

Announcement

Completion of the sale of Kermia Hotels Ltd and adjacent land

Nicosia, 4 July 2016

Further to the announcement dated 5 April 2016, Bank of Cyprus Public Company Ltd (the “Bank” or the “Group”) announces the completion of the sale of Kermia Hotels Ltd and adjacent land (together the “Assets”) for the agreed sale consideration of €26,5 mn.

The seller of the Assets is Kermia Ltd (“Kermia”), a wholly owned subsidiary of the Bank, and the purchaser is Aesara Investment Ltd, a company controlled by Vasilis Nicolaides and Demetris Nicolaides, shareholders of Atlantica Leisure Group Ltd.

The transaction has resulted in a net profit after tax of approximately €2 mn, based on Group carrying values as at 31 March 2016, and a net capital benefit of approximately €18 mn, as a result of the current capital treatment of the Assets. As a result, the Group’s Common Equity Tier 1 (CET1) ratio¹ improved by 0,1 percentage points.

The sale of the Assets is in line with the Group’s strategy of deleveraging through the disposal of non-core exposures and of focusing on core businesses while, at the same time, strengthening its capital position.

As required by the Cyprus Stock Exchange and according to paragraph 5.2.1.17(7) of the Decision of the Council of the CSE Concerning the CSE Market 379/2014 (as amended), the transaction is at arm’s length, and it does not relate to or affect the interests of the Company’s Secretary or of any “designated person” in accordance with the meaning given to the aforementioned term in article 137(3) of the Cyprus Securities and Stock Exchange Law 14(I)/1993 (as amended).

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 136 branches, of which 130 operate in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 4.550 staff worldwide. At 31 March 2016, the Group’s Total Assets amounted to €22,7 bn and Total Equity was €3,1 bn.

¹ Based on the Group financial results as at 31 March 2016.