

BANK OF CYPRUS PUBLIC COMPANY LIMITED

SUPPLEMENTARY PROSPECTUS

DATE: 2 June 2009

In compliance with the Provisions of the Commission Regulation (EC) No 809/2004 of the European Union, the Public Offer and Prospectus Law of 2005 of the Republic of Cyprus and the Cyprus Company Law Cap. 113



**PUBLIC OFFERING AND LISTING ON THE CYPRUS STOCK EXCHANGE
AND THE ATHENS EXCHANGE OF UP TO 645.327.822 CONVERTIBLE
CAPITAL SECURITIES OF NOMINAL VALUE €1,00 EACH**

The Supplementary Prospectus dated 2 June 2009 is related to the Issuer's Prospectus dated 30 April 2009.

Following the approval of the Council of the Cyprus Stock Exchange and Athens Exchange, the Convertible Capital Securities will be listed and traded on the Cyprus Stock Exchange and Athens Exchange.

THIS IS AN ENGLISH TRANSLATION OF THE SUPPLEMENTARY PROSPECTUS ISSUED IN GREEK IN THE FORMAT THAT HAS BEEN APPROVED BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC) AS THE COMPETENT AUTHORITY. THE GREEK TEXT OF THE SUPPLEMENTARY PROSPECTUS AS IT HAS BEEN APPROVED BY CYSEC IS BINDING. THE ENGLISH TRANSLATION IS FOR INFORMATION PURPOSES ONLY.

LEAD MANAGER



THE CYPRUS INVESTMENT AND SECURITIES CORPORATION LTD

SUPPLEMENTARY PROSPECTUS

The Supplementary Prospectus dated 2 June 2009 is related to the Bank of Cyprus' Public Company Ltd Prospectus dated 30 April 2009.

This Supplementary Prospectus has been prepared in compliance with the provisions of the Commission Regulation (EC) No 809/2004 of the European Union, the Public Offer and Prospectus Law of 2005 of the Republic of Cyprus and the Cyprus Company Law Cap. 113.

This document is important and requires your immediate attention. If you are in any doubt about the contents of these Supplementary Prospectus you should consult the Lead Manager of the Issue the Cyprus Investment and Securities Corporation Ltd or any other professional duly authorised to give such information, accountants, lawyers, or investment advisors.

Bank of Cyprus assumes full responsibility for the information contained in this Prospectus and declares that the information contained in this Supplementary Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Directors of Bank of Cyprus who are signing this Supplement Prospectus are jointly and severally responsible for the information given in the Supplementary Prospectus, and they declare that having taken all reasonable care to ensure that such is the case, the information contained in all parts of this Supplementary Prospectus, is to the best of their knowledge, in accordance with the facts and that it contains no omission likely to affect its import.

BANK OF CYPRUS PUBLIC COMPANY LIMITED

PUBLIC OFFERING AND LISTING ON THE CYPRUS STOCK EXCHANGE AND THE ATHENS EXCHANGE OF UP TO 645.327.822 CONVERTIBLE CAPITAL SECURITIES OF NOMINAL VALUE €1,00 EACH

This offer is only applicable in Cyprus, Greece and the United Kingdom and is only addressed to persons that can legally accept it. More specifically, and in compliance with relevant securities law in the following countries, this offer is not addressed in any way (in writing or otherwise), directly or indirectly, within or to the United States, Canada, Australia, South Africa, or Japan, or to any other country in which according to the laws of such a country, this offer or the postage / distribution of this offering circular is illegal or constitutes breach of any applicable law, rule or regulation. For this reason, it is forbidden to address, distribute, send or otherwise promote copies of this offering circular and any other relevant documents or material relating to this offer to persons in these countries.

The Supplementary Prospectus has been approved by the Cyprus Securities and Exchange Commission (CySEC) in its capacity as Cyprus competent authority for the purposes of Directive 2003/71/EC (the Prospectus Directive), of Regulation 809/2004 of the Committee of the European Union for the purpose of giving information with regard to the issue of the Convertible Capital Securities. Applications have been made by Bank of Cyprus for (a) a certificate of approval under Article 18 of Directive 2003/71/EC as implemented in Cyprus to be issued by the Cyprus Securities and Exchange Commission to the competent authority in Greece and United Kingdom and (b) the Convertible Capital Securities to be admitted to listing and trading on the Cyprus Stock Exchange and the Athens Exchange. The approval of the Supplementary Prospectus should not be considered as a recommendation to invest in the Issuer.

