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THIS DOCUMENT IS ONLY ADDRESSED TO QUALIFYING SHAREHOLDERS.

This document has not been submitted to the approval procedure of CySEC, pursuant to the Prospectus Law and the Prospectus Regulation, and accordingly, it is not a prospectus for the purposes of the Prospectus Law or the Prospectus Directive and may not be used in connection with any offer to purchase or sell any ordinary shares or as part of any form of general solicitation or advertising in circumstances that would constitute an offer to the public in Cyprus. This document has been prepared on the basis that any offer of the Open Offer Shares will be made on the basis that Qualifying Shareholders will only be permitted to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder, which is an exemption under the Prospectus Law and the Prospectus Directive from the requirement to produce an approved prospectus for an offer of shares. The Bank has not authorised the making of any offer of Open Offer Shares in circumstances in which an obligation to publish a prospectus arises for such offer. The Bank has not authorised the making of any offer of Open Offer Shares through any financial intermediary.

The release, publication or distribution of this document in certain jurisdictions may be restricted by law. No action has been or will be taken by the Bank or CISCO to permit a public offering of the New Ordinary Shares under the applicable securities laws of any jurisdiction. Accordingly, neither this document, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. In particular, subject to certain exceptions, this document and the Application Form should not be distributed, forwarded to or transmitted into the United States or into any other Excluded Territory. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.



Bank of Cyprus Public Company Limited

(Incorporated and registered in Cyprus with registration number HE165)

OPEN OFFER OF 833,333,333 OPEN OFFER SHARES AT €0.24 PER OPEN OFFER SHARE

NOTICE OF EXTRAORDINARY GENERAL MEETING



The Cyprus Investment and Securities Corporation Limited

Lead Manager

This document comprises a circular to shareholders of Bank of Cyprus Public Company Limited (the “**Bank**”) in relation to the Extraordinary General Meeting and the Open Offer.

Your attention is drawn to Part 1 (Background and Reasons for the Share Capital Increase) of this document. You should read the whole of this document, any accompanying document and any documents incorporated into this document by reference. Shareholders contemplating a purchase of Open Offer Shares should review in particular the risk factors set out or incorporated by reference in the part of this document entitled “Risk Factors” for a discussion of certain risks and uncertainties and other factors that should be taken into account by Shareholders when considering what action to take in relation to the Open Offer.

A notice convening the Extraordinary General Meeting to be held at 10.00 a.m. on 28 August 2014 at the Bank’s headquarters (51 Stassinou Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus) and a Form of Proxy for use in connection with the Extraordinary General Meeting is set out at the back of this document. If you are not a natural person or (in case of a natural person) you do not plan to attend the Extraordinary General Meeting in person, you may complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Bank as soon as possible and, in any event, by no later than 10.00 a.m. on 26 August 2014. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, if you wish to do so and are so entitled.

The latest time and date for acceptance and payment in full for the Open Offer Shares under the Open Offer is 1.30 p.m. on 21 August 2014. The procedures for acceptance and payment are set out in Part 2 (Terms and Conditions of the Open Offer) of this document.

Shareholders should only rely on the information contained in this document and contained in any documents incorporated into this document by reference. No person has been authorised to give any information or make any representations other than those contained in this document and any document incorporated by reference and, if given or made, such information or representation must not be relied upon as having been so authorised by the Bank or CISCO. Neither the delivery of this document nor any subscription or sale made

hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank since the date of this document or that the information in this document is correct as at any time after this date.

NOTICE TO US INVESTORS

This document, including the Application Form, does not constitute an offer of Open Offer Shares to any person with a registered address in, or who is resident in, the United States. The Open Offer Shares have not been and will not be registered under the Securities Act, or with any regulatory authority or under the applicable securities laws of any state or other jurisdiction of the United States, or the relevant laws of any state, province or territory of any other Excluded Territory and the Open Offer Shares may not be offered, sold, pledged, or otherwise transferred directly or indirectly, within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities law. This document does not constitute an offer to sell or a solicitation of an offer to buy Open Offer Shares in any jurisdiction in which such offer or solicitation is unlawful. Neither this document nor the Application Form will be distributed in or into the United States. There will be no public offering of securities in the United States.

NOTICE TO OVERSEAS SHAREHOLDERS

EXCEPT AS OTHERWISE SET OUT HEREIN, THE OPEN OFFER DESCRIBED IN THIS DOCUMENT IS NOT BEING MADE TO SHAREHOLDERS IN ANY EXCLUDED TERRITORIES. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.

For a description of the restrictions on offers, sales and transfers of the Open Offer Shares and the distribution of this document, see Part 2 (*Terms and Conditions of the Open Offer*) of this document.

All Overseas Shareholders and any person (including, without limitation, a nominee, custodian or trustee) who has a contractual or other legal obligation to forward this document or any Application Form, if and when received, or other document to a jurisdiction outside Cyprus, should read section 6 of Part 2 (*Terms and Conditions of the Open Offer*) of this document.

Any reproduction or distribution of this document, in whole or in part, and any use of any information for any purposes other than in considering the acquisition of Open Offer Shares or the Resolutions for the purposes of the Extraordinary General Meeting is prohibited, except to the extent such information is otherwise publicly available. By accessing this document, each Qualifying Shareholder agrees to the foregoing.

The contents of this document or any subsequent communication from the Bank or CISCO or any of their respective affiliates, officers, directors, employees or agents are not to be construed as legal, financial or tax advice. Each Shareholder should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Capitalised terms have the meanings ascribed to them in the “*Glossary*” section of this document.

Important information in relation to the Bank and the Group is incorporated by reference into this document. You should refer to Part 4 (*Information on the Bank and Documents Incorporated by Reference*) of this document.

The date of this document is 30 July 2014

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WHERE TO FIND HELP

Part 3 (*Questions and Answers on the Open Offer*) of this document answers some of the questions most often asked by shareholders about placings and open offers. If you have any further questions, please telephone the Shareholder Helpline on the numbers set out below. This helpline is provided by CISCO and is available from 8.30 a.m. to 5.30 p.m. Monday to Friday and will remain open until 1.30 p.m. on 21 August 2014.

Shareholder Helpline telephone number:

+357 22121700

Please note that, for legal reasons, the Shareholder Helpline will only be able to provide information contained in this document and will be unable to give advice on the merits of the Open Offer or to provide financial, tax or investment advice.

ACTION TO BE TAKEN

In respect of the Extraordinary General Meeting

Existing Shareholders will find attached to this document a Form of Proxy for use at the Extraordinary General Meeting. If you are not a natural person or (in case of a natural person) you do not plan to attend the Extraordinary General Meeting in person, you may complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Bank as soon as possible and, in any event, by no later than **10.00 a.m. on 26 August 2014**. Shareholders should confirm that the Form of Proxy has been successfully received by the Bank by calling the Shares & Loan Stock Department at +357 22126055. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, if you wish to do so.

In respect of the Open Offer

If you are a Qualifying Shareholder and you wish to take up your Open Offer Entitlements in whole or in part, you should complete and return the attached Application Form, together with your remittance for the full amount of the subscription monies for the Open Offer Shares being taken up in accordance with the instructions set out in Part 2 (*Terms and Conditions of the Open Offer*) of this document, by post or by hand, to CISCO, so as to arrive by no later than **1.30 p.m. on 21 August 2014** being the latest time for acceptance and payment in full.

Qualifying Shareholders will only be able to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder. Full details of the terms and conditions of the Open Offer and the procedure for application and payment are contained in Part 2 (*Terms and Conditions of the Open Offer*) of this document. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant, fund manager or other appropriately authorised independent financial adviser.

RISK FACTORS

Any investment in the Bank or in the Open Offer Shares carries a number of risks. Qualifying Shareholders should review this document carefully and in its entirety (together with any documents incorporated by reference into it) and consult with their professional advisers before acquiring any Open Offer Shares. You should carefully consider the risks and uncertainties described below, together with all other information in this document and the information incorporated into this document by reference, before making any investment decision.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Open Offer Shares and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, results of operations and financial position and, if any such risk should occur, the price of such securities may decline and investors could lose all or part of their investment. Qualifying Shareholders should consider carefully whether an investment in the Open Offer Shares is suitable for them in the light of the information in this document and their personal circumstances.

The information given is as of the date of this document and will not be updated. Any forward looking statements are made subject to the reservations specified under 'Forward Looking Statements' on page 6 of this document.

RISK FACTORS INCORPORATED BY REFERENCE

For a discussion of:

- Risks relating to the economic crisis in Cyprus;
- Risks relating to the global financial markets and the Group's operations outside Cyprus;
- Risks relating to the Group's business;
- Regulatory and legal risks; and
- Risks relating to the Placing and the Ordinary Shares,

see the "Risk Factors" section of the Information Memorandum.

ADDITIONAL RISKS RELATING TO THE CAPITAL RAISING AND THE ORDINARY SHARES

Existing Shareholders may experience dilution in their ownership of the Bank as a result of the Capital Raising.

Assuming that 4,166,666,667 New Ordinary Shares are issued pursuant to the Capital Raising and the Conditions are all fulfilled, if a Qualifying Shareholder does not take up any of their Open Offer Entitlements (and does not take up any Excess Shares under the Excess Application Facility), or if a Shareholder is not eligible to participate in the Open Offer, the proportionate ownership and voting interests of that Shareholder will be diluted by 46.7 per cent.

Any future issue of shares will further dilute the holdings of shareholders of the Bank and could adversely affect the market price of Ordinary Shares.

Other than pursuant to the Share Capital Increase, the Bank currently has no other plans for an offering of shares. However, it is possible that the Bank may decide to offer additional shares in the future either to raise capital or for other purposes. If Shareholders did not take up such offer of shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in the Bank would be reduced and the percentage that their Ordinary Shares would represent of the total share capital of the Bank would be reduced accordingly. An additional offering, or significant sales of shares by major shareholders, could have a material adverse effect on the market price of Ordinary Shares as a whole.

IMPORTANT NOTICES

1. Forward looking statements

This document contains or incorporates by reference forward looking statements which are based on the beliefs, expectations and assumptions of senior management about the Group's businesses and the Capital Raising. All statements other than statements of historical fact included in this document may be forward looking statements. Generally, words such as "will", "may", "should", "could", "estimates", "continue", "believes", "expects", "aims", "targets", "projects", "intends", "anticipates", "plans", "prepares", "seeks" or, in each case, their negative or other variations or similar or comparable expressions identify forward-looking statements.

These forward looking statements are not guarantees of future performance, and there can be no assurance that the expectations reflected in such forward looking statements will prove to have been correct. Rather, they are based on the current beliefs, expectations and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Bank and are difficult to predict, that may cause actual results, performance, plans, objectives, achievements or events to differ materially from those expressed or implied in such forward looking statements. Any forward looking statements contained or incorporated by reference in this document are subject to the risk factors described in the "Risk Factors" section of this document and the Information Memorandum.

Any forward looking statement contained in this document based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will match or exceed historical or published earnings of the Group.

Each forward looking statement speaks only as at the date of this document. The Bank expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein as a result of new information, future events or other information, except to the extent required by the Listing Rules or by applicable law.

2. Presentation of financial and other information

The Group's audited consolidated financial statements as at and for the year ended 31 December 2013 (that includes comparative information for the year ended 31 December 2012) included in the Information Memorandum were prepared in accordance with IFRS and audited by the Group's independent auditors, Ernst & Young Cyprus Limited. The Group's interim unaudited condensed consolidated financial statements as at and for the three months ended 31 March 2014 were not prepared in accordance with IAS 34, since the Group did not present comparative information for the three months ended 31 March 2013 due to the increased level of uncertainty and changes prevailing at the time of the Eurogroup events of March 2013.

