

**General Conditions for Bank of Cyprus UK FlexiBond (16 December 2011 version)**

'We/our/us' means Bank of Cyprus UK or any company which succeeds to its business.

'You/your' means the customer or customers.

**About us**

Bank of Cyprus UK is a division of Bank of Cyprus Public Company Limited, incorporated in Cyprus. The main business of Bank of Cyprus UK is the provision of financial services. It is registered in England and Wales as establishment number BR004334. Its address for the purposes of this agreement is at PO Box 17484, 87 Chase Side, London N14 5WH.

Bank of Cyprus Public Company Limited is registered in Cyprus as company number C 165 and is authorised by the Central Bank of Cyprus (registration number H.E. 165). In addition, for certain activities in the UK we are regulated by the Financial Services Authority, which is based in London. Our FSA registration number is 204627.

**General FlexiBond information**

The Bank of Cyprus UK FlexiBond is a sterling denominated deposit available for a term of one year. The interest rate of the FlexiBond is set out in the Summary Box below.

Interest rates on our FlexiBonds are fixed for the term of the FlexiBond. The interest rate for any particular FlexiBond will be shown in all relevant literature as the gross contractual rate. Gross rate means a rate that does not reflect any deduction we have to make for tax. We will also show an Annual Equivalent Rate (AER), illustrating what the gross interest rate would be if interest were paid at the end of each year and if the funds were invested for the whole period.

Each FlexiBond will be subject to a minimum and maximum deposit which is set out in the Summary Box below.

We reserve the right to refuse a deposit. You cannot transfer or assign a FlexiBond to anyone else.

**Account opening**

The FlexiBond is a strictly limited offer and may be withdrawn at any time without notice.

Your FlexiBond will be opened from the date we receive cleared funds and all documentation specified in the application form.

You can make payments to us in the following ways:

- By debit card - payments can take up to five Working Days to reach us.
- By direct debit - payments can take up to eight Working Days to reach us, as we need to set up the direct debit facility.
- By cheque - the FlexiBond will be opened on the second Working Day after the day we receive your cheque, however, the bond will be cancelled if the cheque subsequently does not clear.
- By BACS - transfers are received by us three Working Days after you make the transfer.
- By CHAPS - transfers are normally received on the same day.

If you deposit by direct debit or by debit card we will proceed to open your FlexiBond at the rate advertised when we took your instruction, even if we subsequently withdraw that particular FlexiBond before your payment reaches us. (If the direct debit or debit card payment is recalled by your bank we will not proceed with the application.) If we take your application by phone and you agree to send us your deposit we must receive it by CHAPS transfer the same day otherwise we can at any time decide not to proceed with your application. If you send us a cheque or transfer your deposit by BACS and we withdraw the FlexiBond before we receive your payment we will not proceed with your application.

Even if we have not withdrawn a particular FlexiBond, if we do not receive your deposit or any required documentation within eight Working Days of receiving your application to open a Bond account we reserve the right not to proceed with your application.

A confirmation of deposit will be sent to you within seven Working Days of opening your FlexiBond. Once we have opened your FlexiBond account we cannot accept further deposits into that account. You will have to open a new FlexiBond account or accounts (subject to availability).

In these Conditions Working Day means any day of the week except Saturday, Sunday or any English public holiday.

You can view information on your FlexiBond such as principal balance, interest rate, start and maturity date via our Online Banking service. If you would like to register for Online Banking please call Customer Service or visit [www.bankofcyprus.co.uk](http://www.bankofcyprus.co.uk).

If you are an existing Bank of Cyprus UK customer who is registered for Online Banking and would like to view your FlexiBond account online, simply log on and send your request to the Online Banking team via the 'Messages' option.

## Interest and tax

From the date the FlexiBond is opened interest is calculated daily. The rate of interest received will depend on your individual tax circumstances, and as such may be subject to change in the future. Tax will be deducted (under current legislation at 20%) unless you are entitled to gross interest. If you are a UK higher rate tax payer, you may have to pay further tax on the interest received. Gross interest (without deduction of tax) will be paid to:

- Individuals who are normally resident in the UK and have completed documentation permitting us to pay interest gross (form R85).
- Corporate and other bodies.
- Charities (We may need to confirm your tax status with your local tax office to make sure that interest on the FlexiBond(s) may be paid gross and by accepting these conditions you consent to the relevant tax authorities disclosing to us whatever information we need to establish your tax status.)
- Customers who are not ordinarily resident in the UK for whom we hold a valid declaration (form R105).

