Press Release

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14 May 2012

Cyprus Popular Bank Public Co Ltd announces exchange and tender offers for existing €450,000,000 Callable Step-up Floating Rate Subordinated Notes due 2016

Cyprus Popular Bank Public Co Ltd (previously known as Marfin Popular Bank Public Co Ltd) (the **Issuer**) announces today its invitations to holders (subject to the offer restrictions referred to below) of its outstanding €450,000,000 Callable Step-up Floating Rate Subordinated Notes due 2016 (ISIN: XS0255675794) (the **Existing Notes**) to:

(a) offer to exchange their Existing Notes for Euro-denominated Fixed Rate Senior Notes due 2016 (the **New Notes**) to be issued by the Issuer (the **Exchange Offer**); or

(b) tender their Existing Notes for purchase by the Issuer for cash (the **Tender Offer** and, together with the Exchange Offer, the **Offers**).

The Issuer is making the Offers as part of its ongoing capital management strategy. In particular, the Issuer would like to improve its core tier 1 capital base. The Issuer does not currently intend to exercise its call rights in respect of the Existing Notes.

The Offers are made on the terms and subject to the conditions set out in the Offer Memorandum dated 14 May 2012 (the **Offer Memorandum**).

ISIN / Common Code	Outstanding Nominal Amount	Exchange Ratio	Tender Price	Amount subject to the Offers
XS0255675794 / 025567579	€413,281,000	72.5 per cent.	55 per cent.	Any and all

New Notes	Issue Price	Coupon	Maturity
Euro-denominated Fixed Rate Senior Notes due 2016	100.00 per cent.	8.00 per cent. per annum payable annually in arrear	1 June 2016

Copies of the Offer Memorandum are available from the Joint Dealer Managers and the Exchange and Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Offer Memorandum.

The Exchange Offer

Exchange Consideration

Each Noteholder whose Existing Notes are accepted for exchange pursuant to the Exchange Offer will receive, on the Settlement Date, an aggregate nominal amount of New Notes (rounded down to the nearest €1,000) equal to the product of (i) the aggregate nominal amount of Existing Notes accepted for exchange from such Noteholder and (ii) the Exchange Ratio.

In the event of any such rounding, Noteholders shall be eligible to receive on the Settlement Date, in lieu of the fractional nominal amount of New Notes so rounded down, a Cash Rounding Amount.

New Notes

The New Notes will be Euro-denominated Fixed Rate Senior Notes due 2016 issued pursuant to the Issuer's €3,000,000,000 Euro Medium Term Note Programme. The rate of interest payable on the New Notes will be 8.00 per cent per annum and the issue price will be 100.00 per cent. The minimum denomination of the New Notes will be €100,000.

The Tender Offer

The cash amount payable, on the Settlement Date, by the Issuer to each Noteholder whose Existing Notes are accepted for purchase pursuant to the Tender Offer will be equal to 55 per cent. of the nominal amount of such Existing Notes (the **Tender Price**).

Accrued Interest

The Issuer will also pay each Noteholder whose Existing Notes are (i) accepted for exchange pursuant to the Exchange Offer or (ii) accepted for purchase pursuant to the Tender Offer, an Accrued Interest Payment on the Settlement Date.

Participation in the Offers

In order to:

(a) participate in, and be eligible to receive New Notes pursuant to, the Exchange Offer, Noteholders must validly offer Existing Notes for exchange by delivering, or arranging to have delivered on their behalf, a valid Exchange Instruction that is received by the Exchange and Tender Agent by the Expiration Deadline; or

(b) participate in, and be eligible to receive the Tender Price pursuant to, the Tender Offer, Noteholders must validly tender Existing Notes for purchase by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Exchange and Tender Agent by the Expiration Deadline.

Exchange Instructions and Tender Instructions must be submitted in respect of a minimum nominal amount of Existing Notes of €50,000, being the minimum denomination of the Existing Notes, and may thereafter be submitted in integral multiples of €1,000.

Tender Instructions and Exchange Instructions which relate to a nominal amount of Existing Notes of less than €50,000 will be rejected.

