



Announcement

NOTICE OF SHAREHOLDERS' EXTRAORDINARY GENERAL MEETING

Nicosia, 11 March 2009

The Notice of the Shareholders' Extraordinary General Meeting follows.

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. 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 575 branches, of which 214 operate in Russia, 160 in Greece, 143 in Cyprus, 33 in Ukraine, 5 in the United Kingdom, 10 in Australia, 9 in Romania, and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Canada, South Africa and Ukraine. The Bank of Cyprus Group employs 12.127 staff worldwide.

At 31 December 2008, the Group's Total Assets reached €36,11 bn and the Shareholders' Funds were €2,04 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

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting of the shareholders of Bank of Cyprus Public Company Ltd ("the Company") will be held at the Bank of Cyprus Group Headquarters (51 Stassinos Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus), on **Thursday, 2 April 2009 at 4.00pm** to examine the following matter and if necessary approve the following resolution as special resolution:

Issue of Convertible Capital Securities

The Board of Directors, taking into consideration the negative economic environment and the importance of maintaining strong and competitive capital adequacy ratios and further strengthening them, has decided to propose to an Extraordinary General Meeting of the shareholders to approve the issue of convertible capital securities of up to €645.327.822, the key terms of which are included in the attached document titled "Key terms of Convertible Capital Securities issue".

Special Resolution

"To approve and hereby approves the issue by the Bank of convertible capital securities of a total amount of up to €645.327.822, the key terms of which are included in the document titled "Key terms of Convertible Capital Securities issue" dated 11 March 2009 which has been sent to shareholders together with the invitation to the current Extraordinary General Meeting ("**Convertible Capital Securities**") and to authorise and hereby authorises the Board of Directors of the Bank to take all necessary actions for the offer and issue of the Convertible Capital Securities as well as to determine the remaining terms of the Convertible Capital Securities issue. In addition, the Board of Directors is hereby authorised to amend, if deemed necessary under the prevailing conditions, the interest rates of the Convertible Capital Securities issue by up to 1%, prior to the approval of the issue by the relevant regulatory authorities.."

Y. Kypri
Secretary

11 March 2009

Notes:

- (1) The record date for determining the right to vote at the above Extraordinary General Meeting is 24th March 2009. Transactions which take place on 20th March 2009 and thereafter will not be considered in determining the right to vote at the Extraordinary General Meeting. Shareholders who have their shares registered on the Dematerialised Securities System of the Hellenic Exchanges, do not need to block their shares in order to vote and/or be represented at the Extraordinary General Meeting.
- (2) A member entitled to attend and vote at the Extraordinary General Meeting, is entitled to appoint a proxy to attend and vote on his behalf. Such proxy need not be a member of the Bank. The instrument appointing a proxy, which is enclosed and has been posted on the Group's website www.bankofcyprus.com (under Inv. Relations/Press Releases), must be deposited at the registered office of the Bank, 51 Stassinos Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus, fax +357 22 336258) at least 48 hours before the time of the Meeting.
- (3) Shareholders and/or their proxies who will attend the Meeting are requested to carry with them their identity card or other proof of identification.

KEY TERMS OF CONVERTIBLE CAPITAL SECURITIES ISSUE

Issuer	Bank of Cyprus Public Company Limited ("Bank")
Securities Offered	Convertible Capital Securities
Total issue size	Up to €645.327.822
Nominal Value	€1,00
Issue Price	At par and multiples thereof
Offer and Allotment	<p>Convertible Capital Securities will be offered to all registered shareholders in the ratio of €11 Convertible Capital Securities for every 10 shares held as at Record Date ("Eligible Shareholders"). The Subscription Priority Right will not be transferable.</p> <p>This issue will not be offered to any shareholders in any country in which, according to the laws of such country, such an offer is illegal or constitutes breach of any applicable law, rule or regulation (e.g. United States, Canada, Australia, South Africa, Japan).</p>
Application for unsubscribed Convertible Capital Securities	<p>During the Subscription Period, Non-eligible shareholders will be able to submit applications for any unsubscribed Convertible Capital Securities.</p> <p>At the allotment of any unsubscribed Convertible Capital Securities priority will be given to subscriptions of Convertible Bonds 2013/18 holders.</p>
Subscription Consideration Payment	<p>Eligible Shareholders and other applicants may subscribe to the Convertible Capital Securities issue either by paying the corresponding consideration for the Convertible Capital Securities in cash or by exchanging existing Convertible Bonds 2013/18 of an equal nominal value.</p> <p>Any Convertible Bonds 2013/18 that will be exchanged as consideration and accepted by the Bank for subscription to the issue of the Convertible Capital Securities will be cancelled and the Bank will cease to have any obligations in relation to the cancelled Convertible Bonds 2013/18. The Bank will pay the accrued interest on the Convertible Bonds 2013/18 that will be accepted as consideration to this issue of Convertible Capital Securities.</p>
Status	The Convertible Capital Securities constitute direct, unsecured and subordinated securities of the Issuer and rank pari passu without any preference among themselves.
Subordination	<p>The rights and claims of the holders of Convertible Capital Securities of this issue:</p> <ul style="list-style-type: none"> - are subordinated to the claims of the creditors of the Bank, who are: <ul style="list-style-type: none"> • depositors or other unsubordinated creditors of the Bank • subordinated creditors, except those creditors whose claims rank pari passu with the claims of the holders of the Convertible Capital Securities. • holders of subordinated Bonds of the Bank. - rank pari passu with the rights and claims of holders of other subordinated issues, including issues of Capital Securities. - have priority over the shareholders of the Bank. <p>No payment in relation to the Convertible Capital Securities will be payable unless the Bank is solvent and will continue to be solvent immediately following such a payment.</p>
Duration	The Convertible Capital Securities are perpetual without a maturity date (refer to "Redemption" clause below).
Coupon	<p>The Convertible Capital Securities will bear a fixed interest rate of 5,50% per annum for the first 10 Interest Payment Periods i.e. until 30 June 2014 and thereafter, a floating interest rate which will be set at the beginning of the each 6-monthly period and will be equal to the 6-month Euribor in force at the beginning of each Interest Payment Period, plus 3,00% per annum.</p> <p>The Board of Directors may amend, if deemed necessary under the prevailing conditions, the interest rates of the Convertible Capital Securities by up to $\pm 1,00\%$ prior to the approval of the issue by the relevant regulatory authorities.</p>
Interest Payment and Interest Date	<p>Interest will be paid semi-annually in arrears at the end of each Interest Period. The Interest Payment Dates are set as 30 June and 31 December of each year.</p> <p>Each Convertible Capital Security will cease to accrue interest from the redemption/ purchase/ conversion date.</p>

