



## Announcement

### CAPITAL STRENGTHENING PLAN:

### TIMETABLE IN RELATION TO THE RIGHTS OFFERING AND TENDER OFFER FOR VOLUNTARY EXCHANGE OF CONVERTIBLE ENHANCED CAPITAL SECURITIES VIA THE ISSUE OF MANDATORY CONVERTIBLE NOTES AND EX-RIGHTS DATE

Nicosia, 25 January 2012

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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 609 branches, of which 209 operate in Russia, 185 in Greece, 141 in Cyprus, 44 in Ukraine, 12 in Romania, 13 in Australia 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 7 representative offices in Russia, Ukraine, Canada, Serbia and South Africa. The Bank of Cyprus Group employs 11.551 staff worldwide.

At 30 September 2011, the Group's Total Assets amounted to €39,57 bn and the Shareholders' Funds were €2,99 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](http://www.bankofcyprus.com).



Bank of Cyprus Public Company Ltd (the “Company”, the “Bank”) announces to the investing public that on 12 January 2012 the Cyprus Securities and Exchange Commission approved the Prospectus for the Company’s share capital increase in the form of a Rights Issue and a tender offer for voluntary exchange of Convertible Enhanced Capital Securities (CECS) via the issue of Mandatory Convertible Notes (MCN), hereby the “Capital Strengthening Plan” as announced on 3 November 2011.

The Prospectus, as approved by the Cyprus Securities and Exchange Commission, will be available without charge:

- In electronic form from 17 January 2012 at:
  - the Bank of Cyprus’ website [www.bankofcyprus.com](http://www.bankofcyprus.com) (select Investor Relations/ Prospectuses),
  - the website of the Lead Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO), [www.cisco-online.com.cy](http://www.cisco-online.com.cy),
  - the website of the Cyprus Stock Exchange, [www.cse.com.cy](http://www.cse.com.cy)
  - the website of the Athens Exchange [www.athex.gr](http://www.athex.gr) and
  - the website of the Cyprus Securities and Exchange Commission, [www.cysec.gov.cy](http://www.cysec.gov.cy)
  
- In printed form from 25 January 2012 at:
  - the Bank’s Headquarters (51 Stassinos Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus),
  - the Bank’s Shares & Loan Stock Department (EuroLife House, 4 Evrou Street, Nicosia, Cyprus),
  - the Head Office of the Lead Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (EuroLife House, 4 Evrou Street, Nicosia, Cyprus) and
  - the Custody, Shareholders & Derivatives Clearing Department (26 Feidippidou & Chalkidonos, 115 27 Athens, Greece)

## A. TIMETABLE IN RELATION TO THE RIGHTS ISSUE

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### EX-RIGHTS DATE

27 January 2012

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### RECORD DATE

31 January 2012

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### RIGHTS TRADING PERIOD ON THE CSE AND ATHEX

23 February – 12 March 2012 (inclusive)

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### SUBSCRIPTION PERIOD FOR RIGHTS HOLDERS

23 February – 19 March 2012 (inclusive)

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- The Rights Issue is addressed to the Company’s shareholders and holders of Eligible Securities registered on the Central Depository/Registry of the Cyprus Stock Exchange (CSE) and/or the Dematerialised Securities System (DSS) of the Hellenic Exchanges on **31 January 2012 (Record Date)**. Eligible Securities are those which according to their terms of issue, can be converted to shares of the Company (i.e. the Convertible Bonds 2013/2018, the Convertible Capital Securities and the Convertible Enhanced Capital Securities) as if these had been converted into shares at the record date.
  
- This means that investors eligible to participate in the Rights Issue will be investors acquiring (i) Shares on the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX) before market close on Thursday 26 January 2012 , (ii) Eligible Securities on the CSE before market close on Thursday 26 January 2012 and (iii) Eligible Securities on the ATHEX before market close on Monday 30 January 2012. Furthermore, eligible investors will be shareholders and Eligible Securities’ Holders, following off the floor exchange transfers completed on the record date (31 January 2012).

