

ANNOUNCEMENT

The Cyprus Securities and Exchange Commission ('the Commission') hereby informs investors that, in its meeting held on 28 April 2014, the Commission concluded the investigation in relation to the investment in Greek Government Bonds (GGB) by Cyprus **Popular Bank Public Co Ltd** and **Bank of Cyprus Public Company Ltd**. The Commission identified the existence of violations and imposed administrative sanctions as follows:

A. Cyprus Popular Bank Public Co Ltd:

A.1. An administrative fine of **€1.050.000** to **Cyprus Popular Bank Public Co Ltd**

A.2. The following administrative fines to the **Members of the Board of Directors** of **Cyprus Popular Bank Public Co Ltd**:

Directors	Position	Total administrative fine
Mr. Andreas Vgenopoulos	Non-executive Chairman	€705.000
Mr. Efthimios Mbouloutas	CEO	€705.000
Mr. Christos Stylianides	<ul style="list-style-type: none"> Deputy CEO Member of Risk Management Committee 	€430.000
Mr. Panayiotis Kounnis	Deputy CEO	€430.000
Mr. Eleftherios Chiliadakis	Executive Director	€170.000
Mr. Neoklis Lysandrou	<ul style="list-style-type: none"> Non-executive Vice-Chairman Member of Risk Management Committee Member of Audit Committee 	€200.000
Mr. Vasilios Theocharakis	Non-Executive Vice-chairman	€35.000
Mr. Constantinos Mylonas	<ul style="list-style-type: none"> Non-executive Member Member of Audit Committee 	€90.000
Mr. Markos Foros	<ul style="list-style-type: none"> Non-executive Member Member of Risk Management Committee Member of Audit Committee 	€90.000

A.3. An administrative fine of **€100.000** to the Chief Financial Officer of the Group, **Ms. Annita Philippidou**.

A.4. An administrative fine of **€50.000** to **Provident Fund of Employees of Cyprus Popular Bank Public Co Ltd**, and an administrative fine of **€10.000** to **Mr. Dimitris Pleipel**, member of the Management Committee of the Fund and Director - Cyprus Risk Management of the Company.

B. Bank of Cyprus Public Company Ltd:

B.1. An administrative fine of **€950.000** to **Bank of Cyprus Public Company Ltd**,

B.2. The following administrative fines to the **Members of the Board of Directors** of **Bank of Cyprus Public Company Ltd**:

Directors	Position	Total administrative fine
Mr. Theodoros Aristodemou	Non-executive Chairman	€530.000
Mr. Andreas Eliades	<ul style="list-style-type: none"> • Executive Director • CEO of Group • Member of Risk Management Committee • Member of ALCO Committee 	€530.000
Mr. Yiannis Kypri	<ul style="list-style-type: none"> • Executive Director • Deputy CEO of Group • Compliance Officer for CGC • Member of ALCO Committee 	€330.000
Mr. Yiannis Pechlivanides	<ul style="list-style-type: none"> • Executive Director • A' Deputy CEO of Group 	€330.000
Mr. Andreas Artemi	<ul style="list-style-type: none"> • Non-executive Vice-Chairman • Member of Risk Management Committee 	€170.000
Mr. Costas Severis	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee • Member of Risk Management Committee 	€110.000
Mr. Georgios Georgiades	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee • Member of Risk Management Committee 	€110.000
Mr. Costas Hadjipapas	<ul style="list-style-type: none"> • Non-executive Member • Member of Risk Management Committee 	€110.000
Mr. Nicolas Tsakos	<ul style="list-style-type: none"> • Non-executive Member 	€110.000

	<ul style="list-style-type: none"> • Member of Risk Management Committee 	
Mr. Andreas Iakovides	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee 	€80.000
Mr. Stavros Constantinides	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee 	€80.000

B.3. An administrative fine of **€80.000** to the General Manager of the Financial Management and Strategy Division, **Mr. Christos Hadjimitsis**.