This Supplementary Prospectus includes forward-looking statements. These statements relate to the Bank's future prospects, developments and business strategies. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references to assumptions. These forward-looking statements involve risks, uncertainties and other factors that may cause the actual future results or events to be materially different from those suggested or described in this Supplementary Prospectus. Many of the factors that will determine these results or events are beyond the Bank's control. In view of the risks, uncertainties and assumptions, any projections mentioned herein may not be achieved. The risks described above and in the section entitled "Risk Factors" are not

comprehensive. New risks, uncertainties and other factors may emerge from time to time and it is not possible for the Bank to predict all such risk factors, to assess the impact of all risk factors on its business or the extent to which any factor or combination of factors, may cause actual results or events to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, the investor should not place undue reliance on forward-looking statements as a prediction or guarantee of actual results or events.

This Supplementary Prospectus should be read and understood in conjunction with supplement hereto and with any other document incorporated herein by reference. More specifically for a discussion of Risks involved in the Convertible Capital Securities see discussion in Bank of Cyprus' Prospectus dated 30 April 2009, Section II, Part A, Chapter 1 'RISK FACTORS'.

THIS IS AN ENGLISH TRANSLATION OF THE SUPPLEMENTARY PROSPECTUS ISSUED IN GREEK IN THE FORMAT THAT HAS BEEN APPROVED BY THE CYPRUS SECURITIES AND EXCHANGE COMMISSION (CYSEC) AS THE COMPETENT AUTHORITY. THE GREEK TEXT OF THE PROSPECTUS AS IT HAS BEEN APPROVED BY CYSEC IS BINDING. THE ENGLISH TRANSLATION IS FOR INFORMATION PURPOSES ONLY.

CONTENTS

PROFESSIONAL ADVISORS	5
1.0 INFORMATION ON THE DRAFTING OF THE PROSPECTUS – PERSONS RESPONSIBLE.....	6
2.0 GROUP FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2009.....	7
3.0 ANALYSIS OF RESULTS FOR THE 1ST QUARTER OF 2009.....	9
4.0 INCORPORATE BY REFERENCE.....	11
5.0 WITHDRAWAL RIGHT.....	11

PROFESSIONAL ADVISORS

LEAD MANAGER	The Cyprus Investment and Securities Corporation Ltd EuroLife House 4 Evrou Str. P.O. Box 20597 1660 Nicosia
AUDITORS	Ernst & Young Cyprus Limited 36 Byron Avenue Nicosia Tower Centre P.O. Box 21656 1511 Nicosia Cyprus
LEGAL ADVISERS	Chrysafinis & Polyviou 8 Michael Karaolis Street Anemomylos Office Building 4th Floor Nicosia Cyprus
TRUSTEE:	KPMG Limited 14 Esperidon St. 1087 Nicosia Cyprus
REGISTERED OFFICE OF BANK OF CYPRUS PUBLIC COMPANY LTD	51 Stasinou Street Agia Paraskevi Strovolos 2002 Nicosia Cyprus

1.0 INFORMATION ON THE DRAFTING OF THE PROSPECTUS – PERSONS RESPONSIBLE

The Supplementary Prospectus dated 2 June 2009 is related to the Bank of Cyprus' Public Company Ltd Prospectus dated 30 April 2009.

This Supplementary Prospectus has been drafted in accordance with the relevant legislation. The Supplementary Prospectus has been approved by the Cyprus Securities and Exchange Commission as Cyprus competent authority for the purposes of Directive 2003/71/EC (the Prospectus Directive) which has approved the contents of this Supplementary Prospectus only as to the coverage of the required information of the investors, as these are provided by the Public Offer and Prospectus Law of 2005 of the Republic of Cyprus and the Commission Regulation (EC) 809/2004 of the European Union.

The Company assumes full responsibility for the information contained in this Supplementary Prospectus and declares that the information contained in this Supplementary Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Directors of the Bank of Cyprus Public Company Limited who are signing this Supplementary Prospectus are also responsible jointly and severally for the information contained in this Supplementary Prospectus and declare that, having taken all reasonable care to ensure that such is the case, the information and facts contained in it are to the best of their knowledge, in accordance with the facts, complete and true, there are no other facts and no other events have taken place, the omission of which could affect the import of the information contained in it.

