

03 November 2014

The secretary of the board of directors  
Bank of Cyprus plc

I have taken note of the letter that new shareholders of the bank have sent, exercising their right to place on the Agenda of the Bank's Annual General Meeting to be held on 20 November 2014, the resolutions set out in the mentioned letter. The said resolutions include, inter alia, the removal of specific Directors, including myself.

I would like to invoke subsections (2) and (3) of section 178 of the Companies Law, Cap. 113, pursuant to which I have the right to be heard at the Annual General Meeting in connection with the said resolution and/or to make representations in writing to the Company and to request the notification of my representations to the members of the company.

I would firstly like to remind everyone that even though my presence on the board of directors of Bank of Cyprus plc is in my personal capacity, I am on the board representing the interests of the Laiki creditors, who collectively are the beneficiaries of the 9.6% Laiki shareholding of the Bank of Cyprus (18.2% prior to dilution as a result of the equity raise).

As a group of creditors / depositors /shareholding beneficiaries, we supported the equity raise, both in terms of public announcements as well as through my vote at the BOC board.

We also requested and had a meeting with Mr. Ross when he last visited Cyprus, in order to offer our cooperation as the beneficiaries of the single highest shareholding of the Bank. Moreover, as a group, we endorsed the Central Bank's position that all major shareholders should be represented on the board.

It is very disappointing that some new shareholders have taken a stance which could be construed as hostile towards us, through their resolution stipulating that our group's sole representative on the board, be removed, despite the fact that we represent a large number of customers and shareholding beneficiaries of the bank.

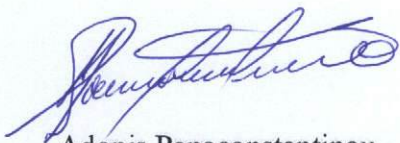
This approach could be interpreted as equivalent to oppression of the minority, since through the Laiki 9.6% shareholding we represent the well understood interests of the largest single collective shareholder. For the sake of history and appraisal of new shareholders, the mentioned 9.6% represents the only tangible (at this time) asset, in terms of partial compensation for the "confiscation" of our deposits. Through numerous discussions and engagements and when the BOC was out of resolution, we were afforded a place on the board so that we could have a voice and a role in the bank's affairs, since we were the beneficiaries of the above mentioned shareholding.

I fear that the approach followed by some of the new shareholders could annihilate the support of a large number of the bank's shareholders customers and depositors. Everybody would agree I assume that the Bank cannot be successful without the support of its customers, particularly its

creditors, at a time when non-performing loans run at such high volumes and percentages.

It is our position that we should maintain our place on the board through the current membership held by the president of the only organized group of Laiki Creditors (which includes a large number of BOC depositors too).

Through this communication, I would also like to exercise my right to address the forthcoming Annual General meeting.



Adonis Papaconstantinou  
Member of the board of Directors of Bank of Cyprus plc  
President of the Laiki Depositors Association