

Notice to holders of debt securities of Bank of Cyprus as of 29 March 2013

Nicosia, 31 July 2013

This announcement is a notice of Bank of Cyprus Public Company Ltd (the “Bank” and/or “Company”) to all holders of the Bank’s subordinated debt and claims as of 29 March 2013 according to the provisions of the Bailing-in of Bank of Cyprus Public Company Limited Decree of 2013 (the “Decree”) and the Bailing-in of Bank of Cyprus Public Company Limited Amended (No. 3) Decree of 2013 (the “Amended Decree”) issued by the Central Bank of Cyprus under its capacity as Resolution Authority on the 29 March 2013 and 30 July 2013 respectively.

In particular, according to paragraph 5 (2) (d) as amended by the Amended Decree, the Subordinated debt and claims of the Bank include subordinated debt and claims up to Tier 2 capital, including Tier 1 capital and thus the following securities are included:

- **Convertible Bonds 2013/2018** (“Convertible Bonds”) issued by the Bank which have been admitted to the Cyprus Stock Exchange (“CSE”) and the Athens Stock Exchange (“ATHEX”) with codes BCCB/TPKMX and BOCB1/KYΠPO1, respectively (ISIN: CY0140740115),
- **Capital Securities 12/2007** (“Capital Securities”) issued by the Bank which have been admitted to the CSE under the code BCSC/TPKAΓ (ISIN: CY0140670114),
- **Convertible Capital Securities** (“Convertible Capital Securities”) issued by the Bank which have been admitted to the CSE under the code BCCCB/TKMAK and to the ATHEX under the code BOCB2/KYΠPO2, (ISIN: CY0141000212),
- **Convertible Enhanced Capital Securities** (“CECS”) issued by the Bank in Euro which have been admitted to the CSE and to the ATHEX under the code BCOCO/TKMAE and the code BOCB3/KYΠPO3 respectively, (ISIN: CY0141890117),
- **Convertible Enhanced Capital Securities** (“CECS”) issued by the Bank in US Dollars which have been admitted to the CSE and to the ATHEX under the code BCCOD/TKMEΔ and the code BOCB4/KYΠPO4, respectively, (ISIN: CY0141900114).

With this announcement the following is being notified:

- According to the Decree:
 - The subordinated debt and claims pursuant to paragraph 5 (2) (d) of the Decree have been converted to Class D shares at a conversion rate of €1,00 nominal amount for each €1,00 in principal amount of such subordinated debt and claims.
 - The subordinated debt and claims issued in foreign currency and in particular, the Convertible Enhanced Capital Securities issued in US Dollars have been converted to

Class D shares with a conversion rate €1,00 nominal value shares for each equivalent of €1,00 principal amount of Convertible Enhanced Capital Securities calculated based on the exchange rate €\$ 1:1,2861 as contained in the reference exchange rates published by the European Central Bank on 26 March 2013. In the event that the conversion results in fractional rights of shares, the holder of Convertible Enhanced Capital Securities in USD receives the integral number of shares and any fractions are omitted.

- According to the Amended Decree the following have been decided:
 1. Reduction of the nominal value of all Class D shares from €1,00 each to Class D shares of nominal value of €0,01 each.
 2. The total amount from the reduction of the nominal value of the issued Class D shares will be utilised for the reduction of capital against accumulated losses of the Bank.
 3. Each one (1) Class D share of nominal value of €0,01 is converted to an Ordinary Share of €0,01 each.
 4. Following the conversion of Class A, Class B, Class C and Class D shares to Ordinary Shares as described within the Amended Decree, every 100 Ordinary Shares of nominal value €0,01 each registered to the same shareholder are consolidated and/or converted to one (1) Ordinary Share of nominal value of €1,00 each. Any remaining Ordinary Shares of nominal value of €0,01 not consolidated (being any number of shares below one hundred (100) which may be falling short in reference to each shareholder) will be cancelled and the total amount of the nominal value of the shares which will be cancelled will be utilised for the reduction of the Bank's capital against accumulated losses.
 5. All Ordinary Shares resulting from the above corporate actions will comprise the sole class of shares of the Bank and each share will rank pari passu and will have the same voting and dividend rights with the other ordinary shares.

Pursuant to Article 6 (4) of the Resolution of Credit and Other Institutions Law of 2013 the implementation of resolution measures under the Bail-in Decree and the Amended Decree shall not activate any contractual clause or statutory provision that would be activated in case of bankruptcy or insolvency or upon the occurrence of another event which may be considered as a credit event or an event equivalent to insolvency.

This notice is a summary of, and subject to, the full provisions of the Bail-in Decrees and the Resolution of Credit and Other Institutions Law of 2013 in the original Greek language, a copy of which can be found on the websites of the Central Bank of Cyprus and of the Bank of Cyprus.