If in doubt whether you need to declare the interest you receive to your tax authority you should seek professional advice.

Interest on FlexiBonds will be paid on maturity. If you instruct us to pay your interest into a Bank of Cyprus UK account we will do so, and if you ask us to pay the interest to an account held with another UK institution your funds will be sent to you by BACS. Either way there will be no charge for the transfers. We will charge for other types of transfer.

## Withdrawal/Cancellation/Closure

You are permitted to make two withdrawals from your FlexiBond up to a combined total of 30% of your original investment. To make the withdrawals you must give us 35 days' notice. The 35 days' notice will begin from the day after we receive your instructions. Withdrawal instructions cannot be accepted within 35 days of the maturity date. Once you have made a withdrawal request you can only cancel that request if we, at our discretion, agree. Withdrawn funds cannot be re-invested in the same FlexiBond.

You can provide withdrawal instructions in writing or by telephone. You will need to give us the following information: your name, address, FlexiBond account number, amount to be withdrawn and payment instructions. A confirmation of your withdrawal instructions will be sent to you within seven Working Days of receipt. When you receive it you should check the details carefully and contact us immediately if any of the details do not match your withdrawal instruction. The confirmation of withdrawal will show the revised amount of interest to be paid to you on maturity, taking into account the amount you have withdrawn.

If you hold a joint FlexiBond you agree that if one of you dies, the survivor(s) will automatically be entitled to the funds, but early closure of the FlexiBond will not be permitted.

If we are no longer able to participate in the UK deposit market we may, upon giving you 3 months' notice, terminate your bond and return your money to you, including interest that will have accrued up to the date of termination.

## Repayment at the end of the term

**At the end of the term, unless you instruct us otherwise, we will reinvest the interest and principal amount of your FlexiBond in our nearest equivalent FlexiBond at the time. We will decide what the nearest equivalent FlexiBond is. If you do not want your funds re-invested in another FlexiBond you should ensure that you contact us at the latest the day before your FlexiBond matures.** If you have asked us not to reinvest the funds in your FlexiBond we will, unless you instruct otherwise, pay them to you without charge by BACS transfer to a UK bank account. We reserve the right to charge for other types of repayment. The charges are set out in our "Tariff of Bank Charges for Personal /Business Customers" which ever is applicable. Our Tariff is available at any of our offices on request and is on our website [www.bankofcyprus.co.uk](http://www.bankofcyprus.co.uk).

## Deposit protection

We are part of Bank of Cyprus Public Company Limited which is based in Cyprus. Most of our depositors are covered by the Cypriot Deposit Protection Scheme (the Scheme), which is also based in Cyprus.

This means that if Bank of Cyprus Public Company Limited was unable to meet its financial obligations, our eligible UK depositors would be able to claim up to 100,000 Euros from the Scheme. The maximum compensation limit applies per depositor not per account, so for joint accounts each account holder would be entitled to compensation up to the maximum limit. Your deposits with all parts of Bank of Cyprus Public Company Limited would be added together when deciding whether you had exceeded the compensation limit. For example, if you had 60,000 Euros with Bank of Cyprus UK and 60,000 Euros with Bank of Cyprus in Cyprus or Greece you would only receive a maximum of 100,000 Euros compensation.

Deposits held in all currencies are protected under this Scheme, although any compensation paid by the Scheme would be in Euros. Where your deposit is held in a currency other than Euros the Scheme would look at the exchange rate applicable on the day the bank failed in order to determine whether you were within the maximum compensation limit.

A right of set off applies, which means that the Scheme would deduct money you owe to us and other parts of Bank of Cyprus Public Company Limited before it paid you any compensation.

The Scheme covers most customer types, including personal customers, small and large companies and partnerships and associations. Please note, however, that the Scheme does not cover deposits held by other banks, insurance companies, collective investment companies or pension funds (including Self Administered Personal Pension (SIPPs) and Small Self Administered Schemes (SSASs)).

For further information about the Scheme (including amounts covered and eligibility to claim) please contact our Customer Service Team or visit the website of Central Bank of Cyprus on [www.centralbank.gov.cy](http://www.centralbank.gov.cy) and follow the link Banking in Cyprus>Deposit Protection Scheme.

