



Announcement

APPROVAL OF THE PROSPECTUS FOR THE ISSUE AND LISTING OF UP TO 645.327.822 CONVERTIBLE CAPITAL SECURITIES NOMINAL VALUE €1,00 EACH

TIMEPLAN AND FINAL TERMS OF CONVERTIBLE CAPITAL SECURITIES

Nicosia, 30 April 2009

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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.

Bank of Cyprus Public Company Ltd (the Bank) announces to the investing public that the Cyprus Securities and Exchange Commission has approved on 30 April 2009 the Prospectus for the issue and listing on the Cyprus Stock Exchange and Athens Exchange of up to 645.327.822 Convertible Capital Securities of nominal value €1,00 each.

The Prospectus, as approved by the Securities and Exchange Commission, will be available without charge:

- In electronic form as from 5 May 2009 at:
 - the Bank of Cyprus' website (www.bankofcyprus.com select Investor Relations Prospectuses),
 - the website of the Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (www.cisco-online.com.cy)
 - the website of the Cyprus Stock Exchange www.cse.com.cy and
 - the website of the Cyprus Securities and Exchange Commission, www.cysec.gov.cy
- In printed form as from 20 May 2009 at:
 - all the branches of Bank of Cyprus in Cyprus and Greece,
 - the Bank's Headquarters (51 Stassinos Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus),
 - the Bank's Shares & Loan Stock Department (EuroLife House, 4 Evrou Street, Nicosia), and
 - the Head Office of the Manager of the Issue, The Cyprus Investments and Securities Corporation Ltd (CISCO) (EuroLife House, 4 Evrou Street, Nicosia, Cyprus).

It is noted that Bank of Cyprus has made an application to list the Convertible Capital Securities on the Cyprus Stock Exchange (CSE) and on the Athens Exchange (AE) and upon receipt of the relevant approval from the two Exchanges, the date of listing of the Convertible Capital Securities on the two Exchanges will be announced.

TIMEPLAN OF CONVERTIBLE CAPITAL SECURITIES ISSUE

The right to participate in the Convertible Capital Securities issue via a Priority Right to subscribe will be granted to the Bank's shareholders registered on the Central Depository / Registry of the Cyprus Stock Exchange (CSE) and/or the Dematerialised Securities System (DSS) of the Hellenic Exchanges on **Tuesday, 12 May 2009 (Record Date) (Eligible Shareholders)**. i.e. buy transactions that take place before market close of the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX) on Thursday, 7 May 2009 will be eligible to participate in the Convertible Capital Securities issue. Furthermore, Eligible Shareholders will be shareholders following off the exchange transfers completed on record date (12 May 2009).

As from Friday, 8 May 2009 (**Ex- Priority Rights Date**) the Bank's shares will be traded on the CSE and the ATHEX excluding the right to participate in the Convertible Capital Securities issue.

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).

- Relevant allotment letters which will also constitute a subscription form for Eligible Shareholders will be sent along with other informative material relating to the terms and the subscription procedure of the Convertible Capital Securities to Eligible Shareholders on 18 May 2009.
- The Subscription Period for Eligible Shareholders on the basis of Priority Rights (as will be allotted) is set at **20 May - 5 June 2009**.
- Interested Investors (shareholders or not), including holders of Convertible Bonds 2013/2018, may subscribe for any possible unsubscribed Convertible Capital Securities which will not be taken up by their Eligible Shareholders (the Rump Convertible Capital Securities) between **20 May - 5 June 2009**. Subscription forms for the Rump Convertible Capital Securities will be available in all the branches of the Bank in Cyprus and Greece.

- Eligible Shareholders and Interested Investors, including holders of Convertible Bonds 2013/2018, can subscribe for the Convertibles Capital Securities during working days and hours within the timeframe set up above, at the following locations:
 - In Cyprus
 - all branches of Bank of Cyprus
 - In Greece:
 - all branches of Bank of Cyprus, and
 - through the Operators of the holders' Securities Accounts on the DSS of the Hellenic Exchanges (brokerage firm or custodian), other than the Hellenic Exchanges, provided the Operator consents to this.

FINAL TERMS OF THE CONVERTIBLE CAPITAL SECURITIES

The final terms of the convertible Capital Securities include among other the following:

Issuer	Bank of Cyprus Public Company Limited
Securities Offered	Convertible Capital Securities with no maturity
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>
Cum priority right Date	7 May 2009, meaning that investors who purchase shares by the market close of the Cyprus Stock Exchange and the Athens Stock Exchange on the 7 May 2009, will be granted with Priority to participate to the Bank's Convertible Capital Securities issue.
Record Date	12 May 2009
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 for the period 1st January 2009 – 5th June 2009 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, which classify as Tier 1 Capital. - have priority solely 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	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.
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/conversion date.</p>
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 of each year
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, unless the Central Bank of Cyprus is satisfied that the Bank's capital adequacy is satisfactory.
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.
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 may be satisfied by the Bank and through the issue of ordinary shares to the Holders of the Convertible Capital Securities following an approval of a shareholders' Extraordinary General Meeting.
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 Alternative 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).

CONTACT DETAILS

For more information shareholders can contact:

- the Lead Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (EuroLife House, 4 Evrou Street, Nicosia, Cyprus). Tel:+357 22 121800
- the Bank's Shares & Loans Stock Department in Cyprus (EuroLife House, 4 Evrou Street, Nicosia), tel : +357 22 121755 and
- the Bank's Custody, Shareholders and Derivatives Clearing Department in Greece (Feidipidou 26 and Chalkidonos 11527 Athens) tel: + 30 210 6477555