



Announcement

Share Capital Increase: Approval and publication of Prospectus in relation to the Retail Offer and the applications for listing and trading of the Relevant Shares and Retail Shares on the CSE and ATHEX

Nicosia, 26 November 2014

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Group Profile

Founded in 1899, Bank of Cyprus Group is the leading banking and financial services group in Cyprus. The Group provides a wide range of financial products and services which include retail and commercial banking, finance, factoring, investment banking, brokerage, fund management, private banking, life and general insurance. The Group operates through a total of 280 branches, of which 144 operate in Russia, 130 in Cyprus, 1 in Romania, 4 in the United Kingdom and 1 in the Channel Islands. Bank of Cyprus also has representative offices in Russia, Ukraine, and China. The Bank of Cyprus Group employs 6.747 staff worldwide. At 30 June 2014, the Group's Total Assets amounted to €28,6 bn and Total Equity was €2,8 bn.

Bank of Cyprus Public Company Ltd (the "Company" or the "Bank") announces that the Cyprus Securities and Exchange Commission has today, 26 November 2014, approved the Prospectus for the Retail Offer and the applications for the listing and trading of the Relevant Shares and the Retail Shares on the Cyprus Stock Exchange and the Athens Exchange (the "Prospectus").

Unless otherwise defined, capitalised terms have the meanings ascribed to them in the "Glossary of Selected Terms" section of the Prospectus.

The Prospectus, as approved by the Cyprus Securities and Exchange Commission, will be available without charge:

- In electronic form from 27 November 2014 at:
 - the Bank of Cyprus' website www.bankofcyprus.com (select Investor Relations/ Capital Increase 2014 / Phase 3 - Prospectus),
 - the website of the Lead Manager of the Retail Offer, The Cyprus Investment and Securities Corporation Ltd (CISCO), www.cisco.bankofcyprus.com.cy,
 - the website of the Cyprus Stock Exchange (CSE), www.cse.com.cy
 - the website of the Athens Exchange (ATHEX) www.athex.gr and
 - the website of the Cyprus Securities and Exchange Commission, www.cysec.gov.cy

- In printed form from 11 December 2014 at:
 - the Bank's Headquarters (51 Stassinou Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus),
 - the Bank's Shares & Loan Stock Department (EuroLife House, 4 Evrou Street, Nicosia, Cyprus),
 - the Head Office of the Lead Manager of the Issue, The Cyprus Investment and Securities Corporation Ltd (CISCO) (154 Limassol Avenue, 2025 Nicosia, Cyprus)

I. APPLICATION FOR ADMISSION AND LISTING OF RELEVANT SHARES

The Bank expects to file with the CSE and ATHEX the application for admission to listing and trading on the CSE and ATHEX of the Relevant Shares, which are comprised of:

- 3,873,269,066 Ordinary Shares issued to bailed in holders of uninsured deposits and other products of the Bank in accordance with the Bail-in Decrees;
- 5,781,443 Ordinary Shares issued to bailed in holders of subordinated debt securities of the Bank in accordance with the Bail-in Decrees;
- 858,708,764 Ordinary Shares issued to Laiki Bank pursuant to the Laiki Transfer Decrees; and
- 4,166,666,667 Ordinary Shares issued pursuant to the Placing and Open Offer. The Placing and Open Offer constitute phases 1 and 2 of the Bank's Share Capital Increase which was approved at the EGM held on 28 August 2014.

(Together the "Relevant Shares")

It is expected that admission of the Relevant Shares to listing and trading on the Main Market of the CSE and ATHEX, (the "First Admission") will become effective, and that dealings in the Relevant Shares will commence, on or about 16 December 2014, subsequent to the

commencement of the subscription period of the Retail Offer which is scheduled to commence on 15 December 2014 (see *Expected Timetable for the Retail Offer and Admissions below*). The exact date for First Admission will be announced to the CSE and ATHEX and will be published in the Cypriot and Greek press and is expected to be within five business days from the date of approval of First Admission by the CSE and ATHEX.