The Commission's investigation focused, among others, on the following:

1. The information that **Cyprus Popular Bank Public Co Ltd** and **Bank of Cyprus Public Company Ltd** provided to investors and the public at large, through the publication of their Financial Reports and the publication of Prospectuses for the year 2010 and the year 2011 until the first PSI, in relation to the amount of their investment in GGB and the risks of this investment at a time when the GGB were undergoing continuous downgrades;
2. Whether **Cyprus Popular Bank Public Co Ltd** and **Bank of Cyprus Public Company Ltd** applied the Principles of Corporate Governance of the CSE (CGC), which, as stated in the Financial Reports and Prospectuses, both Companies had adopted in 2010 and 2011.

Having considered the evidence before it, the Commission found that **Cyprus Popular Bank Public Co Ltd** and **Bank of Cyprus Public Company Ltd** are in violation of the following:

- (i) the Insider Dealing and Market Manipulation (Market Abuse) Law ('**L.116(I)/2005**'),
- (ii) the Transparency Requirements (Transferable Securities Admitted to Trading on a Regulated Market) Law ('**L.190(I)/2007**'),
- (iii) the Public Offer and Prospectus Law ('**L.114(I)/2005**').

As such, the Commission proceeded with the imposition of the administrative sanctions as set out above. In determining the amounts of the administrative fines, the Commission took several factors into account for each case.

The complete ruling of the Commission for Cyprus Popular Bank Public Co Ltd is located [here](#).

The complete ruling of the Commission for Bank of Cyprus Public Company Ltd is located [here](#).

The administrative fines imposed by the Commission under its ruling dated 28 April 2014 are set forth below in more detail:

1. In the case of Cyprus Popular Bank Public Co Lt

1.1. Imposition of administrative fines to the company **Cyprus Popular Bank Public Co Ltd** resulting from the provision of financial information, from Financial Reports/results:

Articles	Three-month period ended on 30.3.2010	Six-month period ended on 30.6.2010	Nine-month period ended on 30.9.2010	Twelve-month period ended on 31.12.2010	Three-month period ended on 30.3.2011	Twelve-month period ended on 31.12.2011	Total
Article 19 L.116(I)/2005 – manipulation by spreading misleading indications	€50.000	€60.000	€60.000	€60.000 (for CGC)	€80.000	€60.000 (for CGC)	€370.000
Article 40 (1) L.190(I)/2007 – disclosure of misleading information	No fine*	€40.000		€30.000			€70.000
Article 9(6)(a) L.190(I)/2007 – submission of annual financial report				No fine*			
Total	€50.000	€100.000	€60.000	€90.000	€80.000	€60.000	
Grand total							€440.000

(*) For the same event a violation of another article was found and a fine has already been imposed

1.2. Imposition of administrative fines to the **Directors of Cyprus Popular Bank Public Co Ltd** and the **Chief Financial Officer of the Group** who have signed the Financial Reports:

Company Directors/Chief Financial Officer	Position	Article 40(1) L.190(I)/2007 (statement on the half-yearly financial report 30.6.2010)	Article 40(1) L.190(I)/2007 (statement on the annual financial report 31.12.2010)	Total
Andreas Vgenopoulos	Non-executive Chairman	€130.000	€140.000	€270.000
Efthimios Mbouloutas	CEO	€130.000	€140.000	€270.000
Christos Stylianides	<ul style="list-style-type: none"> Deputy CEO Member of Risk Management Committee 	€80.000	€90.000	€170.000
Panayiotis Kounnis	Deputy CEO	€80.000	€90.000	€170.000
Eleftherios Chiliadakis	Executive Director	€80.000	€90.000	€170.000
Neoklis Lysandrou	<ul style="list-style-type: none"> Non-executive Vice-Chairman Member of Risk Management 	€40.000	€50.000	€90.000

