



Announcement

Completion of sale of UK Loan Book

Nicosia, 3 November 2014

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 280 branches, of which 144 operate in Russia, 130 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 6.747 staff worldwide. At 30 June 2014, the Group's Total Assets amounted to €28,6 bn and Total Equity was €2,8 bn.

Further to the announcement dated 18 September 2014, Bank of Cyprus Public Company Ltd (the “Bank”, the “Group” or the “Company”) announces the completion of the sale of the relevant UK loan portfolio owned by the Group and largely composed of residential and commercial real estate-backed facilities (the “Loan Portfolio”) to Mars Capital Finance Limited, which is a mortgage lender and administrator regulated by the Financial Conduct Authority of the UK, and to Camael Mortgages Limited (together the “Purchasers”).

As stated in the announcement dated 18 September 2014, this transaction will enhance the Group’s liquidity and will have a small positive impact on the Group’s Common Equity Tier 1 capital¹ due to the release of risk weighted assets.

The sale of the Loan Portfolio is in line with the Group’s Restructuring Plan and is part of the Group’s strategy of deleveraging through the disposal of non-core operations and of focusing on core businesses while, at the same time, strengthening its capital and liquidity position.

As required by the Cyprus Stock Exchange and according to paragraph 5.2.1.17(7) of Law 326/2009 (as amended), the transaction is at arm’s length, 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 Law.

¹ Based on the latest published Group financial results