



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Press Office
Threadneedle Street
London EC2R 8AH
T 020 7601 4411
F 020 7601 5460
press@bankofengland.co.uk
www.bankofengland.co.uk

News release

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Closure of Cyprus Popular Bank Public Co Ltd (Laiki Bank UK) and transfer of all deposits to Bank of Cyprus UK

Cyprus Popular Bank Public Co Ltd operating in the UK under the trading name 'Laiki Bank UK' has today reached an agreement with Bank of Cyprus UK Ltd to transfer all deposits to Bank of Cyprus UK, a UK subsidiary fully regulated by the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) and covered by the UK Financial Services Compensation Scheme (FSCS) up to £85,000 per depositor.

The agreement does not affect access to bank accounts and therefore all customers who had an account with Laiki Bank UK will be able to access funds as normal and do not need to do anything.

Under the legal decree setting out the arrangements put in place by the Cypriot authorities a number of customers whose accounts are in overdraft will not be transferred to Bank of Cyprus UK. These accounts are now frozen at Laiki Bank UK and customers in overdraft will no longer have banking facilities at Laiki Bank UK. Customers in overdraft will need to contact Laiki Bank UK if they have any questions about what this means for them. Customers who had an overdraft facility but were in credit need to be aware that this facility has been cancelled. They will need to contact Bank of Cyprus UK if they want to apply for a new overdraft facility.

Additionally, mortgages and loans that customers have will not be transferred to Bank of Cyprus UK. These services have been transferred to the Bank of Cyprus, Cyprus and customers will be contacted directly in due course. However, customers should continue to make repayments as normal.

All other deposits, such as current accounts, will transfer to Bank of Cyprus UK. For further information customers should contact [Bank of Cyprus UK](#).

Existing customers of Bank of Cyprus UK have not been impacted by the measures outlined above and the firm continues to operate as normal.

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Notes to Editors

1. Until today, there were two Cypriot banks operating in the UK:
 - a) Cyprus Popular Bank Public Co Ltd (CPB) which operated in the UK under the trading name '[Laiki Bank UK](#)' as the UK branch of an EEA bank under the European Banking Consolidation Directive. The Central Bank of Cyprus was the home state regulator of this firm, not the UK authorities. As is the case with other EEA operations customers were covered by the home state deposit guarantee scheme up to 100,000 Euros per eligible depositor.
 - b) Bank of Cyprus Public Limited Company operates in the UK through its subsidiary Bank [of Cyprus UK Limited \(Bank of Cyprus UK\)](#) which is incorporated in the UK and fully regulated by the PRA and FCA. Eligible deposits with the Bank of Cyprus UK are covered by the Financial Services Compensation Scheme (FSCS) up to £85,000 per eligible depositor and £170,000 for joint accounts.
2. Details regarding the UK Financial Services Compensation Scheme (FSCS) are available on the [FSCS website](#)
3. On 1 April 2013 the [Prudential Regulation Authority \(PRA\)](#) became responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms. In total the PRA regulates around 1,700 financial firms.

The PRA's role is defined in terms of two statutory objectives to promote the safety and soundness of these firms and, specifically for insurers, to contribute to the securing of an appropriate degree of protection for policyholders.

The PRA was created by the Financial Services Act (2012) and will be part of the Bank of England.

4. On the 1 April 2013 the [Financial Conduct Authority \(FCA\)](#) became responsible for the conduct supervision of 26,000 financial firms. The FCA is responsible for promoting effective competition, ensuring that relevant markets function well, and for the conduct regulation of all financial services firms. This includes acting to prevent market abuse and ensuring that consumers get a fair deal from financial firms. The FCA operates the prudential regulation of those financial services firms not supervised by the PRA, such as asset managers and independent financial advisers.

The FCA was created by the Financial Services Act (2012).

5. If you are calling from the media and require further information before 08:00 on Tuesday 2 April, please contact the Bank of England duty press officers on 07850 643978 or 07967 279228. Any queries after 08:00 please contact the Bank of England Press Office on 020 7601 4411.