



STATEMENT OF PROTOCOL TO REPORT
OF INVESTIGATIONS INTO SPECIFIC ASPECTS OF CYPRUS
BANKING CRISIS

PREPARED FOR THE CENTRAL BANK OF CYPRUS

26 MARCH 2013

ALVAREZ & MARSAL
GLOBAL FORENSIC AND DISPUTE SERVICES, LLP

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Preliminary Statement

The Investigation undertaken by Alvarez & Marsal for the Central Bank of Cyprus focused upon the specific instructions and mandate of the Engagement Agreement and Service Agreements, described herein. As advised by the Governor of the Central Bank of Cyprus, the impetus for the Investigation grew from a need to protect the banking system and prevent repetition of the Cyprus Popular Bank crisis which precipitated State-aid of €1.8 billion. The Investigation addressed discrete inquiries of the Central Bank relating to events and actions of certain banks and the Central Bank concerning the banking crisis affecting the Republic of Cyprus. The banking crisis and the limited issues addressed herein, were by the nature of events subsumed within the broader Cyprus crisis. Although the Cyprus crisis is interlaced with the investigative matters, it was not the subject of the Investigation.

Statement of Governor Panicos Demetriades, Central Bank of Cyprus, 26 March 2013

The month after my appointment as Governor of the Central Bank of Cyprus (“CBC”) in May 2012, the Cyprus Popular Bank (“CPB”) sought and received state-aid of €1.8 billion. This left Cyprus the 84% equity holder of CPB, and began the downward cascade of our banking system. As a first restructuring plan was being prepared for CPB and financial deterioration was mounting in Europe, the financial health of the Cypriot banking system was of paramount concern. The overarching question was whether CPB was isolated or a primer of a systematic problem. It was determined that it was necessary to develop comprehension and transparency into the two domestic pillar banks, Bank of Cyprus (“BOC”) and CPB. Although a full analysis of the underlying basis of the broader Cyprus crisis was preferred, my mandate as Governor of the CBC necessitated an expeditious investigation isolated to the banks.

The terms of reference were driven by the viability and supervision of the banks. The investigation was to focus on the banks’ acquisition of Greek government bonds (“GGBs”) and international expansion, along with the supervision by the CBC. Being that CPB was under state control with management having been replaced, an exigency existed to determine if BOC might have issues that could cause it a fate similar to CPB. As such, the investigation prioritised BOC related matters.

The investigative effort has now completed BOC GGBs and international expansion, as well as the CBC’s supervision of the conversion of CPB Greek banking assets from a subsidiary to a branch. The investigation shall continue. Next matters to be addressed include CPB acquisition of GGBs and international expansion, along with oversight by the CBC and the status of supervision. Once completed, we will have clarity into the deficiencies of our past banking practices and a clear path to remediation and long term health.

1 Investigation Guidelines and Mandate

- 1.1.1 Alvarez & Marsal (“A&M”) was instructed by an engagement agreement (“Engagement”) entered into with the Central Bank of Cyprus (“CBC”) on 21 August 2012 to carry out an investigation under terms including in part:

“A&M shall provide consulting and advisory services to the Bank and the Governor of the Central Bank of Cyprus in connection with their efforts to carry out an investigation by independent experts under Article 24 of the Central Bank of Cyprus Law (“the Investigation”) by making available individuals to be appointed by the Bank under the above Article of the Central Bank of Cyprus Law (“the Law”) in order to act as independent experts (“Experts”) in accordance with the “Service Agreement Individual Expert” (“the Service Agreement”) attached as Annex 1 to this Agreement.

The specific procedures to be performed by the Experts will be established based on discussions with you as the engagement progresses and additional information is obtained. Although the Experts may provide advice and recommendations concerning the specific procedures they might perform, A&M is not responsible for the sufficiency of the Investigation or for the accuracy of the information provided to the Experts or for responding to the Bank’s obligations to shareholders, lenders, regulators, and other stakeholders.

