



Announcement

DEDUCTION OF DEFENCE FUND CONTRIBUTION ON DIVIDENDS / INTEREST AND DIVIDEND REINVESTMENT PLAN

Nicosia, 25 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 608 branches, of which 220 operate in Russia, 185 in Greece, 143 in Cyprus, 31 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, Serbia and South Africa. The Bank of Cyprus Group employs 12.892 staff worldwide.

At 31 March 2011, the Group's Total Assets amounted to €41,72 bn and the Shareholders' Funds were €2,93 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.



DEDUCTION OF DEFENCE FUND CONTRIBUTION ON DIVIDENDS / INTEREST

Investors are informed that Bank of Cyprus Public Company Ltd has posted to all its shareholders and bondholders living abroad the questionnaires of the Inland Revenue Department for the verification of the fulfilment of the term “Non Cyprus Resident” for 2011 regarding:

- Deduction of Defence Fund Contribution on Dividends
- Deduction of Defence Fund Contribution on Interest

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 for the dividend must be received by Bank of Cyprus by Monday 30 May 2011 the latest and the questionnaire for the interest must be received by Friday 3 June 2011 the latest. If the questionnaires are not received on time, the Bank is obliged by Law to deduct defence fund contribution from the payable dividend/interest and forward it to the Inland Revenue Department.

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

If part of an investor’s holding 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, the investor has 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 Enrolment 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 121755
- the Bank’s Custody, Shareholders & Derivatives Clearing Department in Athens, tel. (+30) 210 77 65 222

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 on the working day prior to the ex-dividend date, i.e. by Monday, 30 May 2011. If their Application Form is not timely received, their instructions will only be effective for future dividend payments.

If part of an investor’s 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, the investor has to complete a separate Application Form for each Investor Share Code.