



Announcement

DEDUCTION OF DEFENCE FUND CONTRIBUTION FROM DIVIDENDS AND DIVIDEND REINVESTMENT PLAN

Nicosia, 12 May 2008

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 300 branches, of which 143 operate in Cyprus, 135 in Greece, 5 in the United Kingdom, 11 in Australia, 4 in Romania, 1 in Russia and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Canada and South Africa. The Bank of Cyprus Group employs 6.909 staff worldwide.

At 31 December 2007, the Group's Total Assets reached €31,76 bn (C£18,59 bn) and the Shareholders' Funds were €1,97 bn (C£1,15 bn). 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.

DEDUCTION OF DEFENCE FUND CONTRIBUTION ON DIVIDENDS

Investors are being informed that the questionnaire of the Inland Revenue Department for the verification of the fulfillment of the term "Non Cyprus Resident" for 2008 has been posted to all Bank of Cyprus Public Company Ltd shareholders living abroad.

According to the Law, "Non Cyprus Resident" is the natural person who lives in Cyprus **less** than 183 days of a tax year.

The questionnaire must be received by Bank of Cyprus by Wednesday 28 May 2008 the latest. If the questionnaire is not received on time, the Bank is obliged by Law to deduct defence fund contribution from the payable dividend and forward it to the Inland Revenue.

In case where the shares are registered in a joint account or in a co-owners' Investor Share, then each shareholder must sign a separate questionnaire.

If part of your shareholding is registered in the Central Depository/ Registry of the Cyprus Stock Exchange (CSE) and part in the Dematerialised Securities System (DSS) of the Hellenic Exchanges, you will have to complete a separate Questionnaire for each Investor Share Code.

DIVIDEND REINVESTMENT PLAN

Investors are reminded that the Bank of Cyprus Dividend Reinvestment Plan ("the Plan") is in force. The applicable discount offered under the Plan is 10%. Based on the 10% discount offered, dividends will be reinvested at 90% of the weighted average closing price of the share at the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX) for the first five working days that the share is quoted ex-dividend.

Investors can obtain the Terms and Operating Conditions of the Plan and the Application Form for Enrollment or Termination of participation in the Plan ("the Application Form") from:

- the Group's website www.bankofcyprus.com
(select Inv. Relations / Shareholder Structure & Share / Dividend Reinvestment Plan)
- the Group's Shares & Loan Stock Department in Nicosia, tel. +357 22 881755
- the Bank's Custody, Shareholders & Derivatives Clearing Department in Athens, tel. 210 64 77 555

Once an investor enrolls in the Plan, his participation remains in force for all future dividends which will be automatically reinvested on his behalf, unless he requests in writing to withdraw from the Plan or unless the Bank suspends or terminates the Plan.

Investors are reminded that, for their instructions to be valid for the proposed dividend and for all future dividends, the Company must receive their Application Form at least 10 days prior to the ex-dividend date, i.e. by Friday 16 May 2008. If their Application Form is not timely received, their instructions will only be effective for future dividend payments.