



## Announcement

# SUCCESSFUL COMPLETION OF THE ISSUE OF TIER 2 CAPITAL

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Nicosia, 13 April 2006

The Bank of Cyprus Public Company Ltd ("the Bank") successfully completed the issue of €200 million Tier 2 Capital, yesterday afternoon, under the Bank's EMTN Programme. The issue was oversubscribed, with the total subscription amount exceeding €300 million.

The Tier 2 Capital issue was in the form of Subordinated Bonds.

The Bonds were allocated to institutional investors, mainly from Greece, the United Kingdom, France and Italy.

The joint lead managers to the issue were Barclays Capital, UBS Investment Bank and Alpha Bank (no books). Natexis Banques Populaires also participated in the syndicate which was formed.

The Bonds are step-up subordinated floating rate notes in Euro. The Bonds bear a coupon of 60 basis points (0,60%) above the three-month Euribor and were issued at a re-offer price of 99,861%.

The Bonds mature in May 2016, but the Bank has the option to call them in May 2011, or thereafter. If the Bonds are not called in May 2011 the coupon steps up by an additional 100 basis points (1,00%).

The Bonds will be listed on the Luxembourg Stock Exchange.

The proceeds of the issue will strengthen the Bank's capital base.

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](http://www.bankofcyprus.com)