



Announcement

Sale of investment in Romanian Banca Transilvania

Nicosia, 18 April 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 358 branches, of which 180 operate in Russia, 130 in Cyprus, 42 in Ukraine, 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 7.752 staff worldwide. At 31 December 2013, the Group's Total Assets amounted to €30,3 bn and Total Equity was €2,7 bn.

Bank of Cyprus Public Company Ltd (the 'Bank' or the 'Group') has sold its investment in Romanian Banca Transilvania, comprising of 220.461.952 shares (9,99% of Banca Transilvania's issued share capital) that was held by the Bank and a Group subsidiary. The disposal of shares was effected on the Bucharest Stock Exchange via the deal market through Wood & Company Financial Services a.s. The transaction price was RON 1,67.

The sale consideration amounts to approximately €82 mn which will enhance the Bank's liquidity and capital position. The realised accounting gain from the transaction is €47 mn. There will be a positive impact of approximately €55 mn or 0,2 percentage points on the Group's core tier 1 capital due to the reduction of risk weighted assets and the recognition of unrealised gains, previously recorded in the reserves, in the Profit and Loss account.

The sale falls under the Group's strategy of focusing on core businesses and markets and disposing operations that are considered as non-core and is being achieved ahead of the Restructuring Plan.

The investment in Banca Transilvania was acquired by the Group in December 2009. It is the 3rd largest bank in Romania in terms of market share and operates through a network of over 500 branches. As at 31st December 2013, the bank had total assets and equity of around RON 32,1 bn (€7,2 bn) and RON 3,1bn (€690 mn) respectively.

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 affects 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.