



Announcement

Strengthening of capital position through the issue of Convertible Enhanced Capital Securities

Nicosia, 20 May 2011

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. 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 595 branches, of which 211 operate in Russia, 185 in Greece, 143 in Cyprus, 27 in Ukraine, 12 in Romania, 12 in Australia, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 9 representative offices in Russia, Romania, Ukraine, Canada and South Africa. The Bank of Cyprus Group employs 12.009 staff worldwide.

At 31 December 2010, the Group's Total Assets amounted to €42,64 bn and the Shareholders' Funds were €2,74 bn. The Bank of Cyprus shares are listed on the Cyprus and Athens Stock Exchanges. Additional information can be found on the Group's website www.bankofcyprus.com.



Bank of Cyprus Public Company Ltd (“the Bank”) announces that it has received subscriptions for the issue of Convertible Enhanced Capital Securities (“CECS”), the Terms of which as stipulated in the Prospectus of the Bank dated 5th April 2011 (“the Prospectus”) amounting to approximately €890 mn. Subscriptions totaling €696 mn were in the form of exchange of Existing Eligible Securities (Convertible Bonds 2013/2018, Convertible Capital Securities, Capital Securities 12/2007).

As per the terms of the issue, the **Issue Date** of the CECSs is 18 May 2011. The letters of allotment will be sent to the holders of the CECSs on 30 May 2011.

Subscriptions for CECSs issued in United States dollar totaled \$93 mn. The exchange rate used for converting United States dollar subscriptions submitted in euro is €1:\$1,4220, as the exchange rate applicable on the Issue Date.

The Bank has submitted applications to the relevant authorities for the listing of the CECS on the Cyprus Stock Exchange and the Athens Exchange. The date of listing of the CECSs on the two exchanges will be announced once the listing applications are approved.

The issue of CECS is shielding significantly the Group, by proactively strengthening its capital position with capital eligible under Basel III requirements. Additional information regarding the Group’s capital position following the issue of CECSs will be provided on 23 May 2011 with the announcement of the Group’s financial results for the 1st quarter 2011.