KEY TERMS OF CONVERTIBLE CAPITAL SECURITIES ISSUE (continued)

Conversion Right	The Convertible Capital Securities may be converted at the option of the holder during any Conversion Period.
Conversion Price	€5,50 per ordinary share of the Bank of nominal value €1,00
Conversion Period	15-30 September & 15-31 March
First Conversion Period	15-30 September 2010
Last Conversion Period	15-31 March 2014
Redemption	The Bank may elect to redeem all but not some only of the Convertible Capital Securities, at their principal amount together with the accrued interest, on 30 June 2014 or any other Interest Payment Date thereafter, subject to the prior approval of the Central Bank of Cyprus and provided that the Convertible Capital Securities will be replaced by Tier 1 Capital.
Redemption Price	At par, i.e. €1 per Convertible Capital Security.
Change of Control Protection	If a Public Offer for the Bank's Shares or any other change of control event occurs on any date from the Issue Date of the Convertible Capital Securities, until before the end of the Last Conversion Period, a Special Automatic Conversion Period is activated, during which the holders of Convertible Capital Securities may convert their Convertible Capital Securities.
Coupon Deferral	If the Bank, at its sole discretion, determines prior to any interest payment date that it is in non-compliance with the required capital adequacy as set by the Central Bank of Cyprus, or the payment of interest will result in non-compliance with the required capital adequacy, then the Bank may elect to defer such interest payment, subject to the restrictions described in clause "Dividend and Capital Restrictions" below. Such Coupon Deferral, shall be satisfied only on the date upon which the Convertible Capital Securities are redeemed. No interest will accrue on any Coupon Deferral.
Dividend and Capital Restriction	If the Bank defers an interest payment for any reason then no dividend payment or any other payment (redemption, purchase) will be permitted on the ordinary share capital or other Tier 1 securities of the Bank, unless or until the Coupon Payments due on the Convertible Capital Securities have been paid in full.
Alternative Coupon Satisfaction Mechanism	The investors will always receive interest payments made in respect of the Convertible Capital Securities in cash. However, if the Bank defers an interest payment, then any such deferred interest payment must be satisfied by the Bank only at redemption and through the issue of ordinary shares.
Insufficiency	The Bank is required to maintain sufficient authorised and unissued share capital as it reasonably deems necessary from time to time, to satisfy any Deferred Interest Payments through the use of the Alternative Coupon Satisfaction Mechanism.
Substitution, Variation, Redemption for Regulatory / Legal Purposes	In case of changes in the laws or the relevant regulations of the Republic of Cyprus or the Central Bank of Cyprus, the Bank may, with the prior consent of the Central Bank of Cyprus, redeem all the Convertible Capital Securities together with any accrued interest outstanding. Alternatively, the Convertible Capital Securities, with the consent of the Central Bank of Cyprus, may be exchanged or their terms may be varied so that they will constitute securities of lower ranking in accordance with the Central Bank of Cyprus regulations in force.
Use of Proceeds	The net proceeds of the Issue will be used to strengthen the Bank's Tier 1 capital, thus contributing to the maintenance of strong and competitive capital adequacy ratios.
Governing Law/ Jurisdiction	The Laws of the Republic of Cyprus.
Listing and Trading	The Convertible Capital Securities will be listed and traded on the Cyprus Stock Exchange and the Athens Exchange, upon receiving all necessary approvals from the competent regulatory authorities.
Lead Manager	The Cyprus Investment and Securities Corporation Limited (CISCO).

Nicosia, 11 March 2009