



Announcement

PLACEMENT OF EXISTING BANK OF CYPRUS SHARES

Nicosia, 4 August 2006

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This press release is not an offer of securities for sale in the United States or elsewhere. The securities may not be offered or sold in the United States absent registration or an exemption from registration requirements of the United States Securities Act of 1933, as amended (the "Securities Act"). The Bank of Cyprus shares have not and will not be registered under the Securities Act.

Further to its announcement with the same subject dated 3 August 2006, Bank of Cyprus Public Company Ltd ("Bank of Cyprus") announces the completion of the placement of 11,964,792 Bank of Cyprus shares, representing 2,18% of its issued share capital. The placement price was €7,05 (C£4,05*) per share and the placement was oversubscribed.

The placement agent was J.P. Morgan Securities Ltd. The placement, which was done by way of an accelerated bookbuilding, attracted strong demand from international institutional investors mainly from the United States of America, United Kingdom and Germany.

The shares which were placed had 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.

* Calculated based on the exchange rate of €1= C£0,575.

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