

**Completion of the sale of Bank of Cyprus UK Limited**

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Attachment:

1. **Announcement**

**Regulated**

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## Announcement

# Completion of the sale of Bank of Cyprus UK Limited

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Nicosia, 23 November 2018

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014.

### **Group Profile**

*The Bank of Cyprus Group is the leading banking and financial services group in Cyprus, providing 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 Bank of Cyprus Group operates through a total of 122 branches, of which 120 operate in Cyprus, 1 in Romania and 1 in the United Kingdom. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 4,402 staff worldwide. At 30 June 2018, the Group's Total Assets amounted to €23.7 bn and Total Equity was €2.2 bn. The Bank of Cyprus Group comprises Bank of Cyprus Holdings Public Limited Company, its subsidiary Bank of Cyprus Public Company Limited and its subsidiaries.*



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Further to the announcement of Bank of Cyprus Holdings Public Limited Company (“**BOC Holdings**” and, together with its subsidiaries, the “**Group**”) on 10 July 2018, the Group announces the completion of the sale of its wholly owned subsidiary bank in the UK, Bank of Cyprus UK Limited (“**BOC UK**”) and its subsidiary Bank of Cyprus Financial Services Limited (“BOC FS”, and together the “UK Group”), to Cynergy Capital Limited (“Cynergy”), following the receipt of the necessary regulatory approvals from the Prudential Regulation Authority and the European Central Bank.

The decision to sell the UK Group is in line with the Group’s strategy of delivering value for shareholders and focusing principally on supporting the growing Cypriot economy.

The sale consideration amounted to £107 mn (c.€120 mn<sup>1</sup>) comprising of £103 mn base consideration plus a purchase price adjustment of £4 mn. Half of the base consideration together with the purchase price adjustment was received upon completion and the remaining half is deferred over 24 months, without any performance conditions attached.

The sale has a positive impact on the Group capital ratios of c.70 bps and is broadly neutral to the income statement<sup>2</sup>.

In addition, the Group and BOC UK have signed a cooperation agreement, under which both organisations will cooperate in a number of key areas going forward, including continuity of servicing for existing customers.

HSBC acted as financial advisor and Norton Rose Fulbright as legal advisor to the Group in connection with this transaction. PwC acted as financial advisor and Eversheds Sutherland as legal advisor to Cynergy.

As required by the Cyprus Stock Exchange and according to paragraph 5.2.1.17(7) of the Decision of the Council of the CSE Concerning the CSE Market 379/2014 (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 Cyprus Securities and Stock Exchange Law 14(I)/1993 (as amended).

For further information, please contact Investor Relations at [investors@bankofcyprus.com](mailto:investors@bankofcyprus.com).

<sup>1</sup> Using FX Rate EURGBP of 0.888 as at 30 September 2018.

<sup>2</sup> Includes the recycling to the Income Statement of a foreign currency gain of €18 mn previously recorded in the foreign currency translation reserve.