



Announcement

Clarification regarding proposed resolution at EGM for increase of authorised share capital

Nicosia, 29 June 2006

Regarding the proposed resolution at the shareholders' Extraordinary General Meeting of Bank of Cyprus Public Company Ltd (the "Company") which will be held at The International Conference Centre in Nicosia, Cyprus on 28 July 2006 at 6.00 p.m., we clarify the following:

The authorised share capital is not the same as the issued share capital. The authorised share capital is a notional amount of capital which is available to the Company for possible future issues of shares as may be required. The issued share capital is the amount of share capital actually issued. The Company may have shares that are authorised, but not issued.

The proposed resolution to increase the authorised share capital at the forthcoming Extraordinary General Meeting by 600.000.000 additional shares of nominal value C£0,50 each allows for the issuance of shares up to the number of shares authorised, which includes the shares to be issued to the shareholders of Emporiki Bank of Greece S.A. who shall have validly accepted the Public Offer of the Company for the acquisition of at least 40% of the shares of Emporiki Bank of Greece S.A. as the same shall be in effect on 25 July 2006, **as well as** any shares which may be issued in the future, inter alia, in the following circumstances:

- reinvestment of dividends as part of the Company's dividend reinvestment plan
- exercise of employee share options
- possible bonus shares
- possible rights offerings

It is standard practice, within the context of the Company Law of the Republic of Cyprus, to have headroom in the authorised share capital without signaling an imminent forthcoming issue of shares up to that maximum level of authorised share capital.

Founded in 1899, the Bank of Cyprus Group is the leading Cypriot banking and financial services group. In 1991, the Group established its first branch in Greece where it has been expanding rapidly since 1999. It has an established banking presence in the United Kingdom and in 2001 it expanded to Australia through a wholly owned subsidiary bank. 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 276 branches, of which 147 operate in Cyprus, 112 in Greece, six in the United Kingdom, ten in Australia and one in the Channel Islands. Bank of Cyprus also has representation in the United States of America, Canada, South Africa, Russia and Romania. The Bank of Cyprus Group employs 6.062 staff worldwide.

At 31 March 2006, the Group's Total Assets reached C£12,61bn (€21,89bn) and the Group's Shareholders' Funds were C£800mn (€1,39bn). 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