A&M’s staff engaged in the Investigation will be acting as Experts and so their reports or advice must be objective and impartial.” [Emphasis added]

- 1.1.2 As a part of the Engagement to conduct the Investigation, a Service Agreement for an Independent Expert (“Service Agreement”) was entered into with each member of the A&M investigation team (“Expert”). The Service Agreement set out the responsibilities of each expert, including in part:

“The Expert undertakes to perform tasks under Article 24 of the Central Bank of Cyprus Laws of 2002 to 2007 to assist the Governor to take all necessary legal and regulatory remedies, whether they concern the conduct of supervision by the Bank, the procedures followed by some systemically important local banks (hereinafter referred to as “the Cypriot banks”) to acquire Greek Government Bonds and / or investing abroad in the form of a branch network and/or subsidiaries banks, having regard to the requirements specified by the provisions of the Banking Laws of 1997 to (No. 2) 2011 and the Central Bank of Cyprus Laws of 2002 to 2007 and the Regulations / Directives/ Guidelines issued under these Laws, or otherwise at the discretion of the Governor.

Subject always to [the Engagement], the Expert shall provide his services under the terms of this Service Agreement and as requested by the Governor within the

framework of the Service Agreement, but not subject to the instructions of the Governor or any other officer of the Bank, nor subject to the normal working hours of the Bank, but always act as an Independent Expert.

In discharging his duties the Expert may, in the name of the Bank, carry out interviews under oath with officers and / or employees of the Cypriot banks and direct the production of any documents he deems appropriate. The Bank undertakes within the framework of its statutory powers, to send relevant notifications and / or to take any appropriate action to make this possible.”

- 1.1.3 The Engagement was conditioned upon conducting the Investigation within a narrow fixed fee and limited time constraints as described, in part, in the Engagement:

“A&M will receive fees based on ... a discount of 20% on the standard hourly rates [...and...] a fixed fee for four months of €275,000 per month. The fixed fee is based on 200 man hours, performed by the Experts and other A&M personnel assisting the Experts in accordance with Article 26 of the Banking Laws per week spread across the levels.

In the event that the services are certified by the Experts to be incomplete, [after four months] then this engagement shall continue after four months for a period of up to two additional months with a further 10% discount to our fees representing a fixed monthly fee to €250,000 per month”.

As the Investigation could not be completed in four months, the Investigation was thus extended to 26 February 2013.

- 1.1.4 As described in the Engagement, “[t]o the extent that there is any conflict between the terms of the [Engagement] and the Service Agreement, the terms of the [Engagement] shall prevail”.
- 1.1.5 In accordance with the Engagement, the CBC made available books, records, documents and other information deemed necessary by A&M, as described in part as follows:

“In providing the services referred to in this Agreement, the Bank will promptly provide or procure the provision to the Experts of all information available to it which is relevant to them for the proper provision of the services as set out in this Agreement, and all such further information as the Experts may reasonably request, all of which will be to the Bank’s best knowledge, accurate and complete in all material respects at the time it is provided.

The Bank confirms that it has the right to supply such information to the Experts and that the supply of such information by the Bank and its receipt by the Experts for the purposes of the services as set out in the Agreement, will not infringe any rights held by any third party, involve the unauthorized use of confidential information belonging to a third party or result in a breach by the Experts of any law, regulatory

obligation, fiduciary duty owed to any third party, intellectual property rights or agreement.”

