disposal of investment properties	(2,251)	(1,430)
Net gains on disposal of stock of property	11,519	216
Other income	17,951	14,381
<i>Total operating income</i>	1,039,477	1,095,709
Staff costs	(225,215)	(203,062)
Special levy on deposits and other levies/contributions	(42,379)	(39,115)
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	383	(11,775)
Other operating expenses	(161,136)	(163,649)
<i>Operating profit before credit losses and impairment</i>	611,130	678,108
Credit losses on financial assets	(33,601)	(31,797)
Impairment net of reversals on non-financial assets	(28,651)	(56,040)
Profit before tax	548,878	590,271
Income tax	(65,762)	(81,128)
Profit after tax for the year	483,116	509,143
Attributable to:		
Owners of the Company	480,560	508,188
Non-controlling interests	2,556	955
Profit for the year	483,116	509,143
Basic profit per share attributable to the owners of the Company (€ cent)	110.0	114.4
Diluted profit per share attributable to the owners of the Company (€ cent)	109.6	114.0

A. Group Financial Results – Statutory Basis (continued)

Audited Consolidated Balance Sheet as at 31 December 2025

	2025	2024
	€000	€000
Assets		
Cash and balances with central banks	7,933,036	7,600,726
Loans and advances to banks	575,508	820,574
Reverse repurchase agreements	1,618,955	1,010,170
Derivative financial assets	88,342	95,273
Investments at FVPL	201,914	136,629
Investments at FVOCI	356,580	416,077
Investments at amortised cost	4,765,238	3,805,637
Loans and advances to customers	10,798,342	10,114,394
Life insurance business assets attributable to policyholders	923,191	772,757
Prepayments, accrued income and other assets	375,535	479,199
Stock of property	372,202	648,757
Investment properties	28,330	36,251
Deferred tax assets	166,763	166,844
Property and equipment	312,546	307,414
Intangible assets	51,920	49,747
Non-current assets and disposal groups held for sale	-	23,143
Total assets	28,568,402	26,483,592
Liabilities		
Deposits by banks	404,099	364,231
Derivative financial liabilities	19,256	4,664
Customer deposits	22,187,465	20,519,276
Changes in the fair value of hedged items in portfolio hedges of interest rate risk	12,612	44,074
Insurance contract liabilities	877,716	743,684
Accruals, deferred income, other liabilities and other provisions	642,778	556,459
Provisions for pending litigation, claims, regulatory and other matters	67,523	92,620
Debt securities in issue	983,446	989,435
Subordinated liabilities	378,720	307,138
Deferred tax liabilities	45,260	31,943
Total liabilities	25,618,875	23,653,524
Equity		
Share capital	43,569	44,050
Share premium	594,358	594,358
Revaluation and other reserves	87,697	86,139
Retained earnings	1,984,158	1,865,327
Equity attributable to the owners of the Company	2,709,782	2,589,874
Other equity instruments	220,000	220,000
Non-controlling interests	19,745	20,194
Total equity	2,949,527	2,830,068
Total liabilities and equity	28,568,402	26,483,592

B. Group Financial Results – Underlying Basis

Consolidated Income Statement

€ mn	FY2025	FY2024	yoy ±%	4Q2025	3Q2025	2Q2025	1Q2025	qoq ±%
Net interest income	731	822	-11%	183	180	182	186	2%
Net fee and commission income	180	177	2%	47	45	44	44	2%
Net foreign exchange gains and net gains on financial instruments	43	36	19%	17	8	9	9	107%
Net insurance result	59	46	29%	23	12	12	12	97%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	9	(1)	-	1	3	4	1	-38%
Other income	18	14	25%	2	10	3	3	-77%
Total income	1,040	1,094	-5%	273	258	254	255	6%
Staff costs	(225)	(203)	11%	(69)	(51)	(55)	(50)	37%
Other operating expenses	(161)	(164)	-2%	(45)	(40)	(39)	(37)	11%
Special levy on deposits and other levies/contributions	(42)	(39)	8%	(13)	(13)	(8)	(8)	0%
Total expenses	(428)	(406)	6%	(127)	(104)	(102)	(95)	22%
Operating profit	612	688	-11%	146	154	152	160	-5%
Loan credit losses	(35)	(30)	14%	(7)	(9)	(9)	(10)	-21%
Impairments of other financial and non-financial assets	(28)	(56)	-49%	(11)	(3)	(4)	(10)	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	0	(12)	-	4	(3)	1	(2)	-
Total loan credit losses, impairments and provisions	(63)	(98)	-36%	(14)	(15)	(12)	(22)	-5%
Profit before tax and non-recurring items	549	590	-7%	132	139	140	138	-5%
Tax	(66)	(81)	-19%	(4)	(20)	(22)	(20)	-80%
Profit attributable to non-controlling interests	(2)	(1)	168%	0	(1)	0	(1)	-33%
Profit after tax (attributable to the owners of the Company)	481	508	-5%	128	118	118	117	8%

B. Group Financial Results – Underlying Basis (continued)

Consolidated Income Statement - Key Performance Ratios

Key Performance Ratios	FY2025	FY2024	yoy \pm %	4Q2025	3Q2025	2Q2025	1Q2025	qoq \pm %
Net Interest Margin (annualised)	2.94%	3.53%	-59 bps	2.83%	2.86%	2.98%	3.13%	-3 bps
Cost to income ratio	41%	37%	4 p.p.	47%	40%	40%	37%	7 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	37%	34%	3 p.p.	42%	35%	37%	34%	7 p.p.
Operating profit return on average assets (annualised)	2.2%	2.7%	-0.5 p.p.	2.1%	2.2%	2.3%	2.4%	-0.1 p.p.
Basic earnings per share attributable to the owners of the Company (€) ¹	1.10	1.14	-0.04	0.29	0.27	0.27	0.27	0.02
Return on tangible equity (ROTE)	18.6%	21.4%	-2.8 p.p.	19.4%	18.5%	18.2%	18.3%	0.9 p.p.
Return (annualised) on tangible equity (ROTE) on 15% CET1 ratio ²	26.4%	27.6%	-1.2 p.p.	27.7%	25.9%	26.1%	25.9%	1.8 p.p.
Tangible book value per share ³ (€)	6.10	5.77	0.33	6.10	5.86	5.80	6.04	0.24
Tangible book value per share excluding the cash dividend	5.60 ⁴	5.29	0.31	5.60 ⁴	5.86	5.60 ⁵	5.56	-0.26
<ol style="list-style-type: none"> 1. The diluted earnings per share attributable to the owners of the Company for 4Q2025 amounted to €0.30 and €1.10 for FY2025 2. Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (annualised - (based on year - to - date days), divided by the quarterly average of Shareholders' equity minus intangible assets and any accrual for distribution deducted from CET1 but not from shareholders' equity and the excess CET1 capital on a 15% CET1 ratio from the tangible book value at each quarter end. 3. Tangible book value per share is calculated based on number of shares in issue at the end of the period, excluding treasury shares (where applicable) 4. Excluding proposed final cash dividend of €0.50 per ordinary share, subject to approval at the AGM scheduled on 15 May 2026 (2024: final cash dividend of €0.48 per ordinary share) 5. Excluding interim cash dividend of €0.20 per ordinary share paid in October 2025 <p>p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point</p>								

Commentary on Underlying Basis

The financial information presented in this Section provides an overview of the Group financial results for the year ended 31 December 2025 on the 'underlying basis' which management believes best fits the true measurement of the performance and position of the Group, as this presents separately any non-recurring items (where applicable) and also includes certain reclassifications of items, other than non-recurring items, which are done for presentational purposes under the underlying basis for aligning their presentation with items of a similar nature.

Reconciliations between the statutory basis and the underlying basis to facilitate the comparability of the underlying basis to the statutory information, are included in Section B.1 'Reconciliation of Consolidated Income statement for the year ended 31 December 2025 between statutory and underlying basis' and are also available in the Annual Financial Report for the year ended 31 December 2025 under 'Alternative Performance Measures Disclosures'.

B. Group Financial Results– Underlying Basis (continued)

Condensed Consolidated Balance Sheet

€ mn	31.12.2025	31.12.2024	±%
Cash and balances with central banks	7,933	7,601	4%
Loans and advances to banks	576	821	-30%
Reverse repurchase agreements	1,619	1,010	60%
Debt securities, treasury bills and equity investments	5,324	4,358	22%
Net loans and advances to customers	10,798	10,114	7%
Stock of property	372	649	-43%
Investment properties	28	36	-22%
Other assets	1,918	1,872	3%
Non-current assets and disposal groups held for sale	-	23	-100%
Total assets	28,568	26,484	8%
Deposits by banks	404	364	11%
Customer deposits	22,187	20,519	8%
Debt securities in issue	983	989	-1%
Subordinated liabilities	379	307	23%
Other liabilities	1,665	1,475	13%
Total liabilities	25,618	23,654	8%
Shareholders' equity	2,710	2,590	5%
Other equity instruments	220	220	-
Total equity excluding non-controlling interests	2,930	2,810	4%
Non-controlling interests	20	20	-2%
Total equity	2,950	2,830	4%
Total liabilities and equity	28,568	26,484	8%
Key Balance Sheet figures and ratios	31.12.2025	31.12.2024 Pro forma¹	±¹
Gross loans (€ mn)	10,955	10,261	7%
Allowance for expected loan credit losses (€ mn)	177	165	7%
Customer deposits (€ mn)	22,187	20,519	8%
Loans to deposits ratio (net)	49%	49%	-
NPE ratio	1.2%	2.0%	-80 bps
NPE coverage ratio	139%	82%	57 p.p.
Leverage ratio	10.1%	10.4%	-30 bps
Capital ratios and risk weighted assets	31.12.2025 (Regulatory²)	31.12.2024 (Regulatory³)	±
Common Equity Tier 1 (CET1) ratio (transitional)	21.0%	19.2%	180 bps
Total capital ratio (transitional)	25.9%	24.0%	190 bps
Risk weighted assets (€ mn)	10,424	10,834	-4%
1. Pro forma the NPE portfolio classified as Non-current assets and disposal groups held for sale. 2. Includes profits for the year ended 31 December 2025 net of distribution at 70% payout ratio (refer to B.2.1). 3. Includes profits for the year ended 31 December 2024 net of distribution at 50% payout ratio p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 p.p.			

