



## Announcement

### Further Steps in the Deleveraging Process

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Nicosia, 29 April 2014

Further to press articles reporting that Bank of Cyprus Public Company Ltd Group (the “**Group**”) is proceeding with the sale of a real estate loan portfolio in the UK, the Group announces that it has appointed HSBC Bank plc (“**HSBC**”) to provide financial advice in relation to the disposal of a UK loan portfolio owned by the Group and largely composed of residential and commercial real estate-backed facilities (the “**Loan Portfolio**”).

The Loan Portfolio is not related to the Group’s wholly-owned subsidiary, Bank of Cyprus UK Ltd, but is part of the wider UK loan portfolio transferred to the Group following the acquisition of certain operations of Cyprus Popular Bank Public Co Ltd in March 2013, pursuant to the relevant decrees issued by the Central Bank of Cyprus.

This action 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 and at the same time strengthening its capital and liquidity position. As applicable, further announcements will be made in due course.

Bank of Cyprus Public Company Ltd Group would like to clarify that HSBC is acting as financial adviser to the Group in relation to the disposal of the Loan Portfolio and no-one else and that HSBC will not be responsible to anyone other than the Group in connection with the Loan Portfolio or for providing the protections afforded to clients of HSBC nor for providing advice in relation thereto and/or taking responsibility for the contents of this announcement. HSBC is authorized in the United Kingdom by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

#### **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 currently operates through a total of 316 branches, of which 180 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 6 representative offices in Russia, Ukraine, China and South Africa. The Bank of Cyprus Group employs 7.248 staff worldwide. At 31 December 2013, the Group’s Total Assets amounted to €30,3 bn and Equity was €2,7 bn.*