



Announcement

Issue of Tier 2 Capital Notes

Nicosia, 16 April 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 95 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 3,573 staff worldwide. At 31 December 2020, the Group's Total Assets amounted to €21.5 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 Company has successfully launched and priced an issue of €300 mn unsecured and subordinated Tier 2 Capital Notes (the “Notes”) under its EMTN Programme.

The issue was met with strong demand, attracting interest from more than 140 institutional investors, with the final order book almost 4 times over-subscribed and final pricing 37.5 bps tighter from initial pricing indication. A number of long term, fundamental institutional investors participated in the offering for the first time, re-establishing the successful return of the Company to the institutional capital markets.

The Notes were priced at par with a fixed coupon of 6.625% per annum, payable annually in arrears and resettable on 23 October 2026. The maturity date for the Notes is 23 October 2031. The Company will have the option to redeem the Notes early on any day during the six-month period from 23 April 2026 to 23 October 2026, subject to applicable regulatory consents.

It is expected that settlement will occur on 23 April 2021. The Notes will be listed on the Luxembourg Stock Exchange’s Euro MTF market.

In addition to the pricing of the issue of the Notes by the Company, the Bank has announced that it intends to purchase up to the total nominal amount of its €250 mn Fixed Rate Reset Tier 2 Capital Notes due January 2027 (ISIN: XS1551761569) at a purchase price of 105.50%, as more particularly described in a Tender Offer Memorandum dated 13 April 2021. Please click [here](#) for further details.

The issuance of the Notes further optimises the Group’s capital structure and is expected to increase the Group’s Total Capital ratio by c.100 bps to 19.7%¹ pro forma for Helix 2. The issuance is expected to be fully MREL eligible, contributing towards the Bank’s MREL requirements.

The transaction has also enhanced the diversification of the Group’s investor base, and the pricing outcome evidences market recognition of the significant progress made in evolving its financial profile.

Goldman Sachs International and HSBC acted as Global Coordinators and Dealer Managers, and together with BNP Paribas, Bank of America and JP Morgan acted as Joint Lead Managers. The Bank acted as Co-Manager.

For further information, please contact Investor Relations at investors@bankofcyprus.com.

¹ Based on the Group financial results as at 31 December 2020 pro forma for Helix 2.