The auditor's audit opinion in relation to the Group's audited consolidated financial statements as at and for the year ended 31 December 2013 is qualified and contains an emphasis of matter with respect to going concern. When accounting for the Recapitalisation, the Bank was not able to measure the ordinary shares issued at their fair value as required by IFRS relating to extinguishment of financial liabilities due to specific conditions and uncertainties that existed at the time of the transaction. Furthermore, the Bank was not able to establish a reliable fair value of the ordinary shares issued to Laiki Bank and has therefore determined the value of the consideration transferred by reference to the fair value of the individually identifiable assets and liabilities acquired, for which a reliable fair value could be established. The Group's equity and financial position are not affected by the above accounting treatment. For more information, see "Risk Factors—Risks Relating to the Group's Business—The independent auditors' report in respect of the Bank's consolidated financial statements as at and for the year ended 31 December 2013 is qualified and contains an emphasis of matter" in the Information Memorandum.

Certain operational and statistical information relating to the Group's operations included in the Information Memorandum is unaudited and has been derived from the Group's financial statements and/or accounting records and include statistical data reported in the forms prescribed by the CBC.

The Group prepares its financial statements in euro. The euro is the common legal currency of the EU member states participating in the third stage of the European Economic and Monetary Union, including Cyprus.

The Group's financial year ends on 31 December of each year. References to any financial year refer to the year ended 31 December of the calendar year specified.

Certain monetary amounts and other figures included in the Information Memorandum have been subject to rounding adjustments. Accordingly, any discrepancies in any tables between the totals and the sums of the amounts listed are due to rounding.

3. Website

Except as expressly indicated in Part 4 (*Information on the Bank and Documents Incorporated by Reference*), the contents of the Bank's website or of any website accessible via hyperlinks from the Bank's website are not incorporated into, and do not form part of, this document.

4. English and Greek versions of this document

This document is being issued in English and has been translated into Greek for the benefit of Shareholders. Please note, however, that the Greek version of this document is for informational purposes only and, accordingly, should there be any conflict between the information and provisions contained in the English version and the Greek version of this document, the English version shall prevail.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates given are based on the Bank's current expectations and may be subject to change. If any of the times or dates below change, the Bank will give notice of the change by publishing an announcement on its website (www.bankofcyprus.com).

	2014
Record Date for the Open Offer and Extraordinary General Meeting	5.00 p.m. on 28 July
Circular (including Notice of EGM, Form of Proxy and Application Form) published on the Bank's website	30 July
Open Offer Period	9.00am on 31 July to 1.30pm on 21 August
Latest time and date for receipt of completed Application Forms and payments in full	1.30 p.m. on 21 August
Announcement of Placing and Open Offer results	25 August
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 26 August
Extraordinary General Meeting	10.00 a.m. on 28 August
Announcement of Extraordinary General Meeting results	28 August
Application to the Court to approve the Nominal Value Reduction	29 August
Court hearing on the Nominal Value Reduction	On or about 15 September

The Bank shall publish an announcement on its website (www.bankofcyprus.com) confirming the issue of the Court Order approving the Nominal Value Reduction as soon as reasonably practicable thereafter. The Bank will also arrange for the Court Order to be filed with the Department of Registrar of Companies and Official Receiver within three Business Days of its issue and, on the same day as filing, the Bank shall publish an announcement of the Closing Date for the Placing and Open Offer as well as arrange for the despatch of Placing Confirmations and Open Offer Confirmations.

Notes:

- (1) Any reference to a time in this document is to Cyprus time, unless otherwise specified.
- (2) The ability to participate in the Open Offer is subject to certain restrictions relating to Shareholders with registered addresses or located or resident in countries outside Cyprus, details of which are set out in section 6 of Part 2 (*Terms and Conditions of the Open Offer*) of this document.

PART 1

BACKGROUND AND REASONS FOR THE SHARE CAPITAL INCREASE

1. The Share Capital Increase

On 4 July 2014, the Board of Directors of the Bank resolved to explore investor interest for a potential capital raise to expedite the implementation of the Group's Restructuring Plan in tandem with further the strengthening of the Group.

Following the decision of the Board on 4 July 2014, management met with a number of international institutional investors and determined that there was sufficient interest to proceed with a capital raise. The transaction has been structured in order to enable a successful completion within a short period of time, but with a number of methods for Existing Shareholders to participate. These methods are as follows:

- (1) ***The first phase involved the Placing:*** the placing by the Bank of Placing Shares at the Placing Price to (i) certain institutional investors in the European Union who are "qualified investors" (as defined in the Prospectus Directive) and similarly qualified institutional investors in other jurisdictions and (ii) certain Existing Shareholders that meet the requirements of a qualified investor in their relevant jurisdiction, subject to clawback in favour of Open Offer Entitlements taken up by Qualifying Shareholders under the Open Offer, in accordance with the Terms and Conditions of the Placing as set out in the "*Description of the Placing*" section of the Information Memorandum. The Information Memorandum is incorporated by reference into this document and is available on the Bank's website.

Following the solicitation of investor interest in the Placing, the Board met on 28 July 2014 to consider the bids received from investors and Existing Shareholders. At that meeting, it decided to proceed with the Placing at the Placing Price of €0.24 per Placing Share for a total of 4,166,666,667 Placing Shares, for a total consideration (prior to payment of expenses, fees and commissions) of €1.0 billion. In addition, the Board approved the allocation of Placing Shares among investors and Existing Shareholders in the Placing, based on the bids received.

In particular, the Bank received an Irrevocable Commitment from The European Bank for Reconstruction and Development ("**EBRD**") to subscribe for 416,666,667 Placing Shares subject to the terms and conditions of the Placing and certain additional conditions specific to EBRD's participation. EBRD's participation is subject, amongst other things, to: (i) the total number of Placing Shares to be acquired by it not representing more than 9.9% of the Bank's share capital immediately after completion of the Placing and further to the Bank's fully diluted share capital; (ii) the Information Memorandum and any other materials delivered by or on behalf of the Bank, with the Bank's approval, in connection with the Placing being, when taken as a whole, true and accurate in all material respects and not misleading in any respect; and (iii) the Bank not being determined ineligible to receive EBRD funding or the Republic of Cyprus' access to EBRD resources not being suspended, in accordance with EBRD's applicable policies and regulations. Furthermore, as required of every company in which EBRD makes an equity investment, the Bank has entered into a framework agreement with EBRD (the "*Framework Agreement*"), pursuant to which the Bank has agreed that the Capital Raising will be carried out in accordance with and the Bank will apply, certain environmental and social policies of EBRD. The entering into the Framework Agreement is a condition to EBRD's participation in the Placing and EBRD will not acquire the Placing Shares where a material breach of the Framework Agreement has occurred.

- (2) ***The second phase is the Open Offer:*** an invitation to Qualifying Shareholders to subscribe for up to a total of 833,333,333 Open Offer Shares (which, for the avoidance of doubt, comprises 20% of the total number of Placing Shares rounded down to the nearest whole Ordinary Share) at the Offer Price of €0.24 per Open Offer Share (which, for the avoidance of doubt, is the same as the Placing Price). Each Qualifying Shareholder (whether or not a "qualified investor" as defined in the Prospectus Directive) will be eligible to participate in the Open Offer so long as its subscription is for a total consideration of at least €100,000 (a minimum threshold which provides an exemption from the requirement to produce an approved prospectus for the purposes of the Prospectus Directive). The Open Offer will commence from 9.00 a.m. on 31 July 2014 and will

remain open until 1.30 p.m. on 21 August 2014. The terms and conditions of the Open Offer are described in greater detail in Part 2 (*Terms and Conditions of the Open Offer*) of this document.

- (3) **The third phase is the Retail Offer:** the Bank proposes to offer up to €100 million of new Ordinary Shares (which, for the avoidance of doubt, would be in addition to those sold in the Placing and the Open Offer) for subscription by Existing Shareholders (which, for the avoidance of doubt, will not include Placees that are not Existing Shareholders) at a subscription price of €0.24 per share (which, for the avoidance of doubt, is the same as the Placing Price and the Offer Price), following completion of the Placing and the Open Offer and prior to any listing of the Ordinary Shares on the CSE and the ATHEX (subject to the necessary regulatory approvals).

The subscription price for the Ordinary Shares will be the same for all phases and for both new investors and Existing Shareholders of the Bank.

The Placing and the Open Offer are together referred to as the “**Capital Raising**” in this document. A separate prospectus for the purposes of the Prospectus Directive will be prepared in connection with the Retail Offer and the listing of the Ordinary Shares on the CSE and the ATHEX, both of which are currently expected to take place by the end of 2014. The Placing, Open Offer and the Retail Offer are collectively referred to as the “**Share Capital Increase**” in this document.

The Capital Raising is conditional upon, among other things, the approval of the Capital Raising Resolutions at the Extraordinary General Meeting. The Notice of EGM and the Form of Proxy along with the action to be taken in respect of the Extraordinary General Meeting is set out at the end of this document.

2. Reasons for the Capital Raising

The Capital Raising aims to expedite the implementation of the Group’s Restructuring Plan in tandem with the further strengthening of the Group. Notably, the Capital Raising is expected to:

- proactively increase the Bank’s ability to confidently meet regulatory tests and withstand potential exogenous shocks;
- increase the Bank’s Core Equity Tier 1 ratio (CRD IV/CRR fully loaded basis) to 15.1% (after elimination of deferred tax assets in excess of the threshold amounts (10%/15%) of Common Equity Tier 1 capital), which would be significantly ahead of European peers;
- improve stakeholders’ confidence in the Bank, enhance the Bank’s access to capital markets and provide a pathway to the Bank’s listing of its Ordinary Shares;
- enable acceleration of the Bank’s restructuring by broadening the range of available solutions including funding;
- position the Bank to stimulate and benefit from the recovery of the Cypriot economy.

Accordingly, the Board views the Capital Raising as an essential step in the Group’s Restructuring Plan and considers that it will be beneficial to Existing Shareholders in the longer term.

If the Capital Raising is not implemented (as a result of the Capital Raising Resolutions not being passed at the Extraordinary General Meeting or otherwise), the Bank would not be able to proceed with the Retail Offer as currently envisaged and would be required to seek to raise capital from other sources. However, the Board does not believe that there are sources of capital (other than those being accessed in the Capital Raising) available that would allow the Bank to raise an equivalent amount of common equity in the short term and that the uncertainty arising from the failure to implement the Capital Raising could have a material adverse effect on the Group. For a more detailed discussion of the risks associated with the Bank’s capital requirements, see the first risk factor under “*Risks relating to the Placing and the Ordinary Shares*” in the “*Risk Factors*” section of the Information Memorandum which is incorporated by reference into this document.

3. Conditions to the Capital Raising

The Capital Raising is conditional upon the following:

- (A) the Capital Raising Resolutions having been passed by Existing Shareholders representing not less than 75% of the Existing Ordinary Shares voting at the Extraordinary General Meeting;

- (B) the issue of the Court Order approving the Nominal Value Reduction; and
- (C) the filing of the Court Order with the Department of the Registrar of Companies and Official Receiver.

Accordingly, if any of the conditions are not satisfied, the Capital Raising will not proceed. Application monies received under the Open Offer will be refunded, without interest, to the applicants by cheque (at the applicant's risk) or, if specified in the Application Form, to the bank account held with the Bank as soon as practicable thereafter.

If passed at the Extraordinary General Meeting, the Capital Raising Resolutions will approve:

- the authorisation of the Board of Directors to issue and allot the New Ordinary Shares in the Placing and the Open Offer;
- the reduction of the nominal value of an Ordinary Share to €0.10 per Ordinary Share. This is required by the Companies Law because shares may not be issued at a price below their nominal value, and the Placing Price and Offer Price (i.e. €0.24 per New Ordinary Share) is below the current nominal value of €1.00 per Ordinary Share; and
- the disapplication of the pre-emptive rights of Existing Shareholders. The Board decided to conduct the Capital Raising without granting pre-emptive rights to shareholders in order to facilitate fast execution of the Capital Raising and a higher likelihood of success. The Board is of the view that the disapplication of pre-emptive rights will not unduly prejudice Shareholders as they have been, and are being, provided with the opportunity to participate in each phase of the Capital Raising for which they are eligible. Further, the Bank proposes to offer up to €100 million of new Ordinary Shares (which, for the avoidance of doubt, would be in addition to those sold in the Placing and the Open Offer) in the Retail Offer as described above in section 1 (*The Share Capital Increase*).

