

## **Official Statement: Disputing Allegations Made in “Tainted Gold: Inside Perth Mint’s Billion Dollar Scandal”**

We, The Bank of Cyprus (“BoC”), are compelled to address the recent report published by ABC News on 6 March 2023 titled "Tainted Gold: Inside Perth Mint’s Billion Dollar Scandal” (“Report”).

While we respect and are supportive of the media's role in investigating and reporting on important matters, the Report contains several allegations and inferences relating to the BoC that are fundamentally untrue and misleading. We believe it is crucial to set the record straight and provide the Report’s audience with an accurate understanding of the situation:

- As a bank regulated by the European Central Bank and Central Bank of Cyprus, and a company listed on the London Stock Exchange (“LSE”) that voluntarily complies with the UK 2018 Corporate Governance Code (despite not being a premium listed entity on the LSE), the BoC adheres to the strictest anti-money laundering (“AML”) and financial regulatory compliance standards. It is subject to routine assessment of compliance with EU AML directives and Cypriot AML law, and subject to wide-scoping public disclosure obligations due to its LSE listing. The BoC complies with U.S. sanctions rules and regulations in addition to the EU sanctions measure which apply to it as an EU jurisdiction and UK measures that can apply under its LSE listing. The BoC’s AML and sanctions compliance policies and procedures meet and – in many cases exceed – the banking industry best practices.
- For the last ten years, the BoC has been widely recognized for its AML compliance investment and strong compliance staff, winning awards and receiving both public and private praise from the U.S. and EU member governments and regulators. The success of AML and other regulatory reforms implemented by the BoC over the last ten years has been widely reported and awarded (including, most recently, by receiving the Silver for Compliance Team of the Year at the 2022 International Compliance Association Compliance Awards and the prestigious World Finance 2023 Award for Best Corporate Governance in the United Kingdom).
- For the past ten years, the BoC has spent substantial resources in building a world-class AML capacity. Like all reputable banks of its stature, the BoC for many years has had market-leading KYC/CDD procedures. To open or continue to maintain an account at BoC, any customer goes through thorough KYC procedures and screening. This includes identifying individuals and ultimate beneficial owners for entities, requiring government-issued photo identification, conducting an in person or video meeting with the account principal, undertaking source of funds checks and processing screening via commercial software. These sophisticated compliance processes and this firm-wide commitment to compliance help the BoC maintain an impressive AML and sanctions compliance record. The BoC has never been convicted of any AML offences in Cyprus or any other jurisdiction, and certainly has no “documented links to money laundering”.

In response to the specific questions raised by Four Corners:

1. *What is your current business relationship with the Perth Mint?*

The BoC has no ongoing business relationship with the Perth Mint.

2. *When did this relationship begin and how did it come about?*

Prior to 2015 the BoC conducted some precious metal transactions with the Perth Mint on behalf of BoC customers through a large international bank under that bank's client account. The BoC opened an account with the Perth Mint in May 2015 when that bank terminated its business relationship with the Perth Mint.

3. *What customer due diligence did the Perth Mint require on any customers from the Bank of Cyprus who purchased its precious metals or other products?*

KYC and sanctions screening checks were performed on BoC customers that purchased and stored gold with the Perth Mint, in line with the compliance policies and procedures described above.

4. *Did you have any sanctioned Russian customers who purchased precious metals or other products from the Perth Mint? If so, did you ever tell the Perth Mint about these people?*

To the best of our knowledge, none of the customers were subject to applicable sanctions or qualified as politically exposed persons.

5. *What checks does your bank do on customers as to whether individuals are politically exposed persons and how does your bank manage these conflicts if they arise?*

Please refer to the third bullet point above.

6. *Does your bank's largest shareholder, Viktor Vekselberg, hold any precious metals with the Perth Mint?*

First, the premise of the question is misleading – A company owned by Mr. Vekselberg has a minority 9.27% share in the BoC among many other shareholders in a public company listed on the London Stock Exchange. The largest group of shareholders in fact are a collection of reputable U.S. and European funds and the European Bank of Reconstruction and Development, who together control approximately 33% of shares. Shareholder information is publicly available at [www.bankofcyprus.com/en-gb/group/investor-relations/shareholder-information/major-holders-of-shares-and-financial-instruments/](http://www.bankofcyprus.com/en-gb/group/investor-relations/shareholder-information/major-holders-of-shares-and-financial-instruments/). Mr. Vekselberg has no role in or influence over BoC whatsoever, and quite the opposite the BoC has stringently complied with U.S., EU and UK sanctions rules, with no exceptions made for any customer or shareholder.

Second, the BoC did not maintain any accounts for Viktor Vekselberg, directly or indirectly, through which he held precious metals with the Perth Mint.

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fundamentally committed to compliance with sanctions and anti-money laundering laws and regulations and understands the importance of maintaining the highest compliance standards. We take our responsibilities seriously in preventing money laundering, terrorist financing, and other illicit activities that threaten the stability and security of the global financial system.