



## Announcement

# CLARIFYING ANNOUNCEMENT REGARDING THE REJECTION OF CONTENT OF LAW SUIT

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Nicosia, 7 September 2006

Further to yesterday's announcement, Bank of Cyprus Public Company Ltd ("the Bank") clarifies the following relating to the law suit against the Bank by the Trustees of the AremisSoft Corporation Liquidating Trust before the New York district court:

The law suit involves the Bank by claiming that the Bank has not taken all the necessary measures to prevent the transfer of funds from the bank accounts of AremisSoft, which went into liquidation in 2002, to the personal bank accounts and to the bank accounts of personal enterprises of the ex-President and Managing Director of AremisSoft.

The Trustees of the AremisSoft Corporation Liquidating Trust request the issuance of a court order for an amount of at least \$50 million.

The date for the court hearing is not known at this stage.

As it has been announced, the Bank denies the content of the law suit and all demands contained therein. Therefore, the Bank does not expect any financial or business consequences as a result of the law suit. The Bank has already instructed its legal advisers to take all necessary steps for disputing and rejecting all claims made by the plaintiffs.

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. In 1991, the Group established its first branch in Greece where it has been expanding rapidly since 1999. It has an established banking presence in the United Kingdom and in 2001 it expanded to Australia through a wholly owned subsidiary bank. In addition to retail and commercial banking, the Group's activities include finance, factoring, investment banking, brokerage, fund management, life and general insurance. The Group currently operates through a total of 279 branches, of which 147 operate in Cyprus, 115 in Greece, six in the United Kingdom, ten in Australia and one in the Channel Islands. Bank of Cyprus also has representation in the United States of America, Canada, South Africa, Russia and Romania. The Bank of Cyprus Group employs 6.100 staff worldwide.

At 30 June 2006, the Group's Total Assets reached C£13,22bn (€23,00bn) and the Group's Shareholders' Funds were C£818mn (€1,42bn). The Bank of Cyprus shares are listed on the Cyprus and Athens Stock Exchanges. Additional information can be found at the Group's website [www.bankofcyprus.com](http://www.bankofcyprus.com)