In accordance with the provisions of the Public Offer and Prospectus Law of 2005 this Registration Document has been signed by the following Directors:

- Mr. Theodoros Aristodemou, Chairman – Non Executive
- Mr. Andreas Artemis, Vice Chairman – Non Executive
- Mr. Andreas Eliades, Executive Director
- Mr. Yiannis Kypri, Executive Director

The Cyprus Investment and Securities Corporation (CISCO) Limited in its capacity as Lead Manager declares that, having taken all responsible care to ensure that such is the case the information contained in the Supplementary Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Investors interested to obtain further information may contact the following during their regular business schedule:

• The Lead Manager

The Cyprus Investment and Securities Corporation Limited (CISCO)
Eurolife House, 4 Evrou Street, PO Box 20597, 1660 Nicosia, tel: +357 121800.

- The following departments of Bank of Cyprus :

In Cyprus

Shares and Loan Stock Department
Eurolife House, 4 Evrou Street, PO Box 24884, 1398 Nicosia, tel: +357 22121755

In Greece

Custody, Registry and Derivatives Clearing Department
26 Feidippidou and Chalkidonos 115 27 Athens
Tel: +30 210 6477555

2.0 Group Financial Results for the quarter ended 31 March 2009

On 28 May 2009 the Board of Directors of Bank of Cyprus Public Company Limited approved the unaudited consolidated financial results of the Group for the quarter ended 31 March 2009.

The Group maintained a satisfactory level of profitability despite the negative economic environment. Profit after tax for the first quarter of 2009 amounted to €63 mn whereas the return on equity for the same period amounted to 12,4%. During the first quarter 2009, the Group maintained its efficiency by containing its cost to income ratio at a satisfactory 57,7% despite the dynamic expansion of its network in Greece, Russia, Romania and Ukraine during 2008. Specifically, the Group increased its branch network significantly, from 305 branches at 31 March 2008 to 589 at 31 March 2009.

The main financial highlights of the Group for the first quarter of 2009 are set out in the table below:

Table 1

€mn	Change	1Q09	1Q08	Year 2008
Profit before provisions ¹	-26%	114	153	677
Profit before tax ¹	-41%	79	133	575
Profit after tax¹	-46%	63	116	502
Earnings per share	-9,6 cent	10,8 cent	20,4 cent	87,6 cent

Return on Equity	-10,8 p.p*	12,4%	23,2%	25,1%
Cost / Income	+14,0 p.p*	57,7%	43,7%	44,9%
Non performing loans ratio	+0,7 p.p*	4,3%	3,6%	3,8%

Total Loans (€bn)	+23%	25,2	20,5	25,1
Total Deposits (€bn)	+17%	28,1	24,0	27,9
Loans to Deposits	+4,3 p.p*	89,9%	85,6%	90,0%

* p.p. = percentage points, 1 percentage point = 1%

- The profit before provisions for the first quarter 2009 reached €114 mn compared to €153 mn for the first quarter 2008.
- The profit after tax for the first quarter 2009 reached €63 mn compared to €116 mn for the first quarter 2008.
- Group return on equity remained at a satisfactory level (12,4%) in a particularly demanding and negative environment.

¹ After non-controlling interests

- The Group maintained its efficiency, with the cost to income ratio contained at 57,7% despite the dynamic expansion of its network in Greece, Russia, Romania and Ukraine, during 2008. Specifically, the Group increased its branch network significantly, from 305 branches at 31 March 2008 to 589 at 31 March 2009. The increase is primarily due to the acquisition of Uniastrum Bank in October 2008.
- The Group maintained its strong liquidity with a loans to deposits ratio of 90%. The Group enjoys strong liquidity in the two main geographic markets in which it operates, with a loans to deposits ratio in Cyprus and Greece, at 31 March 2009, of 81% and 90% respectively. The Group's conscious liquidity strengthening policy was also followed in Russia, resulting in a decrease of the loans to deposits ratio of Uniastrum Bank to 93% at 31 March 2009 (31 December 2008: 98%).
- In maintaining strong liquidity and focusing on maintaining solid financial footings and position, the Group, in light of the overall unfavourable conditions in the markets in which it operates, recorded a limited increase in its loans and deposits in the first quarter of 2009 compared to the end of 2008.
- Despite the expected deterioration of the quality of the Group's loan portfolio arising from the negative economic environment, the Group's non performing loans ratio was contained at a satisfactory 4,3% at 31 March 2009. The Group increased its provision charge for the impairment of loans for the first quarter 2009 to 0,6% of total loans (on an annual basis).
- Cyprus and Greece, the two main markets in which the Group operates, contributed positively to its profitability. For the first quarter of 2009, profit after tax in Cyprus reached €5 mn, whereas profit after tax in Greece reached €7 mn.
- Romania and Ukraine have also contributed to the Group's profitability, with profit after tax for the first quarter 2009 amounting to €2 mn and €1 mn, respectively.
- In Russia, after taking into consideration the current market conditions, the Group followed a policy of containing lending and placed particular emphasis on strengthening Uniastrum Bank's liquidity (loan to deposit ratio 93%), managing credit risk, strengthening infrastructure and assimilating the bank into the Group. In order to shield the bank further the Group has increased provisions. As a result, the Group's operations in Russia for the first quarter of 2009 recorded profit before provisions of €4 mn whilst after the increased provisioning and tax, noted a loss of €6 mn.