In addition, to participate in the Exchange Offer, Noteholders must validly offer for exchange sufficient Existing Notes (the **Minimum Exchange Offer Amount**) to be eligible to receive, in accordance with the terms of the Exchange Offer, a nominal amount of New Notes of at least the minimum denomination of the New Notes of €100,000. In the case of any Noteholder who offers Existing Notes for exchange in an amount which is less than the Minimum Exchange Offer Amount but more than €50,000, such Noteholder will not be eligible to participate in the Exchange Offer and will instead be deemed to have tendered such Existing Notes for purchase pursuant to the Tender Offer.

Save as described in the previous paragraph, the Exchange Offer and the Tender Offer are alternative options available to Noteholders, and Noteholders who have submitted an Exchange Instruction or a Tender Instruction may not also submit a Tender Instruction or Exchange Instruction, as applicable, in respect of the same Existing Notes, without first validly revoking their original instruction.

Exchange Instructions and Tender Instructions will be irrevocable from the time of their submission, except in the limited circumstances described in the Offer Memorandum.

Press Release

Indicative Timetable of Events

Event	***Time and Date***
Commencement of the Offers	
Offers announced. Offer Memorandum available from the Joint Dealer Managers and the Exchange and Tender Agent.	14 May 2012
Expiration Deadline	
Deadline for receipt of valid Exchange Instructions or valid Tender Instructions by the Exchange and Tender Agent in order for Noteholders to be able to participate in the Offers.	5.00 p.m. (CET) on 28 May 2012
Announcement of Offer Results	
Announcement of whether the Issuer will accept valid offers of Existing Notes for exchange and tenders of Existing Notes for purchase pursuant to the Offers. If so accepted, the Issuer will also announce (i) the final aggregate nominal amount of the Existing Notes accepted for exchange or purchase, as applicable and (ii) the final aggregate nominal amount of New Notes to be issued.	As soon as reasonably practicable after the Expiration Deadline
Settlement Date	
Expected settlement date for the Offers.	1 June 2012

The Issuer may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate any Offer at any time (subject to applicable law and as provided in the Offer Memorandum) and the above times and dates are subject to the Issuer's right to so extend, re-open, amend and/or terminate any Offer.

Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the circumstances in which revocation is permitted) revoke their instruction to participate in, the Offers before the deadlines specified above and in the Offer Memorandum.

The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Exchange Instructions and Tender Instructions will be earlier than the relevant deadlines specified above and in the Offer Memorandum.

Unless stated otherwise, announcements in connection with the Offers will be made by the publication of such announcements through the Luxembourg Stock Exchange's website (www.bourse.lu) and may also be (a) found on the relevant Reuters International Insider Screen, (b) made by the delivery of notices to the Clearing Systems for communication to Direct Participants and (c) made by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained from the Exchange and Tender Agent, the contact details for which are below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Exchange and Tender Agent for the relevant announcements during the course of the Offers. In addition, Noteholders may contact the Joint Dealer Managers for information using the contact details below.

Noteholders are advised to read carefully the Offer Memorandum for full details of and information on the procedures for participating in the Offers.

Citigroup Global Markets Limited, HSBC Bank plc and J.P. Morgan Securities Ltd. are acting as Joint Dealer Managers and Citibank, N.A., London Branch is acting as Exchange and Tender Agent.

Questions and requests for assistance in connection with the Offers may be directed to any of the Joint Dealer Managers.

Joint Dealer Managers

Citigroup Global Markets Limited	HSBC Bank plc	J.P. Morgan Securities Ltd.
Citigroup Centre Canada Square Canary Wharf London E14 5LB United Kingdom	8 Canada Square London E14 5HQ United Kingdom	125 London Wall London EC2Y 5AJ United Kingdom
Telephone: +44 20 7986 8969 Attention: Liability Management Group Email: liabilitymanagement.europe@citi.com	Telephone: +44 20 7992 6237 Attention: Liability Management Group Email: liability.management@hsbcib.com	Telephone +44 207 777 3548 Attention: Liability Management Email: emea_lm@jpmorgan.com

Questions and requests for assistance in connection with the delivery of Exchange Instructions and Tender Instructions may be directed to the Exchange and Tender Agent.