B. Group Financial Results– Underlying Basis (continued)

B.1 Reconciliation of Consolidated Income Statement for the year ended 31 December 2025 between the statutory and underlying basis

€ million	Underlying basis	Other	Statutory basis
Net interest income	731	-	731
Net fee and commission income	180	-	180
Net foreign exchange gains and net gains on financial instruments	43	1	44
Net losses on derecognition of financial assets measured at amortised cost	-	(2)	(2)
Net insurance result*	59	-	59
Net gain from revaluation and disposal of investment properties and on disposal of stock of properties	9	-	9
Other income	18	-	18
Total income	1,040	(1)	1,039
Total expenses	(428)	-	(428)
Operating profit	612	(1)	611
Loan credit losses	(35)	35	-
Impairment of other financial and non-financial assets	(28)	28	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	-	-	-
Credit losses on financial assets and impairment of non-financial assets (net of reversal)	-	(62)	(62)
Profit before tax	549	-	549
Tax	(66)	-	(66)
Profit attributable to non-controlling interests	(2)	-	(2)
Profit after tax (attributable to the owners of the Company)	481	-	481

* 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 loans and advances to customers at Fair Value through Profit or Loss ('FVPL') of €1 million included in 'Loan credit losses' under the underlying basis are included in 'Net gains on financial instruments' under the statutory basis. Their classification under the underlying basis is done to align their presentation with the loan credit losses on loans and advances to customers at amortised cost.
- 'Net losses on derecognition of financial assets measured at amortised cost' of €2 million under the statutory basis comprise net losses on derecognition of loans and advances to customers 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 credit of €0.4 million presented within 'Operating profit before credit losses and impairment' under the statutory basis, are presented in conjunction with loan credit losses and impairments under the underlying basis.
- '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 of €34 million, which are included in 'Loan credit losses' under the underlying basis, and ii) a credit of €0.3 million (reversal of charge) of other financial assets and impairment net of reversals on non-financial assets of €29 million, which are included in 'Impairment of other financial and non-financial assets' under the underlying basis, as to be presented separately from loan credit losses.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis

B.2.1 Capital Base

Total equity excluding non-controlling interests totalled €2,930 mn as at 31 December 2025 compared to €2,825 mn as at 30 September 2025 and €2,810 mn as at 31 December 2024. Shareholders' equity totalled to €2,710 mn as at 31 December 2025 compared to €2,605 mn as at 30 September 2025 and €2,590 mn as at 31 December 2024.

The **regulatory Common Equity Tier 1 capital (CET1) ratio on a transitional basis** stood at 21.0% as at 31 December 2025 compared to 20.2% as at 30 September 2025 (20.5% when including profits for 3Q2025 net of distribution accrual) and to 19.2% as at 31 December 2024. Throughout this announcement, the capital ratios as at 31 December 2025 include profits for the year ended 31 December 2025, net of a deduction for the distribution in respect of 2025 earnings, following relevant recommendation by the Board of Directors to the shareholders (such ratios are referred to as regulatory). During FY2025, the CET1 ratio was positively affected by organic capital generation from profitability offset by the combined impacts of higher distribution at 70% payout and coupon payments and business growth during the year. Since September 2023, a charge is deducted from own funds in relation to the ECB prudential expectations for NPEs, which amounted to 19 bps as at 31 December 2025, compared to 26 bps as at 31 December 2024. 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 31 December 2025, the impact of these requirements was 65 bps on Group's CET1 ratio, compared to 66 bps as at 30 September 2025 and 51 bps as at 31 December 2024. 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 25.9% as at 31 December 2025, compared to 25.2% as at 30 September 2025 (or 25.4% when including profits for 3Q2025 net of distribution accrual) and to 24.0% as at 31 December 2024.

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

As at 31 December 2025, the Group's minimum phased-in CET1 capital ratio was set at **11.38%**, comprising a 4.50% Pillar I requirement, a 1.55% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.9375% and CcyB of c.0.90%. Likewise the Group's minimum phased-in Total Capital ratio requirement is set at **16.08%**, comprising an 8.00% Pillar I requirement, of which up to 1.50% can be in the form of AT1 capital and up to 2.00% in the form of T2 capital, a 2.75% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 1.9375% and CcyB of c.0.90%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) remains unchanged compared to 2024.

The Group participated in the 2025 SSM Stress Test exercise as one of the 'other SSM Significant Institutions'. Following the results of the 2025 SSM Stress Test in August 2025, the Group delivered a notable improvement on the 2023 previous exercise, evident of the robust capital position, strong organic capital generation and profitability as well the resilience of the Group's business model. The Bank was placed within the first bucket in accordance with the maximum CET1 depletion in the supervisory stress-test exercise. The Group's results by reference to both, maximum CET1 depletion and CET1 ratio at the end of the scenario horizon under the adverse scenario, compare favourably to the average outcomes of the 96 ECB stress-tested banks. As a result, pursuant to the final SREP decision received in October 2025, the ECB provided revised lower non-public guidance for an additional Pillar II CET1 buffer (P2G) compared to the 2025 levels, effective from 1 January 2026.

In June 2023, the Central Bank of Cyprus ('CBC'), following the revised methodology described in its macroprudential policy, decided to set the CcyB to 1.00% of the total risk exposure in Cyprus for each licensed credit institution incorporated in Cyprus, effective from June 2024. As a result, the CcyB for the Group as at 31 December 2025 amounted to c.0.90%. In January 2025, 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.

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%, from 2.00% 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.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.1 Capital Base (continued)

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 Group's minimum phased-in CET1 capital ratio and Total Capital ratio requirements decreased, when disregarding the increase of CcyB and the phasing in of O-SII buffer, reflecting the reduction in the Pillar II requirement. The Pillar II requirement decreased by 25 bps to 2.50%, on 1 January 2026. The Group's minimum phased-in CET1 capital ratio is set at **c.12.16%**, comprising a 4.50% Pillar I requirement, a 1.41% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 2.25% and CcyB of c.1.50%. Likewise the Group's minimum phased-in Total Capital ratio requirement is set at **16.75%**, comprising an 8.00% Pillar I requirement, of which up to 1.50% can be in the form of AT1 capital and up to 2.00% in the form of T2 capital, a 2.50% Pillar II requirement, the Capital Conservation Buffer of 2.50%, the O-SII Buffer of 2.25% and CcyB of c.1.50%. The non-public guidance for an additional Pillar II CET1 buffer (P2G) has also been revised downwards compared to 2025.

Distributions

Distribution policy from FY2025

The Group aims to provide sustainable returns to shareholders. The distribution policy was upgraded in February 2025 in order to reflect the steady sustained progress achieved over the last years, the profitability profile and medium-term outlook of the Group. Ordinary distributions are expected to be **in the range of 50-70% payout ratio** (from the previous policy of 30-50%) of the Group's adjusted recurring profitability through a combination of cash dividends (with interim dividends also being introduced) and share buybacks.

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

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

FY2025 Distribution target at 70% payout ratio

Capitalising on the Group's strong financial performance and its successful execution of its strategic targets in 2025, and in line with the Group's ongoing commitment of delivering attractive and sustainable returns to shareholders, the Company announces a total distribution of €305 mn, of which c.€87 mn was already paid in October 2025 through the introduction of interim dividend. The total distribution is in the form of cash dividend, or €0.70 per ordinary share, of which €0.20 per ordinary share was already paid in October 2025 as interim dividend (collectively, the '2025 Distribution'). The 2025 Distribution reflects a 70% payout ratio of the Group's FY2025 adjusted recurring profitability (€434 mn), at the top-end of its Distribution Policy, fulfilling its previously communicated target. The increase in both the payout ratio and total quantum signifies a step up from prior year's levels. Based on the share price as at 31 December 2025, the 2025 Distribution corresponds to a yield of 9%.

The Board of Directors of the Company has resolved to propose to the Annual General Meeting ('AGM') that will be held on 15 May 2026 for approval, a final cash dividend of €0.50 per ordinary share in respect of earnings for the year ended 31 December 2025. As a result, the total cash dividend per ordinary share out of 2025 earnings will be €0.70 per ordinary share. This is a material increase compared to prior year of €0.48 per ordinary share. Subject to approval at the AGM, the cash dividend is expected to be paid on 24 June 2026 to those shareholders on the Company's share register on 26 May 2026 ('Record date') with an Ex-Dividend date on 25 May 2026. Further details will be provided in the AGM Notice that will be published on or around 23 April 2026.

In August 2025, the Company proceeded with the declaration of an interim dividend of €0.20 per ordinary share, amounting to an aggregate of c.€87 mn ('the Interim Dividend'). This represented a c.40% payout ratio of the Group's adjusted recurring profitability for the six months ended 30 June 2025, reflecting a dividend yield of 3% (based on the share price as at 30 June 2025). The Interim Dividend was paid in cash on 20 October 2025 to those shareholders on the register of members of the Company on 23 September 2025 ('Record date') with an ex-dividend date of 22 September 2025.

The 2025 Distribution in respect of 2025 earnings is equivalent to c.290 bps on CET1 ratio as at 31 December 2025.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.1 Capital Base (continued)

Distributions (continued)

FY2024 Distribution at 50% payout ratio

In February 2025, the Company proposed a total distribution of €241 mn, comprising a cash dividend of €211 mn and a share buyback of up to €30 mn (together, the '2024 Distribution'). The 2024 Distribution corresponded to 50% payout ratio of the Group's FY2024 adjusted recurring profitability, and a 12% yield (based on the share price as at 31 December 2024), both significantly higher compared to 2023 levels.

The final dividend of €0.48 per ordinary share, nearly doubled compared to 2023 levels, was declared at the AGM on 16 May 2025 and was paid in cash on 25 June 2025. The share buyback, approved by the ECB, was completed by 16 June 2025 with 5,142,602 shares repurchased and cancelled at a volume weighted average price of €5.83 per share for a total consideration of €30 mn.

Share Capital

As at 31 December 2025, there were 435,686,031 issued ordinary shares with a nominal value of €0.10 each, flat qoq and compared to 440,502,243 as at 31 December 2024. The yearly decrease reflects the cancellation of 5,142,602 ordinary shares in July 2025, which were held as treasury shares as part of the share buyback programme announced in February 2025, partially offset by the issuance of 326,390 ordinary shares in connection with the Company's Short Term Incentive Plan and Long Term Incentive Plan.

Other equity instruments

At 31 December 2025, the Group's other equity instruments relate to Additional Tier 1 Capital Securities (the "AT1 securities") and amounted to €220 mn, flat on prior quarter.

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

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

Legislative amendments for the conversion of DTA to DTC

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

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

The Group estimates that such fees could range to c.€5 mn per year (for each tax year in scope i.e. since 2018) although the Group understands that such fee may fluctuate annually as to be determined by the Ministry of Finance. An amount of €5.4 mn was recognised in FY2025 under 'Special levy on deposits and other levies/contributions'.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.2 Regulations and Directives

B.2.2.1 The 2021 Banking Package (CRR III and CRD VI and BRRD)

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

B.2.2.2 Bank Recovery and Resolution Directive (BRRD)

Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

In December 2025, the Bank received final notification from the SRB regarding the MREL decision, by which the MREL requirement is now set at 24.03% of risk weighted assets (or 29.36% of risk weighted assets taking into account the prevailing CBR as at 31 December 2025 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 31 December 2025, calculated according to the SRB's eligibility criteria currently in effect, stood at 35.3% of RWAs (including capital used to meet the CBR) and at 13.1% of LRE (based on the regulatory Total Capital as at 31 December 2025), maintaining a comfortable buffer over the MREL requirement.

The CBR stood at 5.33% as at 31 December 2025, compared to 5.30% as at 31 December 2024. As of January 2026, the CBR increased to c.6.25%, following the phasing in of the O-SII buffer to 2.25% on 1 January 2026 as well as the increase of the CcyB rate, as explained above.

Throughout this announcement, the MREL ratio as at 31 December 2025 includes profits for the year ended 31 December 2025, net of a deduction for the distribution in respect of 2025 earnings, following relevant recommendation by the Board of Directors to the shareholders.

