



Announcement

ISSUE OF SUBORDINATED TIER 2 CAPITAL

Nicosia, 6 April 2006

At its meeting held today, the Board of Directors of Bank of Cyprus Public Company Ltd ("the Bank") having examined, among other matters, the capital needs of the Bank of Cyprus Group for Tier 2 Capital, in view of the Bank's option to repay the €275 million Subordinated Bonds 2006/2011 on or after 20 June 2006, decided to:

- Issue subordinated Tier 2 Capital of €200 million, with an option to increase the amount, under the Bank's Euro Medium Term Note Program.
- Appoint the international investment houses Barclays Capital and UBS Investment Bank as lead managers of the issue, with Alpha Bank obtaining a leading position in the syndicate which will be created.

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. In 1991, the Group established its first branch in Greece where it has been expanding rapidly since 1999. It has an established banking presence in the United Kingdom and in 2001 it expanded to Australia through a wholly owned subsidiary bank. 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 275 branches, of which 147 operate in Cyprus, 111 in Greece, six in the United Kingdom, ten in Australia and one in the Channel Islands. Bank of Cyprus also has representation in the United States of America, Canada, South Africa, Russia and Romania. The Bank of Cyprus Group employs 6.065 staff worldwide.

At 31 December 2005, the Group's Total Assets reached C£12,80bn (€22,32bn) and the Group's Shareholders' Funds were C£762mn (€1,33bn). The Bank of Cyprus shares are listed on the Cyprus and Athens Stock Exchanges. Additional information can be found at the Group's website www.bankofcyprus.com