



Announcement

REVISED NOTICE OF ANNUAL GENERAL MEETING AND LETTER BY BANK OF CYPRUS TO ITS SHAREHOLDERS RELATING TO BANK OF CYPRUS' POSITION ON MARFIN POPULAR BANK'S PROPOSED RESOLUTION

Nicosia, 3 May 2007

We hereby attach the revised Notice of the Annual General Meeting of the shareholders of Bank of Cyprus which has been mailed to the Bank's shareholders, as well as a letter which sets out in detail the Bank's official position relating to the proposed resolution by our shareholder and competitor Marfin Popular Bank.

The Board of Directors and the Executive Management of Bank of Cyprus recommend the categorical rejection of the resolution proposed by Marfin Popular Bank, as they consider that it can be clearly proved that it is not for the benefit of our shareholders, our employees, our customers and the economy in general.

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 283 branches, of which 144 operate in Cyprus, 121 in Greece, 6 in the United Kingdom, 11 in Australia and 1 in the Channel Islands. The Bank will soon operate its first branch in Romania. Bank of Cyprus also has representation in the United States of America, Canada, South Africa and Russia. The Bank of Cyprus Group employs 6.192 staff worldwide.

At 31 December 2006, the Group's Total Assets reached C£14,56bn (€25,19bn) and the Group's Shareholders' Funds were C£905mn (€1,57bn). 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



REVISED NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Bank of Cyprus Public Company Ltd ("the Company") will be held at the **International Conference Centre**, Nicosia, Cyprus, on **Wednesday, 6 June 2007 at 4.30 p.m.**, to transact the following business:

NORMAL BUSINESS:

1. To receive and consider the Directors' report and the financial statements of the Company for the year 2006 and approve the proposed dividend.
2. To elect members of the Board of Directors.
3. To fix the remuneration of the members of the Board of Directors.
4. To re-appoint the auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

On 19 April 2007, the resolution below was proposed for consideration at the Annual General Meeting of the Company by the Company's shareholder Marfin Popular Bank Public Co Ltd, who at that date held approximately 8,19% of the Company's total share capital, pursuant to article 134 of the Companies Law of the Republic of Cyprus:

Ordinary resolution:

«Instructions and authorisation of the Board of Directors to elaborate and discuss with Marfin Popular Bank Public Co Ltd the terms and sectors for a strategic cooperation between the two banks in order to generate synergies for the benefit of the shareholders of the two banks.»

Y. Kypri
Secretary

26 April 2007

Notes:

- (a) The record date for determining the right to vote at the Annual General Meeting is 30th May 2007. Transactions which will be taking place on 31st May 2007 and thereafter will not be considered in determining the right to vote at the Annual General Meeting. Shareholders who have their shares registered on the Dematerialised Securities System of the Central Securities Depository in Greece, do not need to block their shares in order to vote and/or be represented at the Annual General Meeting.
- (b) A member entitled to attend and vote at the Annual General Meeting, is entitled to appoint a proxy to attend and vote on his behalf. Such proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company, 51 Stassinos Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, at least 48 hours before the time of the Meeting.
- (c) Shareholders and/or their proxies who are going to attend the Meeting are requested to carry with them their identity card or other proof of identification.
- (d) At the meeting of the Board of Directors of the Company held on 7 February 2007, decided to propose Monday, 11 June 2007 as the ex-dividend date. The dividend, subject to the approval of the Annual General Meeting, will be paid to the eligible shareholders on Tuesday, 26 June 2007.

POSITION OF BANK OF CYPRUS REGARDING MARFIN POPULAR BANK'S PROPOSAL

26 April 2007

Dear Shareholders,

We are pleased to enclose the Notice of the Annual General Meeting of the shareholders, which will take place on 6 June 2007 at the International Conference Centre in Nicosia. We have posted to you in a separate envelope the Bank of Cyprus Group Annual Report for 2006. The Annual Report includes extensive and detailed information on the particularly successful course of the Bank in 2006 and its expansion initiatives, the aim of which is to create added value for you, the shareholders.

You will notice that the Agenda of the Annual General Meeting includes, amongst others, a proposed resolution by our shareholder and competitor, Marfin Popular Bank (the Proposed Resolution), which instructs the Bank of Cyprus Board of Directors to elaborate and discuss with Marfin Popular Bank the terms of collaboration, aiming at a merger of the international operations of the two banks in the immediate future, and a full merger of the two banks in the distant future, when the right market conditions are created.

The Board of Directors and the Executive Management of the Bank of Cyprus recommend the **categorical rejection** of Marfin Popular Bank's (MPB or Marfin) proposal, since they consider that it can be clearly proved that the proposal is not for the benefit of our shareholders, our employees, our customers and the economy in general. The basis for rejecting MPB's proposal is simple: **No benefit, huge risks**. A possible acceptance of MPB's proposal would lead to endless discussions and the derailment of our Bank's certain and steadily growing development, with the sole aim of enabling MPB's shareholders to share the benefits which you are enjoying today.