As of the Record Date, the total issued share capital of the Bank is €4,755,710,678 divided into 4,755,710,678 Ordinary Shares of a nominal value of €1.00 each. Assuming the Conditions above are satisfied, the Bank's issued ordinary share capital will be €892,237,734.50 divided into 8,922,377,345 Ordinary Shares with a nominal value of €0.10 each as a result of the issue of 4,166,666,667 New Ordinary Shares pursuant to the Capital Raising.

4. Other Resolutions

The Bank is also proposing shareholder resolutions to approve the issue and allotment of new Ordinary Shares under the Retail Offer and to remove the age limit for members of the Board. As discussed above in section 1 (*The Share Capital Increase*), the Retail Offer will provide an opportunity for a wider group of Existing Shareholders to subscribe for new Ordinary Shares. The Board is proposing, in line with international market practice, to eliminate the age limit for members of the Board because many highly qualified individuals are now working later in life and the Bank does not want to discriminate against potential directors based on their age.

5. Overseas Shareholders

The attention of Overseas Shareholders or Shareholders who are holding Ordinary Shares for the benefit of such persons, (including, without limitation, custodians, nominees, trustees and agents), or who have a contractual right or other legal obligation to forward this document, Form of Proxy or the Application Form to such persons is drawn to the information which appears in section 6 of Part 2 (*Terms and Conditions of the Open Offer*) of this document.

In particular, Overseas Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements under the Open Offer.

This document and the Application Form are not being made available to Overseas Shareholders with registered addresses in any Excluded Territory and may not be treated as an invitation to subscribe for any Open Offer Shares by any person resident or located in such jurisdictions.

6. Settlement, listing and trading of the New Ordinary Shares

The New Ordinary Shares will be unlisted at the time of issue and the transfer of New Ordinary Shares can only be made through the physical submission of an instrument of transfer together with the original share certificate (if any). The process for the transfer of unlisted Ordinary Shares (which, as of the date of this document, are comprised of Ordinary Shares issued pursuant to the Bail-in Decrees) can be found on the Bank's website at www.bankofcyprus.com (select the "Investor Relations/Shareholder Structure and Share/Transfer of Shares" options).

The Bank intends to seek a listing for the entire class of Ordinary Shares on the CSE and ATHEX as soon as reasonably practicable and admission of the Ordinary Shares to trading on these stock exchanges is expected to take place before the end of 2014. The Bank will explore a second potential listing on a major European stock exchange in the medium term.

7. Actions to be taken

In respect of the Extraordinary General Meeting

Existing Shareholders will find enclosed with this document a Form of Proxy for use at the Extraordinary General Meeting. If you are not a natural person or (in case of a natural person) you do not plan to attend the Extraordinary General Meeting in person, you may complete, sign and return the Form of Proxy in accordance with the instructions printed on it so as to be received by the Bank as soon as possible and, in any event, by no later than **10.00 a.m. on 26 August 2014**. Shareholders may confirm that the Form of Proxy has been successfully received by the Bank by calling the Shares & Loan Stock Department at +357 22126055. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, if you wish to do so.

In respect of the Open Offer

If you are a Qualifying Shareholder and you wish to take up your Open Offer Entitlements in whole or in part, you should complete and return the attached Application Form, together with your remittance for the full amount of the subscription monies for the Open Offer Shares being taken up in accordance with the instructions set out in Part 2 (*Terms and Conditions of the Open Offer*) of this document, by post or by hand, to CISCO, so as to arrive by no later than **1.30 p.m. on 21 August 2014** being the latest time for acceptance and payment in full.

Qualifying Shareholders will only be able to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder. Full details of the terms and conditions of the Open Offer and the procedure for application and payment are contained in Part 2 (*Terms and Conditions of the Open Offer*) of this document.

If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant, fund manager or other appropriately authorised independent financial adviser.

8. Further information

Your attention is drawn to the additional information set out, or incorporated by reference, in Parts 2 to 4 of this document. In particular, your attention is also drawn to the section entitled "*Risk Factors*" set out on page 5 of this document. You are advised to read the whole of this document, including the information incorporated by reference, and not rely solely on the information contained in this Part 1.

9. Board recommendation

In view of the CBC's encouragement that the Bank seek the appropriate means to expedite the implementation of the Group's Restructuring Plan and further strengthen its capital position, the Board believes that the Share Capital Increase and the Resolutions are in the best interests of the Bank and its Shareholders as a whole.

Accordingly, the Board recommends that Existing Shareholders vote in favour of the Resolutions.

PART 2

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

Following the Nominal Value Reduction, the Bank proposes to issue 4,166,666,667 New Ordinary Shares in order to raise gross proceeds of €1.0 billion by way of the Placing and Open Offer. Upon completion of the Capital Raising, the New Ordinary Shares will represent 46.7% of the Enlarged Share Capital.

The New Ordinary Shares to be issued pursuant to the Capital Raising will be unlisted and fully fungible and rank *pari passu* in all respects with each other and with all other Existing Ordinary Shares (other than the Listed Existing Ordinary Shares). The Bank intends to seek a listing for the entire class of Ordinary Shares on the CSE and ATHEX as soon as reasonably practicable and admission of the Ordinary Shares to trading on these stock exchanges is expected to take place before the end of 2014. The CBC has imposed a prohibition on the distribution of dividends by the Bank during the period of the Restructuring Plan which is up to and including 31 December 2017. Each Ordinary Share gives the holder the right to cast one vote at a general meeting of shareholders. No shareholder possesses different voting rights per Ordinary Share from other shareholders. As of the date of this document, there are no other classes of shares outstanding other than the Ordinary Shares.

None of the elements of the Capital Raising are being underwritten.

The Open Offer is an opportunity for Qualifying Shareholders to apply to subscribe for Open Offer Shares at the Offer Price in accordance with the terms of the Open Offer.

2. Terms of the Open Offer

Subject to the terms and conditions set out in this Part 2, each Qualifying Shareholder is being invited to subscribe for Open Offer Shares *pro rata* to their Existing Holdings at the Offer Price (payable in full and free of all expenses).

The Open Offer Entitlement of each Qualifying Shareholder will be equal to the whole number of Open Offer Shares (rounded downwards) that represents the same percentage of the total number of Open Offer Shares as the percentage that such Qualifying Shareholder's Existing Holding represents of the total number of Existing Ordinary Shares as of the Record Date. Subject to section 4.3 (*€100,000 Minimum Consideration Exemption*) of this Part 2, applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Qualifying Shareholders' Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Existing Holdings under different designations in the Bank's register of members will be treated as separate holdings for the purpose of calculating the Open Offer Entitlements.

Subject to section 4.3 (*€100,000 Minimum Consideration Exemption*) of this Part 2, Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish.

Subject to section 4.3 (*€100,000 Minimum Consideration Exemption*) of this Part 2, Qualifying Shareholders who have applied to take up their Open Offer Entitlement in full **may also apply for any whole number of Open Offer Shares under the Excess Application Facility**. No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. Please refer to section 4.2 of this Part 2 for further details of the Excess Application Facility.

Qualifying Shareholders should note that the Open 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 Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Open Offer Entitlements will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but will be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility and that the net proceeds will be retained for the benefit of the Bank. If

and to the extent that all valid applications under the Excess Application Facility has been met in full and there are still Open Offer Shares which still have not been applied for at the end of the Open Offer Period, the related Open Offer Entitlements shall expire by 1.30 p.m. on last day of the Open Offer Period.

In addition, Qualifying Shareholders should note that this document has not been submitted to the approval procedure of the CySEC, pursuant to the Prospectus Law and the Prospectus Regulation, and accordingly, it is not a prospectus for the purposes of the Prospectus Law or the Prospectus Directive and may not be used in connection with any offer to purchase or sell any ordinary shares or as part of any form of general solicitation or advertising in circumstances that would constitute an offer to the public in Cyprus. This document has been prepared on the basis that any offer of the Open Offer Shares will be made on the basis that Qualifying Shareholders will only be permitted to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder, which is an exemption from the requirement to produce an approved prospectus under the Prospectus Directive. **Accordingly, notwithstanding any other term or condition of the Open Offer, Qualifying Shareholders will only be permitted to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder (the “€100,000 Minimum Consideration Exemption”). Please refer to section 4.3 (€100,000 Minimum Consideration Exemption) of this Part 2 for details on the impact of the €100,000 Minimum Consideration Exemption on a Qualifying Shareholders ability to participate in the Open Offer.**

The attention of Shareholders and any persons (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document or an Application Form into a jurisdiction other than Cyprus is drawn to section 6 of this Part 2 relating to Overseas Shareholders, which forms part of the terms and conditions of the Open Offer.

The Record Date for entitlements under the Open Offer for Qualifying Shareholders is as of 5.00 p.m. on 28 July 2014. An Application Form can be found at the back of this document. **The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer is 1.30 p.m. on 21 August 2014.**

3. Conditions

The Capital Raising is conditional upon the following:

- (i) the Capital Raising Resolutions having been passed by Existing Shareholders representing not less than 75% of the Existing Ordinary Shares voting at the Extraordinary General Meeting;
- (ii) the issue of the Court Order approving the Nominal Value Reduction; and
- (iii) the filing of the Court Order with the Department of the Registrar of Companies and Official Receiver.

For the avoidance of doubt, the conditions above are the same as the Conditions Precedent for the Placing. In the event that any of the Conditions above is not satisfied, the Capital Raising will not proceed. In such circumstances, application monies in respect of the Open Offer will be returned without payment of interest, as soon as practicable thereafter.

4. Procedure for application and payment under the Open Offer

4.1 General

The Application Form, which can be found at the back of this document, sets out certain terms and instructions and these terms and instructions set out in the Application constitute part of the terms and conditions of the Open Offer to Qualifying Shareholders. If there is any conflict between the terms and instructions of the Application Form and the terms and conditions of the Open Offer set out in this document, the terms and conditions of the Open Offer set out in this document shall prevail.

Applications to acquire Open Offer Shares may only be made on the Application Form and may only be made for, or on behalf of, the Qualifying Shareholder named in it. Application Forms may not be assigned, transferred or split. Instructions on how to complete the Application Form can be found in paragraph 6 of Part 3 (*Questions and Answers on the Open Offer*) of this document.

The latest time and date for acceptance of the Application Forms and payment in full will be 1.30 p.m. on 21 August 2014. Qualifying Shareholders who do not want to take up or apply for Open Offer Shares should take no action and should not complete or return the Application Form. Qualifying Shareholders are, however, encouraged to vote at the Extraordinary General Meeting by attending in person or by completing and returning the attached Form of Proxy.

4.2 *Excess Application Facility*

Qualifying Shareholders who have taken up their Open Offer Entitlement in full may also apply for Excess Shares under the Excess Application Facility by completing Box 5(b) of the Application Form. The total number of Open Offer Shares is fixed and will not be increased regardless of the number of Excess Shares applied for under the Excess Application Facility. Therefore, any applications under the Excess Application Facility will only be satisfied if and to the extent that other Qualifying Shareholders do not (or, in accordance with section 4.3 below, are not permitted to) apply for their Open Offer Entitlements in full and to the extent that fractional entitlements to Open Offer Shares have been aggregated and made available under the Excess Application Facility. Each Qualifying Shareholder that has taken up its Open Offer Entitlement in full may apply under the Excess Application Facility for up to the total number of Open Offer Shares. The number of Excess Shares to be allocated under the Excess Application Facility in the initial allocation to each Excess Application Facility Participating Shareholder will be equal to the lower of (i) the number of Excess Shares applied for by such Excess Application Facility Participating Shareholder and (ii) the number of Excess Shares that would be allocated to such Excess Application Facility Participating Shareholder were the initial allocation to all Excess Application Facility Participating Shareholders to be *pro rata* to their respective Existing Holdings on the Record Date.