	Committee • Member of Audit Committee			
Vasilios Theocharakis	Non-executive Vice-Chairman	€15.000	€20.000	€35.000
Constantinos Mylonas	• Non-executive Member • Member of Audit Committee	€40.000	€50.000	€90.000
Markos Foros	• Non-executive Member • Member of Risk Management Committee • Member of Audit Committee	€40.000	€50.000	€90.000
Stelios Stylianou	Non-executive Member	Reprimand	Reprimand	
Platonas Lanitis	Non-executive Member	Reprimand	Reprimand	
Hesham Al Quassin	Non-executive Member	Reprimand	Reprimand	
Fadel Al Ali	Non-executive Member	Reprimand	Reprimand	
Abdulrazaq Al Jassim	Non-executive Member	Reprimand	Reprimand	
Annita Philippidou	Chief Financial Officer of the Group	€40.000	€50.000	€90.000
Total		€675.000	€770.000	
Grand Total				€1.445.000

1.3. Imposition of administrative fines to the company **Cyprus Popular Bank Public Co Ltd** resulting from the provision of information from Prospectuses:

Articles	Prospectus dated 28.5.2010	Prospectus dated 21.12.2010	Prospectus dated 19.5.2011	Total
Article 8(1) L.114(I)/2005 – failure to include information required by Regulation 809/2004	No fine*	No fine *	No fine *	
Article 20(4) L.114(I)/2005 – signing of Prospectus by the Company	€50.000	€50.000	€70.000	€170.000
Article 19 L.116(I)/2005 – manipulation by spreading misleading indications	Total €110.000: €50.000 (risks) €60.000 (CGC)	Total €110.000: €50.000 (risks) €60.000 (CGC)	Total €130.000: €70.000 (risks) €60.000 (CGC)	€350.000
Total	€160.000	€160.000	€200.000	
Grand total				€520.000
(*)For the same event a violation of another article 19 of L.116(I)/2005 was found and a fine has already been imposed				

1.4. Imposition of administrative fines to the **Provident Fund of Employees of the company Cyprus Popular Bank Public Co Ltd** resulting from the provision of information through Prospectus:

Prospectus dating 1.9.2010

Article 8(1) L.114(I)/2005 – failure to include information required by Regulation 809/2004	No fine - For the same event a violation of article 19 of L.116(I)/2005 was found and a fine has already been imposed
Article 20(4) L.114(I)/2005 – signing of Prospectus	(Has not signed)
Article 19 L.116(I)/2005 – manipulation by spreading misleading indications	Total €50.000: €25.000 (risks) / €25.000 (CGC)
Grand total	€50.000

1.5. Imposition of administrative fines to the **Directors of Cyprus Popular Bank Public Co Ltd** who have signed the Prospectuses:

Company Directors*	Position	Article 20(4) L.114(I)/2005 (signing of Prospectus 28.5.2010)	Article 20(4) L.114(I)/2005 (signing of Prospectus 1.9.2010)	Article 20(4) L.114(I)/2005 (signing of Prospectus 21.12.2010)	Article 20(4) L.114(I)/2005 (signing of Prospectus 19.5.2011)	Total
Andreas Vgenopoulos	Non-executive Chairman	€100.000	€75.000	€120.000	€140.000	€435.000
Efthimios Mbouloutas	CEO	€100.000	€75.000	€120.000	€140.000	€435.000
Christos Stylianides	• Deputy CEO • Member of Risk Management Committee	€50.000	€50.000	€70.000	€90.000	€260.000
Panayiotis Kounnis	Deputy CEO	€50.000	€50.000	€70.000	€90.000	€260.000
Neoklis Lysandrou	• Non-executive Vice-Chairman • Member of Risk Management Committee • Member of Audit Committee	€20.000	€20.000	€30.000	€40.000	€110.000
Total		€320.000	€270.000	€410.000	€500.000	
Grand Total						€1.500.000

(*)The remaining members of the Board of Directors of Marfin Popular Bank Public Co Ltd not listed above have not signed the Prospectuses dating 28.5.2010, 1.9.2010, 19.5.2011, 21.12.2010 and hence there was no violation by them.

