



Announcement

SALE AGREEMENT OF THE SHARES OF UNIVERSAL LIFE INSURANCE PUBLIC CO. LTD HELD BY THE BANK OF CYPRUS GROUP

Nicosia, 13 July 2006

The Bank of Cyprus Group (the "Group") has reached an agreement to sell to Mr Andreas Georgiou and to the Group of Photos Photiades Ltd the shares it holds in Universal Life Insurance Public Co. Ltd (the "Company") for cash.

The total consideration for the shares of the Company held by the Group and related funds, which correspond to 28% of the Company's share capital, is C£7,8 mn (€13,6 mn).

The number of the Company's shares held by Bank of Cyprus Public Company Ltd and its subsidiary companies amounts to 2,9 mn. The corresponding consideration for these shares in accordance with the agreement amounts to C£6,1 mn (€10,6 mn). It is noted that the book value of these shares in the financial statements of the Group as at 31 December 2005 was C£5,8 mn (€10,1 mn)

The agreement is subject to completion within six months, in order to provide the buyers with sufficient time to take the necessary actions they are required to take.

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 276 branches, of which 147 operate in Cyprus, 112 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 6.062 staff worldwide.

At 31 March 2006, the Group's Total Assets reached C£12,61bn (€21,89bn) and the Group's Shareholders' Funds were C£800mn (€1,39bn). 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