PRESS RELEASE

KEDIPES
CYPRUS ASSET MANAGEMENT COMPANY

10 September 2026

Financial and other Developments H1 2026

Statement by the Chairman of the Board of Directors of KEDIPES, Lambros Papadopoulos:

During 6M2026, cash inflows amounted to €163mln, slightly increased compared to the corresponding period last year, despite the continued deleveraging of the portfolio, significantly supported by the Early Loan Repayment Schemes (both performing and non-performing loans) and notwithstanding the shortfall in the achievement of non-consensual solutions against the Business Plan.

Repayments of State Aid in cash amounted cumulatively to €1,76bln, of which €80mln were made during the first six months of the year. Since the commencement of KEDIPES operations in 2018, the total amount of State Aid repayment up to 4 September 2026 reached €1.931mln as follows:

- Repayment of State Aid in cash: €1.760mln
- Transfer of 247 properties to the Republic of Cyprus: €48mln
- Expenditure for the implementation of the “Mortgage to Rent” Scheme relating to the onboarding of 896 residences: €110mln
- Other repayments (e.g. ESTIA Scheme instalments and the Central Agency for Equal Distribution of Burdens): €13mln.

A significant development was the recent completion of the first transfer to the Republic of Cyprus of 247 properties originating from the former Cyprus Cooperative Bank, valued at €48mln, following a relevant decision of the Council of Ministers. The process for the remaining 172 properties, with an estimated value of €81mln, is underway. The final number of properties to be transferred is expected to be lower due to technical issues and/or the final requirements of Government Departments and Local Government Authorities as these evolve.

In March 2026, the technological upgrade of the core IT system and peripheral systems was successfully completed through migration to a new IT system, further enhancing the operational efficiency of the Company.

The response to the “Mortgage to Rent” Scheme remains positive. During the renewed application period from 4 May to 31 July 2026, 929 new applications were submitted, increasing the total number of applications since the launch of the Scheme in 2023 to 4.269. The increased interest led the Ministry of Finance to further extend the application deadline until 30 September 2026. To date, 1.268 approval letters have been issued, and 896 properties have already been onboarded under the Scheme, exceeding the initial target of 800 properties. The total number of properties expected to be included in the Scheme is now projected to exceed 2.000, with a significant adverse fiscal impact. KEDIPES continues to maintain a cash reserve of €60mln for the financing of the Scheme.

Regarding the January 2026 agreements between KEDIPES and Eurobank concerning the termination of the Asset Protection Scheme and the buy-back of the non-performing loan portfolio covered by the Scheme, cumulative outflows for the buy-back transaction as at 30 June 2026 amounted to €47mln, while cumulative net inflows from the management of the repurchased portfolio reached €20mln, resulting in a positive contribution of €7mln to the financial results of the period. KEDIPES maintains a cash reserve of €60mln for the full settlement of the transaction within 2026.

With regard to the “LEDRA 2” portfolio sale project, the process was terminated without reaching an agreement, as the prolonged negotiations with interested investors did not result in an outcome consistent with KEDIPES’ objectives. Organic deleveraging over time now constitutes the main pillar of the Company’s strategy.

Revision of the Business Plan

Taking into account the significant challenges in achieving non-consensual solutions and in executing loan portfolio sales, the increased cash inflows generated through the Early Loan Repayment Schemes, the agreements with Eurobank, and the recent legislative changes together with their direct and indirect adverse impact on the pace of implementation of the Company’s targets, the Business Plan of KEDIPES has recently been revised. The primary implementation horizon remains 2030, however, under the base case scenario, loan portfolio sales are no longer actively considered, as such an option would also have a negative impact on public finances due to the statistical classification of KEDIPES since 2018. The base case scenario provides for the repayment of 90% of the State Aid, equivalent to €3,2bln, by the end of 2030, while the Company is expected to retain a residual portfolio of €2,4bln (nominal value), including performing loans and properties (excluding those under the “Mortgage to Rent” Scheme) amounting €0,5bln.

In closing, I would like to note that KEDIPES remains committed to the responsible management of its assets and to maximizing recoveries as promptly as possible, in accordance with its Commitments to the Directorate-General for Competition of the European Commission. By the end of 2026, additional €120mln is expected to be repaid against State Aid in cash, while total repayments are estimated to exceed €2bln during the fourth quarter of the year.

Financial Developments H1 2026

- Cash inflows from operations in 6M2026 amounted to €162,9mln, indicating an increase of 0,9% compared to €161,5mln in 6M2025.

  Cumulative cash inflows from the beginning of KEDIPES operations on 1 September 2018 up to 30 June 2026 amounted to €3.097mln. Inflows from the management of loans and properties amounted to €2.951mln or 36.7% of the nominal value of the loans and properties portfolio of €8.051mln as at 1 September 2018.

- Operating expenses and asset management expenses in 6M2026 amounted to €43,0mln, decreased by 11,6% from €48,6mln in 6M2025.

- Total restructuring and/or recovery solutions performed through the servicing company doValue amounted to €304mln in 6M2026 compared to €321mln in 6M2025.