If it is determined that an Excess Application Facility Participating Shareholder has applied for less than its *pro rata* entitlement of the Excess Shares, such number of Excess Shares (as such Excess Application Facility Participating Shareholder would have been entitled to be allocated in the initial allocation but did not apply for) shall be added to the number of Excess Shares that are available for a supplemental allocation to any Excess Application Facility Participating Shareholders which are determined to have applied for more than their respective *pro rata* entitlements to Excess Shares. All such available Excess Shares shall be allocated, *pro rata* to their respective Existing Holdings on the Record Date, to those Excess Application Facility Participating Shareholders who have been determined to have applied for more than their respective *pro rata* entitlements, **but provided always** that the total number of Excess Shares allocated to any Excess Application Facility Participating Shareholder may not exceed the number of Excess Shares for which it applied.

No assurance can be given that applications by Excess Application Facility Participating Shareholders under the Excess Application Facility will be met in full or in part or at all. If and to the extent that all valid applications under the Excess Application Facility have been met in full and there remain Open Offer Shares which have not been applied for at the end of the Open Offer Period, the Open Offer Entitlements for such Open Offer Shares shall expire by 1.30 p.m. on the last day of the Open Offer Period.

Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable after the allocation process by way of cheque or, if specified in the Application Form, transfer to a bank account held with the Bank.

4.3 *€100,000 Minimum Consideration Exemption*

The Open Offer is being made pursuant to the €100,000 Minimum Consideration Exemption from the requirement to produce an approved prospectus under the Prospectus Law and the Prospectus Directive which requires each Qualifying Shareholder to subscribe for Open Offer Shares for a total consideration of at least €100,000. Accordingly, notwithstanding any other term or condition of the Open Offer:

- (A) no application by a Qualifying Shareholder for Open Offer Shares (whether in respect of its Open Offer Entitlement and/or any application made by it for Excess Shares under the

Excess Application Facility) with a total consideration payable by such Qualifying Shareholder of less than €100,000 should be submitted to the Bank or CISCO and any such application and related payment submitted will be deemed invalid and will not be accepted by the Bank or CISCO; and

- (B) if a Qualifying Shareholder's Open Offer Entitlement would result in the payment of consideration which is less than €100,000 but such Qualifying Shareholder has applied to take up its Open Offer Entitlement in full and has also applied to subscribe for Excess Shares which, in aggregate, could result in the payment of consideration which is at least €100,000, **such Qualifying Shareholder's application for Open Offer Shares will be deemed invalid if and when the Bank determines, in accordance with the terms and conditions of the Open Offer, that no or insufficient Excess Shares will be allocated to such Qualifying Shareholder in order to result in a total consideration payable by such Qualifying Shareholder of at least €100,000.** The Bank or CISCO will notify such Qualifying Shareholder of the invalidity of its application for Open Offer Shares on this basis as soon as reasonably practicable following the announcement of the Placing and Open Offer results and all monies submitted in respect of its application will be returned to such Qualifying Shareholder (at its risk) without interest as soon as practicable thereafter by way of cheque or, if specified in the Application Form, transfer to a bank account held with the Bank.

4.4 *Application procedures*

Qualifying Shareholders who wish to apply to subscribe for all or any of the Open Offer Shares in respect of their Open Offer Entitlement must complete, sign and return the Application Form in accordance with the instructions thereon. Completed Application Forms should be returned by post or by hand (during normal office hours only) to CISCO, 154 Lemesou Avenue, 2025, Strovolos, Nicosia, Cyprus so as to be received by CISCO by no later than **1.30 p.m. on 21 August 2014**, after which time, subject to the limited exceptions set out below, Application Forms will not be valid. Applications delivered by hand will not be checked upon delivery and no receipt will be provided. Qualifying Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by post in Cyprus, Qualifying Shareholders are recommended to allow at least five Business Days for delivery. Multiple applications will not be accepted.

Completed Application Forms should be returned together with payment or payment instructions in accordance with section 4.5 of this Part 2 below.

4.5 *Payment*

All payments must be made by cheque or banker's draft in euros payable to "The Bank of Cyprus Public Company Limited" and crossed "A/C payee only" or, if applicable, debited from the bank account held with the Bank as specified in the Application Form. Cheques must be for the full amount payable on acceptance, and sent by post or by hand to CISCO, 154 Lemesou Avenue, 2025, Strovolos, Nicosia, Cyprus so as to be received as soon as possible and, in any event, not later than **1.30 p.m. on 21 August 2014**.

Third party cheques may not be accepted except cheques or banker's drafts where the bank has confirmed the name of the account holder by stamping or endorsing the cheque or banker's draft to such effect. It is recommended that the account name should be the same as that shown on the application. Cheques or banker's drafts must be drawn on an account at a bank or a branch of a bank which must be in Cyprus and which is either a settlement member of the Cyprus Clearing House or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by the Cyprus Clearing House. Cheques and banker's drafts must bear the appropriate sorting code number in the top right-hand corner. Post-dated cheques will not be accepted. Payments via electronic transfer will not be accepted.

The Bank reserves the right to have cheques and banker's drafts presented for payment on receipt. No interest will be allowed on payments made before they are due and any interest on such payments will be paid to the Bank. It is a term of the Open Offer that cheques must be honoured on first presentation and the Bank may elect to treat as invalid any acceptances in respect of which

cheques are not honoured. Return of the Application Form with a cheque will constitute a warranty that the cheque will be honoured on first presentation.

If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are fulfilled, the application monies will be kept in an interest-bearing account retained for the Bank until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable, following the lapse of the Open Offer. The interest earned on such monies, if any, will be retained for the benefit of the Bank.

If Open Offer Shares are allotted to a Qualifying Shareholder and a cheque for that allotment is subsequently not honoured, the Bank may (in its absolute discretion as to manner, timing and terms) make arrangements for the sale of such shares on behalf of such Qualifying Shareholder and hold the proceeds of sale (net of the Bank's reasonable estimate of any loss that it has suffered as a result of the acceptance being treated as invalid and of the expenses of sale including, without limitation, any taxes payable on the transfer of such shares, and of all amounts payable by such Qualifying Shareholder pursuant to the provisions of this Part 2 in respect of the acquisition of such shares) on behalf of such Qualifying Shareholder. Neither the Bank nor any other person shall be responsible for, or have any liability for, any loss, expenses or damage suffered by any Qualifying Shareholder as a result.

All documents and cheques posted to or by Qualifying Shareholders (or their agents, as appropriate) will be posted at their own risk.

All enquires in connection with the Application Forms should be addressed to CISCO, 154 Lemesou Avenue, 2025, Strovolos, Nicosia, Cyprus. Alternatively, enquiries in connection with the Application Forms can be made to CISCO on +357 22121700. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday and will remain open until 1.30 p.m. on 21 August 2014. Please note that CISCO cannot provide financial advice on the merits of the Open Offer or as to whether you should take up your entitlements.

4.6 *Discretion as to validity of acceptances*

If payment is not received in full by 1.30 p.m. on 21 August 2014, the offer to subscribe for Open Offer Shares will be deemed to have been declined and will lapse. However, the Bank may, but shall not be obliged to, treat as valid Application Forms and accompanying remittances that are received through the post not later than 10.00 a.m. on 22 August 2014 (the cover bearing a legible postmark not later than 1.30 p.m. on 21 August 2014).

The Bank may also (in its absolute discretion) treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

The Bank reserves the right to treat as invalid any application or purported application for the Open Offer Shares pursuant to the Open Offer that appears to the Bank to have been executed in, despatched from, or that provides an address for delivery of definitive share certificates for Open Offer Shares in, an Excluded Territory.

4.7 *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form the applicant:

- (A) represents and warrants to each of the Bank and CISCO that he has the right, power and authority, and has taken all necessary action, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (B) agrees with each of the Bank and CISCO that all applications under the Open Offer and contracts resulting therefrom, and any non-contractual obligations related thereto, shall be governed by, and construed in accordance with, the laws of Cyprus;
- (C) confirms to each of the Bank and CISCO that in making the application he is not relying on any information or representation other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any information or representation not so contained and further agrees that, having had the opportunity to read this document including any documentation incorporated by reference, he will be deemed to have had notice of all information contained in this document (including information incorporated by reference);
- (D) confirms that in making the application he is not relying and has not relied on CISCO or any other person affiliated with CISCO in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (E) represents and warrants to each of the Bank and CISCO that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements;
- (F) represents and warrants to the Bank and CISCO that he is not, nor is he applying on behalf of any person who is: (a) located, a citizen or resident, or a corporation, partnership or other entity created or organised in or under any laws, in or of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law, and (b) he is not applying with a view to re-offering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of his application to, or for the benefit of, a person who is located, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law, nor acting on behalf of any such person on a non-discretionary basis nor a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (G) acknowledges and agrees with each of the Bank and CISCO that he will not be entitled to subscribe for any Open Offer Shares if it is not for a €100,000 Minimum Consideration; and
- (H) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Articles.

4.8 ***Verification of identity requirements***

CISCO may require, at its absolute discretion, verification of the identity of the beneficial owner by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”).

The person lodging the Application Form with payment (the “**applicant**”), including any person who appears to CISCO to be acting on behalf of some other person, shall thereby be deemed to agree to provide CISCO with such information and other evidence as CISCO may require to satisfy the verification of identity requirements. Submission of an Application Form shall constitute a warranty that the applicant has complied with and will continue to comply with any obligations it may have under any anti-money laundering laws and regulations applicable to it and in respect of the subscription for Open Offer Shares and an undertaking by the applicant to provide promptly to CISCO such information as may be specified by CISCO as being required for the purpose of the verification of identity requirements.

If CISCO determines, in its absolute discretion, that the identity of any applicant should be verified, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant applicant unless and until the verification of identity requirements have been satisfied in respect of that applicant or application. CISCO is entitled, in its absolute discretion, to determine whether the identity of any applicant should be verified and whether such requirements have been satisfied, and neither CISCO nor the Bank will be liable to any person for

any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of the identity of any applicant is requested by CISCO, failure to provide the necessary evidence of identity within a reasonable time may result in delays and potential rejection of an application. If, within a reasonable period of time following a request for verification of identity, CISCO has not received evidence satisfactory to it as aforesaid, the Bank may, in its absolute discretion, treat the relevant application as invalid, in which event the application monies will be returned (at the applicant's risk) without interest by cheque or, if specified in the Application Form, to the bank account held with the Bank.

4.9 **Registration and settlement**

As soon as reasonably practicable following the satisfaction of the Conditions, each Qualifying Shareholder allocated Open Offer Shares in the Open Offer ("**Allocated Shareholder**") will be sent a confirmation (the "**Open Offer Confirmation**") by the Bank indicating the number of Open Offer Shares allocated to him/her and the Closing Date. The Closing Date is (i) the date on which payment for the Placing Shares under the Placing will be made and (ii) the date on which the issue of the New Ordinary Shares pursuant to the Placing and the Open Offer will take place.

The Bank shall issue and deliver the Open Offer Shares through the registration of each Allocated Shareholder (or its custodian, nominee, trustee or agent as indicated in the relevant Application Form) in the register of members of the Bank on the Closing Date. As soon as reasonably practicable following the Closing Date, the Bank shall deliver a statement of shareholding ("**Statement of Shareholding**") confirming the number of Open Offer Shares issued and allotted to such Allocated Shareholder to the address indicated by such Allocated Shareholder in the relevant Application Form. Upon the written request of an Allocated Shareholder, the Bank will deliver a share certificate to such Allocated Shareholder.

5. **Taxation**

Information on taxation in Cyprus and Greece with regard to the purchase, ownership and disposition of Ordinary Shares is set out in the "*Taxation*" section of the Information Memorandum which has been incorporated by reference into this document. The information contained in the "*Taxation*" section of the Information Memorandum is intended only as a general guide to the current tax position in Cyprus and Greece and Qualifying Shareholders should consult their own tax advisers regarding the tax treatment of the Open Offer in light of their own circumstances. Those who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than Cyprus or Greece should consult their professional advisers immediately.

