

## PRESS RELEASE

### **Administrative Court upholds CySEC decision to impose an administrative fine of €950,000 on Bank of Cyprus**

With its decision dated 27 May 2022, the Administrative Court rejected the Appeal of the Bank of Cyprus Public Company Ltd, No. 960/2014, and ratified the decision of the Cyprus Securities and Exchange Commission (CySEC), regarding the imposition of an administrative fine of €950,000 for violations relating to the investment of Bank of Cyprus Public Company Ltd in Greek Government Bonds.

The Court ruled that CySEC's decision, dated 28 April 2014, was correct, lawful and duly reasoned. Taking into account the specific circumstances, it rejected all Bank of Cyprus Public Company Ltd allegations, deciding that the principle of impartiality was not violated, nor were the findings of the investigating officers or the contested decision the outcome of an error.

With its Appeal, the Bank of Cyprus Public Company Ltd had challenged CySEC's decision, whereby CySEC decided, among other things, to impose an administrative fine of €950,000 on Bank of Cyprus Public Company Ltd for the following violations, relating to the company's investment in Greek Government Bonds:

- Articles 9(6)(a), 19 and 40 of the Transparency Requirements Law (Transferable Securities Admitted to Trading on a Regulated Market) Law - L.190(I)/2007,
- Articles 8(1) and 20(4) of the Public Offer and Prospectus Law - L.1114(I)/2005,
- Article 19 of the Insider Dealing and Market Manipulation (Market Abuse) Law - L.116(I)/2005.

The investigation concerned the Bank of Cyprus Public Company Ltd's non-disclosure of the risks (high credit risk and high concentration risk) pertaining to their investment in Greek Government Bonds, as well as non-compliance with specific corporate governance principles.

In his statements, CySEC Chairman, Dr. George Theocharides, said: *"The Cyprus Securities and Exchange Commission welcomes the Administrative Court decision, and remains committed to its mission to exercise effective supervision in order to ensure the protection of investors and the healthy development of the securities market."*