



Announcement

BANK OF CYPRUS PUBLIC COMPANY LTD (“BANK OF CYPRUS”) PUBLIC OFFER TO THE SHAREHOLDERS OF EMPORIKI BANK OF GREECE S.A. (“EMPORIKI”) FOR 100% OF THE SHARES OF EMPORIKI TO OPEN ON 7 JULY 2006

Nicosia, 05 July 2006

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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 been present in the United Kingdom and in 2001 it expanded to Australia through a wholly owned subsidiary bank. In addition to retail and commercial banking, for many years 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

PART I

The Hellenic Capital Markets Commission (the “**CMC**”) today approved the Information Memorandum relating to the public offer (the “**Public Offer**”) by Bank of Cyprus announced on 22 June 2006 to acquire all common registered shares (the “**Shares**”) of Emporiki Bank of Greece S.A. (“**Emporiki**”), for the sum of €6 in cash together with 3,25 Bank of Cyprus shares per share under the Public Offer (the “**Offer Consideration**”).

Mr Vassilis Rologis, Chairman of the Bank of Cyprus Group, stated:

“Our offer provides added value to the shareholders of Emporiki, it expresses our confidence in the dynamism of the Greek economy and creates a new strong banking organisation in southeastern Europe.”

Mr Andreas Eliades, Group Chief Executive Officer of the Bank of Cyprus Group, stated:

“The public offer by the bank of Cyprus satisfies all parties: it provides shareholders with value and prospects, employees with job security and future, whereas it enhances national competitiveness and entrepreneurship.”

The acceptance period during which the holders of the Shares (the “**Shareholders**”) may declare their acceptance of the Public Offer (the “**Acceptance Period**”) commences on Friday 7 July 2006 and ends at the close of business on 7 August 2006.

As of 7 July 2006, Shareholders may obtain copies of the Information Memorandum from all branches of Bank of Cyprus in Greece and on the Bank of Cyprus Group’s website www.bankofcyprus.com (select Inv. Relations/ Prospectuses). Shareholders may request additional information relating to the procedure for submission of Declarations of Acceptance from all branches of Bank of Cyprus in Greece.

Shareholders wishing to obtain additional information relating to the procedure for submission of the Declarations of Acceptance may contact the Custody, Shareholders and Derivatives Clearing Department of Bank of Cyprus in Greece on any working day or hour on telephone numbers +30 210 6963 555 and 801-11-11-108 (calls from Greece only).

For full details of the terms and conditions of the Public Offer and for information on the acceptance and payment procedures, Shareholders should refer to the Information Memorandum.

Important Notice

The Public Offer is being made to the Shareholders exclusively in accordance with the procedure set forth in Greek Law 3461/2006 on the “Incorporation into the law of Greece of Directive 2004/25/EC relating to public offers”.

In any event, it is recommended that all persons lawfully receiving the Public Offer and the Information Memorandum should consult their own financial, banking, legal or tax adviser, accountant or any other independent relevant adviser of their own choice.

For additional information

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PART II

ANNOUNCEMENT OF APPROVAL OF THE INFORMATION MEMORANDUM RELATING TO BANK OF CYPRUS PUBLIC OFFER TO THE SHAREHOLDERS OF EMPORIKI FOR 100% OF THE SHARES OF EMPORIKI

In accordance with the Greek Law 3461/2006, Bank of Cyprus with registration number HE165, in accordance with the Cyprus Companies Act 18/1922 having its registered office at 51 Stassinou Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus (the “Offeror”) hereby announces that the Hellenic CMC approved the Information Memorandum relating to the Public Offer by the Offeror announced on 22 June 2006 to acquire all the Shares of Emporiki.

This announcement does not constitute a summary of all the terms of the Public Offer and each Shareholder should read all the relevant terms included in the Information Memorandum before accepting the Public Offer.

Information Memorandum

As of 7 July 2006, Shareholders may request and obtain copies of the Information Memorandum from all branches of Bank of Cyprus in Greece and from the Bank of Cyprus Group’s website www.bankofcyprus.com (select Inv. Relations/ Prospectuses).

Acceptance Period

The Acceptance Period during which the Shareholders may declare their acceptance of the Public Offer will commence on 7 July 2006 and end at the close of business on 7 August 2006.