6. **Overseas Shareholders**

This document has not been submitted to the approval procedure of CySEC, pursuant to the Prospectus Law and the Prospectus Regulation, and accordingly, it is not a prospectus for the purposes of the Prospectus Law or the Prospectus Directive and may not be used in connection with any offer to purchase or sell any ordinary shares or as part of any form of general solicitation or advertising in circumstances that would constitute an offer to the public in Cyprus. This document has been prepared on the basis that any offer of the Open Offer Shares will be made pursuant to the €100,000 Minimum Consideration Exemption from the requirement to produce an approved prospectus under the Prospectus Law and the Prospectus Directive. Whilst it is expected that Existing Shareholders resident in another Relevant Member State will be able to participate in the Open Offer based on the €100,000 Minimum Consideration Exemption, **the distribution of this document and the Application Form and the making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in countries other than Cyprus may be affected by the law of the relevant jurisdiction.**

It is the responsibility of any person (including, without limitation, custodians, nominees and trustees) outside Cyprus wishing to participate in the Open Offer to satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such territories. The comments set out in this section 6 are intended as a general guide only and any Overseas Shareholder who is in doubt as to his, her or its position should consult his, her or its professional adviser without delay.

Neither the Bank nor CISCO, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

6.1 *General*

This section sets out the restrictions applicable to Shareholders who have registered addresses outside Cyprus, who are physically located outside Cyprus, or who are citizens or residents of countries other than Cyprus, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside Cyprus, or who hold Ordinary Shares for the account or benefit of any such person.

Having considered the circumstances, the Board has formed the view that it is necessary or expedient to restrict the ability of the Shareholders in the Excluded Territories to participate in the Open Offer due to the time and costs involved in the registration of the document and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

The making of the Open Offer is not to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of any Excluded Territory or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, any Excluded Territory.

Receipt of this document and/or the Application Form will not constitute an offer in or into any Excluded Territory, and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or an Application Form in any territory other than Cyprus may treat the same as constituting an invitation or offer to him, nor should he in any event use the Application Form unless, in the relevant jurisdiction (other than any Excluded Territories), such an invitation or offer could lawfully be made to him and the Application Form could lawfully be used or dealt with without contravention of any unfulfilled registration or other legal or regulatory requirements.

Accordingly, persons who have a copy of this document and/or an Application Form should not, in connection with the Open Offer, distribute or send the same in or into any Excluded Territory, including the United States. If the Application Form is received by any person in any Excluded Territory, including the United States, or by their agent or nominee in any such territory, he must not seek to take up the entitlements referred to in the Application Form or in this document or renounce the Application Form. Any person who does forward this document or the Application Form into any Excluded Territory (whether under contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

The Bank may treat as invalid any acceptance or purported acceptance of the Open Offer Entitlements which appears to the Bank or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if, in the case of the Application Form, it provides an address for delivery of the Statement of Shareholding or definitive share certificates for Open Offer Shares in an Excluded Territory, including the United States, or if the Bank believes or its agents believe that the same may violate applicable legal or regulatory requirements.

Despite any other provisions of this document or the Application Form, the Bank reserves the right to permit any Overseas Shareholder to take up his entitlements if the Bank, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restriction in question. If the Bank is so satisfied, the Bank will allow the relevant Overseas Shareholder to submit an Application Form if he is reasonably believed to be a Qualifying Shareholder.

Those Overseas Shareholders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in section 4 of this Part 2.

The provisions of section 6 of this Part 2 will apply generally to Excluded Shareholders and other Overseas Shareholders who do not or are unable to take up Open Offer Shares provisionally allotted to them.

Specific restrictions relating to certain jurisdictions are set out below.

(a) *Offering restrictions relating to the United States*

The Open Offer Shares have not been and will not be registered under the Securities Act or any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States.

No offering is being made in the United States and neither this document nor the Application Form constitutes or will constitute an offer or an invitation to apply for, or an offer or an invitation to acquire or subscribe for, any Open Offer Shares in the United States. No Application Form will be sent to any Shareholder with a registered address in the United States.

Application Forms should not be postmarked in the United States or otherwise despatched from the United States, and all persons acquiring Open Offer Shares and wishing to hold such shares in registered form must provide an address for registration of the Open Offer Shares issued upon exercise thereof outside the United States.

None of the Open Offer Shares, the Form of Proxy, the Application Form, this document and any other document connected with the Open Offer have been or will be approved or disapproved by the United States Securities and Exchange Commission or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the Open Offer Shares, the Form of Proxy, the Application Form, or the accuracy or adequacy of this document or any other document connected with this Open Offer. Any representation to the contrary is a criminal offence in the United States.

Any person who subscribes for Open Offer Shares will be deemed to have declared, represented, warranted and agreed to the representations and warranties set out in section 7 of this Part 2.

The Bank reserves the right, in its absolute discretion, to treat as invalid any Application Form: (i) that appears to the Bank or its agents to have been executed in or despatched from the United States; or (ii) where the Bank believes acceptance of such Application Form may infringe applicable legal or regulatory requirements, and the Bank shall not be bound to issue any Open Offer Shares in respect of any such Application Form.

(b) *Australia, Canada, Japan and South Africa*

Due to restrictions under the securities laws of Australia, Canada, Japan and the Republic of South Africa, subject to certain limited exceptions, no copies of this document will be sent to, and no Application Forms will be accepted from, Shareholders who have registered addresses in or are resident in, and the Open Offer may not be transferred or sold to or renounced or delivered in, Australia, Canada, Japan and the Republic of South Africa or any other Excluded Territory. Accordingly, no offer of Open Offer Shares or Open Offer Entitlements is being made by way of this document or any Application Form to such Shareholders.

(c) *Other overseas territories*

Application Forms will not be accepted from Qualifying Shareholders who have registered addresses in the Excluded Territories. No offer of or invitation to subscribe for Open Offer Shares is being made by virtue of this document or the Application Form into the Excluded Territories. Overseas Shareholders in jurisdictions other than the Excluded Territories may, subject to the laws of their relevant jurisdiction, accept their entitlements

under the Open Offer in accordance with the instructions set out in this document and the Application Form.

Shareholders who have registered addresses in or who are resident in, or who are citizens of, countries other than Cyprus should consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Entitlements. If you are in any doubt as to your eligibility to accept the offer of Open Offer Shares, you should contact your appropriate professional adviser immediately.

(d) *United Kingdom*

This document is for distribution only to persons in the United Kingdom who fall within Article 43(2)(a) to (d) (“Members and creditors of certain bodies corporate”) of the UK Financial Promotion Order and other persons who fall within the UK Financial Promotion Order (all such persons together being referred to as “**Relevant Persons**”). This document is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this document relates, including the Open Offer Shares, is available only to Relevant Persons and will be engaged in only with Relevant Persons.

(e) *Russia*

This document and the information contained herein is not an offer, or an invitation to make offers, to sell, exchange or otherwise transfer securities in the Russian Federation to or for the benefit of any Russian person or entity and does not constitute an advertisement or offering of securities in the Russian Federation within the meaning of Russian securities laws. Information contained in this document is not intended for any persons in the Russian Federation who are not “qualified investors” within the meaning of Article 51.2 of the Federal Law No. 39-FZ “On the Securities Market” dated 22 April 1996, as amended (the “**Russian QIs**”) and must not be distributed or circulated into Russia or made available in Russia to any persons who are not Russian QIs, unless and to the extent they are otherwise permitted to access such information under Russian law. The Ordinary Shares have not been and will not be registered in Russia and are not intended for “placement” or “circulation” in Russia (each as defined in Russian securities laws) unless and to the extent otherwise permitted under Russian law.

(f) *Ukraine*

Nothing in this document or any other documents, information or communications relating to the Open Offer Shares shall be interpreted as containing any offer or invitation to, or solicitation of, any circulation, distribution, placement, sale, purchase or other transfer or advertisement of the Open Offer Shares in the territory of Ukraine.

(g) *British Virgin Islands*

This document is not a general offer to sell, or a solicitation or invitation to make offers to purchase or subscribe for, the Open Offer Shares or any other securities or investment business services in the British Virgin Islands. This document may not be sent or distributed to persons in the British Virgin Islands and the Open Offer Shares are not available to, and no invitation or offer to subscribe, purchase or otherwise acquire the Open Offer Shares will be made to, persons in the British Virgin Islands. However, the Open Offer Shares may be offered and sold to business companies and international limited partnerships existing under the laws of the British Virgin Islands, provided that any such offering and sale is made outside the British Virgin Islands or is otherwise permitted by British Virgin Islands legislation. To the extent that this document is sent to any business company and international limited partnership in the British Virgin Islands, it shall only be sent to the registered office of such business company and international limited partnership and such information received at any other location shall be disregarded.

This document has not been reviewed or approved by, or registered with, the Financial Services Commission of the British Virgin Islands.

7. Representations and warranties relating to overseas territories

Any person submitting an Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Bank that, except where proof has been provided to the Bank's satisfaction that such person's use of the Application Form will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) such person is not submitting or executing the Application Form from within the United States or any other Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to subscribe for Open Offer Shares or to use the Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within the United States or any other Excluded Territory or any territory referred to in (ii) above at the time the instruction to accept or renounce was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into the United States or any other Excluded Territory or any territory referred to in (ii) above.

The Bank may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in, or renunciation or purported renunciation of, an Application Form if it: (a) appears to the Bank to have been executed in or despatched from the United States or any other Excluded Territory or otherwise in a manner which may involve a breach of the laws of any jurisdiction or if the Bank believes the same may violate any applicable legal or regulatory requirement; (b) provides an address of any Excluded Territory, including the United States, for delivery of statements of shareholding or definitive share certificates for Open Offer Shares (or any jurisdiction outside of Cyprus in which it would be unlawful to deliver such certificates); or (c) purports to exclude the representation and warranty required by this section.

8. Waiver

The provisions of sections 6 and 7 of this Part 2 and of any other terms of the Open Offer relating to Excluded Shareholders may be waived, varied or modified as regards specific Shareholder(s) or on a general basis by the Bank in its absolute discretion. Subject to this, the provisions of sections 6 and 7 of this Part 2 supersede any terms of the Open Offer inconsistent herewith. References in sections 6 and 7 of this Part 2 and in this section 8 of Part 2 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this section 8 of Part 2 shall apply jointly to each of them.

9. Times and dates

The Bank shall, in its absolute discretion, be entitled to amend or extend any of the dates set out in this document in respect of the Capital Raising, including, without limitation, the date that Application Forms are despatched, the dates and time for fulfilment of any of the Conditions (provided that the completion of the Open Offer does not occur later than **15 October 2014**) and the latest date for acceptance under the Open Offer and all related dates set out in this document. In such circumstances, the Bank will give notice of the change by publishing an announcement on its website (www.bankofcyprus.com).

10. Governing law

The terms and conditions of the Open Offer as set out in this document and the Application Form shall be governed by, and construed in accordance with, the laws of Cyprus.

11. Jurisdiction

The courts of Cyprus are to have exclusive jurisdiction to settle any dispute, whether contractual or non-contractual, which may arise out of or in connection with the Open Offer, this document and/or the Application Form. By accepting entitlements under the Open Offer in accordance with the instructions set out in this document and the Application Form, each Qualifying Shareholder

irrevocably submits to the exclusive jurisdiction of the courts of Cyprus and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART 3

QUESTIONS AND ANSWERS ON THE OPEN OFFER

The questions and answers set out in this Part 3 are intended to be generic guidance only and, as such, you should also read Part 2 (*Terms and Conditions of the Open Offer*) of this document for full details of what action you should take. 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, solicitor, accountant or other appropriate independent financial adviser. The attention of Overseas Shareholders is drawn to section 6 of Part 2 (*Terms and Conditions of the Open Offer*) of this document.

