



Announcement

STATEMENTS OF BANK OF CYPRUS GROUP RELATING TO THE PUBLIC TENDER OFFER WHICH WAS SUBMITTED FOR EMPORIKI BANK

Nicosia, 21 July 2006

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 279 branches, of which 147 operate in Cyprus, 115 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

The Bank of Cyprus Group wishes to state the following relating to the latest developments regarding the Public Tender Offer for the acquisition of Emporiki Bank of Greece S.A.:

- On 21 July 2006, Bank of Cyprus received a letter from the Central Bank of Cyprus informing the Bank of Cyprus that its application for a relevant approval for the investment of 40-100% in the share capital of Emporiki Bank of Greece S.A. was rejected.
- The approval of the Central Bank of Cyprus was a precondition for the investment by Bank of Cyprus in Emporiki Bank of Greece S.A. which was included in the Information Memorandum approved by the Hellenic Capital Markets Commission for the Public Tender Offer (clause 2.14 (a) (b)).
- The decision of the Central Bank of Cyprus, which is final, constitutes the Public Tender Offer void and therefore the Public Tender Offer lapses.
- The decision of Bank of Cyprus to launch a Public Tender Offer for Emporiki Bank of Greece S.A. was taken considering the best interests of shareholders.
- The subsequent decision of Bank of Cyprus to withdraw the Public Tender Offer was taken with particular diligence and duty of care for the interests of its shareholders, and only after new developments have occurred.
- In no circumstances did Bank of Cyprus wish to cause problems in the procedure of the privatisation of Emporiki Bank of Greece S.A. On the contrary, as always, Bank of Cyprus respects the Regulatory and Monetary Authorities of Greece and Cyprus and all their decisions.
- Bank of Cyprus considers that its actions are responsible, serious and lawful and safeguard the interests of its shareholders. In addition, it states that its decisions and actions followed the unanimous decisions of its Board of Directors.
- As Bank of Cyprus fully respects the rules, regulations and procedures of the Hellenic Capital Markets Commission and the Cyprus Securities and Exchange Commission it will not at this time expand further on the issue.
- Bank of Cyprus has also decided that in the near future it will call a briefing meeting of its shareholders to analyse its strategy for the future.
- Bank of Cyprus thanks its shareholders and staff for the support they have shown and are showing for its decisions, which are always taken based on the promotion of the best interests of shareholders and staff.