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Other Inside Information (Substantial Other Inside Information (Substantial  
Information/ Major Development)

**BANK OF CYPRUS HOLDINGS PLC**

BOCH

**Issue of Senior Preferred Notes**

Issue of Senior Preferred Notes

Attachment:

1. **20210616 Senior Preferred Bond\_MREL\_ENG\_v14\_clean.pdf**

**Regulated**

Publication Date: 16/06/2021



## Announcement

### Issue of Senior Preferred Notes

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Nicosia, 16 June 2021

**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 91 branches in Cyprus, of which 11 operate as cash offices. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 3,557 staff worldwide. At 31 March 2021, the Group's Total Assets amounted to €23.0 bn and Total Equity was €2.1 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.*

Bank of Cyprus Holdings Public Limited Company (the “Company” or “BOC Holdings” and, together with its subsidiary, Bank of Cyprus Public Company Limited (the “Bank”), and the Bank’s subsidiaries, the “Group”) announces today that the Bank has successfully launched and priced an issuance of €300 mn of senior preferred notes (the “Notes”) under its EMTN Programme.

The Notes were priced at par with a fixed coupon of 2.50% per annum, payable annually in arrear and resettable on 24 June 2026. The maturity date of the Notes is 24 June 2027 and the Bank may, at its discretion, redeem the Notes on 24 June 2026, subject to meeting certain conditions as specified in the Terms and Conditions, including applicable regulatory consents.

The issuance was met with strong demand, attracting interest from c.65 institutional investors, with the final order book more than two times subscribed and final pricing 25 basis points tighter than the initial pricing indication. The transaction follows the successful issuance of subordinated Tier 2 Capital Notes in April 2021 by BOC Holdings.

It is expected that settlement will occur on 24 June 2021. The Notes will be listed on the Luxembourg Stock Exchange’s Euro MTF market.

The Notes are expected to comply with the criteria for the minimum requirement for own funds and eligible liabilities (MREL) and to contribute towards the Bank’s MREL requirements. This transaction improves the Bank’s MREL ratio to 18.37%<sup>1</sup> of risk weighted assets (RWA) and to 10.62%<sup>1</sup> of Leverage Ratio Exposure (LRE), in each case comfortably above the interim requirements of 14.94% of RWA and 5.91% of LRE which the Bank must meet by 1 January 2022.

The success of the transaction, in terms of investor participation and final pricing, reflect market recognition of the significant progress made by the Group in improving its financial profile, as well as confidence in the Cypriot economy. This transaction represents the Group’s inaugural issuance of MREL-compliant senior notes, establishing a blueprint for future issuances.

BofA Securities, Citigroup, HSBC and Nomura acted as Joint Lead Managers. Stifel Nicolaus Europe Limited and the Bank acted as Co-Managers.

Sidley Austin LLP acted as English legal advisors and Chryssafinis & Polyviou LLC acted as Cypriot legal advisors to the Bank in this transaction.

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

<sup>1</sup> Based on the Group financial results for the quarter ended 31 March 2021 pro forma for Helix 2 and pro forma for the issuance of €300 mn Tier 2 Capital Notes in April 2021 and calculated according to the SRB’s eligibility criteria currently in effect and based on the Bank’s internal estimate. The Bank’s MREL ratio is expected to increase to 18.76% of risk weighted assets (RWA), when including 39 basis points relating to the outstanding Tier 2 Capital Notes of €43 mn remaining after the Tender Offer of April 2021, which are redeemable at the option of the Bank (subject to applicable regulatory consents) in January 2022.