Exchange and Tender Agent

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom
Telephone: +44 20 7508 3867
Attention: Exchange Team
Email: exchange.gats@citi.com

DISCLAIMER This announcement must be read in conjunction with the Offer Memorandum. This announcement and the Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offers. If you are in any doubt as to the contents of this announcement or the Offer Memorandum or the action you should take, you are recommended to seek your own financial and legal advice, including as to any tax consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Existing Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to participate in the Offers. None of the Joint Dealer Managers, the Exchange and Tender Agent and the Issuer makes any recommendation as to whether Noteholders should offer Existing Notes for exchange or tender Existing Notes for purchase pursuant to the Offers.

OFFER AND DISTRIBUTION RESTRICTIONS

Neither this announcement nor the Offer Memorandum constitutes an offer to sell or buy or the solicitation of an offer to sell or buy the Existing Notes and/or New Notes, as applicable, (and offers of Existing Notes for exchange and tenders of Existing Notes for purchase pursuant to the Offers will not be accepted) from Noteholders in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Offer to be made by a licensed broker or dealer and any of the Joint Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, that Offer shall be deemed to be made by such Joint Dealer Manager or affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

The distribution of this announcement and the Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement or the Offer Memorandum comes are required by the Issuer, the Joint Dealer Managers and the Exchange and Tender Agent to inform themselves about, and to observe, any such restrictions.

United States

The Offers are not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended.(the Securities Act)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of this announcement, the Offer Memorandum and any other documents or materials relating to the Offers are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to U.S. persons and the Existing Notes cannot be offered for exchange or tendered for purchase in the Offers by any such use, means, instrumentality or facilities or from within the United States or by U.S. persons. Any purported offer of Existing Notes for exchange, or any purported tender of Existing Notes for purchase, resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer of Existing Notes for exchange, or any purported tender of Existing Notes for purchase, made by a U.S. person, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

Neither this announcement nor the Offer Memorandum is an offer of securities for sale in the United States or to U.S. persons. Securities may not be offered or sold in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons. The purpose of this announcement and the Offer Memorandum is limited to the Offers and this announcement and the Offer Memorandum may not be sent or given to a person in the United States or otherwise to any person other than in an offshore transaction in accordance with Regulation S under the Securities Act.

Each holder of Existing Notes participating in an Offer will represent that it is not located in the United States and is not participating in that Offer from the United States, that it is participating in the Offer in accordance with Regulation S under the Securities Act and that it is not a U.S. person, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and is not a U.S. person. For the purposes of this and the above two paragraphs**, United States** means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

Italy

None of the Offers, this announcement, the Offer Memorandum and any other documents or materials relating to the Offers has been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian laws and regulations. Each Offer is being carried out in the Republic of Italy (**Italy**) as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Accordingly, holders or beneficial owners of the Existing Notes located in Italy can participate in the Offers only if the Existing Notes tendered for purchase or offered for exchange have a nominal value or an aggregate nominal amount equal to or greater than €50,000 otherwise holders or beneficial owners of the Existing Notes located in Italy may not participate in the Offers and none of this announcement, the Offer Memorandum and any other documents or materials relating to the Offers may be distributed or otherwise made available to them as part of the Offers.

Holders or beneficial owners of the Existing Notes may offer to exchange their Existing Notes or may tender their Existing Notes for purchase, as applicable, pursuant to the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Offers.

United Kingdom

This announcement and the Offer Memorandum have been issued by the Issuer, which is regulated by the Central Bank of Cyprus and is also subject to limited regulation by the United Kingdom Financial Services Authority (the **FSA**). This announcement and the Offer Memorandum are being distributed only to existing holders of the Existing Notes, and are only addressed to such existing holders in the United Kingdom where they would (if they were clients of the Issuer) be professional clients or eligible counterparties of the Issuer within the meaning of the FSA rules. This announcement and the Offer Memorandum are not addressed to or directed at any persons who would be retail clients within the meaning of the FSA rules and any such persons should not act or rely on it. Recipients of this announcement and/or the Offer Memorandum should note that the Issuer is acting on its own account in relation to the Offers and will not be responsible to any other person for providing the protections which would be afforded to clients of the Issuer or for providing advice in relation to the Offers.