1.6. Imposition of administrative fines to **Members of the Managing Committee of Provident Fund of Employees of Cyprus Popular Bank Public Co Ltd** who signed the Prospectus dated 1.9.2010:

Members of the Managing Committee	Position in Company	Article 20(4) L.114(I)/2005 (signing of Prospectus 1.9.2010)
Annita Philippidou	Chief Financial Officer of the Group	€10.000
Dimitris Pleipel	Director – Risk Management Cyprus	€10.000
Costas	Employee of Cyprus Popular Bank Public	Reprimand

Socratous	Co Ltd	
Grand total		€20.000

- 1.7. Imposition of administrative fines to company **Cyprus Popular Bank Public Co Ltd** for non-disclosure of confidential information on 28.4.2010:

Article	Fine
Article 11(1)(a) L.116(I)/2005 – non-disclosure of confidential information	€90.000

2. In the case of Bank of Cyprus Public Company Ltd

- 2.1. Imposition of administrative fines to company **Bank of Cyprus Public Company Ltd** resulting from the provision of financial information, by Financial Reports/results:

Articles	Three-month period ended on 30.3.2010	Six-month period ended on 30.6.2010	Nine-month period ended on 30.9.2010	Twelve-month period ended on 31.12.2010	Three-month period ended on 30.3.2011	Twelve-month period ended on 31.12.2011	Total
Article 19 L.116(I)/2005 – manipulation by spreading misleading indications	€50.000	€50.000	€50.000	Total €130.000: €70.000 (risks) €60.000 (CGC)	€70.000	€60.000	€410.000
Article 40 (1) L.190(I)/2007 – disclosure of misleading information	No fine*	€30.000		€30.000			€60.000
Article 9(6)(a) L.190(I)/2007 – submission of annual financial report				No fine*			
Total	€50.000	€80.000	€50.000	€160.000	€70.000	€60.000	
Grand total							€470.000

* For the same event a violation of another article was found and a fine has already been imposed

- 2.2. Imposition of administrative fines to the **Directors of Bank of Cyprus Public Company Ltd and the Chief Financial Officer of the Group** who have signed the Financial Reports:

Company Directors/Chief Financial Officer	Position	Article 40(1) L.190(I)/2007 (statement on the half-yearly financial report 30.6.2010)	Article 40(1) L.190(I)/2007 (statement on the annual financial report 31.12.2010)	Total
Mr. Theodoros Aristodemou	Non-executive Chairman	€120.000	€140.000	€260.000
Mr. Andreas Eliades	• Executive Director • CEO of Group	€120.000	€140.000	€260.000

	<ul style="list-style-type: none"> • Member of Risk Management Committee • Member of ALCO Committee 			
Mr. Yiannis Kypri	<ul style="list-style-type: none"> • Executive Director • Deputy CEO of Group • Compliance Officer for CGC • Member of ALCO Committee 	€70.000	€90.000	€160.000
Mr. Yiannis Pechlivanides	<ul style="list-style-type: none"> • Executive Director • A' Deputy CEO of Group 	€70.000	€90.000	€160.000
Mr. Andreas Artemi	<ul style="list-style-type: none"> • Non-executive Vice-Chairman • Member of Risk Management Committee 	€30.000	€50.000	€80.000
Mr. Costas Severis	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee • Member of Risk Management Committee 	€30.000	€50.000	€80.000
Mr. Georgios Georgiades	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee • Member of Risk Management Committee 	€30.000	€50.000	€80.000
Mr. Costas Hadjipapas	<ul style="list-style-type: none"> • Non-executive Member • Member of Risk Management Committee 	€30.000	€50.000	€80.000
Mr. Nicolas Tsakos	<ul style="list-style-type: none"> • Non-executive Member • Member of Risk Management Committee 	€30.000	€50.000	€80.000
Mr. Andreas Iakovides	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee 	€30.000	€50.000	€80.000
Mr. Stavros Constantinides	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee 	€30.000	€50.000	€80.000
Christos Mouskis	Non-executive member	Reprimand	Reprimand	
Manthos Mavromatis	Non-executive member	Reprimand	Reprimand	
Vasilis Rologis	Non-executive member	Reprimand	Reprimand	