2 Scope of the Investigation

- 2.1.1 As described above, the Investigation has been directed by the Governor of the Central Bank of Cyprus (“the Governor”) and A&M has taken advice from the Governor as to the matters to be included within the scope of our review. By agreement with the Governor, the Investigation mandate (“Mandate”) was set to cover an examination of the following four areas:
- 2.1.1.1 The losses suffered by Bank of Cyprus (“BOC”) on its holdings of Greek Government Bonds (“GGBs”), following the private sector involvement (“PSI”) programme in which holders of Greek debt participated in a haircut on their holdings of GGBs;
 - 2.1.1.2 The purchase of shares by BOC in a Romanian bank, Banca Transilvania, in December 2009 (“Romania”);
 - 2.1.1.3 The acquisition by BOC of a stake in a Russian bank, Uniastrum, in October 2008 (“Uniastrum”); and
 - 2.1.1.4 The conversion, in March 2011, of Marfin Egnatia Bank (“MEB”) from a Greek subsidiary of Marfin Popular Bank, now Cyprus Popular Bank, (“MPB” or “CPB”), to a branch of Cypriot based CPB (“Laiki Conversion”) (See: 2.1.2.4 below).
- 2.1.2 The agreed scope of the Mandate was governed by a number of factors including, but not limited to, the following:
- 2.1.2.1 The Mandate addressed all of the initial areas for review as set out by the Central Bank;
 - 2.1.2.2 The strict and largely untested Cypriot laws relating to data privacy resulted in significant delays in obtaining the electronic data required for the investigation. As set out in this report these issues of data privacy continued to delay parts of the investigation;
 - 2.1.2.3 Although BOC are deemed to be compliant with the responses to documentary requests, significant amounts of electronic data requested were missing from specific BOC employees’ computers and electronic media. These are fully described in our Greek Government Bond Report and at Section 3.2;
 - 2.1.2.4 The Mandate originally anticipated a robust investigation of the need for CPB to have required State-aid and the rights offering by which the State became the 84% equity-holder. This was to have addressed the shifting of CPB Greek liabilities to the Cypriot balance sheet. We were advised early in the investigative process, that the CEO of CPB, Andreas Philippou, discussed with a Senior Director at the CBC, litigation being brought by the State-owned CPB against Greece and the concern that an internal CBC investigation of the same would impact or jeopardise any potential recovery. This began an internal dialogue that resulted in a narrowing of the CPB

investigation. As a result, the Investigation in respect of MPB was limited to the Laiki Conversion and only from the perspective of the CBC's supervision of this conversion;

- 2.1.2.5 The short duration of the Investigation of six months along with the Investigation fixed fee arrangement; and
- 2.1.2.6 The investigative team was instructed to undertake a number of urgent and unanticipated but related ad-hoc internal CBC inquiries, which expended already constrained resources.

3 Limitations of the Investigation

3.1 Powers of the CBC

3.1.1 This Investigation was mandated by the CBC and, as a consequence, the breadth of its scope has been restricted to those entities, individuals and activities which fall under the supervision of the CBC. Accordingly, the powers of the Investigation team have been restricted to those powers which are afforded to officers of the CBC.

3.1.2 Powers of officers of the CBC are not as broad and strong as those that are afforded to the Attorney General or the Parliament of the Republic of Cyprus. In this regard, the following limitations of the Investigation's powers should be noted:

3.1.2.1 The Investigation team could not issue subpoenas or compel anyone to attend an interview if they do not presently work for an entity supervised by the CBC. For those individuals, we have had to rely on their voluntary co-operation. As described herein, certain persons refused voluntary compliance including making unacceptable demands as a pre-condition to their co-operation.

3.1.2.2 The Investigation team could not issue documentary subpoenas or compel the production of data and documentation from individuals and entities not supervised by the CBC. For example, if the Investigation team requested information relating to an entity that was not supervised by the CBC or business/personal information of such an entity, the team was often thwarted due to the need to rely on voluntary disclosure.

3.1.2.3 Whilst the CBC does have greater powers to affect compliance than the Experts, such were exercised in favour of the Investigation judiciously. An example of important assistance provided by the CBC was the procurement of opinion letters from the Commissioner for Personal Data Protection to aid in the document production. Copies of such opinions letters are attached hereto (**Exhibit 1**).

3.1.3 Whilst neither the Investigation team nor the CBC have the authority to undertake a criminal investigation, we are advised by the CBC that any conduct identified in this investigation that may be suspected of being criminal will be surrendered to the Attorney General in accordance with the Central Bank of Cyprus Laws of 2002 to 2007.

3.2 Deletion of data

3.2.1 On 21 August 2012, the CBC issued a letter to each of CPB and BOC advising that an Investigation had commenced and that all books, records and documents, physical and electronic, were to be preserved and that all routine document destruction and deletion was to be suspended. On 24 August 2012, the CBC transmitted a similar letter to the employees of the CBC. Copies of each of these letters are attached hereto (**Exhibit 2**).