As the Public Offer of Bank of Cyprus constitutes a public offer competitive to the initial public offer of Credit Agricole S.A., the acceptance period of Credit Agricole S.A.’s public offer is extended in accordance with article 26 of Greek Law 3461/2006 until the end of the Public Offer of Bank of Cyprus, that is up to and including 7 August 2006.

The Shares, the subject of the Public Offer

Through the Public Offer, the Offeror intends to acquire up to 100%, with a minimum of 40%, of the Shares.

The Offeror is under obligation to acquire the Shares together with all existing and future rights attaching to the Shares provided that the Shares are free from all encumbrances, registered or contractual, restrictions, claims, life interests, liabilities and any other rights vested in third parties.

The Public Offer shall be effective pursuant to its terms subject to the following conditions being met by the last day of the Acceptance Period:

- (a) The approval at the Extraordinary General Meeting of the shareholders of Bank of Cyprus, which will take place on 28 July 2006, of the relevant ordinary resolution for the increase in the authorised share capital of Bank of Cyprus and the approval by special resolution to waive their pre-emption rights in relation to the issue of the new Bank of Cyprus shares to Emporiki’s shareholders.
- (b) The Offeror shall have obtained the relevant approval from the Central Bank of Cyprus.
- (c) The Offeror shall have obtained the relevant approval from the Bank of Greece.
- (d) The Offeror shall have obtained, in terms satisfactory to it, approval for the acquisition of control over Emporiki, according to the provisions of the Public Offer, from the Cyprus Commission for the Protection of Competition.
- (e) The Offeror shall have obtained, in terms satisfactory to it, approval for the acquisition of control over Emporiki, according to the provisions of the Public Offer, from the Hellenic Competition Commission according to Law 703/1977.

Offer Consideration

In accordance with article 9 of Greek Law 3461/2006 and the Public Offer, the Offeror offers to pay for each Share in relation to which the Public Offer has been validly accepted, the sum of € 6 in cash together with 3,25 Bank of Cyprus shares.

The most recent document containing information equivalent to that of a prospectus relating to the Offeror's shares dated 5 July 2006 will be available on the Bank of Cyprus Group's website www.bankofcyprus.com (select Inv. Relations/ Prospectuses) as of 7 July 2006. Furthermore the Offeror's financial statements that are announced pursuant to applicable regulatory obligations as well as any other important developments of the Offeror are published on the Bank of Cyprus Group's website.

The off-market transfer to the Offeror of the Shares under the Public Offer by the Shareholders who will lawfully accept the Public Offer (the "**Accepting Shareholders**") is not subject to stock exchange transaction tax, but is subject to the payment of fees under the Clearance Regulations. The Offeror itself will, in place of the Accepting Shareholders, take responsibility for and pay to the Central Securities Depository, through the Receiving Bank (as defined below), the clearance fees due to the depository, which at present amount to 0,12% of the value of the transaction.

Acceptance Process

The Offeror has appointed Bank of Cyprus in Greece (the "**Receiving Bank**"), as the bank responsible for receiving the Declarations of Acceptance, as provided by article 18 of Greek Law 3461/2006. The Receiving Bank is responsible for receiving all Declarations of Acceptance, for supervising and carrying out the transfer of the validly offered Shares under the Public Offer and for the payment of the Consideration for these Shares to the Accepting Shareholders.

Accepting Shareholders must duly complete and submit a Declaration of Acceptance to any of the branches of Bank of Cyprus in Greece. Forms of the Declaration of Acceptance may be obtained from these branches throughout the Acceptance Period during normal business days and hours. Accepting Shareholders must comply with the detailed requirements for accepting the Public Offer set out in the Information Memorandum.

The acceptance of the Public Offer by persons who may already have accepted a previous offer is considered valid only after a revocation of the acceptance of the previous public offer is made.

Payment of the Offer Consideration

The transfer of the Shares tendered by Accepting Shareholders will take place through an off-exchange transaction in accordance with Article 15 of Greek Law 3632/1928 and will be registered with the Dematerialised Securities System (the "**DSS**") of the Athens Exchange on the third business day after the required documentation is submitted to the Central Securities Depository by Bank of Cyprus.

On the third business day, on which the registration described above is completed, the Receiving Bank will pay the cash element of the Offer Consideration to each of the Accepting Shareholders in the manner that each Accepting Shareholder has indicated in the Declaration of Acceptance. Similarly on that same working day, the new Bank of Cyprus shares constituting the remainder of the Offer Consideration will be allocated to the Accepting Shareholders' DSS Securities accounts.