



Announcement

APPROVAL OF THE SECURITIES NOTE AND SUMMARY NOTE¹ FOR THE ISSUE AND LISTING OF UP TO 573.409.701 CONVERTIBLE BONDS NOMINAL VALUE €1,00 EACH

TIMEPLAN AND FINAL TERMS OF CONVERTIBLE BONDS 2013/18

Nicosia, 26 June 2008

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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 305 branches, of which 143 operate in Cyprus, 140 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 6.996 staff worldwide.

At 31 March 2008, the Group's Total Assets reached €30,85 bn and the Shareholders' Funds were €2,03 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.

¹ The Prospectus comprises the Securities Note dated 25 June 2008 and the Summary Note dated 25 June 2008 together with the Issuer's Registration Document dated 21 May 2008 which has been updated with the Supplementary Prospectus dated 12 June 2008.

Bank of Cyprus Public Company Ltd (the Bank) announces to the investing public that the Cyprus Securities and Exchange Commission has approved on 25th June 2008 the Securities Note and the Summary Note for the issue and listing on the Cyprus Stock Exchange and Athens Exchange of up to 573.409.701 Convertible Bonds of nominal value €1,00 each.

The Prospectus drawn up as separate documents consists of the Securities Note dated 25 June 2008, the Summary Note dated 25 June 2008, and the issuer's Registration Document dated 21 May 2008 and as it has been updated with a supplementary prospectus dated 12 June 2008

All the parts of the Prospectus in the form of Separate Documents, that is the Summary Note, the Securities Note, the issuer's Registration Document and the supplementary prospectus will be available without charge:

- In electronic form as from 27 June 2008 at:
 - the Bank of Cyprus' website (www.bankofcyprus.com select Investor Relations Prospectuses),
 - the website of the Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (www.cisco-online.com.cy)
 - the website of the Cyprus Stock Exchange www.cse.com.cy and
 - the website of the Cyprus Securities and Exchange Commission, www.cysec.gov.cy

- In printed form as from 7 July 2008 at:
 - all the branches of Bank of Cyprus in Cyprus and Greece,
 - the Bank's Headquarters (51 Stassinos Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus),
 - the Bank's Shares & Loan Stock Department (EuroLife House, 4 Evrou Street, Nicosia), and
 - the Head Office of the Manager of the Issue, The Cyprus Investments and Securities Corporation Ltd (CISCO) (EuroLife House, 4 Evrou Street, Nicosia, Cyprus).

It is noted that Bank of Cyprus has made an application to list the Convertible Bonds on the Cyprus Stock Exchange and on the Athens Exchange and upon receipt of the relevant approval from the two Exchanges, the date of listing of the Convertible Bonds on the two Exchanges will be announced.

TIMEPLAN OF CONVERTIBLE BOND ISSUE

The right to participate in the convertible Bond issue via a Priority Right to subscribe will be granted to the Bank's shareholders registered on the Central Depository / Registry of the Cyprus Stock Exchange (CSE) and/or the Dematerialised Securities System (DSS) of the Hellenic Exchanges on **Monday, 7 July 2008 (Record Date) (Eligible Shareholders)**. i.e. buy transactions that take place before market close of the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX) on 2 July 2008 will be eligible to participate in the Convertible Bond issue. Furthermore, eligible investors will be shareholders following off the exchange transfers completed on 2 July 2008.

As from Thursday 3 July 2008 (**Ex- Priority Rights Date**) the Bank's shares will be traded on the CSE and the ATHEX excluding the right to participate in the Convertible Bond issue.

This issue will not be offered to any shareholders in any country in which according to the laws of such country, such an offer is illegal or constitutes breach of any applicable law, rule or regulation (e.g. United States, Canada, Australia, South Africa, Japan).

- Relevant allotment letters which will also constitute a subscription form for Eligible Shareholders will be sent along with other informative material relating to the terms and the subscription procedure of the Convertible Bonds to Eligible Shareholders on 11 July 2008
- The Subscription Period for Eligible Shareholders on the basis of Priority Rights (as will be allotted) is set at **15 July - 28 July 2008**.
- Interested Investors (shareholders or not) may subscribe for any possible unsubscribed Convertible Bonds which will not be taken up by their Eligible Shareholders (the Rump Convertible Bonds) between **15 July - 29 July 2008**. Subscription forms for the Rump

Convertible Bonds will be available in all the branches of the Bank in Cyprus and Greece. The price at which Rump Convertible Bonds will be placed will be determined via a bookbuilding process. The procedures are described in detail in the Securities Note dated 25 June 2008.

- Eligible Shareholders and Interested Investors can subscribe for the Convertibles Bonds during working days and hours within the timeframe set up above, at the following locations:
 - In Cyprus
 - all branches of Bank of Cyprus
 - In Greece:
 - all branches of Bank of Cyprus, and
 - through the Operators of the holders' Securities Accounts on the DSS of the Hellenic Exchanges (brokerage firm or custodian), other than the Hellenic Exchanges, provided the Operator consents to this.

