



Announcement

Disposal of Loans in Serbia

Nicosia, 22 May 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 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.

Further to press reports, Bank of Cyprus Public Company Ltd (the “Bank” or the “Group”) announces that it has sold loans extended to Robne Kuce Beograd (a Serbian real estate management company) to Piraeus Bank S.A. (“Piraeus”).

The sale consideration amounts to approximately €165 mn which has enhanced the Bank’s liquidity position. The realised accounting gain from the transaction is €27 mn and there is a positive impact of approximately €46 mn or 0,2 percentage points on the Group’s core tier 1 capital ratio due to the realised gain recorded and the reduction of risk weighted assets.

This sale is in line with the Group’s strategy of deleveraging through the disposal of non-core operations, of focusing on core businesses and of reducing client concentration. The transaction is another positive step in the Group’s efforts to restore its financial strength through the disposal of non-core assets, with such disposals improving the Group’s liquidity and capital position.

The loans were transferred to the Group following the acquisition of certain operations of Cyprus Popular Bank Public Co Ltd (“Laiki Bank”) in March 2013, pursuant to the relevant decrees issued by the Central Bank of Cyprus.

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.