1. What is the Open Offer?

An open offer is a way for companies to raise money by the issue of new shares and it is often combined with a placing of shares to institutional investors. Through the Placing, the Bank has obtained contractual commitments to purchase shares in the Bank from institutional investors and certain existing shareholders who qualify as “qualified investors” under the Prospectus Directive (enabling the Bank to utilise an exemption from the requirement to produce an approved prospectus under the Prospectus Directive) or are similarly qualified in their relevant jurisdiction. However, the Bank wanted to provide a wider group of existing shareholders with the opportunity to subscribe for these shares as well. Accordingly, the Open Offer provides existing shareholders with a right to subscribe for up to 20% of the total amount of the shares sold under the Placing at a fixed price in proportion to their existing shareholdings. The fixed price is the same as the fixed price to be paid by institutional investors and certain existing shareholders for the shares under the Placing.

The Open Offer is an invitation by the Bank to Qualifying Shareholders to apply to subscribe for a total of 833,333,333 Open Offer Shares at a price of €0.24 per Open Offer Share. The Open Offer is being made on a *pro rata* basis according to the number of Existing Ordinary Shares held by you at 5.00 p.m. on the Record Date (i.e., 28 July 2014). This means that you will be entitled to subscribe for a number of Open Offer Shares which is in proportion to your share of the total number of Existing Ordinary Shares on the Record Date. Existing Ordinary Shares held by Shareholders which are not Qualifying Shareholders will not be included in this calculation. If your entitlement to Open Offer Shares is not a whole number, you will not be entitled to buy an Open Offer Share in respect of any fraction of an Open Offer Share and your entitlement will be rounded down to the nearest whole number.

The Open Offer requires each Qualifying Shareholder to subscribe for Open Offer Shares for a total consideration of at least €100,000 (enabling the Bank to utilise another exemption from the requirement to produce an approved prospectus under the Prospectus Directive).

In addition, the Bank is also providing Qualifying Shareholders with the opportunity, provided they take up their Open Offer Entitlement in full, to apply for additional shares through the Excess Application Facility. The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will only be satisfied to the extent that other Qualifying Shareholders do not, or are not permitted to, apply for their Open Offer Entitlement in full and fractional entitlements to Open Offer Shares have been aggregated and made available under the Excess Application Facility.

Each Qualifying Shareholder can apply under the Excess Application Facility for up to the total number of Open Offer Shares. Each Excess Application Facility Participating Shareholder will receive the lower of (i) the number of Excess Shares applied for by such Excess Application Facility Participating Shareholder and (ii) the number of Excess Shares that would be allocated to such Excess Application Facility Participating Shareholder if the initial allocation to all Excess Application Facility Participating Shareholders were *pro rata* to their respective Existing Holdings on the Record Date.

If an Excess Application Facility Participating Shareholder has applied for a number of Excess Shares which turns out to be less than its *pro rata* entitlement of the Excess Shares, the number of Excess Shares equal to this difference will be added to the number of Excess Shares that are available for a supplemental allocation to any Excess Application Facility Participating Shareholders that have applied for a number of Excess Shares which turns out to be more than their respective *pro rata* entitlements to Excess Shares. Any such available Excess Shares shall be allocated, *pro rata* to their respective Existing Holdings on the Record Date, to those Excess Application Facility Participating Shareholders who had applied for a

number of Excess Shares which turned out to be more than their respective *pro rata* entitlements, provided that the total number of Excess Shares allocated to any Excess Application Facility Participating Shareholder would not exceed the number of Excess Shares for which it applied.

Any Qualifying Shareholders who would pay less than €100,000 with respect to its Open Offer Entitlement will only be able to participate in the Open Offer if and to the extent that they are allocated Excess Shares such that their total consideration payable in respect of Open Offer Shares is at least €100,000.

No assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. If and to the extent that all valid applications under the Excess Application Facility has been met in full and there are still Open Offer Shares which still have not been applied for at the end of the Open Offer Period, the related Open Offer Entitlements shall expire by 1.30 p.m. on last day of the Open Offer Period.

2. How is the Open Offer different from a rights issue?

Shareholders should be aware that the Open Offer is not a rights issue and, therefore, the Application Forms are not negotiable documents and cannot be traded. In addition, the new shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those shareholders who do not apply under the Open Offer and shareholders who do not apply to take up their entitlements will have no rights, and will not receive any benefit under, the Open Offer. Any new shares which are not applied for, and fractional entitlements to new shares, under the Open Offer will be aggregated and made available under the Excess Application Facility.

Another important difference is that, as mentioned above in paragraph 1, the Open Offer is being made on the basis that shareholders will only be permitted to subscribe for shares for a total consideration of at least €100,000 per shareholder, which enables the Bank to utilise another exemption under the Prospectus Directive from the requirement to produce an approved prospectus. Accordingly, this document has not been submitted to the approval procedure of CySEC, pursuant to the Prospectus Law and the Prospectus Regulation, and accordingly, it is not a prospectus for the purposes of the Prospectus Law or the Prospectus Directive. For this reason, the Bank has proposed to make up to an additional €100 million of new shares available for subscription by shareholders in the Retail Offer which will not be subject to this minimum consideration restriction. A separate prospectus for the purposes of the Prospectus Directive will be prepared in connection with the Retail Offer and the listing of the Bank's shares on the CSE and the ATHEX, both of which are currently expected to take place before the end of 2014.

Lastly, because the Capital Raising is not a rights issue, the pre-emptive rights of Existing Shareholders must be disapplied and this is one of the resolutions which will need to be approved by Existing Shareholders representing not less than 75% of the Existing Ordinary Shares voting at the Extraordinary General Meeting. Pre-emptive rights are the rights that shareholders have to be offered shares in a company before they are made available to anyone else. The Board decided to conduct the Capital Raising without granting pre-emptive rights to shareholders in order to facilitate fast execution of the Capital Raising and a higher likelihood of success. The Board is of the view that the disapplication of pre-emptive rights will not unduly prejudice Shareholders as they have been, and are being, provided with the opportunity to participate in each phase of the Capital Raising for which they are eligible and will be provided with the opportunity to participate in the Retail Offer as described above.

3. When will the Open Offer take place and what are the conditions to the Open Offer?

The timetable for the Open Offer is set out in the "*Expected Timetable of Principal Events*" section of this document but it is subject to some change and uncertainty because both the Placing and the Open Offer are conditional upon:

- (A) certain shareholder resolutions being passed at the Extraordinary General Meeting;
- (B) the issue of the court order approving the reduction in nominal value of the Ordinary Shares; and
- (C) the filing of the court order with the Department of the Registrar of Companies and Official Receiver.

The reduction in nominal value of the shares is required because, under Cypriot company law, the Bank is not permitted to issue Ordinary Shares at a price per Ordinary Share which is below the nominal value of

each Ordinary Share. While the Bank believes that it is reasonable to expect the District Court of Nicosia to set a hearing date approximately a week after the application is filed, there can be no assurance as to when the District Court of Nicosia will set the hearing or that it will not require notice to be provided to Existing Shareholders over a certain notice period prior to the hearing.

Accordingly, the Bank cannot provide any assurance that any of the events set out in the timetable, particularly the approval of the reduction in nominal value of the Ordinary Shares by the District Court of Nicosia, will occur at all, or will occur at the relevant dates or within the relevant time periods indicated.

In addition, if any of the conditions above are not satisfied, the Capital Raising will not proceed. Application monies received under the Open Offer will be refunded, without interest, to the applicants by cheque (at the applicant's risk) or, if specified in the Application Form, transfer to the bank account held with the Bank as soon as practicable thereafter.

4. How do I know if I am eligible to participate in the Open Offer?

If you held Ordinary Shares as of the Record Date, have not sold all of your Ordinary Shares prior to the Record Date and are not a Shareholder located in any Excluded Territory, you should be entitled to subscribe for Open Offer Shares under the Open Offer.

5. What is the Application Form?

It is a form which can be found at the back of this document which you should complete if you want to participate in the Open Offer.

6. What are my choices in relation to the Open Offer and how do I fill out the Application Form?

(a) *If you do not want to take up your Open Offer Entitlement*

If you do not want to take up your Open Offer Entitlement you do not need to do anything and you do not need to fill out the Application Form. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money if the Open Offer Shares you could have taken up are sold, as would happen under a rights issue provided the price at which they are sold exceeds the costs and expenses of effecting the sale. You cannot sell your Open Offer Entitlement to anyone else. Shareholders are, however, encouraged to vote at the Extraordinary General Meeting by attending in person or completing and returning the Form of Proxy enclosed with this document.

If Qualifying Shareholders do not take up any of their Open Offer Entitlement then, assuming 4,166,666,667 New Ordinary Shares are issued pursuant to the Capital Raising (without, for the avoidance of doubt, any Ordinary Shares to be issued pursuant to the Retail Offer), the equity interests of Existing Shareholders in the Bank will be diluted by 46.7%.

(b) *If you want to take up all of, but not more than, your Open Offer Entitlement*

If you want to take up all of the Open Offer Shares to which you are entitled under the Open Offer Entitlement but not more than this, you should:

- (1) insert the name(s) and address of the registered holder(s) into Box 1 on the Application Form. These are the name(s) and address of the natural or legal person(s) which appear in the register of members of the Bank and can be found in the latest statement of shareholding you have received from the Bank;
- (2) insert the number of Existing Ordinary Shares registered in your name as of 5.00 p.m. on the Record Date (i.e. 28 July 2014) into Box 2 on the Application Form. This should be the total number of ordinary shares shown in the latest statement of shareholding you have received from the Bank so long as you have not transferred any of these ordinary shares since the date of the statement;
- (3) divide the number in Box 2 by 4,755,710,678 (which is the total number of Existing Ordinary Shares as of 5.00 p.m. on the Record Date) then multiply the result by 833,333,333 (which is the total number of Open Offer Shares). This will give you a number which you should round down to a whole number in order to give you your Open Offer Entitlement. Insert your Open Offer Entitlement into Box 3;

- (4) multiply the number in Box 3 by €0.24 (which is the Offer Price) to give you the total amount payable by you if you were to apply for your Open Offer Entitlement in full and insert this amount into Box 4;
- (5) insert the number in Box 3 into Box 5(a);
- (6) insert “0” into Box 5(b);
- (7) insert the number in Box 3 into Box 5(c);
- (8) insert the amount in Box 4 into Box 6. **This total amount payable by you in relation to your application and this must be at least €100,000 or your application will not be accepted;**
- (9) tick the appropriate box and, if applicable, fill in the details where indicated in paragraph 4 of the Application Form section entitled “*Application Letter*”. This specifies how you are going to pay for the Open Offer Shares you are applying for;
- (10) tick the appropriate box and, if applicable, fill in the details where indicated in paragraph 6 of the Application Form section entitled “*Application Letter*”. This specifies what name the Bank should put in the register of members in relation to the Open Offer Shares you are applying for;
- (11) tick the appropriate box and, if applicable, fill in the details where indicated in paragraph 8 of the Application Form section entitled “*Application Letter*”. This specifies how your application monies will be returned to you if the Conditions are not fulfilled by **15 October 2014** or if you cannot be allocated all or any of the Open Offer Shares you have applied for;
- (12) sign the bottom of the Application Form where signature blocks have been provided (ensuring that all joint holders sign (if applicable)) and return the Application Form (together with your cheque or banker’s draft for the amount as indicated in Box 6 of your Application Form if this is the option selected by you in paragraph 4 of the Application Form section entitled “*Application Letter*”) by post or by hand to CISCO, 154 Lemesou Avenue, 2025, Strovolos, Nicosia, Cyprus so as to be received by no later than 1.30 p.m. on 21 August 2014, after which time Application Forms will not be valid. If you post your Application Form, it is recommended that you allow sufficient time for delivery.

All payments should be in euros and made by cheque or banker’s draft made payable to “Bank of Cyprus Public Company Limited”. Cheques or banker’s drafts must be drawn on an account at a bank or a branch of a bank which must be in Cyprus and which is either a settlement member of the Cyprus Clearing House or which has arranged for its cheques or banker’s drafts to be cleared through the facilities provided by the Cyprus Clearing House. Cheques and banker’s drafts must bear the appropriate sorting code number in the top right-hand corner and must be for the full amount payable on application. Post-dated cheques will not be accepted.