- 3.2.2 The e-mail data provided by the BOC to the Investigation team appears to be incomplete, with certain key custodians having little or no e-mail data during the period of 2009 and 2010. It was only possible in limited instances to determine the reasons for gaps in the electronic data collected. Potential explanations include deliberate deletion of data, poor archiving or inadequate data management by certain individuals. Furthermore, we are unable to confirm whether or not some or all of the absent critical data exists elsewhere.
- 3.2.3 The Investigation team received written approval from the CBC to obtain and analyse forensic images of the computers of the BOC employees on 8 November 2012. Based on an initial review of this data, our computer forensic technologists have found that the computers of two employees, Mr Andreas Eliades (“Mr Eliades”) and Christakis Patsalides, have had wiping software loaded which is not part of the standard software installations at the BOC. Mass deletion of data appears to have been undertaken on the Patsalides computer on 18 October 2012. It appears that some deletion was undertaken after a data preservation notice was issued to BOC by the CBC on 21 August 2012.
- 3.2.4 There are no e-mail files, mailboxes or user documents on Mr Eliades’ desktop computer. We have been unable to recover or identify any such documents from the hard drive of this computer, which would suggest that either:
- the computer was not used by Mr Eliades; or
 - the hard drive was formatted and/or wiped by BOC IT after Mr Eliades left the bank; or
 - the hard drive was wiped using data removal / wiping software such as CCleaner installed on the desktop.
- 3.2.5 A chronology in regard to electronic data collection issues is set out at Appendix A of our Investigation Report into BOC’s holdings of Greek Government Bonds.

3.3 Other gaps in data collection

- 3.3.1 We had significant gaps in the e-mail data received from BOC for the period 2007 to 2010, a key period for our scope of investigation. This was due to the lack of e-mail archiving process prior to around late 2010 or early 2011, which is when the e-mail systems were upgraded at BOC. According to Mr Leonidas Isodiou (BOC’s IT department), since the upgrade, the “live” e-mail data from the e-mail servers is now being preserved within the e-mail and archive systems. BOC provided to A&M these “live” mailboxes containing such e-mails (with the exception being where employees deleted some individual e-mails manually). There were no e-mail backups performed prior to the upgrade of the system.
- 3.3.2 Moreover, prior to 2011 there were no procedures in place at BOC to ensure employees’ local e-mail archives were archived by the company. Therefore, any e-mail archives that were created by the employees and stored on their computers were not backed up. The employees were also able to move or remove such e-mail archives from their computers as they wished to do so.

4 Work performed

4.1 Introduction

4.1.1 In order to conduct our work in relation to the reports, we have been provided with access to information held by the CBC and third parties. We have also considered information in the public domain. The Investigation team has been very mindful of issues of data privacy and confidential and sensitive banking information, and legal privilege. We have obtained domestic and international external legal advice concerning data privacy, as well as consulted with CBC in-house counsel. The Governor also requested and obtained guidance for the Investigation from the Commissioner for Personal Data Protection. We designed and followed strict procedures to ensure that we reviewed relevant and appropriate materials in accordance with that legal advice.

4.2 BOC – GGBs

4.2.1 Our work to date has involved the following principal steps in relation to this investigation:

- 4.2.1.1 Submitted a request for key documents and records, followed by supplementary requests as the need for additional information was identified;
- 4.2.1.2 Conducted meetings with the employees of BOC, including the current and former executives of the Bank, Senior Manager of Group Treasury and various Treasury employees, Manager of Market Risk, Manager of Group Finance, Head of Internal Audit, Chairman of the Audit Committee, Chairman of the Board Risk Committee and Mr Xenophontos (an independent non-executive member of the Board of Directors);
- 4.2.1.3 Obtained live and archived e-mail data from desktops, laptops and BOC's e-mail server for 37 out of 40 BOC selected custodians as three of the custodians did not have computers or there was no data available. In addition, images of certain employees' desktops and laptops, in both Cyprus and Greece, were received in order to preserve, and subsequently extract data;
- 4.2.1.4 Keyword searches were performed on the data obtained for 31¹ of the selected BOC employees. In regard to the keyword "GGB" alone, 106,694 responsive documents were generated (across all periods, 2007 to 2012), of which 47,339 were prioritised and reviewed;
- 4.2.1.5 Obtained live and archived e-mail data for all of the 31 CBC custodians selected. In addition, images of certain CBC employees' desktops and laptops were acquired and data extracted. Keyword searches were performed on the e-mail data acquired from 17 CBC employees, generating 41,217 responsive documents, of which 22,007 were prioritised and reviewed;

¹ As noted above data was obtained for 37 custodians, six of these were deemed as low priority and not extracted for review.