- As of Friday, **27 January 2012 (Ex- Rights Date)** the Company's shares will be traded on the CSE and the ATHEX excluding the right to participate in the Rights Issue. As of 27<sup>th</sup> January 2012, the starting price of the share of the Company will be adjusted on the CSE and on the ATHEX. The price adjustment on the ATHEX will be in accordance with ATHEX rules, and in conjunction with decision number 26 of the Board of Directors of ATHEX. Eligible Securities will be traded excluding the right to participate in the Rights Issue (Ex Rights) on the CSE from Friday 27 January 2012 and on the ATHEX from Tuesday 31 January 2012.
- This issue will not be offered to any shareholders or holders of Eligible Securities in any country according to whose laws such an offer is illegal or constitutes breach of any applicable law, rule or regulation (Exempted Countries) (e.g. United States, Canada, Australia, South Africa, Japan).
- The relevant Allotment Letters for the Rights for shareholders and holders of Eligible Securities registered on the Central Depository/Registry of the CSE which will state, among others, the number of Rights and the number of New Shares which each eligible holder is entitled to, will be dispatched on 9 February 2012. Allotment Letters for the subscription of New Shares will not be sent to Exempted Countries.
- Notification letters for the Rights for shareholders and holders of Eligible Securities registered on the Central Depository/Registry of the CSE which will state, among others, the number of Rights which each eligible holder is entitled to, will be dispatched on 9 February 2012. Notification letters will not be sent to Exempted Countries.
- The Rights will be transferable and tradable on the CSE and ATHEX. The Rights will be credited to the eligible Rights holders' Securities Account at the Central Depository/Registry of the CSE and the DSS of the Hellenic Exchanges before the commencement of the trading period of the Rights.
- The **trading** of the Rights (ISIN: CY 0122300110) on the CSE and the ATHEX will commence on **23 February 2012 and will last until 12 March 2012**. The Last Trading Date of the Rights on the two Exchanges is Monday 12 March 2012.
- The **Subscription Period** for the Rights for shareholders and holders of Eligible Securities registered on the Central Depository/Registry of the CSE and the DSS of the Hellenic Exchanges has been set from **23 February until 19 March 2012**. The Final Subscription Date is Monday, 19 March 2012.
- The subscription for New Shares will take place during the Subscription Period as follows:
  - In Cyprus
    - all Bank of Cyprus branches
  - In Greece:
    - all Bank of Cyprus branches, or
    - through the Operators of the holders' DSS Securities Accounts (brokerage firm or custodian) (other than the Hellenic Exchanges) with the submission of the relevant documents, provided that such Operator consents to this.

## KEY TERMS OF RIGHTS OFFERING

<b>ISSUER</b>	Bank of Cyprus Public Company Ltd (the “Bank, the “Company”)
<b>SECURITIES OFFERED</b>	Nil Paid Rights (“Rights”)
<b>RIGHTS ISSUE</b>	<p>To all shareholders and holders of securities of the Company which, according to their terms of issue, can be converted to shares (“Eligible Securities”) (i.e the Convertible Bonds 2013/2018, Convertible Capital Securities, Convertible Enhanced Capital Securities (“CECS”) of the Company) as if these securities had been converted into ordinary shares on the Record Date for the Rights Issue (the “Eligible Securities Holders”) (subject to the restrictions for Exempt Countries as described below).</p> <p>This issue will not be offered to any shareholders or Eligible Securities Holders in any country in which, according to the laws of such country, such an offer is illegal or constitutes breach of any applicable law, rule or regulation (Exempt Countries) (e.g. United States, Canada, Australia, South Africa, Japan).</p>
<b>RIGHTS ALLOCATION RATIO</b>	One (1) Right for each existing ordinary share held by shareholders on the Record Date and one (1) Right for each share that would have been held by the holders of Eligible Securities on record date as if these securities were converted into ordinary shares of the Company according to their Terms of Issue at their effective conversion price.
<b>RIGHTS SUBSCRIPTION RATIO FOR NEW SHARES</b>	Every three (3) Rights exercised will be converted to one (1) fully paid new ordinary share of nominal value of €1,00. Fractional shares will not be issued and any fractions will be ignored.
<b>NEW SHARES’ SUBSCRIPTION PRICE</b>	€1,00 per New Share
<b>NOMINAL VALUE OF THE SHARES</b>	€1,00
<b>ISSUE OF BONUS SHARES</b>	Immediately following the completion of the Rights subscription period and the issue of the New Shares resulting from the Rights Offering, bonus shares will be issued and granted in the ratio of one fully paid bonus ordinary share for each New Share resulting from the Rights Offering. The payment of the Bonus Shares will be effected through the allocation of an amount equal to the total nominal value of the Bonus Shares issued from the share premium account of the Company.
<b>ISSUED SHARE CAPITAL PRIOR TO RIGHTS OFFERING</b>	€99.527.638 divided into 899.527.638 ordinary shares of nominal value of €1,00 each.
<b>NUMBER OF RIGHTS TO BE ISSUED</b>	1.190.859.410 <i>(see note below).</i>
<b>TOTAL SHARE CAPITAL TO BE LISTED (IN THE EVENT THAT ALL RIGHTS ARE EXERCISED)</b>	<p>Up to €396.953.137 divided into 396.953.137 ordinary shares of nominal value of €1,00 each from the exercise of the Rights and up to €396.953.137 divided into 396.953.137 ordinary shares of nominal value of €1,00 each from the issue of bonus shares to the holders of New Shares resulting from the exercise of the Rights though capitalisation of reserves. <i>(see note below)</i></p> <p>In total up to €793.906.274 divided into 793.906.274 ordinary shares of nominal value of €1,00 each. <i>(see note below)</i></p>
<b>RANKING OF NEW SHARES</b>	All new shares issued and granted following the exercise of the Rights from eligible holders and the subsequent issue and granting of Bonus Shares will rank pari passu with existing issued shares in all respects.
<b>USE OF PROCEEDS</b>	The proceeds of the issue will be used to strengthen the Group’s capital adequacy and specifically its Core Tier 1 capital.
<b>LISTING AND TRADING</b>	The Nil Paid Rights will be listed and traded on the Cyprus Stock Exchange (“CSE”) and the Athens Exchange (“ATHEX”) upon receiving the necessary approvals from the competent authorities.