Cheques drawn on a non-Cypriot bank will be rejected. Third party cheques may not be accepted with the exception of cheques or banker’s drafts where the bank has confirmed the name of the account holder and the number of an account held in the applicant’s name at the bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Cheques or banker’s drafts will be presented for payment upon receipt. Payments via electronic transfer will not be accepted. The Bank reserves the right to instruct CISCO to seek special clearance of cheques and banker’s drafts to allow the Bank to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Bank may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker’s drafts sent through the post will be sent at the risk of the sender.

(c) ***If you want to take up some but not all of the Open Offer Shares under your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares under your Open Offer Entitlement, you should:

- (1) follow the instructions set out in paragraph 6(b)(1) to (4) above so you know what your Open Offer Entitlement is and what you would pay if you were to apply for your Open Offer Entitlement in full;
- (2) write the number of Open Offer Shares you want to take up in Box 5(a) of your Application Form. This number should be less than the number in Box 3;
- (5) insert “0” into Box 5(b);
- (6) insert the number in Box 5(a) into Box 5(c);
- (7) multiply the amount in Box 5(c) by €0.24 (which is the Offer Price) to give you the total amount payable by you in relation to your application and insert this amount into Box 6. **This total amount payable by you must be at least €100,000 or your application will not be accepted;**
- (8) follow the instructions set out in paragraphs 6(b)(9) to (12) above.

(d) ***If you want to take up more than your Open Offer Entitlement***

Provided that you take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should:

- (1) follow the instructions set out in paragraph 6(b)(1) to (4) above so you know what your Open Offer Entitlement is and what you would pay if you were to apply for your Open Offer Entitlement in full;
- (2) insert the number in Box 3 into Box 5(a) of your Application Form. This is the full number of your Open Offer Entitlement;
- (5) write the number of Excess Shares you would like to apply for under the Excess Application Facility into Box 5(b);
- (6) add the numbers in Boxes 5(a) and 5(b) and insert the sum into Box 5(c);
- (7) multiply the amount in Box 5(c) by €0.24 (which is the Offer Price) to give you the total amount payable by you in relation to your application and insert this amount into Box 6. **This total amount payable by you must be at least €100,000 or your application will not be accepted;**
- (8) follow the instructions set out in paragraphs 6(b)(9) to (12) above.

Qualifying Shareholders can apply under the Excess Application Facility for up to the total number of Open Offer Shares but no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or, if specified in the Application Form, transfer to the bank account held with the Bank.

9. Will I be taxed if I take up my entitlements?

If you are resident in Cyprus for tax purposes, you will not have to pay tax in Cyprus when you take up your right to receive the Open Offer Shares, although the Placing and Open Offer may affect the amount of tax you pay when you sell your Existing Ordinary Shares.

Further information for Qualifying Shareholders resident in Cyprus and Greece for tax purposes is contained in the section entitled “*Taxation*” in the Information Memorandum which has been incorporated by reference into this document. Shareholders who are in any doubt as to their tax position or who are subject to tax in any jurisdiction other than Cyprus or Greece should consult their professional advisers immediately.

10. What should I do if I live outside Cyprus?

Your ability to apply to subscribe for Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in any Excluded Territory are not eligible to participate in the Open Offer. Your attention is drawn to the information in section 6 of Part 2 (*Terms and Conditions of the Open Offer*) of this document.

11. What should I do if I need further assistance?

If you have any other questions, please telephone CISCO on +357 22121700. Lines are open 8.30 a.m. to 5.30 p.m., Monday to Friday and will remain open until 1.30 p.m. on 21 August 2014. Please note that, for legal reasons, CISCO are only able to provide information contained in this document. Accordingly, CISCO will be unable to give advice on the merits of the Open Offer or to provide financial advice. CISCO staff can explain the options available to you, which forms you need to fill in and how to fill them in correctly.

If you need help with calculating your Open Offer Entitlement, the Bank has provided an online calculation tool for this on its website at www.bankofcyprus.com (select the “*Investor Relations/Capital Increase 2014/Phase 2 – Shareholders’ Circular*” options).

Your attention is drawn to the further terms and conditions in Part 2 (*Terms and Conditions of the Open Offer*) of this document.

The contents of this document or any subsequent communication from the Bank or CISCO or any of their respective affiliates, officers, directors, employees or agents are not to be construed as legal, financial or tax advice. Each Shareholder should consult his, her or its own solicitor, independent financial adviser or tax adviser for legal, financial or tax advice.

PART 4

INFORMATION ON THE BANK AND DOCUMENTS INCORPORATED BY REFERENCE

Investors should read the whole of this document and the documents incorporated herein by reference.

1. Incorporation by Reference

The following documentation contains information which is relevant to the Bank, the Group and the Capital Raising and is incorporated by reference into this document. In particular, the documents described below comprise all of the material information which was provided to Placees (including potential Placees) in connection with the Placing. These documents are available on the Bank's website at www.bankofcyprus.com (select the "Investor Relations/ Capital Increase 2014" options).

- (A) Information Memorandum dated 4 July 2014 in relation to the Placing;
- (B) Management Presentation dated July 2014 in relation to the Placing;
- (C) Additional Information Pack – Part 1 dated July 2014 in relation to the Placing; and
- (D) Additional Information Pack – Part 2 dated July 2014 in relation to the Placing.

Shareholders should read these documents carefully in deciding whether to purchase any Open Offer Shares in the Open Offer and how to cast their votes at the Extraordinary General Meeting.

Any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded for the purpose of this document shall not be deemed, except as so modified or superseded, to constitute a part of this document.

2. Recent Developments

Increase in the Issued Share Capital of the Bank

As of the Record Date, the total issued share capital of the Bank is €4,755,710,678 divided into 4,755,710,678 Ordinary Shares of a nominal value of €1.00 each.

As discussed in the Information Memorandum, certain depositors of the Bank had secured (on an ex-parte basis) interim orders from the Cypriot courts restricting the Bank from taking any steps for the implementation of the Bail-in Decrees in respect of their deposits. Accordingly, on the date of the Information Memorandum, approximately €22.0 million Restricted Deposits were still subject to these interim orders and appear in the books of the Bank as if the Bail-in Decrees were not applicable to them. Since the date of the Information Memorandum, the Bank has applied the Bail-in Decrees to most of these Restricted Deposits, following the lifting of the interim orders issued with respect to them and this has resulted in an increase in the Bank's Ordinary Shares from 4,743,203,680 to 4,755,710,678.

APPENDIX I

GLOSSARY

The definitions set out below shall apply throughout this document, unless the context requires otherwise. Definitions used in this document can also be found in the Information Memorandum (as defined below) which has been incorporated by reference into this document, particularly in the “*Description of the Placing*” and the “*Glossary of Selected Terms*” sections of the Information Memorandum. If any of the definitions set out below conflict with the definitions set out in the Information Memorandum, the definitions below shall prevail for the purposes of this document, the Open Offer and the Extraordinary General Meeting.

€and euro	The common legal currency of the EU Member States participating in the third stage of the European Economic and Monetary Union, including Cyprus;
\$, USD, US\$ and U.S. dollar	The lawful currency of the United States of America;
2010 PD Amending Directive	Directive 2010/73/EU;
Application Form	The application form on which Qualifying Shareholders may apply for Open Offer Shares under the Open Offer that is found at the end of this document at page A-1;
Articles	The articles of association of the Bank;
ATHEX	The Athens Stock Exchange;
Bank	Bank of Cyprus Public Company Limited;
Bail-in Decrees	The Bail-in of Bank of Cyprus Public Company Limited Decree of 2013 issued on 29 March 2013, the Bail-in of Bank of Cyprus Public Company Limited Amended Decree of 2013 issued on 21 April 2013 and the Bail-in of Bank of Cyprus Public Company Limited Amended (No. 2 and 3) Decrees of 2013 issued on 30 July 2013 by the CBC in its capacity as Resolution Authority;
Board of Directors or the Board	The board of directors of the Bank, which is also the Group’s main board of directors;
Business Day	Any day (other than a Saturday or Sunday) on which banks generally are open for business in Cyprus;
Capital Raising	The Placing and the Open Offer;
Capital Raising Resolutions	Resolutions A and Resolutions B;
CBC	The Central Bank of Cyprus;
Circular or this document	This document, comprising a circular to shareholders of the Bank in relation to the Extraordinary General Meeting and the Open

	Offer;
CISCO	The Cyprus Investment and Securities Corporation Limited;
Closing Date	The date on which payment for the Placing Shares, and the issue of the New Ordinary Shares, will take place;
Companies Law	Cyprus Companies Law, Cap. 113, as amended, modified or re-enacted from time to time;
Conditions	The conditions to the Capital Raising as set out in section 3 of Part 2 (<i>Terms and Conditions of the Open Offer</i>) of this document (which, for the avoidance of doubt, are the same as the Conditions Precedent for the Placing) and Condition means any one of them;
Conditions Precedent	The conditions precedent to the Placing as defined and set out in the “ <i>Description of the Placing – Terms and Conditions of the Placing</i> ” section of the Information Memorandum;
Court Order	The court order to be issued by the District Court of Nicosia approving the Nominal Value Reduction;
CSE	The Cyprus Stock Exchange;
CySEC	The Cyprus Securities and Exchange Commission;
Directors	Directors of the Bank as at the date of this document and Director means any one of them;
ECB	The European Central Bank;
EEA or European Economic Area	The member states of the EU, Iceland, Norway and Liechtenstein;
Enlarged Share Capital	The expected issued ordinary share capital of the Bank immediately following the issue of the New Ordinary Shares pursuant to the Capital Raising;
EU	The European Union;
Eurogroup	The main forum for the management of the single currency area, consisting of the finance ministers of the countries whose currency is the euro;
Excess Application Facility	The arrangement pursuant to which Qualifying Shareholders may apply for additional Open Offer Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;

Excess Application Facility Participating Shareholder	A Qualifying Shareholder who has taken up its Open Offer Entitlement in full and who chooses to apply for Excess Shares under the Excess Application Facility;
Excess Shares	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement, together with fractional entitlements under the Open Offer, and are offered to Qualifying Shareholders under the Excess Application Facility;
Excluded Shareholders	Subject to certain exceptions, Shareholders who have registered addresses in, who are incorporated in, registered in or otherwise resident or located in any Excluded Territory;
Excluded Territories	Australia, Canada, Japan, the Republic of South Africa and the United States and any jurisdiction where the extension or availability of the Capital Raising (and any other transaction contemplated thereby) would breach any applicable laws or regulations, and Excluded Territory shall mean any of them;
Existing Holding	A Qualifying Shareholder's holding of Existing Ordinary Shares as of the Record Date;
Existing Ordinary Shares	The 4,755,710,678 existing ordinary registered shares of the Bank with a nominal value of €1.00 each in issue as of the Record Date;
Existing Shareholders	Holders of Existing Ordinary Shares;
Extraordinary General Meeting	The extraordinary general meeting of shareholders of the Bank to be held at 10.00 a.m. on 28 August 2014, or any adjournment thereof, to consider and, if thought fit, to approve the Resolutions, notice of which is set out at the end of this document;
Form of Proxy	The form of proxy for use at the Extraordinary General Meeting that is found at the end of this document at page F-1;
Group	The Bank and its consolidated subsidiaries;
IAS	International Accounting Standards;
IFRS	International Financial Reporting Standards as adopted for use by the EU;
Information Memorandum	The information memorandum dated 4 July 2014 issued by the Bank in relation to the Placing which is incorporated by reference into this document;
Irrevocable Commitment	An irrevocable legally binding commitment of a Placee to acquire a fixed number of Placing Shares

	at the Placing Price under the Placing;
Laiki Bank	Cyprus Popular Bank Public Co Ltd
Listed Existing Ordinary Shares	Existing Ordinary Shares that are listed on the CSE or ATHEX as of the Record Date;
Listing Rules	The rules and regulations of the CSE;
New Ordinary Shares	The new Ordinary Shares with a nominal value of €0.10 each to be issued by the Bank pursuant to the Capital Raising;
Nominal Value Reduction	The reduction of the nominal value of each Ordinary Share to €0.10;
Notice of EGM	The notice of the Extraordinary General Meeting that is found at the end of this document at page N-1;
Offer Price	€0.24 per Open Offer Share (which, for the avoidance of doubt, is the same as the Placing Price);
Open Offer	The invitation to Qualifying Shareholders to subscribe for the Open Offer Shares at the Offer Price on the terms and subject to the conditions set out in this document;
Open Offer Confirmations	A confirmation to be sent by the Bank to each Qualifying Shareholder allocated Open Offer Shares in the Open Offer following the satisfaction of the Conditions;
Open Offer Entitlements	Entitlements to subscribe for the Open Offer Shares, allocated to a Qualifying Shareholder pursuant to the Open Offer;
Open Offer Period	The period from 9.00 a.m. on 31 July 2014 to 1.30 p.m. 21 August 2014.
Open Offer Shares	The 833,333,333 New Ordinary Shares for which Qualifying Shareholders are being invited to apply pursuant to the Open Offer (which, for the avoidance of doubt, comprises 20% of the total number of Placing Shares rounded down to the nearest whole Ordinary Share);
Ordinary Shares	The ordinary shares in the share capital of the Bank (including, if the context requires, the New Ordinary Shares);
Overseas Shareholders	Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside Cyprus;