In particular, the **basic reasons for rejecting Marfin's proposal** are:

I. MARFIN'S INTENTION IS THE CONTROL OF BANK OF CYPRUS

MPB's proposal does not contain even the slightest benefit for Bank of Cyprus shareholders. On the contrary, in reality, it is a veiled attempt to acquire Bank of Cyprus in stages without paying you any consideration. We would like to remind you that just last January, MPB attempted to acquire Bank of Cyprus for just €10 per share – not in cash but instead entirely in MPB shares. It should be noted that the target price of our share in the next year, according to four international investment houses, is estimated to be €15 on average. Any one of you can quickly calculate the consequences, if Marfin had succeeded then. Now Marfin returns, only to come through the "back door". It is worth reminding that when the Securities and Exchange Commission deemed invalid Marfin's public tender

offer to acquire Bank of Cyprus last January, Mr Vgenopoulos declared that Marfin's attempt would succeed in either X,Y or Z way at either X,Y or Z time.

2. INTERNATIONAL OPERATIONS-THE SPEARHEAD OF OUR DEVELOPMENT

The international operations of Bank of Cyprus are the focus of our competitor's interest: the particularly profitable network in Greece, the network that is being established in Romania and our banking infrastructure in Russia with a significant number of Russian corporate clients. Bank of Cyprus' international network is already profitable and will continue its profitable course. MPB's international banking activities have a low return. International operations are the driving force behind our Bank's future growth and will represent 70% of our total operations in the next five-years, constituting the source of added value for you, the shareholders. Of course, it is not in your interests to hand over the source of further added value for your share to Bank of Cyprus' main competitor. Why should you just give away the anticipated benefits?

3. OUR STRATEGIC PLAN IN JEOPARDY

The acceptance of Marfin Popular Bank's proposal automatically jeopardises the execution of Bank of Cyprus' strategic plan, which provides for a substantial increase in profits. The risk would be particularly great in Greece, where MPB comprises a number of banking/investment companies which have not yet been integrated between them. Apart from this, the additional necessary and time-consuming work to merge this situation with Bank of Cyprus' successful network will lead to long-term introversion, reduced growth rates and obviously reduced profits for you, in comparison to those which Bank of Cyprus is already achieving on its own.

4. UNREALISTIC CALCULATIONS REGARDING SYNERGIES

MPB's estimates regarding synergies are described, as you will discover, in its own proposal as "**preliminary estimates**" and the profits promised as "**likely**". By way of an indication, we would like to mention that the promised cumulative synergies of €236 million in the third year of the application of the merger plan of international operations are totally misleading. Our own estimates are in complete contrast to these. This amount represents 95% of the operating costs of Bank of Cyprus' international activities!! In reality, the possible benefits, if they exist at all, will be minor and they will not compensate for the broader risks involved in accepting the proposal.

5. DIAMETRICALLY OPPOSED PHILOSOPHY AND STRATEGY

A key prerequisite for talks regarding a merger proposal is the existence of compatible strategies, common perceptions and philosophy and a reliable and steady course. In MPB's case, none of these exist. MPB has been following an aggressive, opportunistic and continuously changing strategy by initially announcing irregular public tender offers for the acquisition of two banks, subsequently adopting back-off tactics and now clandestinely undertaking to acquire Bank of Cyprus on the cheap, despite declarations to the contrary made by Marfin's Managing Director just a few weeks prior to this.

Nowhere in the world does there exist the precedent of a merger of the international activities of two banks and a competitive position between them on their main market! How is it possible to merge 70% of our activities and continue to be competitors in the other 30%.

Dear Shareholders,

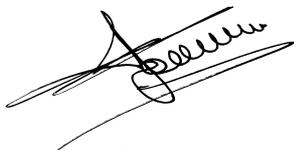
Bank of Cyprus belongs to you. Take your own interests into account, far removed from impressive, but dangerously vague promises and grandiose but confused plans. The interests of our 8% shareholder and main competitor ARE NOT equal or alike the interests of the overwhelming majority of our shareholders.

The Board of Directors and Executive Management of Bank of Cyprus have examined all aspects of Marfin Popular Bank in great depth and we have evaluated its strategy and real intentions.

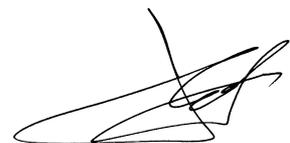
We hereby request that you attend or be represented at the Annual General Meeting on 6 June 2007 and that you reject Marfin Popular Bank's proposal.

We hereby ask you to safeguard the continuation of Bank of Cyprus' successful course, which over the last few years has been creating ever greater value for you, our shareholders.

We hereby ask you to complete the enclosed Form of Proxy with regard to the Annual General Meeting, authorising the Chairman of the Annual General Meeting to vote on your behalf at the Meeting. The Form of Proxy should be signed and returned to us in the reply-paid envelope which is enclosed for this purpose. Completion and return of the Form of Proxy by no means deprives you of the right to attend the Annual General Meeting and to vote in person, should you wish to do so. If you attend in person, the proxy appointment will automatically become null and void.



Eleftherios P. Ioannou
Bank of Cyprus Group
Chairman



Andreas Eliades
Bank of Cyprus Group
Chief Executive Officer