B.2.3 Funding and Liquidity

Funding

Deposits

Customer deposits totalled €22,187 mn at 31 December 2025 (compared to €21,455 mn at 30 September 2025 and €20,519 mn at 31 December 2024) up 8% on annual basis and 3% on a quarterly basis. Customer deposits are mainly retail-funded and 53% of deposits are protected under the deposit guarantee scheme as at 31 December 2025.

Customer deposits accounted for 78% of total assets and 87% of total liabilities at 31 December 2025 (compared to 77% of total assets and 87% of total liabilities as at 31 December 2024).

The net loans to deposits (L/D) ratio stood at 49% as at 31 December 2025, compared to 50% as at 30 September 2025 and 49% as at 31 December 2024 on the same basis, flat since the beginning of the year.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.3 Funding and Liquidity (continued)

Funding (continued)

Subordinated liabilities

At 31 December 2025, the carrying amount of the Group's subordinated liabilities amounted to €379 mn (compared to €382 mn at 30 September 2025 and €307 mn at 31 December 2024) and relate to unsecured subordinated Tier 2 Capital Notes ('T2 Notes').

In September 2025, the Company invited the holders of its outstanding €300 mn Fixed Rate Reset Tier 2 Capital Notes due October 2031 (the 'Existing Notes') to tender their Existing Notes for cash purchase by the Company at a price equal to 102.3% of the principal amount. The Company received valid tenders of c.€217 mn in aggregate principal amount, or c.72% of the outstanding Existing Notes, all of which were accepted by the Company; c.€83 mn in aggregate principal amount of the Existing Notes remained outstanding. In December 2025, the Company completed additional open market purchases of €0.3 mn in principal amount of the Tier 2 Notes. In March 2026, the Company determined to exercise its option to redeem the remaining outstanding Tier 2 Notes on 23 April 2026. As a result, a cost of c.€5 mn was recorded in income statement (within net foreign exchange gains and net gains on financial instruments) in 3Q2025, foregoing the relevant future coupon obligations. At the same time, a gain of approximately €1.7 mn has been realised from the unwinding of the relevant hedging instrument.

At the same time the Company issued €300 mn unsecured and subordinated Tier 2 Capital Notes (the 'New Notes'). The New Notes were priced at 99.632% with a fixed coupon of 4.25% per annum, payable annually in arrear, and resettable on 18 September 2031 and have a yield of 4.321%. The maturity date of the New Notes is on 18 September 2036. The Company will have the option to redeem the New Notes early on any day during the six-month period commencing on 18 March 2031 to, and including, 18 September 2031, subject to applicable regulatory approvals and the relevant conditions to redemption. The New Notes are rated Ba1 by Moody's Investors Service.

The proceeds of the issue of the New Notes were on-lent by BOC Holdings to its subsidiary, Bank of Cyprus Public Company Limited (the 'Bank'), and were used by the Bank for general funding purposes. The on-loan is intended to qualify as Tier 2 capital for the Bank.

The issuance of the New Notes will maintain the Group's optimised capital structure and contributes to the Group's Total Capital Ratio by c.300 bps.

Debt securities in issue

At 31 December 2025, the carrying value of the Group's debt securities in issue amounted to €983 mn (compared to €973 mn at 30 September 2025 and €989 mn at 31 December 2024) and relate to senior preferred notes.

In April 2024, the Bank successfully launched and priced an issuance of €300 mn green senior preferred notes (the 'Green Notes'). The Green Notes were priced at par with a fixed coupon of 5% per annum, payable in arrear, until the Option redemption date i.e. 2 May 2028. The maturity date of the Green Notes is 2 May 2029; however, the Bank may, at its discretion, redeem the Green Notes on the Optional Redemption Date subject to meeting certain conditions (including applicable regulatory consents) as specified in the Terms and Conditions.

If the Green 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 + 197.1 bps, payable quarterly in arrears. The transaction represented the Bank's inaugural green bond issuance in line with the Group's Beyond Banking approach, aimed at creating a stronger, safer and future-focused Bank and leading the transition of Cyprus to a sustainable future. An amount equivalent to the net proceeds of the Green Notes was allocated to Eligible Green Projects as described in the Bank's Sustainable Finance Framework, which include Green Buildings, Energy Efficiency, Clean Transport and Renewable Energy.

In July 2023, the Bank successfully launched and priced an issuance of €350 mn of senior preferred notes (the 'Notes'). The Notes were priced at par with a fixed coupon of 7.375% per annum, payable annually in arrear, until the Optional Redemption Date i.e. 25 July 2027. The maturity date of the Notes is 25 July 2028; 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 + 409.5 bps, payable quarterly in arrear.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.3 Funding and Liquidity (continued)

Funding (continued)

Debt securities in issue (continued)

In June 2021, the Bank executed its inaugural MREL transaction issuing €300 mn of senior preferred notes (the ‘SP Notes’). The SP Notes were priced at par with a fixed coupon of 2.50% per annum, payable annually in arrears and resettable on 24 June 2026. The maturity date of the SP Notes is 24 June 2027, and the Bank may, at its discretion, redeem the SP Notes on 24 June 2026, subject to meeting certain conditions as specified in the Terms and Conditions, including applicable regulatory consents.

All issuances of senior preferred notes comply with the criteria for the Minimum Requirement for Own Funds and Eligible Liabilities (“MREL”) and contribute towards the Bank’s MREL requirements.

Liquidity

At 31 December 2025, the Group Liquidity Coverage Ratio (LCR) stood at 321% (compared to 313% at 30 September 2025 and 309% at 31 December 2024), well above the minimum regulatory requirement of 100%. The LCR surplus as at 31 December 2025 amounted to €9.2 bn (compared to €8.5 bn at 30 September 2025 and €8.1 bn at 31 December 2024, up 8% on the prior quarter, reflecting the increase in customer deposits).

At 31 December 2025, the Group Net Stable Funding Ratio (NSFR) stood at 171% (compared to 169% at 30 September 2025 and 162% as at 31 December 2024), well above the minimum regulatory requirement of 100%.

B.2.4 Loans

Group **gross loans** totalled €10,955 mn at 31 December 2025, compared to €10,801 mn at 30 September 2025 and €10,261 mn at 31 December 2024, up 7% since the beginning of the year, growing across all business lines. The Group’s gross performing loans increased by 8% since the beginning of the year to €10.87 bn.

New lending granted remained high throughout 2025 and reached €762 mn for 4Q2025, compared to €635 mn for 3Q2025, up by 20% qoq. New lending in 4Q2025 comprised €209 mn of corporate loans, €235 mn of retail loans (of which €162 mn were housing loans), €66 mn of SME loans and €252 mn of international loans. New lending for FY2025 totalled almost €3.0 bn, up 23% yoy, representing growth across all business lines, mainly supported by corporate and international demand.

At 31 December 2025, the Group net loans and advances to customers totalled €10,798 mn (compared to €10,654 mn at 30 September 2025 and €10,114 mn at 31 December 2024) up 7% since December 2024.

Group gross loans, group net loans and advances to customers and non-performing exposures are presented pro forma for the NPE portfolios classified as non-current assets and disposal groups held for sale, where applicable (i.e. September 2025 and December 2024), unless otherwise stated. As a result, the NPE ratio and NPE coverage are presented on a pro forma basis as well, where applicable.

B.2.5 Loan portfolio quality

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

The loan credit losses for 4Q2025 amounted to €7 mn, down 21% qoq, and totalled €35 mn for FY2025. Further details regarding loan credit losses are provided in Section B.3.3 ‘Profit before tax’.

Non-performing exposures

Non-performing exposures (NPEs) as defined by the European Banking Authority (EBA) were reduced by €7 mn, or 6% on a quarterly basis, to €127 mn as at 31 December 2025 (compared to €134 mn as at 30 September 2025 and €202 mn as at 31 December 2024).

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

B.2.5 Loan portfolio quality (continued)

Non-performing exposures (continued)

As a result, the NPEs reduced to 1.2% of gross loans as at 31 December 2025, flat on prior quarter and compared to 2.0% as at 31 December 2024.

The NPE coverage ratio stands at 139% at 31 December 2025, compared to 124% at 30 September 2025 and 82% at 31 December 2024.

Agreement for the sale of NPEs

In September 2025, the Bank entered into an agreement with funds associated with Cerberus Global Investments B.V. to sell a non-performing loan book of mainly retail secured exposures with a contractual balance of c.€149 mn and a gross book value of €35 mn as at 30 September 2025 (the 'Transaction'). The Transaction was completed in December 2025 and was broadly neutral to both the income statement and capital position.

In September 2024, the Bank entered into an agreement with funds associated with Cerberus Global Investments B.V. to sell a non-performing loan portfolio of mainly corporate secured exposures with a contractual balance of c.€149 mn and a gross book value of c.€27 mn as at 30 June 2024.

In December 2024 the Bank entered into an additional agreement with funds associated with Cerberus Global Investments B.V. for the sale of a non-performing loan portfolio of mainly retail and SME exposures, with a contractual balance of c.€193 mn and a gross book value of c.€39 mn as at 31 December 2024.

As at 31 December 2024, the transactions were classified as non-current assets held for sale and their gross book value and net book value amounted to €55 mn and €23 mn respectively. The transactions were completed in 1Q2025 and were broadly neutral to both the income statement and capital position.

B.2.6 Fixed income portfolio

Fixed income portfolio amounts to €5,131 mn as at 31 December 2025, compared to €4,911 mn as at 30 September 2025 and €4,212 mn as at 31 December 2024, increased by 4% on the prior quarter and by 22% on prior year. As at 31 December 2025, the portfolio represents 18% of total assets and comprises €4,765 mn (93%) measured at amortised cost, €347 mn (7%) at fair value through other comprehensive income ('FVOCI') and €19 mn (<1%) at fair value through profit or loss ('FVTPL').

The fixed income portfolio measured at amortised cost is held to maturity and therefore no fair value gains/losses are recognised 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 31 December 2025 has an unrealised fair value gain of €23 mn, equivalent to c.20 bps of CET1 ratio (compared to an unrealised fair value gain of €32 mn as at 31 December 2024).

B.2.7 Reverse repurchase agreements

Reverse repurchase agreements amount to €1,619 mn as at 31 December 2025, compared to €1,322 mn as at 30 September 2025 and €1,010 mn as at 31 December 2024. The quarterly increase relates to additional reverse repurchase agreements of short-term nature. The average fixed rate of reverse repurchase agreements is c.2.6% p.a. and the remaining average maturity is estimated at c.1 year.

B.2.8 Real Estate Management Unit (REMU)

The **Real Estate Management Unit (REMU)** is focused on the disposal of on-boarded properties resulting from debt for asset swaps. Cumulative sales of repossessed assets since the beginning of 2019 amount to c.€1.4 bn and exceed properties on-boarded in the same period of €0.5 bn.

During the year ended 31 December 2025, REMU completed disposals of €264 mn in book value (compared to disposals of €175 mn in FY2024), resulting in a gain on disposal of c.€12 mn for FY2025 (compared to a net gain of €1 mn for FY2024). Asset disposals are across all property classes, with 43% of sales in gross sale value in FY2025 relating to land.