- 4.2.1.6 Consistent with specific legal advice procured and CBC approvals, reviewed relevant e-mails and attachments of the former Governor of CBC, Mr Orphanides;
- 4.2.1.7 Reviewed CBC Banking Laws and Directives on Country Risk, Market Risk and Concentration Risk (from an operational, management and supervisory perspective);
- 4.2.1.8 Reviewed BOC's Risk Management policies (the market risk management and concentration risk policies provided by BOC are extracts from reports submitted to CBC – no separate written policies were found to be in place until 2011);
- 4.2.1.9 Reviewed copies of Board of Directors' meeting minutes, Audit Committee meeting minutes, Board Risk Committee meeting minutes and Group Asset and Liability Committee ("Group ALCO") meeting minutes for all meetings held between 1 January 2009 and 30 June 2012;
- 4.2.1.10 Undertook analysis of GGB purchases and sales between 1 January 2007 and 30 June 2012;
- 4.2.1.11 Undertook analysis of BOC's financial statements so as to build a picture of the Bank's financial performance from 2004 onwards;
- 4.2.1.12 Undertook analysis of publicly available information regarding European bank holdings of GGBs;
- 4.2.1.13 Completed the review of BOC employees' relevant e-mails and attachments;
- 4.2.1.14 Completed the analysis and attempted recovery of deleted data from BOC computers; and
- 4.2.1.15 Obtained and reviewed formal translations of a selection of BOC Board of Directors, Audit Committee and Risk Management committee meeting minutes.

4.3 BOC – Banca Transilvania

- 4.3.1 Our work to date has involved the following principal steps in relation to this investigation:
 - 4.3.1.1 Submitted requests for key documents and records, followed by supplementary requests as the need for additional information was identified;
 - 4.3.1.2 Undertook site visits to BOC, in Cyprus and Romania; to review hard copy files maintained by the Mergers and Acquisitions Department ("M&A Department"), Project Finance Department and International Business Unit, and obtained copies of relevant documents (limited by approval from BOC's in-house legal department);
 - 4.3.1.3 Conducted meetings with current and former employees of BOC, as follows: Georgios Christoforou (General Manager BOC Romania), Marianna Pantelidou (ex-Manager in BOC's M&A Department), George Zornas (Manager in Internal Audit

department), Anastasios Isaakidis (Credit Sanctioning Manager BOC Greece), Eliza Livadiotou (General manager Group Finance and tax planning), and Kyriacos Tsolakis (Head of Finance, BoC Cyprus);

- 4.3.1.4 Held interviews with current and former BOC senior executives, as follows: Yiannis Kypri (Current Group CEO, Group Chief General Manager in 2009), Nicolas Karydas (former Group Chief General Manager Risk Management and Markets) and Christis Hadjimitsis (Group General Manager Finance and Strategy);
- 4.3.1.5 Attended meetings with the following external consultants: Lefkios Joannides (Joannides & Co Cyprus), Florin Dutu (Voici & Filipescu Romania) and Andrei Burz-Pinzaru (Reff & Associates Romania);
- 4.3.1.6 Keyword searches were performed on the e-mail data obtained for 31 out of 40 BOC custodians selected. We focused our attention on specific search terms and consequently reviewed a total of 11,331 prioritised documents/e-mails.
- 4.3.1.7 Reviewed the CBC's directive on the Investment in the capital of other companies;
- 4.3.1.8 Reviewed the EU Market Abuse Directive, Document ESC 48/2003 and the Committee of European Securities Regulators ("CESR") guidance thereon;
- 4.3.1.9 Reviewed CNWM (the Romanian National Securities Committee) Regulation No. 1/2006;
- 4.3.1.10 Reviewed the DIICOT (the Romanian Directorate for Investigating Organised Crime and Terrorism) Indictment dated 9 July 2010 on case no. 191D/P/2010; and
- 4.3.1.11 Reviewed BOC's BOD, ALCO and Executive Committee meeting minutes from 1 January 2008 to 30 June 2012, to identify and analyse references to Banca Transilvania.

