



Announcement

Share Capital Increase: Placing and Open Offer Approved by Shareholders at Extraordinary General Meeting

Nicosia, 28 August 2014

NOT FOR DISTRIBUTION IN THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA OR JAPAN

This announcement shall not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States, and shall not constitute an offer, solicitation or sale in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful. The securities are not being registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States except pursuant to an applicable exemption from such registration. No public offering of securities will be made in the United States.

Group Profile

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group operates through a total of 280 branches, of which 144 operate in Russia, 130 in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 5 representative offices in Russia, Ukraine, China and South Africa. The Bank of Cyprus Group employs 6.747 staff worldwide. At 30 June 2014, the Group's Total Assets amounted to €28,6 bn and Total Equity was €2,8 bn.

Bank of Cyprus Public Company Ltd (“Bank” or “Group”) announces that its €1 billion share capital increase through the Placing and the Open Offer was approved by its shareholders at today’s Extraordinary General Meeting (“EGM”).

The Bank’s shareholders also approved all other resolutions that were put forward at the EGM, including the Retail Offer of new ordinary shares of the Bank at a subscription price of €0,24 per share for raising of up to €100 million and the lifting of the age limit for Board Directors.

The closing of the Placing and Open Offer remains subject to the approval of the reduction of the nominal value of the ordinary shares of the Bank by the District Court of Nicosia and the filing of this court approval (the “Court Order”) with the Department of the Registrar of Companies and Official Receiver.

The Bank shall publish an announcement confirming the issue of the Court Order as soon as reasonably practicable thereafter. The Bank will also arrange for the Court Order to be filed with the Department of Registrar of Companies and Official Receiver within three business days of its issue and, on the same day as filing, the Bank shall publish an announcement of the Closing Date for the Placing and Open Offer as well as arrange for the despatch of Placing Confirmations and Open Offer Confirmations.

Unless otherwise defined herein, all capitalised terms used in this announcement have the meanings given to them in the circular to shareholders dated 30 July 2014 of the Bank which is available on the Bank’s website at www.bankofcyprus.com (select Investor Relations/Capital Increase 2014).

Dr Christis Hassapis, Chairman of Board of Directors of Bank of Cyprus Group, commented: “The approval of the share capital increase by our shareholders, is an extremely positive event for our Bank and also for the stability of the broader banking system. It comes at an opportune time when conditions in international debt markets are still favourable and ahead of regulatory stress tests. The capital increase will strengthen the bank and allow it to continue with the restructuring of its balance sheet, the deleveraging of its loan book and the repositioning of its operations with a primary focus on the domestic economy.”

John Hourican, CEO of Bank of Cyprus Group, added: “This significant new investment, which is the biggest single foreign direct investment into Cyprus, ensures that Bank of Cyprus becomes one of the best capitalised banks in Europe. It also enables us to accelerate the implementation of the Bank’s Restructuring Plan. We remain committed to supporting the Cypriot economic recovery, serving our customers and delivering value for our shareholders.”