Continued wins against financial crime

Cyprus:

Despite a lingering reputation that it inherited from past shortcomings, Cyprus has been successfully engaged in a protracted battle against Money Laundering. Even in the midst of an economic crisis, it has proactively terminated accounts, lost profits and turnover and engaged in an aggressive clean-up campaign under the most stringent rules. In other words, a complete overhaul and transformation of its culture.

Recent Progress since the crisis

- **Transparency International**
  In 2018, Cyprus has improved for a 2nd consecutive year in the Corruption Perception Index published by Transparency International (TI). It ranked 38th out of 180 countries in the survey. Furthermore, in 2017, Cyprus ranked 1st in the survey carried out by TI for AML Transparency Measures and Quality of Reporting. The TI report mentioned explicitly that “Cyprus disclosed the most complete set of anti-money laundering data among the 12 analysed countries (including USA, UK, Germany, Luxemburg, France, Australia)”.

- **Fulfilment of IMF-ECB rescue rules**
  In 2013, when Cyprus applied to the Troika (Eurogroup, IMF, ECB) for a rescue package, the rescue plan included several AML-related issues, all of which were fulfilled by the end of 2013.

- **Recognition from OECD**
  Cyprus is included in the OECD White List, of “Largely Compliant” jurisdictions.

- **Ahead of the curve: early adopter of CRS, FATCA and other rules**
  Since December 2013, Cyprus has implemented the strictest AML regulatory framework in Europe and since then, remains ahead of all EU regulatory developments in the area.
  Cyprus has been cited as an Early Adopter of CRS (Common Reporting Standards) of OECD and is fully aligned with FATCA.

- **US and Cyprus***
  US FDI to Cyprus amounted to 7% of Cypriot GDP ($1.6 billion)
Bank of Cyprus:

The Bank of Cyprus has engaged since beginning of year 2014 in a very demanding and rigorous anti-financial crime remediation programme which has successfully been implemented by the end of year 2015. Today’s compliance function of Bank of Cyprus adheres to the highest standards and it is fully aligned with US, EU and local regulatory frameworks.

Recent Progress since the crisis

- Eliminating Professional Intermediaries
  - 1601 Intermediaries in 2014
  - Currently 287 Intermediaries

- Customer Terminations and Rejections
  - 8070 customers terminated / suspended (**)
  - 4354 potential new customers rejected exclusively on Compliance (KYC/AML) grounds in years 2015-2018.
  - (**): customers have multiple accounts.

- Loss of turnover on own initiative
  - Estimated €4.5 billion as a result of terminations / suspensions in years 2015-2018.

- Foregone net profits on own initiative
  - Estimated €13.3 million from customers terminated / suspended in years 2015-2018.

- Proactive reporting before requests from authorities
  - In all cases mentioned in the Press and by Political Commentators, the Bank has been proactive in its reporting: It flagged, noted and reported in a timely and comprehensive manner all suspicious activity before any requests were made by authorities.
New regulators and oversight

The listing in the LSE has entailed persistent maintenance of the highest corporate governance standards. BoC is now regulated by 7 separate, international competent authorities in 4 jurisdictions (Cyprus, Ireland, the UK and the EU).

USA Patriot Act (and then some)

Fully adheres to all relevant local, European and international legislation, including the USA Patriot Act, UK corporate governance code and EU regulation.

Alerts

47.9K alerts generated on average every month in 2018 by the Bank’s specialized AML system, demonstrating a proactive stance.

Reports

693 Internal Suspicious Activity Reports
673 FIU reports proactively filed since 2015

Awards


US and Bank of Cyprus

Major shareholders hailing from North America (US and Canada) account for 7.83% of shareholding, as of 31/12/2018.

Sources:
Bank statistical information as at 31/12/2018.

(*): The Transatlantic Economy 2018 - Center for Transatlantic Relations Johns Hopkins University / Paul H. Nitze School of Advanced International Studies by Daniel S. Hamilton and Joseph P. Quinlan