

Announcement

**Notice of Deferral of Coupon Payment on Capital Securities
12/2007**

Nicosia, 15 June 2012

This announcement is a notice of Bank of Cyprus Public Company Ltd (the “Bank” and/or “Company”) relating to the Capital Securities 12/2007 (the “Securities”) of the Bank which are traded in the Cyprus Stock Exchange under the code BCSC/TPKAΓ in accordance with Term 4 of the Terms of Issue of the Capital Securities set out in the Issuer’s Registration Document of the Company dated 21 May 2008 (“Terms of Issue”).

In accordance with Term 4 the Bank has decided to defer the coupon payment for the period 20 March 2012 – 19 June 2012. Under the Terms of Issue, the Bank will satisfy the Deferred Coupon Payment for the period 20 March 2012 – 19 June 2012, only on the redemption of the Securities. This Deferred Coupon Payment will be satisfied only through the proceeds of a share issue by the Bank in accordance with Term 6 of the Terms of Issue. According to Term 4 of the Terms of Issue no interest will accrue on the Deferred Coupon Payment.

The Bank is proceeding with a number of actions that will enable it to resume the payment of interest the soonest.

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, private banking, life and general insurance. The Group currently operates through a total of 573 branches, of which 194 operate in Russia, 187 in Greece, 135 in Cyprus, 42 in Ukraine, 10 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has 6 representative offices in Russia, Romania, Ukraine, Serbia and South Africa. The Bank of Cyprus Group employs 11.175 staff worldwide.

At 31 March 2012, the Group’s Total Assets amounted to €38,66 bn and the Shareholders’ Funds were €2,85 bn. The Bank of Cyprus shares are listed on the Cyprus and Athens Stock Exchanges. Additional information can be found on the Group’s website www.bankofcyprus.com.