II. SUMMARY OF THE TERMS AND CONDITIONS OF THE RETAIL OFFER

The Retail Offer comprises the third and final phase of the Share Capital Increase which, if subscribed in full, will result in the Bank raising gross proceeds of €100 million and account for 4.46% of the enlarged share capital of the Bank following the completion of the Retail Offer.

The Retail Offer is an opportunity for Qualifying Shareholders to subscribe for Retail Shares at the Subscription Price in accordance with the terms and conditions of the Retail Offer as set out in Section 4.3 of the Prospectus and which are summarised below. You should read the Prospectus for the full details of the Retail Offer as well as important information concerning the risks involved with an investment in the ordinary shares of the Bank. If there is any conflict between this announcement and the Prospectus, the Prospectus will prevail.

- (a) *Invitation to Subscribe:* Subject to the terms and conditions set out in Section 4.3 of the Prospectus, each Qualifying Shareholder is being invited to subscribe for up to a maximum of 416,666,667 Retail Shares at the Subscription Price of €0.24 per Retail Share (payable in full and free of all expenses). Qualifying Shareholders will not be required to subscribe for any minimum number of Retail Shares or for any minimum amount of consideration.
- (b) *Qualifying Shareholders:* only Shareholders on the share register of the Bank as at the Record Date (with the exclusion of (i) Shareholders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in any Excluded Territory and (ii) Shareholders who were allotted Ordinary Shares pursuant to the Placing unless they were already Shareholders as at record date for the Placing) ("Qualifying Shareholders") are eligible to subscribe for Retail Shares in the Retail Offer. The "Record Date" for the purposes of the Retail Offer is 3.00 p.m. on 21 November 2014. The Excluded Territories are defined in Section 4.3.9 (*Overseas Shareholders*) of the Prospectus.
- (c) *Allotment of Retail Shares:* If the Retail Offer is not taken up in full, each Qualifying Shareholder which has submitted a valid application for Retail Shares will be allotted the full number of Retail Shares that it has subscribed for.

If the Retail Offer is oversubscribed, priority allotment will be given to valid applications for a total consideration per Qualifying Shareholder of less than or equal to €100,000.08 ("Minority Applications"). Minority Applications will be allotted on a *pro rata* basis (i.e. proportionally based on the number of shares applied for by the relevant Minority Applications and the total number of shares applied for by all Minority Applications). Once all Minority Applications have been satisfied and assuming all shares have not been fully allotted, share applications for a total consideration per Qualifying Shareholder which is more than €100,000.08 ("Majority Applications") will be allotted on a *pro rata* basis (i.e. proportionally based on the number of shares applied for by the relevant Majority Application and the total number of shares applied for by all Majority Applications).

Fractional Retail Shares will not be issued and any fractions will be ignored.

No assurance can be given that applications by Qualifying Shareholders for Retail Shares will be met in full or in part or at all.

- (d) *Status of the Retail Shares:* The Retail Shares will be fully fungible and rank *pari passu* with each other and with all other Ordinary Shares.

- (e) *Subscription Period:* Qualifying Shareholders must submit their Application Forms within the subscription period which commences at 9.00 a.m. on 15 December 2014 and will remain open until 1.30 p.m. on 9 January 2015 (the "Subscription Period").
- (f) *Application and payment procedure:* Applications for Retail Shares must be made on the Application Form set out at the end of this Prospectus or as may be otherwise published by the Bank. The procedure for application and payment under the Retail Offer is set out below in Section 4.3.3 (*Application and Payment Procedure for the Retail Offer*) of the Prospectus.

Assuming there are Retail Shares which are validly subscribed under the Retail Offer, the Bank expects to file the Retail Shares Application with the CSE and ATHEX on or about 14 January 2015. It is expected that any admission of the Retail Shares to listing and trading on the Main Market of the CSE and ATHEX ("Second Admission") will become effective, and that dealings in the Retail Shares will commence, on or about 28 January 2015.