B. Group Financial Results – Underlying Basis (continued)

B.2 Balance Sheet Analysis (continued)

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

During the year ended 31 December 2025, REMU executed sale-purchase agreements (SPAs) for disposals of 382 properties with contract value of €290 mn, compared to SPAs for disposals of 486 properties with contract value of €194 mn for FY2024.

In addition, as at 31 December 2025, REMU maintains a pipeline of €18 mn by contract value, of which half related to SPAs signed, (compared to a pipeline of €42 mn as at 31 December 2024, of which €24 mn related to SPAs signed).

REMU on-boarded €10 mn of assets in FY2025 (compared to additions of €30 mn in FY2024), via the execution of debt for asset swaps and repossessed properties.

As at 31 December 2025, repossessed properties held by REMU had a carrying value of €377 mn, compared to €419 mn as at 30 September 2025 and €660 mn as at 31 December 2024, reduced by 43% yoy reflecting mainly the sale of REMU's largest property in June 2025. Since June 2025, REMU early-achieved its target of reducing its portfolio to approximately €500 mn.

Assets held by REMU

Repossessed Assets held by REMU (Group) € mn	FY2025	FY2024	yoy ±%	4Q2025	3Q2025	qoq ±%
Opening balance	660	862	-23%	419	442	-5%
On-boarded assets	10	30	-66%	1	1	-32%
Sales	(264)	(175)	51%	(33)	(20)	63%
Net impairment loss	(28)	(57)	-51%	(9)	(4)	83%
Transfers to non-current assets and disposal groups held for sale	(1)	-	-	(1)	-	-
Closing balance	377	660	-43%	377	419	-10%

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

31 December 2024 (€ mn)	Cyprus	Greece	Total
Residential properties	46	6	52
Offices and other commercial properties	74	8	82
Manufacturing and industrial properties	15	10	25
Land (fields and plots)	349	3	352
Golf courses and golf-related property	149	-	149
Total	633	27	660

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis

B.3.1 Total income

€ mn	FY2025	FY2024	yoy ±%	4Q2025	3Q2025	2Q2025	1Q2025	qoq±%
Net interest income	731	822	-11%	183	180	182	186	2%
Net fee and commission income	180	177	2%	47	45	44	44	2%
Net foreign exchange gains and net gains on financial instruments	43	36	19%	17	8	9	9	107%
Net insurance result	59	46	29%	23	12	12	12	97%
Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties	9	(1)	-	1	3	4	1	-38%
Other income	18	14	25%	2	10	3	3	-77%
Non-interest income	309	272	14%	90	78	72	69	16%
Total income	1,040	1,094	-5%	273	258	254	255	6%
Net Interest Margin (annualised)	2.94%	3.53%	-59 bps	2.83%	2.86%	2.98%	3.13%	-3 bps
Average interest earning assets (€ mn)	24,847	23,271	7%	25,690	24,986	24,465	24,104	3%

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

Net interest income (NII) for FY2025 amounted to €731 mn compared to €822 mn for FY2024, down 11% yoy. The yoy decrease reflects mainly the reduction in the reference rates, partially offset by the continued volume increase of deposits and loans, the well managed cost of deposits as well as the hedging actions.

Net interest income (NII) for 4Q2025 stood at €183 mn (compared to €180 mn for 3Q2025, up by 2% qoq), reflecting seasonally strong deposit growth in the quarter as well as the growth in loan book and fixed income portfolio.

Quarterly average interest earning assets (AIEA) for FY2025 amounted to €24,847 mn, compared to €23,271 mn for FY2024. Quarterly average interest earning assets (AIEA) were up 7% yoy, due to the increase in liquid assets mainly as a result of the increase of deposits by c.€1.7 bn.

Quarterly average interest earning assets (AIEA) for 4Q2025 amounted to €25,690 mn, up 3% qoq.

Net interest margin (NIM) for FY2025 amounted to 2.94% (compared to 3.53% for FY2024) down 59 bps yoy. The yoy reduction is attributed to the decrease in the reference rates as explained above.

Net interest margin (NIM) for 4Q2025 amounted to 2.83% (compared to 2.86% for 3Q2025) reflecting the repricing of assets to reference rates.

Non-interest income for FY2025 amounted to €309 mn (compared to €272 mn for FY2024, up 14% yoy) comprising net fee and commission income of €180 mn, net foreign exchange gains and net gains on financial instruments of €43 mn, net insurance result of €59 mn, net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties of €9 mn and other income of €18 mn. All components of non-interest income experienced growth yoy.

Non-interest income for 4Q2025 amounted to €90 mn (compared to €78 mn for 3Q2025, up 16% qoq) comprising net fee and commission income of €47 mn, net foreign exchange gains and net gains on financial instruments of €17 mn, net insurance result of €23 mn, net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties of €1 mn and other income of €2 mn. The qoq increase is mainly due to the higher net insurance result, higher net foreign exchange gains and net gains on financial instruments, partially offset by the lower insurance reimbursement included in other income compared to the previous quarter (€2 mn in 4Q2025 vs €8 mn in 3Q2025).

Net fee and commission income for FY2025 amounted to €180 mn (compared to €177 mn for FY2024, up 2% yoy). The yoy increase primarily reflects higher non-transactional fees.

Net fee and commission income for 4Q2025 amounted to €47 mn, compared to €45 mn for 3Q2025, up 2% qoq, mainly due to higher non-transactional fees in the fourth quarter.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.1 Total income (continued)

Net foreign exchange gains and net gains on financial instruments amounted to €43 mn for FY2025 compared to €36 mn prior year, up 19% yoy, comprising a net foreign exchange gain of c.€29 mn (including c.€16 mn customer-related foreign exchange gains) and a net gain on financial instruments of c.€14 mn. The yoy increase is mainly due to higher net gains on financial instruments partially offset by the net cost of c.€3.5 mn for the repurchase of Tier 2 notes in September 2025. Customer-related foreign exchange gains are considered as recurring contributors to the Group's profitability, while the remaining elements of net foreign exchange gains and net gains on financial instruments are considered as volatile profit contributors.

Net foreign exchange gains and net gains on financial instruments amounted to €17 mn for 4Q2025 compared to €8 mn for 3Q2025, comprising a net foreign exchange gain of c.€7 mn (including c.€4 mn customer-related foreign exchange gains) and a net gain on financial instruments of c.€10 mn. The quarterly increase is primarily driven by higher net gains on financial instruments.

Net insurance result amounted to €59 mn for FY2025 (compared to €46 mn for FY2024, up 29% yoy). Net insurance result for the year includes the positive impact on the remeasurement of life insurance liabilities from the abolition of premium tax on life insurance policies voted as part of the latest tax reform effective from 1 January 2026 of c.€5 mn, while net insurance result in the prior year included a loss of €3 mn arising from model's recalibration in life insurance. When disregarding these items, net insurance result increased by 11% yoy, reflecting the contribution from the acquisition of Ethniki Insurance Cyprus Ltd which was completed in July 2025 (c.€3 mn) as well as the positive impact arising from the decrease in loss component due to the updated actuarial assumptions of the life insurance.

Net insurance result amounted to €23 mn for 4Q2025, compared to €12 mn in 3Q2025. The quarterly increase reflects the positive impact of the premium tax abolition of c.€5 mn (as explained above), the contribution from the acquisition of Ethniki Insurance Cyprus Ltd and the positive impact from the updated actuarial assumptions of life insurance, as explained above.

Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties of a net profit of €9 mn for FY2025 (comprising of c.€11.5 mn gain on disposal of stock of properties and investment properties, and net loss from revaluation of investment properties of c.€2 mn) compared to net loss of €1 mn in FY2024. The yoy increase reflects the elevated REMU sales performed in the year, in line with the Group's disposal acceleration strategy. REMU profits remain volatile.

Net gains/(losses) from revaluation and disposal of investment properties and on disposal of stock of properties of €1 mn for 4Q2025 compared to €3 mn in 3Q2025.

Total income amounted to €1,040 mn for FY2025 (compared to €1,094 mn for FY2024, down 5% yoy) mainly due to lower net interest income, as explained above. Total income amounted to €273 mn for 4Q2025, compared to €258 mn for 3Q2025.

B. Group Financial Results – Underlying Basis (continued)

B.3. Income Statement Analysis (continued)

B.3.2 Total expenses

€ mn	FY2025	FY2024	yoy ±%	4Q2025	3Q2025	2Q2025	1Q2025	qoq ±%
Staff costs	(225)	(203)	11%	(69)	(51)	(55)	(50)	37%
Other operating expenses	(161)	(164)	-2%	(45)	(40)	(39)	(37)	11%
Total operating expenses	(386)	(367)	5%	(114)	(91)	(94)	(87)	26%
Special levy on deposits and other levies/contributions	(42)	(39)	8%	(13)	(13)	(8)	(8)	0%
Total expenses	(428)	(406)	6%	(127)	(104)	(102)	(95)	22%
Cost to income ratio	41%	37%	4 p.p.	47%	40%	40%	37%	7 p.p.
Cost to income ratio excluding special levy on deposits and other levies/contributions	37%	34%	3 p.p.	42%	35%	37%	34%	7 p.p.
p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point								

Total expenses for FY2025 were €428 mn (compared to €406 mn for FY2024, up 6% yoy), 52% of which related to staff costs (€225 mn), 38% to other operating expenses (€161 mn) and 10% to special levy on deposits and other levies/contributions (€42 mn). The yoy increase is mainly driven by higher staff costs. Total expenses for 4Q2025 were €127 mn (compared to €104 mn for 3Q2025, up 22% qoq), due to higher staff costs and other operating expenses.

Total operating expenses amounted to €386 mn for FY2025 (compared to €367 mn for FY2024, up 5% yoy). The yoy increase relates to higher staff costs. Total operating expenses amounted to €114 mn for 4Q2025 (compared to €91 mn for 3Q2025, up 26% qoq), due to higher staff costs and seasonally higher other operating expenses.

Staff costs for FY2025 were €225 mn (compared to €203 mn for FY2024, up 11% yoy) and include €17 mn performance-related pay accrual and €19 mn termination cost (compared to €11 mn performance-related pay accrual and c.€9.5 mn termination cost in FY2024). Net of these accruals, staff costs increased by 4% yoy, reflecting mainly salary increments and cost of living adjustments (COLA), which typically take place in the first month of the year. During FY2025 a small-scale, targeted Voluntary Staff Exit Plan ('VEP') took place, by which c.110 full-time employees were approved to leave the Group at a total cost of €19 mn. Staff costs for 4Q2025 were €69 mn (compared to €51 mn for 3Q2025, up 37% qoq reflecting mainly the recognition of the cost of the small-scale VEP that was concluded in 4Q2025).

The performance-related pay accrual relates to the Short-Term Incentive Plan ('STIP') and the Long-Term Incentive Plan ('LTIP'). The Short-Term Incentive Plan involves variable remuneration to selected employees and will be 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. In addition, in FY2025 a net amount of €3.9 mn relates to additional cost for variable pay for FY2024 and FY2025 as agreed as part of the agreement reached for the collective agreement renewal in December 2025.

