

Bank of Cyprus Holdings



Announcement

Issue of Green Senior Preferred Notes by Bank of Cyprus Public Company Limited

Nicosia, 25 April 2024

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. At 31 December 2023, the Bank of Cyprus Group operated through a total of 64 branches in Cyprus, of which 4 operated as cash offices. The Bank of Cyprus Group employed 2,830 staff worldwide. At 31 December 2023, the Group's Total Assets amounted to €26.6 bn and Total Equity was €2.5 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 (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 green senior preferred notes (the 'Notes') under its EMTN Programme.

The Notes were priced at par with a fixed coupon of 5% per annum, payable annually in arrear, until the Optional Redemption Date i.e. 2 May 2028. The maturity date of the Notes is 2 May 2029; however, the Bank may, at its discretion, redeem the Notes on the Optional Redemption Date subject to meeting certain conditions (including applicable regulatory consents) as specified in the Terms and Conditions. If the Notes are not redeemed by the Bank, the coupon payable from the Optional Redemption Date until the Maturity Date will convert from a fixed rate to a floating rate and will be equal to 3-month Euribor + 197.1 bps, payable quarterly in arrear.

It is expected that settlement of the Notes will occur on 2 May 2024 and the Notes will be listed on the Luxembourg Stock Exchange's Euro MTF market.

The issuance was met with strong demand, attracting interest from more than 120 institutional investors, with a final orderbook over 4 times over-subscribed at €1.3 bn and final pricing 50 basis points tighter than the initial pricing indication. The transaction represents the Bank's inaugural green bond issuance in line with the Group's Beyond Banking approach, aimed at creating a stronger, safer and future-focused Bank and leading the transition of Cyprus to a sustainable future. An amount equivalent to the net proceeds of the Notes will be allocated to Eligible Green Projects as described in the Bank's Sustainable Finance Framework, which include Green Buildings, Energy Efficiency, Clean Transport and Renewable Energy.

The success of the transaction, in terms of investor participation and final pricing, represents yet another milestone in terms of market recognition of the Group's improved financial profile.

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 28.36%^{1,2} of risk weighted assets ('RWA') and to 12.73%¹ of Leverage Ratio Exposure ('LRE'), finalising its MREL build-up and creating a comfortable buffer over the final requirements of 25%² of RWA and 5.91% of LRE which the Bank must meet by 31 December 2024.

BofA Securities Europe SA, Deutsche Bank AG, Goldman Sachs Bank Europe SE and J.P. Morgan SE acted as Joint Lead Managers. The Cyprus Investment and Securities Corporation Limited (CISCO) acted as Co-Manager.

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

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

¹ Based on financial results as at 31 December 2023, taking into account the aforementioned issuance of the Notes.

² The Combined Buffer Requirement applies on top of MREL as %RWAs