



Announcement

DEDUCTION OF DEFENCE FUND CONTRIBUTION FROM DIVIDENDS AND DIVIDEND REINVESTMENT PLAN

Nicosia, 4 May 2009

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

DEDUCTION OF DEFENCE FUND CONTRIBUTION ON DIVIDENDS

Investors are being informed that the questionnaire of the Inland Revenue Department for the verification of the fulfillment of the term “Non Cyprus Resident” for 2009 has been posted to all Bank of Cyprus Public Company Ltd shareholders living abroad.

According to the Law, “Non Cyprus Resident” is the natural person who lives in Cyprus **less** than 183 days of a tax year.

The questionnaire must be received by Bank of Cyprus by Friday 22 May 2009 the latest. If the questionnaire is not received on time, the Bank is obliged by Law to deduct defence fund contribution from the payable dividend and forward it to the Inland Revenue.

In case where the shares are registered in a joint account or in a co-owners’ Investor Share, then each shareholder must sign a separate questionnaire.

If part of your shareholding is registered in the Central Depository/ Registry of the Cyprus Stock Exchange (CSE) and part in the Dematerialised Securities System (DSS) of the Hellenic Exchanges, you will have to complete a separate Questionnaire for each Investor Share Code.

DIVIDEND REINVESTMENT PLAN

Investors are reminded that the Bank of Cyprus Dividend Reinvestment Plan (“the Plan”) is in force. The applicable discount offered under the Plan is 10%. Based on the 10% discount offered, dividends will be reinvested at 90% of the weighted average closing price of the share at the Cyprus Stock Exchange (CSE) and the Athens Exchange (ATHEX) for the first five working days that the share is quoted ex-dividend.

Investors can obtain the Terms and Operating Conditions of the Plan and the Application Form for Enrollment or Termination of participation in the Plan (“the Application Form”) from:

- the Group’s website www.bankofcyprus.com
(select Inv. Relations / Shareholder Structure & Share / Dividend Reinvestment Plan)
- the Group’s Shares & Loan Stock Department in Nicosia, tel. +357 22 121755
- the Bank’s Custody, Shareholders & Derivatives Clearing Department in Athens, tel. 210 77 65 222

Once an investor enrolls in the Plan, his participation remains in force for all future dividends which will be automatically reinvested on his behalf, unless he requests in writing to withdraw from the Plan or unless the Bank suspends or terminates the Plan.

Investors are reminded that, for their instructions to be valid for the proposed dividend and for all future dividends, the Company must receive their Application Form at least 10 days prior to the ex-dividend date, i.e. by Monday 11 May 2009. If their Application Form is not timely received, their instructions will only be effective for future dividend payments.