The LTIP was approved by the 2022 AGM, which took place on 20 May 2022. The LTIP involves the granting of share awards and is driven by scorecard achievement, with measures and targets set to align pay outcomes with the delivery of the Group's strategy. Currently, under the plan, the employees eligible for LTIP awards are the members of the Extended EXCO, including the executive directors. The LTIP stipulates that performance will be measured over a 3-year period and sets financial and non-financial objectives to be achieved. At the end of the performance period, the performance outcome will be used to assess the percentage of the awards that will vest. Annual cycles of LTIP awards with a three year performance period have been granted since 2022 with the latest in March 2025 for 2025 LTIP Cycle, with a maximum of 278,440 share awards granted to 21 eligible employees, comprising the Extended Executive Committee of the Group. The awards granted in March 2025 are subject to a three-year performance period 2025-2027 (with all performance conditions being non-market performance conditions).

These shares 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 31 December 2025, the Group employed 2,850 persons compared to 2,946 persons as at 30 September 2025 and to 2,880 persons as at 31 December 2024.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.2 Total expenses (continued)

Other operating expenses for FY2025 amounted to €161 mn, compared to €164 mn for FY2024, down 2% yoy, reflecting higher professional fees for the ATHEX listing in prior year as well the cost for the targeted scheme to reward performing borrowers offered in prior year to compensate for the increased interest rates, partially offset by higher IT and systems spending. Other operating expenses for 4Q2025 amounted to €45 mn, compared to €40 mn for 3Q2025, up 11% qoq, mainly due to seasonally higher marketing expenses and IT and systems spending.

Special levy on deposits and other levies/contributions for FY2025 amounted to €42 mn (compared to €39 mn for FY2024, up 8% yoy), driven by the increase of deposits by €1.7 bn yoy and the additional contributions for the increased target level of the Deposit Guarantee Fund ('DGF') for the covered deposits from 0.8% to 1.25% effective from July 2025. The contributions on DGF will be made on a semi-annual basis from authorised institutions to reach the target level over a period of 5 years (i.e. June 2030). Special levy on deposits and other levies/contributions for 4Q2025 amounted to €13 mn, flat qoq, reflecting the special levy on deposits and the levy in the form of annual guarantee fee relating to the income tax legislation for the conversion of specific deferred tax assets (DTA) into deferred tax credits (DTC) of c.€5.4 mn in 4Q2025 compared to 3Q2025 which reflects the the special levy on deposits and the contribution of the Bank to the DGF of c.€5.5 mn which relates to 2H2025.

The **cost to income ratio excluding special levy on deposits and other levies/contributions** for FY2025 was 37% (compared to 34% for FY2024), mainly reflecting lower income on lower interest rate environment, as explained above. The cost to income ratio excluding special levy on deposits and other levies/contributions for 4Q2025 was 42% (compared to 35% for 3Q2025), reflecting mainly the small-scale VEP recorded in staff costs.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

B.3.3 Profit before tax

€ mn	FY2025	FY2024	yoy +%	4Q2025	3Q2025	2Q2025	1Q2025	qoq +%
Operating profit	612	688	-11%	146	154	152	160	-5%
Loan credit losses	(35)	(30)	14%	(7)	(9)	(9)	(10)	-21%
Impairments of other financial and non-financial assets	(28)	(56)	-49%	(11)	(3)	(4)	(10)	-
Provisions for pending litigation, claims, regulatory and other matters (net of reversals)	0	(12)	-	4	(3)	1	(2)	-
Total loan credit losses, impairments and provisions	(63)	(98)	-36%	(14)	(15)	(12)	(22)	-5%
Profit before tax	549	590	-7%	132	139	140	138	-5%
Cost of risk	0.33%	0.30%	3 bps	0.26%	0.33%	0.32%	0.39%	-7 bps
p.p. = percentage points, bps = basis points, 100 basis points (bps) = 1 percentage point								

Operating profit for FY2025 amounted to €612 mn, compared to €688 mn for FY2024, down by 11% yoy, reflecting mainly the reduction in net interest income as explained above. Operating profit for 4Q2025 amounted to €146 mn, compared to €154 mn for 3Q2025.

Loan credit losses for FY2025 amounted to €35 mn, corresponding to a cost of risk of 33 bps compared to €30 mn for FY2024, and a cost of risk of 30 bps, up 14% yoy, mainly due to the recognition of more conservative macroeconomic assumptions on the adverse scenario to account for heightened global economic uncertainty, applied since 1Q2025. Loan credit losses for 4Q2025 were €7 mn, equivalent to a cost of risk of 26 bps, of which c.€4 mn relates to the introduction of an ESG overlay. Overall the cost of risk reflects continued robust performance of the credit portfolio.

At 31 December 2025, the allowance for expected loan credit losses, including credit losses on off-balance sheet exposures (please refer to Section F. 'Definitions and Explanations' for definition) totalled €177 mn (compared to €166 mn at 30 September 2025 and €165 mn as at 31 December 2024 pro forma for HFS) and accounted for 1.6% of gross loans (compared to 1.5% at 30 September 2025 and 1.6% as at 31 December 2024, calculated on the same basis).

Impairments of other financial and non-financial assets for FY2025 amounted to €28 mn (compared to €56 mn for FY2024), down 49% yoy, and relate mainly to REMU stock properties; the yearly reduction relates mainly to the significant progress of running down the REMU stock properties during FY2025. The impairments of other financial and non-financial assets for 4Q2025 amounted to €11 mn (compared to €3 mn for 3Q2025) and relate mainly to REMU stock properties due to the ageing of the stock, updated valuations and impairments on specific, illiquid properties.

Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for FY2025 were almost nil, compared to a €12 mn for FY2024, as the charge for the year was offset by the one-off net credit recorded in the 4Q2025, as outlined next. Provisions for pending litigation, claims, regulatory and other matters (net of reversals) for 4Q2025 amounted to a net credit of €4 mn, compared to a net charge of €3 mn for 3Q2025, reflecting primarily a one-off insurance reimbursement relating to past litigation and litigation related costs partially offset by a charge for legacy matters in connection with the reinstatement of bailed-in provident funds following an in-principle agreement reached with the Cyprus Government in November 2025.

Profit before tax for FY2025 totalled to €549 mn, compared to €590 mn for FY2024. Profit before tax for 4Q2025 totalled to €132 mn, compared to €139 mn for 3Q2025.

B. Group Financial Results – Underlying Basis (continued)

B.3 Income Statement Analysis (continued)

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

€ mn	FY2025	FY2024	yoy +%	4Q2025	3Q2025	2Q2025	1Q2025	qoq +%
Profit before tax and non-recurring items	549	590	-7%	132	139	140	138	-5%
Tax	(66)	(81)	-19%	(4)	(20)	(22)	(20)	-80%
(Profit)/loss attributable to non-controlling interests	(2)	(1)	168%	0	(1)	0	(1)	-33%
Profit after tax (attributable to the owners of the Company)	481	508	-5%	128	118	118	117	8%

The **tax charge** for FY2025 amounted to €66 mn compared to €81 mn for FY2024. The tax charge for 4Q2025 amounted to €4 mn compared to €20 mn for 3Q2025, as the quarterly tax charge was partially offset by a net positive impact arising from a latest tax reform, primarily on the remeasurement of the net deferred tax asset position (corporation tax rate has been revised from 12.5% to 15% effective from 1 January 2026). This impact is non-cash and will be reversed in the following years through the higher corporation tax liability and arises solely from the prescribed accounting treatment for deferred taxes.

The Group is in scope of the Cyprus Pillar Two Law (Law 151(I)/2024), which provides for a minimum effective tax rate of 15% for the global activities of large multinational groups, however it benefits from transitional provisions which results in zeroing any top up tax liability in Cyprus.

In December 2025 the Cyprus Parliament passed a number of legislative bills into law, the provisions of which constitute the Cyprus Tax Reform. The amendments aim to stimulate economic growth, enhance tax administration and improve tax compliance and affect both individuals and corporation. As part of the laws voted, the Income Tax Law of 2002 (118(I)/2002) has been amended and amongst other it increases the corporate income tax rate to 15%, effective from 1 January 2026. Other changes relate to the abolition of deemed distributions rules and the reduction of withholding tax on dividend payments made to Cyprus tax resident and domiciled individuals is reduced from 17% to 5% on dividends distributed from profits arising from 1 January 2026 onwards.

Profit after tax attributable to the owners of the Company for FY2025 amounts to €481 mn corresponding to a ROTE of 18.6%, compared to €508 mn for FY2024 (and a ROTE of 21.4% for FY2024). ROTE on 15% CET1 ratio for FY2025 amounts to 26.4%, compared to 27.6% for FY2024 calculated on the same basis. Profit after tax attributable to the owners of the Company for 4Q2025 amounts to €128 mn corresponding to a ROTE of 19.4% for 4Q2025, compared to €118 mn and a ROTE of 18.5% for 3Q2025. ROTE on 15% CET1 ratio for 4Q2025 increases to 27.7%, compared to 25.9% for 3Q2025, calculated on the same basis. The adjusted recurring profitability used for the Group's distribution policy (i.e. defined as the Group's profit after tax (attributable to the owners of the Company) as reported, adjusted for the results of certain one-off items (e.g. capital gains, certain write-downs/write-ups relating to certain re-organisation activities and/or legacy related, as well as material non-cash transactions impacting the profitability) that fall outside the ordinary course of our business and are items that Management and investors would ordinarily identify and consider separately to better understand the underlying trends in the business and after taking into account distributions under other equity instruments such as the annual AT1 coupon) amounted to €94 mn for 4Q2025 compared to €118 mn for 3Q2025 and totals to €434 mn for FY2025, compared to €482 mn for FY2024.

C. Operating Environment

The Cypriot economy has continued to be resilient and with strong GDP growth in recent years, consistently being one of the top performers in Eurozone, 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.

As a result, Cyprus' sovereign rating continues to be upgraded, 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, recognising the robust growth performance, the strong fiscal dynamics and declining public debt, as well as the marked improvement in financial system stability.

The positive momentum of 2025, during which GDP grew by 3.8%, is expected to remain strong at c.3% in the coming years. Private consumption is expected to remain the key driver of growth, while export performance is also projected to continue to benefit from growing tourist receipts and a dynamic outlook for services, particularly related to Information and Communication Technology. The moderation of the main commodity prices, and especially oil, also supports domestic demand given Cyprus' high dependence on oil imports, with inflation having already eased materially, especially over the past few months where it has been the lowest in the Eurozone.

Employment growth remains robust, growing by 1% in the first nine months of 2025, below the levels observed in 2024, given the full employment conditions prevailing. Labour productivity over the same period increased by 2.5%, higher than the 1.8% level observed in 2024. These developments suggest that productivity growth remains a strong contributor to overall growth in the economy with efficiency improving, demonstrated by the increased ability to generate output per worker, something that is particularly important given the prevailing full employment conditions. The unemployment rate, after briefly rising during the pandemic period, has been declining since, averaging 4.9% in 2024, further dropping to 4.4% in the third quarter of 2025.

Inflation, as measured by the Harmonised Index of Consumer Prices, 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 drop is mainly driven by lower energy prices and to a lesser extent by a decline in food prices, a behaviour in line with the global oil price developments over the course of the year. Core inflation, i.e. excluding energy and food, was near the 2% target, at 1.9% in 2025, driven by elevated services inflation.