Qualifying Shareholders should note that the Retail Offer is not a rights issue and the Application Forms are not negotiable documents and cannot be traded. Qualifying Shareholders should be aware that in the Retail Offer, unlike with a rights issue, any Retail Shares not applied for by Qualifying Shareholders will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Retail Offer. If and to the extent that all valid applications under the Retail Offer have been met in full and there are still Retail Shares which have not been applied for at the end of the Subscription Period, these Retail Shares will not be issued.

If you are in any doubt about the action to be taken, you are recommended to seek your own personal financial advice immediately from your stockbroker, or other appropriate independent financial adviser.

III. EXPECTED TIMETABLE FOR THE RETAIL OFFER AND ADMISSIONS

The expected timetable for the Retail Offer and the Admissions is set out in Section 4.4 (*Expected Timetable for the Retail Offer and Admissions*) of the Prospectus. All dates given in this timetable, and as reproduced elsewhere in this Prospectus, are based on the Bank's current expectations and may be subject to change. If any of the times or dates given in this timetable change, the Bank will proceed with a relevant announcement to the CSE and ATHEX, and such announcement will be posted on the Bank's website (www.bankofcyprus.com) or will publish a supplement to the Prospectus (as applicable).

Record Date for the Retail Offer	3.00 p.m. on 21 November 2014
Approval of Prospectus by The Cyprus Securities and Exchange Commission	26 November 2014
Prospectus (including Application Form) published on the Bank's website	27 November 2014
Filing of Relevant Shares Applications and Listed Shares Application with CSE and ATHEX	27 November 2014
Announcement of CSE and ATHEX approvals for First Admission	Until 9 December 2014
Subscription Period for Retail Offer	9.00 a.m. on 15 December 2014 to 1.30 p.m. on 9 January 2015
Date of First Admission and dealings in Relevant Shares and Listed Shares commence on CSE and ATHEX	16 December 2014
Latest time and date for receipt of completed Application Forms and payments in full for Retail Offer	1.30 p.m. on 9 January 2015
Announcement of the Retail Offer results	13 January 2015
Issue Date for Retail Shares	14 January 2015
Filing of Retail Shares Application with CSE and ATHEX	14 January 2015
Announcement of CSE and ATHEX approvals for Second Admission	Until 26 January 2015
Date of Second Admission and dealings in Retail Shares commence on CSE and ATHEX	28 January 2015

IV. ACTIONS TO BE TAKEN BY SHAREHOLDERS PRIOR TO ADMISSIONS

Shareholders are required to have an active Investor Share Code and Securities Account with the CSE or the Dematerialised Securities System ("DSS") of the Hellenic Exchanges in order for the Ordinary Shares to be credited to their Securities Account so that they will be able to trade these Ordinary Shares on First Admission or Second Admission, as applicable. The Bank encourages all Shareholders that do not have an Investor Share Code and Securities Account with the CSE or the DSS of the Hellenic Exchanges to apply directly to a brokerage firm or custodian ("Operator") in Cyprus or Greece in order to proceed with the opening of these accounts and provide the relevant details to the Shares & Loan Stock Department of the Bank (via fax no +35722336258/ +35722336261 or via email at shares@bankofcyprus.com).

It is important to note that, if a Shareholder does not have an Investor Share Code and Securities Account with the CSE or DSS or if the information regarding its Investor Share Code or Securities Account provided to the Bank's Shares & Loan Stock Department is incorrect or incomplete, the Ordinary Shares held by the Shareholder will be credited in its name to an Investor Share Code and Securities Account with the CSE which will be inactive unless and until it takes appropriate action to activate this account and pay the relevant fees. The activation of this Securities Account with the CSE may be difficult and time consuming and will cause delays in a Shareholder's ability to trade the Ordinary Shares on the CSE and ATHEX after First Admission or Second Admission, as applicable.