

Announcement

Clarification regarding Directors' Report/Recommendation to accompany Special Resolutions at Annual General Meeting

Nicosia, 6 November 2015

In relation to the Directors' Report/Recommendation to accompany the Special Resolutions that will be examined at the Annual General Meeting of Bank of Cyprus Public Company Ltd ("the Bank" or "the Group"), to be held on 24 November 2015, the Bank would like to clarify the following:

- The proposed Share Option Plan ("the Options"), as part of the Long-Term Incentive Plan ("LTIP"), will be designed to vest only if certain key performance conditions are met. These conditions, at a minimum, will relate to the following:
 - Full repayment of Emergency Liquidity Assistance
 - Lifting of dividend restrictions
 - Cancellation of government guarantees
 - Performance of eligible employees
- The grant date for the Options will be 31 March 2016 and eligible employees will only be able to exercise any option after 31 March 2019. Any delay in the date of the grant would result in a corresponding delay in the vesting date. Deferral, vesting and retention requirements will, subject to regulatory approval, be fully in line with the requirements of the European Capital Requirements Directive and any local regulatory requirements.
- The operation and oversight of the proposed LTIP will be monitored through the Human Resources and Remuneration Committee of the Board. This Committee ensures the implementation of the Group's Remuneration Policy and comprises of non-Executive Directors.

Group Profile

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides 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. The Group operates through a total of 135 branches, of which 129 operate in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine and China. The Bank of Cyprus Group employs 4.600 staff worldwide. At 30 June 2015, the Group's Total Assets amounted to €25,4 bn and Total Equity was €3,5 bn.