4.4 BOC – Uniastrum

- 4.4.1 Our work to date has involved the following principal steps in relation to this investigation:
 - 4.4.1.1 Submitted requests for key documents and records, followed by supplementary requests as the need for additional information was identified;
 - 4.4.1.2 Requested further documentation not already received, such as: Executive Committee meeting minutes, Board of Director minutes for 2012, copies of transaction documents, etc;
 - 4.4.1.3 Conducted meetings with the employees of BOC, including General Managers, employees related to the Uniastrum acquisition such as in M&A and Group Finance and Internal Audit employees;

- 4.4.1.4 Conducted meetings with George Piskov and Gagik Zakaryan, minority shareholders of Uniastrum;
- 4.4.1.5 Conducted meetings with CBC employees from the licensing department;
- 4.4.1.6 Conducted meetings and telephone calls with BOC advisors from White & Case, Polyviou & Co, Ernst & Young and JP Morgan relating to the Uniastrum due diligence;
- 4.4.1.7 Keyword searches were performed on the e-mail data obtained the selected 31 BOC custodians;
- 4.4.1.8 Obtained live and archived e-mail data for 31 CBC custodians. In addition, images of certain employees' desktops and laptops were taken and data extracted. Core keyword searches were performed on the e-mail data obtained from 17 select CBC employees, generating 51 responsive documents, all of which have been reviewed.
- 4.4.1.9 All searches over BOC and CBC custodians resulted in 102,265 responsive documents. We focused our attention on relevant documents dated up to 31 December 2008 and any relevant documents from 1 January 2012 to 31 December 2012 which resulted in a total of 29,913 documents/e-mails.
- 4.4.1.10 Reviewed CBC Banking Laws and Directives on Country Risk, Market Risk and Concentration Risk (from an operational, management and supervisory perspective);
- 4.4.1.11 Performed a preliminary review of business valuations and related commentary provided by JP Morgan;
- 4.4.1.12 Reviewed financial and tax due diligence reports prepared by Ernst & Young;
- 4.4.1.13 Reviewed acquisition documents such as the Share Purchase Agreement and Non-Binding Offer;
- 4.4.1.14 Reviewed the Escrow account agreements, and related commentary provided by Ernst & Young concerning related party and non-performing loans;
- 4.4.1.15 Discussed the BOC application for the acquisition of Uniastrum with licensing employees from CBC, and reviewed related documentation such as internal reports prepared;
- 4.4.1.16 Reviewed Board of Directors' meeting minutes and certain personal notes for references and approvals relating to the Uniastrum acquisition;
- 4.4.1.17 Reviewed Executive Committee meeting minutes for references to the Uniastrum acquisition;

- 4.4.1.18 Reviewed Internal Audit reports relating to concerns raised by Internal Audit relating to the Uniastrum acquisition, as well issues post acquisition date (e.g. loans in the escrow account and related party loans);
- 4.4.1.19 Reviewed legal advice provided by White & Case in October 2008 relating to the legal possibility of withdrawing or re-negotiating the purchase price of the acquisition;
- 4.4.1.20 Liaised with the BOC Treasury and Finance departments regarding loans provided to Uniastrum pre and post-acquisition;
- 4.4.1.21 Reviewed general market conditions in Russia during the period 2007 to 2009;
- 4.4.1.22 Performed market research for Russian bank acquisitions during 2008;
- 4.4.1.23 Reviewed the multiples paid in other Russian bank acquisitions;
- 4.4.1.24 Performed a brief review of other potential acquisition targets identified by BOC, TransCredit and Master Bank, and reviewed their financial statements for 2007; and
- 4.4.1.25 Reviewed the financial statements of Uniastrum for the period from 2006 to 2010.

