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## Announcement

### PLACEMENT OF BANK OF CYPRUS EXISTING SHARES

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Nicosia, 3 August 2006

Bank of Cyprus Public Company Ltd ("Bank of Cyprus") announces that today, after market close of the Athens Exchange, it has launched a placement of up to 12 million existing Bank of Cyprus shares through an accelerated book-building procedure. The placement agent is J.P. Morgan Securities Ltd.

The shares being placed have been acquired by Bank of Cyprus and represent collateral against legacy non-performing loans of Bank of Cyprus.

The transaction is expected to reduce commensurately Bank of Cyprus' non-performing loans.

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 6.100 staff worldwide.

At 30 June 2006, the Group's Total Assets reached C£13,22bn (€23,00bn) and the Group's Shareholders' Funds were C£818mn (€1,42bn). 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)