FINAL TERMS OF THE CONVERTIBLE BONDS

The final terms of the convertible Bonds include among other the following:

Issuer	Bank of Cyprus Public Company Limited ("Bank")
Loan Type	Subordinated Convertible Bonds
Issue Size	Up to €573.409.701
Issue Price	At par in values of €1 or multiples thereof.
Offer and Allotment	<p>Convertible bonds will be offered to all registered shareholders in the ratio of €1 Convertible Bond for every share held as at 7th July 2008, with a minimum of €105. Bank's shares purchased through the CSE and the Athens Exchange (ATHEX) up until and including Wednesday 2 July 2008 will be eligible to participate in the Convertible Bond issue (Cum priority Date). As from Thursday 3 July 2008 (Ex- Priority Date) the Bank's shares will be traded on the CSE and the ATHEX excluding the right to participate in the Convertible Bond issue.</p> <p>This issue will not be offered to any shareholders in any country in which according to the laws of such country, such an offer is illegal or constitutes breach of any applicable law, rule or regulation (e.g. United States, Canada, Australia, South Africa, Japan).</p>
Cum priority Date	2 July 2008
Ex- priority Date	3 July 2008
Record Date	7 July 2008
Interest	<p>Convertible Bonds will bear a fixed interest rate of 6,5% for the first two interest periods (that is until 30 June 2009) and floating interest rate thereafter, which will be set at the beginning of each six-monthly period and will apply to the specific interest period.</p> <p>For the period commencing 30 June 2009 until 30 June 2013 the floating interest rate will be equal to the 6-month Euribor in force at the beginning of each interest period plus 1,00%.</p>

	In the event that the Convertible Bonds are not redeemed, then for the period 1 July 2013 to 30 September 2018 the floating interest rate will be equal to the 6-month Euribor in force at the beginning of each interest period plus 2,00%.
Interest Period and Interest payment date	Interest will be paid semi-annually at the end of each Interest Period. The interest payment dates are set as 30 June and 31 December of each year.
Conversion Period	15 - 31 March for the years 2011 – 2013 and 15 - 30 September for the years 2010 – 2012. First Conversion Period 15 - 30 September 2010. Last Conversion Period 15 - 31 March 2013.
Conversion Price	€10,50
Final redemption Date	30 June 2018
Repayment Price	At par, i.e. €1 per Convertible Bond.
Redemption	The Convertible Bonds may be redeemed at the option of the Bank at their principal amount together with any outstanding Payments on 30 th June 2013, or on any Interest Payment Date thereafter, subject to the prior consent of the Central Bank of Cyprus.
Subordination	The Convertible Bonds constitute direct, unsecured and subordinated securities of the Bank. The rights and claims of the holders of Convertible Bonds rank pari passu with the rights and claims of creditors whose claims are subordinated to the claims of depositors and other unsubordinated creditors of the Bank but not further or otherwise. The rights and claims of the holders of Convertible Bonds are subordinated to the claims of the creditors of the Bank, who are depositors or other unsubordinated creditors of the Bank. The rights and claims of the holders of the Convertible Bonds have priority over the holders of Capital Securities of the Bank and shareholders of the Bank.
Proceeds of the issue	The capital that will be raised from the issue will be used to strengthen the Group's capital adequacy which, together with the projected increased undistributed profits as per the three year plan of the Group, can be invested for the increased growth of the Group's operations, organically as well as via acquisitions.
Listing on CSE and ATHEX	An application has already been filed for the listing of the Convertible Bonds on the Cyprus Stock Exchange and the Athens Exchange.
Distribution of unsubscribed amount	In the event of any unsubscribed Convertible Bonds by the existing shareholders the Board of Directors will distribute

the unsubscribed Convertible Bonds at its discretion.

For this purpose, a bookbuilding and/or application submission by interested investors (shareholders and non-shareholders) will be followed in parallel with the subscription period for the Convertible Bonds by the eligible shareholders. The net proceeds, if any, (sale price less par value of Bonds less expenses), will be distributed to the shareholders who have not subscribed for the convertible bonds in proportion to the number of unsubscribed rights.

Lead Manager

The Cyprus Investment and Securities Corporation Limited

CONTACT DETAILS

For more information shareholders can contact:

- the Lead Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (EuroLife House, 4 Evrou Street, Nicosia, Cyprus). Tel:+357 22 121800
- the Bank's Shares & Loans Stock Department in Cyprus (EuroLife House, 4 Evrou Street, Nicosia), tel : +357 22 121755 and
- the Bank's Custody, Shareholders and Derivatives Clearing Department in Greece (Feidipidou 26 and Chalkidonos 11527 Athens) tel: + 30 210 6477555