Prospects

The Group is monitoring the developments in the international credit markets as well as the macroeconomic environment in Cyprus, Greece and the surrounding regions and takes measures to shield itself effectively.

The strategic priorities of the Group focus on maintaining the Group's strong liquidity position, strengthening capital adequacy and managing risk effectively.

The Group is taking measures to offset the negative impact from the continuous pressure on profit margins. Such measures include the repricing of selected loan and deposit products and services, the prudent expansion of the Group in the new markets which have higher margins, the enhancement of other income and the containment of costs.

Shareholders' Funds

At 31 March 2009, the Group shareholders' funds amounted to €2,02 bn. The Group capital adequacy ratio in accordance with Basel II requirements was 10,5% and the tier 1 capital ratio was 6,8%. The issue of €645 mn worth of convertible capital securities will further enhance the Group's tier 1 capital and the tier 1 capital ratio is expected to increase to 10%² at 31 December 2009.

3.0 ANALYSIS OF RESULTS FOR THE 1ST QUARTER OF 2009

Net Interest Income and Net Interest Margin

Net interest income amounted to €181 mn, recording a decrease of 2% compared to the corresponding quarter of 2008. The relevant income was affected by the decreases of the Euro and other currencies' base rates and the squeeze of deposits spreads. The Group takes measures to offset these negative consequences by evaluating the market conditions and repricing its loan portfolio and its deposit products. The net interest margin of the Group for the first quarter of 2009 amounted to 2,13%, compared to 2,49% and 2,52% for the first and fourth quarters of 2008 respectively.

The net interest margin of the Group's operations in Cyprus amounted to 1,87% for the first quarter of 2009, compared to 2,19% and 1,90% for the first and fourth quarters of 2008 respectively. In Greece the net interest margin amounted to 1,54% for the first quarter of 2009, compared to 2,58% and 2,13% for the first and fourth quarters of 2008 respectively. The decrease of the net interest margin both in Cyprus and in Greece is due to the augmented competition, especially on deposits. The de-escalation of the competition on deposits in the last couple of months, is expected to have a positive effect on the Group's net interest margin. An improvement has already been noted in the deposit and lending spreads during April and May 2009.

The Group's net interest margin in the other countries (excluding Cyprus and Greece) was 3,32% for the first quarter of 2009, which includes the net interest margin for the new markets (Russia, Romania and Ukraine) which was 4,64% for the first quarter of 2009. The Group's objective of disciplined growth of the loan portfolio in new markets with significantly higher interest margins is expected to lead to an increase of the Group's net interest margin.

Income from fees and commissions and foreign exchange

Net fees and commission income recorded a satisfactory annual increase of 13% and amounted to €54 mn for the first quarter of 2009, compared to €48 mn for the corresponding quarter of 2008. The foreign exchange income for the first quarter of 2009 amounted to €20 mn from €8 mn for the corresponding quarter of 2008. The increase is mainly due to gains from transactions for hedging foreign exchange risk.

Income from Insurance Business

Total income from insurance business amounted to €15 mn. Profit before tax from insurance business amounted to €10 mn contributing 13% to Group profit after tax.

² Based on Group's strategic plan and after taking into consideration the proposed amendments of the European Directive regarding the amount of hybrid capital which may be considered as tier 1 capital (35% of the total tier 1 capital).

Expenses

Total expenses for the first quarter 2009 amounted to €156 mn, recording an annual increase of 31%, mainly due to increased staff and operational costs because of the Group's network expansion in Greece and the new markets. Specifically, the Group increased its branch network from 305 branches at the end of the first quarter of 2008 to 589 at the end of the first quarter of 2009, and the number of employees from 6.996 to 11.999 during the same period. The increase is mainly due to the acquisition of Uniastrum Bank.

