

## AGM OF SHAREHOLDERS OF BANK OF CYPRUS HOLDINGS PUBLIC LIMITED COMPANY 26 MAY 2020

### Speech by Mr Efstratios-Georgios (Takis) Arapoglou Chairman of the Board of Directors

Dear Shareholders

On behalf of the Board of Directors, it is with great pleasure that I welcome you to the Annual General Meeting of Shareholders of the Bank of Cyprus Holdings Public Limited Company (BOC Holdings). I hope you are all well and staying safe from the pandemic.

I regret that we were unable to arrange the AGM in the traditional way. Hopefully we will go back to tradition next time.

This AGM is the first one after the Board elected a new Chair and a new CEO last year. I am very pleased to say that due to the full support of my predecessor Joe Ackerman and the previous CEO John Hourican, Panicos Nicolaou our new CEO and I have had a very smooth and effective transition. Results show that the Board took the right decisions.

We continue the work of our predecessors out of a very long list of “to do’s” under very close cooperation and supervision by our regulators. The priorities on the list include mainly the following:

- De-risking the balance sheet;
- Maintaining adequate capital and liquidity ratios;
- Improving capital allocation and efficiency;
- Reducing costs and increasing operating efficiency;
- Modernising the ways and habits of doing business; and
- Positioning the Bank for the Digital age

Significant progress has been achieved thus far on many of these complex fronts, for which Panicos Nicolaou our CEO, his management team and indeed all our employees need to be wholeheartedly congratulated.

Unfortunately, the advent of the pandemic has prevented us from progressing as fast as we wanted and could, but hopefully, with perhaps some delay, we will get back on track soon. It is still early days in this crisis and forecasts on its duration and impact change virtually by the day. However, we believe that due to the excellent work done during the past few years, the Bank will be in a position to manage any foreseeable adverse situations. We are continuously monitoring the situation and updating our models so that we can better assess outcomes.

Our priority is clearly to create a world class, highly performing European bank, free of old baggage which can meaningfully support our good customers and through them the Cyprus Economy going forward. This will benefit our shareholders and their investment in the Bank as well as our employees. The latter, in turn, need to be supported, trained and appropriately compensated for their efforts. They all deserve it.

These are our aspirations and despite the recent shortcomings, I hope that we will be able, a year from now, in this same forum, to report meaningful progress.

In closing, I would like to take this opportunity to thank my fellow Board members for their hard work at the Board and its Committees, supporting and guiding management for the benefit of you, our shareholders. I would also like to thank our employees for their dedication and commitment and our regulators for the close and productive cooperation. All this enables the Bank to operate under the highest corporate governance standards, in line with the reputation of Bank of Cyprus over the years and the expectations of our distinguished international investor base.

Once again, thank you for joining us today and I hope that next time we will be able to meet under better circumstances.

Wishing you all the best  
Takis Arapoglou

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Coming now to the agenda for this year’s AGM, you will have noted that your formal approval is required for 4 Ordinary Business resolutions and 9 Special Business resolutions.

The Ordinary Business resolutions relate to the following:

- The Financial Statements of BOC Holdings for the year ended 2019 together with the related reports of the Directors and Auditors;
- Authorisation of the Board of Directors to fix the Auditors’ remuneration;
- The fixing of the Directors’ Remuneration; and
- The re-election or election of Board Members by separate resolutions.

With respect to the Directors’ remuneration, please note that the proposal is for this to remain at the same levels approved at last year’s AGM and to introduce specific remuneration for the members of the new Ethics, Conduct & Culture Committee.

Please note that for Resolution 4 (which is comprised of 11 separate sub-resolutions, one for each Director), the UK Governance Code, with which BOC Holdings voluntarily complies, requires annual re-election of all Board members. All 10 current Directors, excluding Mrs Anat Bar-Gera, have agreed to submit their names for re-election. Nicos Sofianos, who was appointed as Board member on April 14, subject to ECB approval, also stands for election. The CVs of all Directors are available on the Bank’s website. As Chairman of the BOC Holdings Board, I would like to confirm that, following the annual formal performance evaluation of the Board of Directors, all Directors continue to be effective and to demonstrate commitment to the role.

Resolutions 5-12 are identical to the comparable resolutions adopted at the last AGM.

Resolution 13 proposes the creation of distributable reserves out of the existing share premium, ensuring that the Bank is not constrained in paying any dividends, redeeming or repurchasing ordinary shares, and paying coupons for any Alternative Tier 1 instruments outstanding.

As a general comment, however, I would like to reiterate that Resolutions 5-13 are fairly routine for companies listed on the London Stock Exchange and are intended to provide the Board with the customary and generally accepted range of options so as to allow it to respond effectively and on a timely basis to circumstances that might arise. The Board fully supports each resolution and I urge each one of you to support all proposed resolutions so as to allow the Board of BOC Holdings to serve the best interests of all existing shareholders and stakeholders.

Thank you and stay healthy!