In public finances, the budget surplus reached 3.2% in the January-November 2025 period, after standing at 4.3% of GDP in 2024. This was driven by revenue growth, 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 57% in November 2025, down from 63% in the end of 2024. 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 be around 53% by the end of 2026 and lower than 50% 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 by more than 60% over the past decade and is now among the lowest in Europe. This deleveraging phase now appears to have ended, with total domestic loans excluding the government growing by 2% in the first eleven months of 2025, reaching €20.7 bn, or approximately 57% of GDP. Loans to non-financial companies were about 25% and loans to households about 30% of GDP, with housing loans at 24%.

The non-performing exposures ratio in the Cyprus banking sector continued its decline, standing at 4.2% of total exposures, or €1.1bn in October 2025, driven by both loan sales and organic reductions. The provision coverage ratio accounted for approximately 81% of non-performing exposures, with around half of the current non-performing loans consisting of restructured facilities. This steady progress in the banking sector continues to strengthen the sector's shock absorption capacity.

The current account deficit remains elevated, driven by primary income imbalances and sustained imports of goods, a result of high Foreign Direct Investment (FDI). Higher imports are balanced by the sustained increases in services exports, including tourism, with revenues up by 15% in the first eleven months of 2025. The deficit stood at 8.5% of GDP in 2024 with the first half of 2025 registering very similar performance. The current account deficit has been funded by net FDI inflows. The economy's gross external debt (excluding Special Purpose Entities) continues to decrease.

C. Operating Environment (continued)

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. Delays in the implementation of the Recovery and Resilience Plan may also hinder growth, with a potential rise in oil prices from its recent low levels expected to have an impact on inflation.

Internationally, the ongoing conflict between Israel, the United States, and Iran – which began in March 2026 and has drawn in additional countries – is straining global oil and gas supplies. Depending on how long the war lasts, this could fuel inflationary pressures. As things stand, the conflict risks creating heightened and prolonged geopolitical instability, trade restrictions, disruptions to global supply chains, and rising energy prices, all of which could intensify global inflation and negatively affect financial markets and economic activity. Secondary effects—such as central bank responses or Europe's ability to secure sufficient energy supplies—are difficult to anticipate and 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 the duration of the conflict. 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, the conflict could still adversely affect 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, and disruptions to trade.

At the same time, developments in US trade policies have significantly increased global trade uncertainty and are widely expected to have a dampening effect on the global economy, as well as increase price pressures, especially in the United States. The US-EU trade agreement, which includes a tariff rate of 15% on European goods exported to the US, without any retaliatory actions by the EU, materially eases trade policy uncertainty and provides a more stable environment. Nonetheless, the trade deal makes EU products less competitive in the US, suggesting lower corporate profits for at least some exporters. This could potentially add to recessionary pressures and push the euro exchange rate lower. Although Cyprus has limited exports of goods to the US, the country might experience indirect effects via lower growth in Europe and the US, as well as overall limited trade flows. Finally, the continued increase in public debt to very high levels by some countries across the world could potentially hinder growth when the time for spending cuts occurs.

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, with the implementation of the Recovery and Resilience Plan requiring 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 November 2025, **S&P Global Ratings** raised Cyprus' outlook to positive from stable 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, driven by public and private external deleveraging as well as continuously high services exports. The agency also notes the improved fiscal performance and that consumption will continue to benefit from a healthy labour market and strong real income growth.

Similarly, also in November 2025, **Fitch Ratings** raised Cyprus' outlook to positive from stable keeping the long-term foreign currency issuer default rating to A-. The affirmation of Cyprus' rating reflects the continued positive fiscal developments, income per capita levels above the A median, and policy credibility supported by EU and eurozone membership, as well as the growth outlook and the improvements in the financial sector.

Moody's Investors Service affirmed in November 2025 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 significant economic resiliency and robust medium-term growth prospects, good institutional capacity and effective policymaking and the positive debt trend and solid debt affordability metrics.

DBRS Ratings GmbH (DBRS Morningstar) upgraded Cyprus' Long-Term Foreign and Local Currency – Issuer Ratings to A from A (low) in September 2025, after an upgrade in May, with a stable trend. The rating agency notes that the upgrade reflects the sharp decrease of the public debt burden in recent years and the agency's expectation that public debt metrics will continue to materially improve over the next years. This is further supported by a stable political environment and a comparatively strong pace of economic growth.

D. Business Overview

Credit ratings

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

Financial performance

The Group is a leading player in the financial sector in Cyprus, with a diversified and sustainable business model. The Group's financial performance for the year ended 31 December 2025 remained strong, delivering ROTE of 18.6% and earnings per share of €1.10, delivering strong organic capital generation of 436 bps. The Group experienced strong volume growth in deposits and loans in the year, enhancing the resilience of the Group's net interest income on lower interest rates, and maintained strong cost discipline and asset quality. As a result, the Group's tangible book value per share continued to improve, growing by 6% on prior year to €6.10.

Interest rate environment

The structure of the Group's balance sheet remains highly liquid. As at 31 December 2025, cash and balances with ECB amounted to €7.9 bn. In addition, 44% of the Group's loan portfolio is Euribor based. Net interest income for the year ended 31 December 2025 amounted to €731 mn, down 11% yoy reflecting the interest rate normalisation.

During the year ended 31 December 2025, the Group continued its hedging activities to further reduce 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 year ended 31 December 2025, the Group carried out additional hedging activities of €3.1 bn, totaling €12.1 bn by the period end, representing 47% of interest earning assets. The average fixed rate of receive fixed interest rate swaps and reverse repos is 2.6%. Additionally, 21% of the Group's loan portfolio is linked with the Bank's base rate which provides a natural hedge against the cost of deposits of household time and notice deposit. In addition, 11% of the Group's loan portfolio is fixed rated. Furthermore, the Group's fixed income portfolio represents 18% of total assets and amounts to €5.1 bn as at 31 December 2025. 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 €15 mn (c.50% reduction) since 31 December 2022.

Growing revenues in a more capital efficient way

The Group remains focused on growing revenues in a more capital efficient way through growth of high-quality new lending and the growth in areas, such as insurance and digital products that provide further market penetration and diversify through non-banking operations.

The Group has continued to provide high quality new lending in 2025 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 year ended 31 December 2025, the Group granted record new lending at €3.0 bn, up 23% yoy, with robust growth observed across all business lines, driven mainly by increased corporate and international demand. As a result, since December 2024, gross performing loans have risen by 8% to €10.9 bn, reflecting growth across the entire portfolio of business lines, supported mainly by international loan book which expanded by 42% to c.€1.4 bn. The domestic loan portfolio experienced a broad-based expansion, up 4% yoy, in line with economic growth. Overall, gross performing loans target of c.4% growth in 2025 was exceeded, as healthy domestic credit activity was complemented by the buildup in International.

Fixed income portfolio continued to grow in 2025 to €5,131 mn and currently represents 18% of total assets, in line with 2025 target. 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 31 December 2025 has an unrealised fair value gain of €23 mn, equivalent to c.20 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.

D. Business Overview (continued)

Growing revenues in a more capital efficient way (continued)

The Group's non-interest income is an important profit contributor as enables the Group to navigate successfully through the interest rate normalisation.

During the year ended 31 December 2025, the Group generated non-interest income of €309 mn, up 14% on prior year, with all components of non-interest income experienced growth yoy.

During the year ended 31 December 2025, net fee and commission income amounted to €180 mn and was up by 2% compared to the previous year, primarily due higher 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 €30 mn for 2025, up 5% yoy, reflecting strong transaction growth and structural improvements in third-party cost absorption.

The Group's insurance companies, **EuroLife** and **GI** are respectively key market players in the life and general insurance business in Cyprus, and have been providing recurring income, remaining valuable and sustainable contributors to the Group's profitability. The Group further strengthened its insurance operations with the acquisition of Ethniki Insurance Cyprus Limited, in July 2025, as part of its strategy to broaden the Group's insurance operations and diversify further its business model. The legal merger of Ethniki Insurance Cyprus Limited with EuroLife and GI was completed in December 2025. Ethniki Insurance Cyprus Ltd was an established market player in the life and non-life insurance sectors in Cyprus, with a market share of 3% and 4% respectively and the acquisition is expected to support the Group's non-interest income. During the year ended 31 December 2025, the Group's net insurance result amounted to €59 mn, including a positive impact from the abolition of premium tax of life insurance as part of the latest tax reform (as described in Section B.3.1), effective from 1 January 2026, of c.€5 mn. Disregarding the impact of this item, net insurance result amounted to €54 mn, contributing 18% to the Group's non-interest income, and was up by 11% yoy, reflecting mainly the contribution from the acquisition of Ethniki Insurance Cyprus Ltd (€3 mn) as well as the positive impact arising from the decrease in loss component due to the updated actuarial assumptions of the life insurance.

Finally, the Group through the **Digital Economy Platform (Jinius)** ('the Platform') aims to support the national digital economy by optimising processes in a cost-efficient way, allow the Bank to strengthen its client relationships, create cross-selling opportunities as well as to generate new revenue sources over the medium term, leveraging the Bank's market position, knowledge and digital infrastructure. Jinius is expected to contribute to the Group by enhancing further the Group's non-interest income through transaction and merchant fees and enhance the Group's digital footprint connecting ecommerce to financial services.

The Business-to-Business services include invoice, remittance, tender, ecosystem management and advertising. Currently, c.1,885 companies are registered in the platform and c.€2.6 bn cash were exchanged via the platform in 2025 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 year ended 31 December 2025, the gross merchandise value of the Marketplace increased by 380% yoy, while active offers increased by 127% yoy. Currently, the Marketplace includes 14 categories, including fashion, technology, small appliances, toys, beauty, health & wellness, personal care devices, luggage & travel gear, DIY, home & garden, heating & cooling, white goods and bookstore sectors.

Lean operating model

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

In 2025, the Group completed a small-scale, targeted VEP through which around 110 full-time employees were approved to leave at a total cost of €19 mn, recorded in staff costs in FY2025.

The Group's total operating expenses for the year ended 31 December 2025 amounted to €386 mn, up 5% yoy, mainly impacted by the higher VEP cost of €19 mn, compared to c.€9.5 mn in prior year. Disregarding the VEP cost items, total operating expenses increased by 3% yoy, reflecting the annual increments on staff costs, partly offset by lower other operating expenses. The cost to income ratio excluding special levy on deposits and other levies/contributions for the year ended 31 December 2025 remained low at 37%, reflecting resilient revenues and disciplined cost management.

Transformation plan

The Group's focus continues on deepening the relationship with its customers as a customer centric organisation. The Group aims to enable the shift to modern banking by digitally transforming customer service, as well as internal operations. The holistic transformation aims to (i) shift to a more customer-centric operating model, (ii) redefine distribution model across existing and new channels, (iii) digitally transform the way the Group serves its customers and operates internally, and (iv) strengthen employee engagement through a robust set of organisational health initiatives.

D. Business Overview (continued)

Lean operating model (continued)

Digital transformation

In the dynamic world of banking, the Group stands as a pioneer of digital banking innovation in Cyprus, reshaping the banking experience into something more intuitive, more responsive, and more aligned with the needs of its customers. The Group aims to continue to innovate, and simplify the banking journey, providing a unique and personalised experience to each of its customers.