## Your Data

You agree that we may use any personal information provided by you, or obtained by us in connection with your FlexiBond application ("your Data"), for the purpose of administering your FlexiBond and for fraud prevention. You agree that we may also use your Data to select and tell you about other products and services (including those supplied by third parties) which we think you may be interested in, unless you inform us that you do not want to receive this information.

To comply with anti money laundering regulations, we are required to verify the identity of potential FlexiBond holders and authorised persons when opening an account. Our checks may include verifying your name and address with a credit reference agency and obtaining documents from you confirming your name and home address.

It is important that you give us accurate information. We may check your details with fraud prevention agencies, and if you give false or inaccurate information and we feel that there is a fraud or suspicion of a fraud, we will report this to law enforcement and fraud prevention agencies. Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering, for example, when:

- Checking details on applications for credit and credit related or other facilities
- Managing credit and credit related accounts or facilities
- Recovering debt
- Checking details on proposals and claims for all types of insurance
- Checking details of job applicants and employees

We and other organisations may access and use information from other countries recorded by fraud prevention agencies.

If you ask, we agree to tell you, in accordance with the Data Protection Act 1998, what information we hold about you and provide a copy to you. There may be a charge for this, as permitted by law. We will take care to ensure that your Data remains confidential and protected from access by third parties, except such disclosure as described above or where we use subcontractors or persons acting as our agents to process your Data and such agents or subcontractors are under a duty of confidentiality to us or where we are obliged by law or by our regulator to disclose information. We may also disclose your Data to any person who may assume our rights under these Conditions.

If you feel that we hold inaccurate information or you would like a copy of the information we hold on you or if you want to know what credit reference and/or fraud prevention agencies we use, or would like us not to send you information about our other products and services please contact us at: Compliance, Bank of Cyprus UK, PO Box 17484, 87 Chase Side, London N14 5WH.

After your FlexiBond is closed we will keep your Data on record for as long as we need to.

## Complaints

If you have a complaint about any of our services, please contact Customer Service. You can contact them in the following ways:

Email [customerservice@bankofcyprus.co.uk](mailto:customerservice@bankofcyprus.co.uk)

Telephone 0845 850 5555 or +44 20 8267 7343 if you are calling from outside the UK.

If they are unable to resolve your complaint, you should contact our Compliance Manager, who will investigate and deal with your complaint promptly. The address is Compliance, Bank of Cyprus UK, PO Box 17484, 87 Chase Side, London N14 5WH.

If we are unable to resolve your complaint to your satisfaction, you may take your complaint to the Financial Ombudsman Service, provided your complaint falls within the Ombudsman's terms of reference. In order to contact the Financial Ombudsman Service, or obtain further details of the Financial Ombudsman Scheme, you should contact:

The Office of the Financial Ombudsman  
South Quay Plaza  
183 Marsh Wall  
London  
E14 9SR  
Telephone 0800 023 4567

## Language and governing law

These Conditions will be governed by the laws of England and Wales. You and we agree to submit to the non-exclusive jurisdiction of the English courts. All communications which include information about the FlexiBond will be in English as will all conditions.

<b>Summary Box</b>	
<b>Key Product Information for our FlexiBonds</b>	
<b>Account name</b>	Bank of Cyprus UK FlexiBond
<b>Loyalty<sup>1</sup> interest rate (AER / Gross<sup>2</sup>)</b>	1 year term 3.40%
<b>Fixed for the term</b>	
<b>Advertised interest rate (AER / Gross)</b>	1 year term 3.10%
<b>Fixed for the term</b>	
<b>Minimum deposit</b>	£10,000
<b>Maximum deposit</b>	£1,000,000 (or higher at our discretion)
<b>Tax status</b>	Gross or net of income tax subject to eligibility
<b>Conditions for bonus payment</b>	No bonus
<b>Withdrawal arrangements</b>	Withdrawals permitted before the end of the term subject to 35 days' notice and limited to two withdrawals up to a total of 30% of the original deposit.
<b>Access</b>	Phone / post / branch /online

<sup>1</sup> Customers holding a Bank of Cyprus UK Account, Bond, or Fixed Rate Cash ISA opened on or before 31 October 2011 will receive the above loyalty rates.

<sup>2</sup> AER means Annual Equivalent Rate and illustrates what the interest rate would be if interest was paid and compounded each year. Gross interest is the contractual rate of interest payable before the deduction of income tax. We will deduct Lower Rate Tax (currently 20%) unless you are entitled to receive your interest gross.