



Announcement

Approvals obtained from Central Bank of Cyprus and Central Bank of Russia to acquire 80% of Uniastrum Bank

Nicosia, 3 October 2008

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 335 branches, of which 145 operate in Greece, 143 in Cyprus, 26 in Ukraine, 5 in the United Kingdom, 10 in Australia, 4 in Romania, 1 in Russia and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Canada and South Africa. The Bank of Cyprus Group employs 7,600 staff worldwide.

At 30 June 2008, the Group's Total Assets reached €31.57 bn and the Shareholders' Funds were €2.06 bn. 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 has obtained the approvals of the Central Bank of Cyprus and the Central Bank of Russia in relation to the agreement to acquire 80% of Uniastrum Bank in Russia.

The completion of the acquisition is expected by the end of October.

Uniastrum Bank is headquartered in Moscow and has the 9th largest distribution network in Russia, consisting of 222 branches and sub-offices, the majority of which have been opened over the last few years. Uniastrum Bank is a universal commercial bank with a strong presence in Moscow and in another 41 regions of Russia. At 31 December 2007, the bank's total assets amounted to €1,4bn, customer loans to about €1,0bn and customer deposits to about €1,1bn.

With the addition of Uniastrum Bank to the Group, Bank of Cyprus will operate a well diversified network of more than 550 branches in Cyprus, Greece, Russia, Romania, Ukraine, the United Kingdom and Australia.

On the occasion of obtaining the approvals of the two Central Banks, the Chairman of the Board of Directors of the Bank of Cyprus Group, Mr Theodoros Aristodemou stated:

"The imminent acquisition of Uniastrum Bank in Russia is in line with our strategy to expand in new emerging markets and it is based on the knowledge and valuable experience gained from our presence in the Russian market. The strengthening of the Group with the addition of Uniastrum is expected to maximise shareholder value."

The Chief Executive Officer of the Bank of Cyprus Group, Mr Andreas Eliades, referred to the growth potential created by the imminent acquisition and stated:

"The final approvals granted by the two Central Banks show the confidence of the regulators of the two countries towards the financial fundamentals of Bank of Cyprus."

The expected completion of the acquisition of Uniastrum by the end of October is proof that the Group is implementing its strategic plans. The Bank of Cyprus Group is entering a new expansionary course and is strengthening its presence in the new markets."