Note: For the calculation of the number of Rights resulting for CECS holders issued in US Dollars, the exchange rate of 1€=1,2720\$ as at the date of the Prospectus dated 12 January 2012. Fractions will be ignored.

## **B. TIMETABLE IN RELATION TO THE TENDER OFFER FOR VOLUNTARY EXCHANGE OF CONVERTIBLE ENHANCED CAPITAL SECURITIES VIA THE ISSUE OF MANDATORY CONVERTIBLE NOTES (MCN)**

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### **ACCEPTANCE PERIOD OF THE VOLUNTARY TENDER EXCHANGE OFFER**

23 February – 19 March 2012 (inclusive)

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### **ISSUE DATE OF MCN**

20 March 2012

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### **DATE OF REDEMPTION OF MCN WITH NEW SHARES AND ISSUE OF BONUS SHARES**

27 March 2012

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- The Mandatory Convertible Notes (MCS) will be offered to Convertible Enhanced Capital Securities holders of the Company. Acceptance Forms for the Voluntary Tender Exchange Offer will be sent on **9 February 2012** to all Convertible Enhanced Capital Securities holders registered at the Central Depository/ Registry of the CSE and the Dematerialized Securities System (DSS) of the Hellenic Exchanges on 31 January 2012. Investors who hold CECS on the last date of Acceptance Period of the Voluntary Tender Exchange Offer, i.e. on **19 March 2012** will be eligible to participate in the Voluntary Tender Exchange Offer.
- This issue will not be offered to any CECS holders in any country according to whose laws such an offer is illegal or constitutes breach of any applicable law, rule or regulation (Exempted Countries) (e.g. United States, Canada, Australia, South Africa, Japan).
- MCN will not be transferable and will not be listed or traded on any organised market.
- The **Acceptance Period of the Voluntary Tender Exchange Offer** has been set from **23 February** and will last until **19 March 2012**. The last date of the Acceptance Period of the Voluntary Tender Exchange Offer is **Monday 19 March 2012**.
- The acceptance of the Voluntary Tender Exchange Offer will take place during the abovementioned period as follows:
  - In Cyprus:
    - all Bank of Cyprus branches
  - In Greece:
    - all Bank of Cyprus branches, or
    - through the Operators of the holders' DSS Securities Accounts (brokerage firm or custodian) (other than the Hellenic Exchanges) with the submission of the relevant documents, provided that such Operator consents to this.

