



Announcement

Release of twelve-month time deposits

Nicosia, 30 July 2014

The Board of Directors of Bank of Cyprus Public Company Ltd ("Bank" or "Group") has decided the release of the twelve-month time deposits of about €927 mn that were blocked as per the decrees relating to the recapitalisation of the Bank in July 2013 and mature on 31 July 2014.

The Bank has consulted with the Ministry of Finance and the Central Bank of Cyprus regarding the release of the twelve-month time deposits.

As part of its ongoing gradual recovery and in order to normalize the maturity profile of its deposit base in Cyprus, the Bank has proceeded with the release of the twelve-month time deposits as follows:

- one third of twelve-month time deposits is immediately released and becomes available in clients' current accounts;
- one third of twelve-month time deposits is converted into a three-month time deposit maturing and automatically released at 30 October 2014;
- one third of twelve-month time deposits is converted into a six-month time deposit maturing and automatically released at 30 January 2015.

The released funds will be subject to the restrictive measures relating to overseas transfers currently applicable in the Cypriot banking system.

The Bank's improving liquidity position and its specific and deliberate actions to enhance its liquidity through deleveraging are the decisive reasons for the release of the deposits. The decision to release takes also into account the Bank's recent announcement regarding the private placement of €1 bn ordinary shares,¹ which is a significant demonstration of international investors' confidence towards the Bank. Furthermore, the release of the deposits reflects the Bank's prudent liquidity management and takes into account the improvement in the economic environment. Through its decision, the Bank's management recognizes the improving trust and confidence towards the Bank by its customers and, in tandem, meets the expectations of the general public in Cyprus for supporting the recovery of the economy as a whole.

Group Profile

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides 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. The Group operates through a total of 300 branches, of which 130 operate in Cyprus, 164 in Russia, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 5 representative offices in Russia, Ukraine, China and South Africa. The Bank of Cyprus Group employs 6.898 staff worldwide. At 31 March 2014, the Group's Total Assets amounted to €29,4 bn and Total Equity was €2,7 bn.

¹ As announced on 28 July 2014 and subject to the shareholders' approval at an Extraordinary General Meeting.