The cost to income ratio for the first quarter of 2009 was 57,7% compared to 43,7% for the corresponding quarter of 2008, despite the significant expansion of the Group's network in Greece, Russia, Romania and Ukraine in 2008 and the decrease of net interest income. Excluding Uniastrum Bank, the cost to income ratio for the first quarter of 2009 stands at 52,8%.

The extensive and young branch network in both Greece and Russia is expected to add significant value in forthcoming years, especially in terms of business volume growth and profitability.

Staff costs for the first quarter of 2009 amounted to €98, recording an annual increase of 32%, mainly due to the increased costs relating to the expansion of operations in Greece, Russia, Romania and Ukraine. In contrast to the staff cost for the first quarter of 2008, the staff cost for the first quarter of 2009 includes the staff cost of Uniastrum Bank and Bank of Cyprus Ukraine. The staff cost in Greece recorded a 4% annual increase in response to the increased business volumes (14% increase in loans) and the staffing of 21 new branches which have commenced operations since 31 March 2008.

The other (non-staff) operating expenses of the Group, including the operating expenses for the start up of operations in all the new markets, recorded an annual increase of 29% and amounted to €8mn. Excluding Uniastrum Bank, the Group managed to contain the other operating expenses for the first quarter of 2009 at the same levels as those of the corresponding quarter of 2008.

For the first quarter of 2009, the cost to income ratio of the Group's operations in Cyprus stood at 47,4%. The corresponding ratio in Greece was at the very satisfactory level of 67,3%, especially considering the low maturity of the branch network, the start up cost of new branches and the intense competition.

Provisions for Impairment of Loans

The Group has significantly increased the provision charge for impairment of loans for the first quarter of 2009 (annual increase 138%), having taken into consideration the worsening of the economic environment and the expected partial deterioration of the loan portfolio. Despite the aforementioned increase, the provision charge for impairment of loans (€35 mn) was contained to 0,6% (2008: 0,4%) of total Group loans, reflecting both the high quality of the Group's loan portfolio as well as the very satisfactory level of accumulated provisions, which include an accumulated general provision of 1% of total loans.

At 31 March 2009, the provision coverage ratio stood at 65%. Additionally, the balance of the non-performing loans is secured by tangible collaterals. The coverage ratio, including tangible collaterals as calculated in accordance with the rules of the Central Bank of Cyprus (based on forced sale values), stood at 112%.

4.0 INCORPORATE BY REFERENCE

The Group's unaudited interim condensed consolidated financial statements for the three months ended 31 March 2009 have been incorporated to the Supplementary Prospectus by reference pursuant to article 28 of the Commission Regulation 809/2004 of the European Union. Investors may obtain a free copy of them during working days, between 9.00 a.m. and 12.00 noon, from the Bank's headquarters, 51 Stassinou Street, Ayia Paraskevi, Nicosia, Cyprus during the period that the Prospectus shall be valid, as well as on the Group's website www.bankofcyprus.com (select Investor Relations / Annual Report).

5.0 WITHDRAWAL RIGHT

According to the provisions of article 14(1)(6) and 14(1)(7) of the Public Offer and Prospectus Law of 2005, investors who have agreed or have been bound in any manner prior to the publication of the supplement to the prospectus to purchase or acquire by registration securities, in respect of which the prospectus refers to, based on the information contained in the Prospectus dated 30 April 2009, may withdraw their application or acceptance. The withdrawal right is exercised within three working days from the publication of the supplement to the prospectus.

DIRECTOR'S DECLARATIONS

The present Supplementary Prospectus of Bank of Cyprus Public Company Limited dated 2 June 2009 has been signed by the Directors of the Company. The Directors of the Company ensure that to the best of their knowledge and belief (after taking all reasonable care), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Theodoros Aristodemou	Non – Executive Chairman
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Andreas Artemis	Vice Chairman – Non Executive
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Andreas Eliades	Executive Director
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Yiannis Kypri	Executive Director
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LEAD MANAGER'S DECLARATION

The present Supplementary Prospectus of Bank of Cyprus Public Company Limited dated 2 June 2009 has been signed by the Lead Manager of the issue The Cyprus Investment and Securities Corporation Limited which declares that, having taken all responsible care to ensure that such is the case the information contained in the Prospectus is to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Cyprus Investment and Securities Corporation Limited