Trading in the products and services provided in the platform offered by the Bank of Cyprus may result in losses as well as profits. Trading risks are magnified by leverage – losses can exceed your deposits. Margin calls may be made quickly or frequently, especially in times of high volatility, and if you cannot meet them, your positions may be closed out and any shortfall will be borne by you. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you based on your financial circumstances and seek independent financial consultation.

**Speculative trading is not suitable for all investors**

Any mentioning, if any, in a publication of the risks pertaining to a particular product or service may not and should neither be construed as a comprehensive disclosure nor full description of all risks pertaining to such product or service and the Bank of Cyprus PCL strongly encourages any recipient considering trading in its products and services to employ and continuously consult suitable financial advisors prior to the conclusion of any investment or transaction.

**Internet Trading Risks**

There are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, the failure of hardware, software, and Internet connection. Since Bank of Cyprus does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading via the Internet. Bank of Cyprus Bank employs backup systems and a contingency plan to minimize the possibility of system failure, and trading via telephone is available.

**Complex Products Risk Warning**

Below is an overall description of the characteristics of certain complex products and their markets and of the risks associated with these products. You can find more detailed information in the Pre-Contractual Information document that is provided to you by Bank of Cyprus. Trading in financial products always involves a risk. As a general rule, you should therefore only trade in financial products if you understand the products and the risks associated with them.
Foreign exchange trading (FOREX)

When trading in foreign exchange, the investor speculates in the development of the price of one currency relative to another, where one is sold and the other is purchased. By way of example, an investor may sell British pounds (GBP) against the US dollar (USD) if he expects that the USD will increase relative to the GBP.

Foreign exchange is traded as a margin product, which means that you can invest more money than is available in your account by borrowing money from Bank of Cyprus. Foreign exchange may be traded as FX Spot, FX Forward or FX Options. FX Spot is the purchase of one currency against the sale of another for immediate delivery. FX Forward transactions are settled on an agreed date in the future at prices which are agreed on the date of the transaction. FX Forward trading involves an obligation to make the transaction at the agreed price on the settlement date.

The currency exchange market is the world's largest financial market with 24 hour trading all working days. It is characterised, among other things, by a relatively low profit margin compared to other products. A high profit is therefore subject to a large trading volume, which is achieved for instance by margin trading as described above. When trading in foreign exchange, a gain net of costs, such as commission and spread, realised by one market player will always be offset by another player's loss. Foreign exchange transactions are always made with Bank of Cyprus as counterparty and Bank of Cyprus transmits price quotes obtained by the bank's service provider, Saxo Bank A/S, which are provided on the basis of prices that can be obtained in the market. This means that your gain or loss is not offset by a loss or gain on the part of Bank of Cyprus as Bank of Cyprus always hedge its risks with other counterparties.

As foreign exchange is margin traded, allowing you to take a larger position than you would otherwise be able to, based on your funds with Bank of Cyprus, a relatively small negative or positive market movement can have a significant effect on your investment. Foreign exchange trading therefore involves a relatively high level of risk. This makes the potential gain quite high, even if the deposit is relatively small. If your total exposure on margin trades exceeds your deposit, you risk losing more than your deposit.

Futures

Futures trading involve speculating on the price of a specific underlying asset going up or down in the future. A future gives the holder a standardised obligation to either buy or sell the underlying asset at a specified price at a certain date in the future. The underlying asset may, for instance, be raw materials, agricultural produce or financial products. Depending on the nature of the future, the asset either has to be settled for the price difference or by actual delivery at the settlement date. Futures are always traded on margin (see "Foreign exchange trading" above). Futures are always traded in a regulated market, either by direct trading in the stock exchanges' trading systems, or by reporting of transactions.

As futures are margin traded, allowing you to take a larger position than you would otherwise be able to, based on your funds with Bank of Cyprus, a relatively small
negative or positive market movement can have a significant effect on your investment. Futures trading therefore involve a relatively high degree of risk. This makes the potential gain quite high, even if the deposit is relatively small. If your total exposure on margin trades exceeds your deposit, you risk losing more than your deposit.

For more information regarding the investment products and services provided by Bank of Cyprus and the relevant risks please view the MiFID pre-contractual document (click on the link provided below).