The Group's digital channels continue to grow. As at 31 December 2025, the Group's digital community has increased to 504k active subscribers, across Internet Banking and the BoC Mobile App, increased by 5% yoy. Likewise, the BoC Mobile App, had 475k active subscribers as at 31 December 2025, increased by 6% yoy.

During 4Q2025, the Group continued to enrich and improve its digital portfolio with new innovative services to its customers. The new Appointment Scheduling service has been launched, offering customers a seamless way to plan and manage their appointments. Whether for personal or business needs, this service provides the flexibility of scheduling online or in-person appointments with ease. Additionally, the Fleksy Merchants Subsidization offering has been launched, allowing merchants to cover the Service Fee of a Fleksy plan. Customers can now shop and pay in Instalments with Fleksy at selected merchants with zero Service Fees.

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 31 December 2025, Digital Housing Loans amounted to €13 mn.

In collaboration with Genikes Insurance, the ability to purchase insurance policies is integrated into the BoC Mobile App and Internet Banking, enabling customers to access motor or home insurance plans through digital channels at preferential rates. In 2025 the total sales from all Digital Channels including Genikes website was €995k (3,267 policies) compared to €880k (3,081 policies) in 2024.

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 2025, the Bank received a rating of AA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment and upgraded to 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).

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 2025 implemented the Corporate Sustainability Reporting Directive (CSRD) and successfully published its first Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS), incorporated in the Group's Annual Financial Report.

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

D. Business Overview (continued)

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

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

- Become carbon neutral by 2050 with interim target to reduce 42% GHG emission in own operations by 2030
- Become Net Zero by 2050
- Steadily increase Green Asset Ratio
- Steadily increase Green Mortgage Ratio
- The aspiration to achieve a representation of at least 30% women in Group's management bodies (defined as the Executive Committee (EXCO) and the Extended EXCO) by 2030, has been reached earlier with 33% representation of women, 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 2025, its ESG working plan which was established in 2022. Progress on the ESG working plan is closely monitored by the Sustainability Committee, the EXCO and the Board Committees on a quarterly basis.

Environmental Pillar

The Group has estimated the Scope 1 and Scope 2 greenhouse gas (GHG) emissions of 2021 relating to own operations in order to set the baseline for carbon neutrality target by 2050. The Bank being the main contributor of GHG emissions of the Group, designed in 2022 the strategy to meet the interim GHG emission reduction target set for 2030. To become carbon neutral by 2050, the Group has set an interim target to reduce Scope 1 and Scope 2 emissions by 42% by 2030. The Bank, following the implementation of various energy upgrade actions since 2021, achieved a c.27% reduction in Scope 1 and Scope 2 GHG emissions (excluding Scope 1 – Fugitive emissions) by 2025 compared to the baseline of 2021. In FY2025 the Bank achieved 3% reduction of Scope 1 and Scope 2 excluding Scope 1 – Fugitive emissions) GHG emissions compared to FY2024.

The Group plans to invest further to energy efficient installations and actions as well as replace fuel intensive machineries and vehicles in 2026. The Bank achieved a reduction of c.3% in Scope 2 GHG emissions in FY2025 compared to FY2024 from 8,424 tCO₂e to 8,159 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 also achieved an increase of 24% in renewable energy production, from 352,653 Kwh to 438,947 Kwh, in FY2025 compared to FY2024.

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 31 December 2025 is estimated at 45,91 kgCO₂e/m² achieving a c.14% reduction compared to baseline, due to increase in financing of energy efficient residential properties in 2025. A Variable Green Housing product and a Fixed Green Housing product aligned with Green Loan Principles (GLPs) of Loan Market Association (LMA) were launched at the end of 2023 and 9M2024 respectively to support the Bank to meet the decarbonization target on Mortgage loans and effectively limit the level of climate transition risk that is exposed to. In addition, the Bank has set lending and investment limits on specific carbon intensive sectors which are widely considered to be associated with high climate transition risk. Further, having introduced and implementing a Business Environment Scan process, the Bank developed green/transition new lending metrics in certain sectors to support its customer's transition to a low carbon economy and effectively manage climate transition risks.

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

D. Business Overview (continued)

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

Environmental Pillar (continued)

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

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 31 December 2025 the Bank had a pool of €452 mn gross loans financing the acquisition or construction of residential property with EPC category A (Green Housing Loans) compared to €321 mn gross loans as at 31 December 2024. The gross amount of environmentally friendly loans (including the Green Housing Loans) was €572 mn as at 31 December 2025 compared to €354 mn as at 31 December 2024.

Social Pillar

At the centre of the Group's leading social role lie its contributions in the Bank of Cyprus Oncology Centre (with an overall investment of more than c.€70 mn since 1998), the immediate and efficient response of Bank of Cyprus' SupportCY network consisting of companies and organisations, to various needs of the society as well as in cases of crises and emergencies, through the activation of programs, specialized equipment and a highly trained Volunteers Corps, the contribution of the Bank of Cyprus Cultural Foundation in promoting the cultural heritage of the island, and the work of IDEA Innovation Centre. The Bank of Cyprus Oncology Centre has been assessed as an Entity Specific material topic for reporting purposes and disclosures are included in the Sustainability Statement 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 34,509 in 2025.

The IDEA Innovation Centre, invested c.€4.5 mn in start-up business creation since its incorporation, supported creation of 100 new companies to date, provided support to more than 260 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 2025 by offering webinars, team building activities and family events with sole purpose to enhance mental, physical, financial and social health, attended by c.2,140 employees through its Well at Work program.

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.

D. Business Overview (continued)

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

Governance Pillar (continued)

In FY2025, in order to enhance the awareness and skillset on ESG matters, the Group performed relevant trainings to all staff, control functions, insurance subsidiaries, Senior Management and to the Board of Directors and plans to continue enrich ESG training activities in FY2026. The Group has continued to upgrade its staff's skillset by providing training and development opportunities to all staff and capitalising on modern delivery methods. In 2025, the Group's employees attended 81,499 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 31 December 2025. During the year ended 31 December 2025, following appointments of new members in the Board of Directors, the female representation within the Board of Directors was 36% as at 31 December 2025, compared to 38% as at 31 December 2024.

E. Strategy and Outlook

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

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

Based on these priorities, the Group has updated its 2026-2028 financial targets 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.

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 ratio 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.

In March 2026, the Group proceeded with the investment in a minority holding of 26.45% stake in a technology, pan-European company with a broker-dealer license, Wealthyhood, offering via its platforms access to a wide range of stocks and ETFs to retail. This investment will enable the Group to expand its offering access to wide range of stocks and ETFs.

Additionally, 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 gross book value amount of approximately €150 million and deposits of approximately €500 million as at 31 December 2025. Completion of the Transaction is expected in 2H2026 and remains subject to certain conditions precedent (including obtaining regulatory approvals) being fulfilled.

E. Strategy and Outlook (continued)

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. 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.

The business plan and key financial targets were developed prior to the recent escalation of the conflict in Middle East. The Group remains steadfast in pursuing its strategic priorities, while closely monitoring the evolving environment and retaining the necessary flexibility to adjust its plans accordingly. The key financial targets are summarised below:

Key metrics	2025	2026	2027-2028
ROTE (reported)	18.6%	Mid-teens	Mid-teens
ROTE on 15% CET1 ratio	26.4%	>20%	>20%
Distributions (payout) ¹			
Ordinary	70%	70%	70% p.a.
Top-up		Up to 20% ²	Up to 30% p.a. ²
Organic capital generation ³	436 bps	350-400 bps p.a.	
		Supported by: c.40% Cost to income ratio ⁴ and at the lower end of normalised cost of risk 40-50 bps	
1) On adjusted recurring profitability 2) Subject to market conditions as well as the outcome of the Group's ongoing capital and liquidity planning strategy at the time 3) Pre RWA and other movements, based on profit after tax (pre-distributions) and after AT1 coupon payment (where applicable) 4) Excluding special levy on deposits and other levies/contribution			

F. Definitions and Explanations

Adjusted recurring profitability	The Group's profit after tax (attributable to the owners of the Company) as reported, adjusted for the results of certain one-off items (e.g. capital gains, 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).
Advisory and other transformation costs	Comprise mainly of fees of external advisors in relation to: (i) the transformation program and other strategic projects of the Group and (ii) customer loan restructuring activities, where applicable.
Allowance for expected loan credit losses (previously 'Accumulated provisions')	<p>As of 30 September 2025, the definition of both gross loans and allowance for expected loan credit losses was updated with respect to the residual fair value adjustment on initial recognition now being deducted from gross loans instead of being included in the allowance for expected loan credit losses. This revision was implemented to align the underlying basis with the statutory basis for gross loans and advances to customers measured at amortised cost and is not material. There is no impact on the net loans as a result of this update in the definitions. Comparative information has been revised to reflect this adjustment to conform with the current period's disclosure format, unless otherwise stated.</p> <p>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), (ii) allowance for expected credit losses for off-balance sheet exposures (financial guarantees and commitments) disclosed on the balance sheet within other liabilities.</p>
AT1	AT1 (Additional Tier 1) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Basic earnings per share (attributable to the owners of the Company)	Basic earnings after tax 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 shares in issue during the period, excluding treasury shares.
Carbon neutral	The reduction and balancing (through a combination of offsetting investments or emission credits) of greenhouse gas emissions from own operations.
CET1 capital ratio (transitional basis)	CET1 capital ratio (transitional basis) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, applicable as at the reporting date.
CET1 Fully loaded (FL)	The CET1 fully loaded (FL) ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, applicable as at the reporting date.
Cost to Income ratio	Cost-to-income ratio comprises total expenses (as defined) divided by total income (as defined).
Diluted earnings per share	Diluted earnings per share is the Profit/(loss) after tax (attributable to the owners of the Company) divided by the weighted average number of ordinary shares in issue adjusted for the ordinary shares that may arise in respect of share awards granted to executive directors and senior management of the Group under the share-based Incentive Plans.
Green Asset ratio	The proportion of the share 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 the share of a credit institution's assets financing EU Taxonomy-aligned mortgages (acquisition, construction or renovation of buildings) as a share of total mortgages assets.