Anna Diogenous	Non-executive member	Reprimand	Reprimand	
Christakis Christofides	Non-executive member	Reprimand	Reprimand	
Evdokimos Xenophontos	Non-executive member • Member of Audit Committee	Reprimand	Reprimand	
Christis Hadjimitsis	• General Manager of Finance and Strategy Group • Member of ALCO Committee	€30.000	€50.000	€80.000
Total		€620.000	€860.000	
Grand total				€1.480.000

2.3. Imposition of administrative fines to the company **Bank of Cyprus Public Company Ltd** resulting from the provision of information from Prospectuses:

Articles	Prospectus dating 20.8.2010	Prospectus dating 5.4.2011	Total
Article 8(1) L.114(I)/2005 – failure to include information required by Regulation 809/2004	No fine*	No fine*	
Article 20(4) L.114(I)/2005 – signing of Prospectus by the Company	€50.000	€80.000	€130.000
Article 19 L.116(I)/2005 – manipulation by spreading misleading indications	Total €110.000 : €50.000 (risks) €60.000 (CGC)	Total €140.000 : €80.000 (risks) €60.000 (CGC)	€250.000
Total	€160.000	€220.000	
Grand total			€380.000
(*)For the same event a violation of another article 19 of L.116(I)/2005 was found and a fine has already been imposed			

2.4. Imposition of administrative fines to the **Directors of Bank of Cyprus Public Company Ltd** who have signed the Prospectuses:

Directors	Position	Article 20(4) L.114(I)/2005 (signing of Prospectus 20.8.2010)	Article 20(4) L.114(I)/2005 (signing of Prospectus 5.4.2011)	Total
Mr. Theodoros Aristodemou	Non-executive Chairman	€120.000	€150.000	€270.000
Mr. Andreas Eliades	• Executive Director • CEO of Group • Member of Risk Management Committee • Member of ALCO Committee	€120.000	€150.000	€270.000
Mr. Yiannis Kypri	• Executive Director • Deputy CEO of Group • Compliance Officer for CGC • Member of ALCO Committee	€70.000	€100.000	€170.000

Mr. Yiannis Pechlivanides	<ul style="list-style-type: none"> • Executive Director • A' Deputy CEO of Group 	€70.000	€100.000	€170.000
Mr. Andreas Artemi	<ul style="list-style-type: none"> • Non-executive Vice-Chairman • Member of Risk Management Committee 	€30.000	€60.000	€90.000
Mr. Costas Severis	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee • Member of Risk Management Committee 	€30.000	(Has not signed)	€30.000
Mr. Georgios Georgiades	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee • Member of Risk Management Committee 	€30.000	(Has not signed)	€30.000
Mr. Costas Hadjipapas	<ul style="list-style-type: none"> • Non-executive Member • Member of Risk Management Committee 	€30.000	(Has not signed)	€30.000
Mr. Nicolas Tsakos	<ul style="list-style-type: none"> • Non-executive Member • Member of Risk Management Committee 	€30.000	(Has not signed)	€30.000
Mr. Andreas Iakovides	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee 	Reprimand	(Has not signed)	
Mr. Stavros Constantinides	<ul style="list-style-type: none"> • Non-executive Member • Member of Audit Committee 	Reprimand	(Has not signed)	
Christos Mouskis	Non-executive member	Reprimand	(Has not signed)	
Manthos Mavromatis	Non-executive member	Reprimand	(Has not signed)	
Vasilis Rologis	Non-executive member	Reprimand	(Has not signed)	
Anna Diogenous	Non-executive member	Reprimand	(Has not signed)	
Christakis Christofides	Non-executive member	Reprimand	(Has not signed)	
Evdokimos Xenophontos	Non-executive member <ul style="list-style-type: none"> • Member of Audit Committee 	Reprimand	(Has not signed)	
Total		€530.000	€560.000	
Grand total				€1.090.000

2.5. Imposition of administrative fines to company **Bank of Cyprus Public Company Ltd** for manipulation for the period 13.1.2010 to 30.8.2011:

Article	Fine
Article 19 of L.116(I)/2005, as specified in article 4(d)(iv) of Directive 3/2005	€100.000

Nicosia , 5 June 2014