  Total solutions from the beginning of KEDIPES operations up to 30 June 2026 amounted to €5.601mln or 76,0% of the initial loan balance of €7.371mln.

- Loans at nominal value amounted to €4.854mln at the end of 6M2026 from €4.891mln at the end of 2025 and €5.217mln at the end of 6M2025.

- At the end of 6M2026, assets amounted to €5.481mln in nominal value and included cash and liquid assets of €179mln, immovable properties of €410mln and performing loans of €4.262mln. Total asset deleveraging from the beginning of operations on 1 September 2018 until 30 June 2026 reached 33,6% and, excluding contractual loan interest, reached 51,5%.

- The Asset Protection Scheme with former Hellenic Bank was terminated with reference date 30 September 2024. The Scheme provided protection to former Hellenic Bank for 90% of credit losses on loans with a contractual value of €2.608mln and a reference value of €2.271mln at the commencement of the Scheme. The duration of the Scheme was until 2030. The contractual value of the assets covered by the Scheme at 30 September 2024 amounted to €1.206mln, while the reference value amounted to €920mln.

  Under the Scheme, total payments for claims submitted by former Hellenic Bank amounted to €102,5mln, while cumulative payments by former Hellenic Bank to the Republic of Cyprus as guarantor under the Scheme amounted to €46,1mln.

  Under the agreement for the termination of the Asset Protection Scheme, compensation of €17,5mln was paid during 6M2026 to Eurobank Limited in relation to the termination of the Scheme and the loss of protection for performing loans, while KEDIPES repurchased the portfolio of non-performing loans covered by the Scheme with reference date 30 September 2024.

Cumulative outflows as at 30 June 2026 for the repurchase of the portfolio amounted to €47,2mln and further payments will follow within 2026 for the full settlement of the final repurchase consideration, which has been set at €107mln.

Cumulative net inflows from the management of the repurchased portfolio from 1 February 2026 (completion date) up to 30 June 2026 amounted to €19,6mln.

- Net cash inflows, after the payment of expenses and liabilities in 6M2026, amounted to €74,4mln, indicating a decrease of 31,2% compared to €108,2mln in 6M2025. Cumulatively from the beginning of KEDIPES operations, net cash inflows after the payment of expenses amounted to €1.858,6mln.

- An additional State Aid repayment in cash of €50mln was made on 30 June 2026 for Q22026, increasing the total amount of State Aid repayment in cash to €80mln for 6M2026 and to €1.760mln since the commencement of KEDIPES operations in September 2018.

- In addition, KEDIPES, as the implementing body of the “Mortgage to Rent” Scheme, contributed €97mln up to 30 June 2026 in the form of expenditure for the onboarding of 800 residences into the Scheme. Since the commencement of KEDIPES operations in 2018, the total amount of State Aid repayment up to 30 June 2026 amounted to €1,870mln as follows:

  • Repayment of State Aid in cash: €1,760mln
  • Expenditure for the implementation of the “Mortgage to Rent” Scheme: €97mln
  • Other repayments (such as ESTIA Scheme instalments): €13mln.

  In parallel, KEDIPES continues to maintain a cash reserve of €60mln for financing the “Mortgage to Rent” Scheme.

Other Developments

Transfer of Properties to the State

The first transfer to the Republic of Cyprus of 247 properties originating from the former Cyprus Cooperative Bank, with a value of €48mln, has recently been completed following a relevant decision of the Council of Ministers. The process for the remaining 172 properties with an estimated value of €81mln is underway. The final number of properties to be transferred is expected to be lower due to technical issues and/or the final requirements of Government Departments and Local Government Authorities.

“Mortgage to Rent” Scheme

Following a decision of the Ministry of Finance, applications under the “Mortgage to Rent” Scheme were reopened from 4 May 2026 until 31 July 2026 and subsequently extended until 30 September 2026 due to the large number of applications submitted by the end of July. To date, 972 new applications have been submitted, bringing the total number of applications to 4.312.

Out of a total of 2.574 applications that have not been rejected or withdrawn, 1.268 applications have been approved, while 896 residences have already been acquired by KEDIPES. Due to the significant number of applications received, the target of the Scheme has been revised to approximately 2.000 approvals, more than double the original estimate of 800 approvals.

Expenditure incurred to date for the implementation of the “Mortgage to Rent” Scheme amounted to €110mln for the onboarding of 896 residences into the Scheme.

Early Repayment Scheme for Performing Loans

The campaign of the Early Repayment Scheme for Performing Loans was launched in July 2025, offering borrowers the opportunity to fully repay their restructured and performing obligations. The Scheme has attracted strong interest and, based on the data available to date, the response has been particularly positive, with participation levels exceeding initial expectations. Through the Scheme, borrowers benefit from a significant discount on their outstanding loan balances, facilitating the smooth and favorable settlement of their obligations. The Scheme will remain in force until the end of 2026 and forms part of KEDIPES’ revised Business Plan, contributing substantially to the acceleration of the reduction of the total loan portfolio managed by KEDIPES.

A detailed presentation on the progress results up to 30/6/2026 has been posted on the website of KEDIPES at the following link:

https://kedipes.com.cy/αποτελεσματα-διαχειρισης/