

Announcement

Bank of Cyprus announcement

Nicosia, 4 January 2013

On January 2, 2013, Bank of Cyprus management met with the representatives of the Capital Securities Holders Association, as part of the on-going attempt to resolve the capital securities issue.

Following public comments made after the meeting by the president and members of the Capital Securities Holders Association, Bank of Cyprus would like to clarify the following:

- During the meeting, the provisions of the Memorandum of Understanding between the Cyprus Republic and Troika were discussed among other issues. These provisions state that all Capital Securities need to be converted into ordinary shares before the provision of any state aid to the Banking Sector and refer to ways to ease the consequences to the capital securities holders. Despite that no final decision for a specific plan was reached during the meeting, a number of views were exchanged that had been previously discussed and for which the Bank and the representatives of the association undertook to revisit.

In the meantime, Bank of Cyprus has requested for a joint meeting between the Ministry of Finance, the Central Bank of Cyprus and the Cyprus Securities & Exchange Commission to discuss the issue and conclude on a plan, that would be acceptable by all relevant authorities and would be in line with the Rules for State Aid of the European Union, before offering this plan to the holders of capital securities.

The details of the final plan will be announced once all relevant approvals are received. The plan will be subject to approval by an Extraordinary General Meeting of the bank's shareholders.

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, private banking, life and general insurance. The Group currently operates through a total of 556 branches, of which 190 operate in Russia, 181 in Greece, 126 in Cyprus, 44 in Ukraine, 10 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 6 representative offices in Russia, Ukraine, Serbia and South Africa. The Bank of Cyprus Group employs 11.101 staff worldwide.

At 30 September 2012, the Group's Total Assets amounted to €36,23 bn and the Shareholders' Funds were €2,31 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.

