

Announcement

Republic of Cyprus repays €340 mn of a bond held by Bank of Cyprus;

Reduction of ELA to €3,8 bn

Nicosia, 14 December 2015

Bank of Cyprus Public Company Ltd (the “Bank” or the “Group”) announces that it has been notified by the Ministry of Finance that on 16 December 2015 the Government will fully repay a bond held by the Bank of an amount of €340 mn.

The bond to be repaid was issued on 1 July 2015 to replace the outstanding amount of the recapitalisation bond of Laiki Bank that was transferred to the Bank in March 2013, following the acquisition of certain assets and liabilities of Laiki Bank.

The bond is pledged as collateral with the European Central Bank (ECB). The proceeds will be used to repay €140 mn of ECB funding and €200 mn of ELA. As the recapitalisation bond of Laiki Bank was transferred to the Bank at fair value at the acquisition date, there will be an accounting profit of approximately €13 mn resulting from this transaction.

The above repayment of the bond by the Republic of Cyprus, coupled with customer inflows experienced during the fourth quarter of 2015 and proceeds from ECB funding relating to the covered bond becoming ECB eligible, will result in total ELA repayments of €1,1 bn post 30 September 2015, reducing ELA to €3,8 bn.

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 135 branches, of which 129 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 4.610 staff worldwide. At 30 September 2015, the Group's Total Assets amounted to €24,2 bn and Total Equity was €3,5 bn.