4.5 CPB – Conversion of MEB from a subsidiary to a branch of MPB

- 4.5.1 Our work to date has involved the following principal steps in relation to this investigation:
 - 4.5.1.1 Submitted requests for key documents and records, followed by supplementary requests as the need for additional information was identified;
 - 4.5.1.2 Conducted meetings with the following employees of CBC: Elena Gregoriadou (former head of licensing within CBC), George Ioannou (Assistant Director, Supervision) and Maria Kettirou (CBC Legal Services Department);
 - 4.5.1.3 Attended a meeting with Andreas Vgenopoulos (former Chairman of Marfin Popular Bank), Ethimithos Boloutas (former CEO of Marfin Popular Bank) and Fotios Karatzenis (former Chief Legal Counsel at Marfin Popular Bank);
 - 4.5.1.4 Obtained live and archived e-mail data for 7 of MPB's Cyprus employees from the bank's central e-mail server, network archives and hard-drive data from laptops and desktops. We also received data from MPB Greece on 17 December 2012. For the reasons set out in paragraph 2.1.2.4 above, this data was not loaded for review;
 - 4.5.1.5 Keyword searches were conducted on CBC data in relation to the merger. MPB data was preserved for subsequent extraction as necessary;
 - 4.5.1.6 Reviewed correspondence between CBC and MPB Group between 1 January 2009 and 30 June 2012;

- 4.5.1.7 Reviewed the MPB Group Statutory Review and Evaluation Process (“SREP”) reports for 2009 and 2010;
- 4.5.1.8 Reviewed the findings of the joint CBC and Bank of Greece (“BOG”) onsite audit of MEB undertaken in March 2009;
- 4.5.1.9 Reviewed EU directives 2005/56/EC and 2006/48/EC on cross border mergers and the freedom of establishment of credit institutions in EU member states, respectively;
- 4.5.1.10 Reviewed MPB’s internal documentation on the cross-border merger, including BOD presentations, meeting minutes, resolutions and correspondence;
- 4.5.1.11 Reviewed Parliamentary minutes for 13 July 2009; and
- 4.5.1.12 Researched and reviewed publicly available information.

4.6 Interviews and Consultation performed

- 4.6.1 Interviews have been held with the following persons in regard to one or more of the four areas of the Mandate or the acquisition of data:

Past and Present BOC Executives

- 4.6.1.1 Nicolas Karydas
- 4.6.1.2 Yiannis Kypri
- 4.6.1.3 Christis Hadjimitsis

Current BOC employees

- 4.6.1.4 Georgios Christoforou
- 4.6.1.5 Anastasios Isaakidis
- 4.6.1.6 Constantinos Tsolakkis
- 4.6.1.7 George Zornas
- 4.6.1.8 Christakis Patsalides
- 4.6.1.9 Despina Kyriakidou
- 4.6.1.10 Theodoros Alepis

- 4.6.1.11 Maria Christofidou
- 4.6.1.12 Panicos Nicolaou
- 4.6.1.13 Eliza Livadiotou
- 4.6.1.14 Kyriacos Tsolakis
- 4.6.1.15 Leonidas Isodiou
- 4.6.1.16 Michalis Yiannikouris
- 4.6.1.17 Andreas Stylianou
- 4.6.1.18 Savvas Konstantinidis

Former BOC employees

- 4.6.1.19 Marianna Pantelidou
- 4.6.1.20 Jack Beighton
- 4.6.1.21 Antonis Jacouris
- 4.6.1.22 Kyriacos Iacovides
- 4.6.1.23 Vassos Shiarly

Remaining Directors of BOC (present at relevant times)

- 4.6.1.24 Andreas Artemis
- 4.6.1.25 Anna Diogenous
- 4.6.1.26 Christakis G. Christofides
- 4.6.1.27 Christos Mouskis
- 4.6.1.28 Costas Hadjipapas
- 4.6.1.29 Manthos Mavrommatis
- 4.6.1.30 Costas Z. Severis
- 4.6.1.31 Evdokimos Xenophontos