## KEY TERMS OF THE MANDATORY CONVERTIBLE NOTES ISSUE

<b>ISSUER</b>	Bank of Cyprus Public Company Limited (“Bank”, “Issuer”, “Company”)
<b>SECURITIES OFFERED FOR EXCHANGE</b>	Mandatory Convertible Notes (“MCN”)
<b>TOTAL ISSUE SIZE</b>	Up to €600.000.000
<b>MCN NOMINAL VALUE</b>	€1,00 (one Euro)
<b>MCN ISSUE PRICE</b>	At par and multiples thereof
<b>COUPON</b>	Zero
<b>MATURITY</b>	Eight (8) calendar days from issue date.
<b>MCN ISSUE DATE</b>	The date of issuance of MCN is 20 March 2012 (i.e the date that follows the Last date of Acceptance Period of Voluntary Tender Exchange Offer.
<b>MCN MATURITY DATE</b>	27 March 2012
<b>VOLUNTARY TENDER EXCHANGE OFFER</b>	<p>MCN will be offered to all registered Convertible Enhanced Capital Securities holders (Eligible CECS Holders) for the exchange of CECS with nominal value of €1,00 each with MCN of a corresponding nominal value.</p> <p>This Voluntary Tender Exchange Offer will not be offered to any CECS’ holders in any country in which, according to the laws of such country, such an offer is illegal or constitutes breach of any applicable law, rule or regulation (Exempt Countries) (e.g. United States, Canada, Australia, South Africa, Japan).</p>
<b>EXCHANGE RATIO</b>	1 MCN with nominal value €1,00 each for every CECS of nominal value €1,00 each.
<b>EXCHANGE OF CECS WITH MCN</b>	<p>The holders of CECS will be eligible to participate in the Voluntary Tender Exchange Offer for the exchange of CECS with MCN of a corresponding nominal value.</p> <p>Any CECS that will be exchanged and accepted by the Company for subscription to the issue of MCN, will be cancelled and the Company will cease to have any obligations in relation to the cancelled CECS.</p>
<b>EXCHANGE OF CECS ISSUED IN US DOLLARS</b>	The holders of CECS issued in US Dollars will be eligible to participate in the Tender Exchange Offer for the exchange of CECS with MCN of a corresponding nominal value in Euro, calculated using the €/\$ exchange rate at the last date of Acceptance Period of the Tender Exchange Offer i.e at 19 March 2012, as will be announced by the Company. Fractional MCN will be ignored.
<b>ALLOTMENT IN CASE OF OVER ACCEPTANCE</b>	If acceptance of the Voluntary Tender Exchange Offer exceeds the aggregate amount of €600 mn MCN, the final allocation of MCN will be on a pro-rata basis of the tendered amount.
<b>REDEMPTION OF MCN WITH SHARES</b>	Upon Maturity, each MCN of nominal value €1,00 will be fully redeemed by the Company with the issuance of one new ordinary share of nominal value €1 without any further consideration to be paid.
<b>EFFECT OF REDEMPTION OF MCN</b>	Cancellation of MCN and respective increase of the share capital of the Issuer by an equal amount.
<b>ISSUE OF BONUS SHARES</b>	Immediately following the completion of the Tender Exchange Offer and the issuance of the new ordinary shares from the redemption of MCN, bonus shares will be issued and granted in the ratio of one fully paid Bonus Share for every 3 New ordinary Shares resulting from the redemption of MCN i.e. up to 200 mn Bonus Shares will be issued. Fractional Bonus Shares will not be issued. The payment of the Bonus Shares will be effected, through the allocation of an amount equal to the total nominal value of the Bonus Shares issued, from the share premium account of the Company.
<b>RANKING OF NEW SHARES</b>	All new shares issued and granted following the redemption of MCN and the subsequent issue and granting of Bonus Shares will rank pari passu with existing issued shares in all respects.
<b>VOLUNTARY TENDER EXCHANGE OFFER RATIONALE</b>	The capital that will be raised from the Voluntary Tender Exchange Offer of CECS with MCN and the subsequent redemption of MCN with shares will be used for the strengthening of the Group’s capital adequacy and specifically its Core Tier 1 capital.
<b>LISTING TRADING</b>	MCN will not be transferable and will not be listed and traded on any organised

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market. The New Shares from the MCN's redemption and the Bonus Shares will be listed and traded on the Cyprus Stock Exchange and the Athens Exchange, upon receiving all necessary approvals from the competent regulatory authorities.

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For more information shareholders can contact:

- the Lead Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (EuroLife House, 4 Evrou Street, Nicosia, Cyprus), tel: +357 22 121800
- the Bank's Shares & Loan Stock Department in Cyprus (EuroLife House, 4 Evrou Street, Nicosia), tel : +357 22 121755 and
- the Bank's Custody, Shareholders & Derivatives Clearing Department in Greece (26 Feidippidou & Chalkidonos 11527 Athens), tel: + 30 210 7765222