F. Definitions and Explanations (continued)

Gross loans	<p>As of 30 September 2025, the definition of both gross loans and allowance for expected loan credit losses was updated with respect to the residual fair value adjustment on initial recognition now being deducted from gross loans instead of being included in the allowance for expected loan credit losses. This revision was implemented to align the underlying basis with the statutory basis for gross loans and advances to customers measured at amortised cost and is not material. There is no impact on the net loans as a result of this update in the definitions. Comparative information has been revised to reflect this adjustment to conform with the current period's disclosure format, unless otherwise stated.</p> <p>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), as per statutory basis.</p> <p>Loans and advances to customers classified and measured at FVPL amounted to nil at 31 December 2025 (compared to €120 mn as at 31 September 2025 and €131 mn as at 31 December 2024).</p>
Gross performing loans	<p>Gross loans (as defined) excluding the Restructuring and Recoveries Division (RRD) exposures (forming part of legacy exposures (as defined)) of €90 mn as at 31 December 2025 (compared to €158 mn as at 31 December 2024).</p>
Group	<p>The Group consists of Bank of Cyprus Holdings Public Limited Company, "BOC Holdings" or the "Company", its subsidiary Bank of Cyprus Public Company Limited, the "Bank" and the Bank's subsidiaries.</p>
Legacy exposures	<p>Legacy exposures are exposures relating to (i) Restructuring and Recoveries Division (RRD), (ii) Real Estate Management Unit (REMU), and (iii) non-core overseas exposures.</p>
Leverage ratio	<p>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.</p>
Leverage Ratio Exposure (LRE)	<p>Leverage Ratio Exposure (LRE) is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended.</p>
Loan credit losses (PL) (previously 'Provision charge')	<p>Loan credit losses comprise: (i) credit losses to cover credit risk on loans and advances to customers, (ii) net gains on derecognition of financial assets measured at amortised cost relating to loans and advances to customers and (iii) net gains on loans and advances to customers at FVPL (where applicable), for the reporting period/year.</p>
Loan credit losses charge (previously 'Provisioning charge') (cost of risk)	<p>Loan credit losses charge (cost of risk) (year-to-date) is calculated as the annualised 'loan credit losses' (as defined) divided by 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.</p>
MSCI ESG Rating	<p>The use by the Company and the Bank of any MSCI ESG Research LLC or its affiliates ('MSCI') data, and the use of MSCI Logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation or promotion of the Company or the Bank by MSCI. MSCI Services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI Names and logos are trademarks or service marks of MSCI.</p>
Net Interest Margin	<p>Net interest margin is calculated as the net interest income (annualised) divided by the 'quarterly average interest earning assets' (as defined).</p>
Net loans and advances to customers	<p>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).</p>
Net loans to deposits ratio	<p>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.</p>

F. Definitions and Explanations (continued)

Net performing loans	Net performing loan book is the total net loans and advances to customers (as defined) the Restructuring and Recoveries Division (RRD) exposures (forming part of legacy exposures (as defined)).
Net Stable Funding Ratio (NSFR)	The NSFR is calculated as the amount of “available stable funding” (ASF) relative to the amount of “required stable funding” (RSF). The regulatory limit, enforced in June 2021, has been set at 100% as per the CRR II.
Net zero emissions	The reduction of greenhouse gas emissions to net zero through a combination of reduction activities and offsetting investments
New lending	New lending includes the disbursed amounts of the new and existing non-revolving facilities (excluding forbore or re-negotiated accounts) as well as the average year-to-date change (if positive) of the current accounts and overdraft facilities between the balance at the beginning of the period and the end of the period. Recoveries are excluded from this calculation since their overdraft movement relates mostly to accrued interest and not to new lending.
Non-interest income	Non-interest income comprises Net fee and commission income, Net foreign exchange gains and net gains/(losses) on financial instruments and (excluding net gains on loans and advances to customers at FVPL), Net insurance result, Net (losses)/ gains from revaluation and disposal of investment properties and on disposal of stock of properties, and Other income.
Non-performing exposures (NPEs)	<p>As per the European Banking Authorities (EBA) standards and European Central Bank's (ECB) Guidance to Banks on Non-Performing Loans (which was published in March 2017), non-performing exposures (NPEs) are defined as those exposures that satisfy one of the following conditions:</p> <ul style="list-style-type: none">(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 forbore exposures under probation for which additional forbearance measures are extended.(v) Performing forbore exposures previously classified as NPEs that present more than 30 days past due within the probation period.

From 1 January 2021 two regulatory guidelines came into force that affect NPE classification and Days-Past-Due calculation. More specifically, these are the RTS on the Materiality Threshold of Credit Obligations Past-Due (EBA/RTS/2016/06), and the Guideline on the Application of the Definition of Default under article 178 (EBA/RTS/2016/07).

The Days-Past-Due (DPD) counter begins counting DPD as soon as the arrears or excesses of an exposure reach the materiality threshold (rather than as of the first day of presenting any amount of arrears or excesses). Similarly, the counter will be set to zero when the arrears or excesses drop below the materiality threshold. Payments towards the exposure that do not reduce the arrears/excesses below the materiality threshold, will not impact the counter.

For retail debtors, when a specific part of the exposures of a customer that fulfils the NPE criteria set out above is greater than 20% of the gross carrying amount of all on balance sheet exposures of that customer, then the total customer exposure is classified as non performing; otherwise only the specific part of the exposure is classified as non performing. For non retail debtors, when an exposure fulfils the NPE criteria set out above, then the total customer exposure is classified as non performing.

Material arrears/excesses are defined as follows: (a) Retail exposures: Total arrears/excess amount greater than €100, (b) Exposures other than retail: Total arrears/excess amount greater than €500 and the amount in arrears/excess in relation to the customer's total exposure is at least 1%.

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

F. Definitions and Explanations (continued)

Non-recurring items	Non-recurring items as presented in the 'Consolidated Income Statement–Underlying basis' relate to 'Advisory and other transformation costs - organic'.
NPE coverage ratio (previously 'NPE Provisioning coverage ratio')	The NPE coverage ratio is calculated as the allowance for expected loan credit losses (as defined) over NPEs (as defined).
NPE ratio	NPEs ratio is calculated as the NPEs as per EBA (as defined) divided by gross loans (as defined).
Operating profit	Operating profit comprises profit before loan credit losses (as defined), impairments of other financial and non-financial assets, Provisions for pending litigation, claims regulatory and other matters (net of reversals), tax, profit 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 annualised operating profit (as defined) divided by the quarterly average of total assets for the relevant period. Average total assets exclude total assets of discontinued operations at each quarter end, if applicable.
Phased-in Capital Conservation Buffer (CCB)	In accordance with the legislation in Cyprus which has been set for all credit institutions, the applicable rate of the CCB is 1.25% for 2017, 1.875% for 2018 and 2.5% for 2019 (fully phased-in).
Profit after tax and before non-recurring items (attributable to the owners of the Company)	This refers to the profit after tax (attributable to the owners of the Company), excluding any 'non-recurring items' (as defined).
Profit/(loss) after tax – organic (attributable to the owners of the Company)	This refers to the profit or loss after tax (attributable to the owners of the Company), excluding any 'non-recurring items' (as defined, except for the 'advisory and other transformation costs – organic').
Quarterly average interest earning assets	This relates to the average of 'interest earning assets' as at the beginning and end of the relevant quarter. Interest earning assets include: cash and balances with central banks (including cash and balances with central banks classified as non-current assets held for sale), plus reverse purchase agreements (reverse repos) plus loans and advances to banks, plus net loans and advances to customers (including loans and advances to customers classified as non-current assets held for sale), plus 'deferred consideration receivable' included within 'other assets', plus investments (excluding equities, mutual funds and other non interest bearing investments).
Qoq	Quarter on quarter change
Return on Tangible equity (ROTE)	Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders' equity minus intangible assets at each quarter end.
Return on Tangible equity (ROTE) on 15% CET1 ratio	Calculated as Profit/(loss) after tax (attributable to the owners of the Company) (as defined) (annualised - (based on year - to - date days)), divided by the quarterly average of Shareholders' equity minus intangible assets and after deducting any accrual for distribution deducted from CET1 but not from shareholders' equity and the excess CET1 capital on a 15% CET1 ratio from the tangible book value at each quarter end.
Shareholders' equity	Shareholders' equity comprise total equity adjusted for non-controlling interest and other equity instruments.
Special levy on deposits and other levies/contributions	Relates to the special levy on deposits of credit institutions in Cyprus, contributions to the Single Resolution Fund (SRF), contributions to the Deposit Guarantee Fund (DGF), as well as the DTC levy, where applicable.

F. Definitions and Explanations (continued)

Tangible book value per share	Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter end divided by the number of ordinary shares of the Group (excluding treasury shares) at the period/quarter end.
Tangible book value per share excluding the cash dividend	Calculated as the total equity attributable to the owners of the Company, (i.e. not including other equity instruments, such as AT1) less intangible assets at each quarter/year end and the amounts of any cash dividend approved/recommended for distribution in respect of earnings of the relevant year the dividend relates to, divided by the number of ordinary shares (excluding treasury shares) at the period/quarter end.
Total Capital ratio	Total capital ratio is defined in accordance with the Capital Requirements Regulation (EU) No 575/2013, as amended by CRR II applicable as at the reporting date.
Total expenses	Total expenses comprise staff costs, other operating expenses and the special levy on deposits and other levies/contributions. It does not include 'advisory and other transformation costs-organic', where applicable. 'Advisory and other transformation costs-organic' amounted to nil for FY2025 (compared to nil FY2024).
Total income	Total income comprises net interest income and non-interest income (as defined).
Total loan credit losses, impairments and provisions	Total loan credit losses, impairments and provisions comprise loan credit losses (as defined), plus impairments of other financial and non-financial assets, plus provisions for pending litigation, claims regulatory and other matters net of reversals).
Underlying basis	This refers to the statutory basis after being adjusted for reclassification of certain items as explained in the Basis of Presentation.
Write offs	Loans together with the associated loan credit losses are written off when there is no realistic prospect of recovery. Partial write-offs, including non-contractual write-offs, may occur when it is considered that there is no realistic prospect for the recovery of the contractual cash flows. In addition, write-offs may reflect restructuring activity with customers and are part of the terms of the agreement and subject to satisfactory performance.
Yoy	Year on year change

Basis of Presentation

This announcement covers the results of Bank of Cyprus Holdings Public Limited Company, “BOC Holdings” or “the Company”, its subsidiary Bank of Cyprus Public Company Limited, the “Bank” or “BOC PCL”, and together with the Bank’s subsidiaries, the “Group”, for the year ended 31 December 2025.

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

Financial information presented in this announcement is being published for the purposes of providing an overview of the Group financial results for the year ended 31 December 2025.

The financial information in this announcement is not audited and does not constitute statutory financial statements of BOC Holdings within the meaning of section 340 of the Companies Act 2014. The Group statutory financial statements for the year ended 31 December 2025, upon which the auditors have given an unqualified opinion are expected to be delivered to the Registrar of Companies of Ireland within 56 days of 30 September 2026 (as at the date of this report, such statutory financial statements have not been reported on by independent auditors of BOC Holdings). The Board of Directors approved this financial information on 30 March 2026. BOC Holding’s most recent 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 2024, upon which the auditors have given an unqualified audit report were published on 27 March 2025 and have been annexed to the annual return and delivered to the Registrar of Companies of Ireland.

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

Underlying basis: The financial information presented under the underlying basis provides an overview of the Group financial results for the year ended 31 December 2025, which the management believes best fits the true measurement of the financial performance and position of the Group. For further information, please refer to ‘Commentary on Underlying Basis’ on page 6. The statutory results are adjusted for certain items (as described on section B.1) to allow a comparison of the Group’s underlying financial position and performance.

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

This announcement and the presentation for the Group Financial Results for the year ended 31 December 2025 have been posted on the Group’s website www.bankofcyprus.com (Group/Investor Relations/Financial Results).

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

The Group Financial Results for year ended 31 December 2025 are presented in Euro (€) and all amounts are rounded as indicated. A comma is used to separate thousands and a dot is used to separate decimals.

Forward Looking Statements

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

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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.