4.6.1.32 George Georgiades

CBC

4.6.1.33 Costas Poullis

4.6.1.34 George Ioannou

4.6.1.35 Elena Gregoriadou

4.6.1.36 Alexandra Theophilou

4.6.1.37 Christodoulos Christodolou

4.6.1.38 Koulla Savva

4.6.1.39 Eleni Poulli

4.6.1.40 Marios Klitou

4.6.1.41 Chrystalla Kenne

4.6.1.42 Nicos Constantinou

4.6.1.43 Argyro Procopiou

4.6.1.44 Christos Phanopoulos

4.6.1.45 Maria Kettirou

4.6.1.46 Chrystella Haili

4.6.1.47 Constantinos Christoforides

4.6.1.48 Spyros Stavrinakis

External to the Banks

4.6.1.49 Lefkios Joannides (accountant)

4.6.1.50 Alina Zayko (E&Y Russia)

4.6.1.51 Andreas Demetriou (E&Y Cyprus)

4.6.1.52 Walter Schuster (JP Morgan)

- 4.6.1.53 Aristidis Vourakis (JP Morgan)
- 4.6.1.54 Florin Dutu (Voicu & Filipescu Romania)
- 4.6.1.55 Andrei Burz-Pinzaru (Reff & Associates Romania)
- 4.6.1.56 Micheal Olympios

Uniastrum

- 4.6.1.57 George Piskov
- 4.6.1.58 Gagik Zakaryan
- 4.6.1.59 Michael Ergatoudes
- 4.6.1.60 Andonis Sophocleous

Marfin Investment Group

- 4.6.1.61 Andreas Vgenopoulos (Chairman)
- 4.6.1.62 Efthimios Bouloutas (CEO)
- 4.6.1.63 Dr Fotios Karatzenis (Chief Legal Counsel)

Miscellaneous

- 4.6.1.64 Criton Tornaritis (Tornaritis law firm)
- 4.6.1.65 Kikis Kazamias (Former Minister of Finance)

4.7 Interviews not performed

- 4.7.1 Requests for meetings have been made to certain 'deemed important' persons for voluntary interviews, which did not occur:

- 4.7.1.1 The former BOC CEO, Mr Eliades, did not participate or assist in the Investigation. This was despite significant effort, including the assistance of the BOC and its external counsel to contact and request a meeting with Mr Eliades. Mr Eliades did not respond to our email requests and calls until the end of the Investigation, on 26 February 2013, when he offered his assistance on provision of the terms of A&M's engagement by the CBC and details of "the end objective of [our] mandate".

5 Possible areas of further investigation

5.1.1 As a result of the Mandate outlined above, there are several areas of particular note within the *originally envisaged remit* that were not designated for investigation which include, but are not limited to:

5.1.1.1 The losses suffered by MPB on its holdings of GGBs;

5.1.1.2 The conversion of MEB from a subsidiary to a branch of MPB, from the bank's perspective;

5.1.1.3 Allegedly questionable and preferential loans at BOC and MPB; and

5.1.1.4 The expansion of BOC in Greece.

5.1.2 During the course of any investigation, additional issues are typically identified which could form the subject of an *additional investigation*. In the current circumstances, we provide two discrete recommendations:

5.1.2.1 Each aspect of the Mandate provides an opportunity for follow up. Specific recommendations are contained at the conclusion of each such report; and

5.1.2.2 Whereas the Mandate is a subset of the Cyprus crisis, those additional matters which contributed to and affected the crisis are a proper focus for additional investigation.

6 Reporting

- 6.1.1 Full forensic investigations have been completed for each of the four areas comprising the Mandate. Reports have been prepared for each such area as well. It should be noted that the reports prepared in relation to BOC's acquisition of Uniastrum and the MEB conversion from a subsidiary to a branch exclude certain granular detail in the presentation due to the Investigation constraints. These reports can be presented in a more comprehensive manner as additional services, if required. These four reports set out our findings and conclusions based on work conducted to 26 February 2013.
- 6.1.2 All four of these reports should be read in conjunction with this Statement of Protocol to ensure that the reader understands the basis on which the work was performed and any limitations to the findings.
- 6.1.3 We have highlighted additional areas of work related to the specific investigations that could be performed to learn more about the issues under investigation. Where this is the case, it should be recognised that the findings and conclusions included in such reports are subject to further verification and may change if this additional work is performed.
- 6.1.4 All documents referenced in the reports are available for inspection in the Investigation team's office at the CBC.
- 6.1.5 This Statement of Protocol and the accompanying four reports have been prepared for the CBC solely for use in relation to the Investigation. They may not be used for any other purpose, reproduced or disclosed to any other party in whole or in part without our prior notice. In no event, regardless of whether notice has been provided, will we assume any liability or responsibility to any third party to which this report is disclosed or otherwise made available.
- 6.1.6 Our work does not constitute an audit under generally accepted auditing standards.