In addition, the communication of this announcement, the Offer Memorandum and any other documents or materials relating to the Offers has not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, and the communication of such documents and/or materials as a financial promotion is only being made to (i) persons who are outside the United Kingdom, (ii) investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **Financial Promotion Order**)), (iii) persons falling within Article 43(2) of the Financial Promotion Order, or (iv) any other persons to whom it may otherwise lawfully be communicated.

France

The Offers are not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Offer Memorandum and any other document or material relating to the Offers has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifées*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier* are eligible to participate in the Offers. None of this announcement, the Offer Memorandum and any other such offering material has been and will be submitted for clearance to or approved by the *Autorité des marchés financiers*.

Switzerland

Noteholders may only be invited to offer to exchange their Existing Notes for New Notes pursuant to the Exchange Offer and the New Notes may only be offered for sale or otherwise in or into Switzerland pursuant to the Offers in compliance with all applicable laws and regulations in force in Switzerland. To ensure compliance with the Swiss Code of Obligations and all other applicable laws and regulations of Switzerland, only the Offer Memorandum (including all information incorporated by reference therein) may be used in the context of any invitation to Noteholders to offer to exchange their Existing Notes for New Notes pursuant to the Exchange Offer or any offer of the New Notes for sale or otherwise in or into Switzerland.

Germany

Noteholders may only be invited to offer to exchange their Existing Notes for New Notes pursuant to the Exchange Offer and the New Notes may only be offered for sale or otherwise in or into the Federal Republic of Germany pursuant to the Offers in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and all other applicable laws and regulations in force in the Federal Republic of Germany.

Spain

None of the Offers, this announcement and the Offer Memorandum constitutes an offer of securities or the solicitation of an offer of securities to the public in the Kingdom of Spain under the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*), Royal Decree 1310/2005, of 4 November 2005 and Royal Decree 1066/2007, of 27 July 2007. Neither this announcement nor the Offer Memorandum has been submitted for approval and has not been approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) (**CNMV**) and accordingly, the Offers are not being made in the Kingdom of Spain by way of a public offering or the solicitation of an offer of securities to the public.

Cyprus

This announcement and the Offer Memorandum are being distributed only to existing holders of the Existing Notes, and are only addressed to such existing holders in Cyprus where they would (if they were clients of the Issuer) be professional clients or eligible counterparties of the Issuer within the meaning of the Investment Services and Activities and Regulated Markets Law, Law N.144(I) of 2007 as amended and any Directives issued pursuant thereto (**IS Law**) transposing the Markets in Financial Instruments Directive 2004/39/EC. This announcement and the Offer Memorandum are not addressed to or directed at any persons who would be retail clients within the meaning of the IS Law and any such persons should not act or rely on it. Recipients of this announcement and/or the Offer Memorandum should note that the Issuer is acting on its own account in relation to the Offers and will not be responsible to any other person for providing the protections which would be afforded to clients of the Issuer or for providing advice in relation to the Offers.

No direct or indirect Offers or invitations to subscribe or purchase or otherwise procure subscribers or purchasers for the New Notes within or in Cyprus will be made except in compliance with the provisions of the Companies Law, Cap 113 of the Laws of Cyprus, as amended.

Without prejudice to the above, the New Notes shall not be advertised, offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal and non-legal entities) resident, incorporated, established domiciled or having their usual residence in Cyprus or to any such person located within the territory of Cyprus except to the extent permitted by and in accordance with Cyprus law and regulations.

Greece

No public offer within the meaning of Greek law 3401/2005, which implemented the Prospectus Directive in Greece, and article 10 of Greek law 876/1979 will take place with respect to anything done in relation to this announcement, the Offer Memorandum, the Offers or any advertisement, notice, statement or other action involving this announcement, the Offer Memorandum or the Offers in, from or otherwise involving the Hellenic Republic.

Singapore

Neither this announcement nor the Offering Memorandum has been registered as a prospectus with the Monetary Authority of Singapore, and the New Notes will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, the New Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this announcement, the Offering Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any New Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the New Notes are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the New Notes pursuant to an offer under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the Securities and Futures Act or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) pursuant to Section 276(7) of the Securities and Futures Act.