Placee	Any person (including, individuals, funds or others) by whom or on whose behalf a commitment to take up Placing Shares has been given pursuant to the Placing;
Placing	The placing by the Bank of Placing Shares at the Placing Price to (i) certain institutional investors in the European Union who are “qualified investors” (as defined in the Prospectus Directive) and similarly qualified institutional investors in other jurisdictions and (ii) certain Existing Shareholders that meet the requirements of a qualified investor in their relevant jurisdiction, subject to clawback in favour of Open Offer Entitlements taken up by Qualifying Shareholders under the Open Offer, in accordance with the Terms and Conditions of the Placing as set out in the “ <i>Description of the Placing</i> ” section of the Information Memorandum;
Placing Confirmations	A confirmation to be sent by the Bank to each Placee allocated Placing Shares in the Placing following the satisfaction of the Conditions Precedent;
Placing Price	€0.24 per Placing Share (which, for the avoidance of doubt, is the same as the Offer Price);
Placing Shares	The 4,166,666,667 New Ordinary Shares to be issued by the Bank pursuant to, and in accordance with, the terms and conditions of the Placing (which, for the avoidance of doubt, includes the Open Offer Shares);
Prospectus Directive	Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State);
Prospectus Law	The Public Offer and Prospectus Law of 2005, Law 114(I)/2005, as amended;
Prospectus Regulation	Regulation (EC) 809/2004 of the European Union;
Qualifying Shareholders	Holders of Ordinary Shares on the share register of the Bank as of the Record Date with the exclusion of Excluded Shareholders;
Recapitalisation	The recapitalisation of the Bank effected by the Resolution Authority through the issue of the Bail-in Decrees;
Regulation S	Regulation S under the Securities Act;
Relevant Member State	Any member state of the European Economic Area which has implemented the Prospectus Directive;

Restructuring Plan	The Group's comprehensive restructuring plan covering the period from 2013 through 2017, which was approved by the CBC in November 2013;
Retail Offer	The proposed offer of up to €100 million of new Ordinary Shares (which, for the avoidance of doubt, would be in addition to those sold in the Placing and the Open Offer) for subscription by Existing Shareholders (which, for the avoidance of doubt, will not include Placees that are not Existing Shareholders) at a subscription price of €0.24 per share (which, for the avoidance of doubt, is the same as the Placing Price and the Offer Price), following completion of the Placing and the Open Offer and prior to any relisting of the Ordinary Shares on the CSE and the ATHEX (subject to the necessary regulatory approvals).
Record Date	5.00 p.m. on 28 July 2014;
Resolutions	The Resolutions A, Resolutions B, the Resolutions C and Resolution D;
Resolutions A	The special resolutions to reduce the nominal value of each Ordinary Share which are defined as "Resolutions A" in the Notice of EGM;
Resolutions B	The special resolutions to authorise the issue and allotment of Ordinary Shares under the Placing and the Open Offer which are defined as "Resolutions B" in the Notice of EGM;
Resolutions C	The special resolutions to authorise the issue and allotment of Ordinary Shares under the Retail Offer which are defined as "Resolutions C" in the Notice of EGM;
Resolution D	The special resolution to authorise the amendment of Article 93 of the Bank's Articles which is defined as "Resolution D" in the Notice of EGM;
Securities Act	The U.S. Securities Act of 1933, as amended;
Share Capital Increase	The Placing, Open Offer and Retail Offer;
Shareholder	A holder of Ordinary Shares;
United States or US	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
UK	The United Kingdom; and
UK Financial Promotion Order	The UK's Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as

amended).

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa*, and words importing the masculine gender shall include the feminine or neutral gender.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Bank of Cyprus Public Company Ltd (the “**Bank**” or the “**Group**”) will be held at the Bank of Cyprus Group Headquarters (51 Stassinou Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus), on **Thursday, 28 August 2014 at 10.00 a.m.** for the purpose of considering, and if thought fit, passing the following Resolutions.

Unless expressly stated otherwise, terms defined in the accompanying circular to shareholders of the Bank dated 30 July 2014 (the “**Circular**”) shall have the same meaning in this Notice of Extraordinary General Meeting.

(A) SPECIAL RESOLUTIONS TO REDUCE THE NOMINAL VALUE OF EACH ORDINARY SHARE (“RESOLUTIONS A”)

1. THAT subject only to confirmation of such reduction by the District Court of Nicosia as required under section 64 of the Companies Law:-
 - (a) the authorized share capital of the Bank be reduced from EUR 4,767,759,272.00, divided into 4,767,759,272 ordinary shares with a nominal value of EUR1.00 each, to EUR 476,775,927.20 divided into 4,767,759,272 ordinary shares with a nominal value of EUR 0.10 each; and
 - (b) the issued share capital of the Bank be reduced from EUR 4,755,710,678.00, divided into 4,755,710,678 fully paid ordinary shares with a nominal value of EUR 1.00 each, to EUR 475,571,067.80 divided into 4,755,710,678 fully paid ordinary shares with a nominal value of EUR 0.10 each.

through the reduction of the nominal value of each of the ordinary shares comprising the authorized and issued share capital of the Bank from EUR 1.00 to EUR 0.10.

2. THAT from the amount of EUR 4,280,139,610.20 corresponding to the amount which shall be cancelled from Bank’s paid up share capital (though the reduction of the nominal value of each share as aforesaid), EUR 2,327,654,000.00 be applied for writing off accumulated losses of the Bank and EUR 1,952,485,610.20 be applied for the creation of a capital reduction reserve fund, in accordance with paragraph (e) of subsection (1) of section 64 of the Companies Law.
3. THAT upon the reduction of the issued and authorized share capital of the Bank, the authorized share capital of the Bank be increased from EUR 476,775,927.20 divided into 4,767,759,272 ordinary shares with a nominal value of EUR 0.10 each to EUR 4,767,759,272.00 divided into 47,677,592,720 ordinary shares of EUR 0.10 each, through the creation of 42,909,833,448 new (but unissued) ordinary shares with a nominal value of EUR 0.10 each which shall rank *pari passu* in all respects with each other and with all other ordinary shares of the Bank (except, in relation to the other ordinary shares which are listed on the CSE and ATHEX, solely with respect to the listing of such other ordinary shares).
4. THAT the Board of Directors, (or a duly authorised committee of the Board) be and is hereby, authorised to apply for, and take all actions necessary to obtain, such approval by the District Court of Nicosia in order for the abovementioned resolutions to become effective.

(B) SPECIAL RESOLUTIONS TO AUTHORISE THE ISSUE AND ALLOTMENT OF ORDINARY SHARES UNDER THE PLACING AND THE OPEN OFFER (“RESOLUTIONS B”)

1. THAT, subject to the passing of Resolutions A and to the reduction of capital contemplated thereunder becoming effective, the Board of Directors (or a duly authorised committee of the Board) be and is hereby authorised to exercise all the powers of the Bank to issue and allot ordinary shares in the Bank up to an aggregate nominal amount of €416,666,666.70 (equivalent to 4,166,666,667 ordinary shares of €0.10 each in the share capital of the Bank) in connection with and/or for the implementation of the Capital Raising at a subscription price per ordinary share of €0.24. This authority shall expire on 31 December 2014 (unless renewed, varied or revoked by the Bank prior to or on such date) save that the Bank may, before such expiry make offers or

agreements which would or might require ordinary shares to be allotted after such expiry and the Directors (or a duly authorised committee of the Board) may allot ordinary shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

2. THAT any pre-emptive rights the Bank's shareholders may have by operation of law and/or pursuant to the Articles of Association of the Bank and/or otherwise in connection with the authority conferred on the Board of Directors (or a duly authorised committee of the Board) for the issue and allotment of shares in the Bank as contemplated in Resolution B1, be and are hereby irrevocably and unconditionally waived.

(C) SPECIAL RESOLUTIONS TO AUTHORISE THE ISSUE AND ALLOTMENT OF ORDINARY SHARES UNDER THE RETAIL OFFER ("RESOLUTIONS C")

1. THAT, subject to the passing of Resolutions A and to the reduction of capital contemplated thereunder becoming effective, the Board of Directors (or a duly authorised committee of the Board) be and is hereby authorised to exercise all the powers of the Bank to issue and allot ordinary shares in the Bank up to an aggregate nominal amount of €41,666,666.70 (equivalent to 416,666,667 ordinary shares of €0.10 each in the share capital of the Bank) in connection with and/or for the implementation of the Retail Offer at a subscription price per ordinary share of €0.24. This authority shall expire on 31 December 2014 (unless renewed, varied or revoked by the Bank prior to or on such date) save that the Bank may, before such expiry make offers or agreements which would or might require ordinary shares to be allotted after such expiry and the Directors (or a duly authorised committee of the Board) may allot ordinary shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.
2. THAT any pre-emptive rights the Bank's shareholders may have by operation of law and/or pursuant to the Articles of Association of the Bank and/or otherwise in connection with the authority conferred on the Board of Directors (or a duly authorised committee of the Board) for the issue and allotment of shares in the Bank as contemplated in Resolution C1, be and are hereby irrevocably and unconditionally waived.

(D) SPECIAL RESOLUTION AMENDING ARTICLE 93 OF THE BANK'S ARTICLES OF ASSOCIATION ("RESOLUTION D")

THAT Article 93 of the Bank's articles of association be amended through the deletion of paragraph (d) thereof in its entirety and through the renumbering of the paragraphs following same as appropriate.

Panayiotis Agapiou
Secretary

30 July 2014

NOTES TO THE NOTICE OF THE EXTRAORDINARY GENERAL MEETING

ENTITLEMENT TO PARTICIPATE IN THE EXTRAORDINARY GENERAL MEETING

- (1) Any person appearing as a shareholder in the register of members of the Bank on the Record Date is entitled to participate in the Extraordinary General Meeting. Each ordinary share is entitled to one vote. The Record Date for determining the right to vote at the Extraordinary General Meeting is 5.00 p.m. on Monday, 28 July 2014.
- (2) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on his behalf. Shareholders may appoint the Chairman of the Meeting or any other person as their proxy. Such proxy does not need to be a shareholder of the Bank. If a shareholder owns shares in the Bank that are held in more than one Investor Share Code, then that shareholder may, in respect of the Extraordinary General Meeting, appoint separate proxy holders for the shares appearing in each Investor Share Code. A proxy holder holding proxies from several shareholders may cast votes differently for each shareholder. Shareholders who appoint a person as a proxy to vote on their behalf, but wish to specify how their votes be cast, should indicate accordingly in the relevant boxes on the Form of Proxy.
- (3) The Form of Proxy, which is attached to the back of the Circular and has been posted on the Group's website www.bankofcyprus.com (select the "*Investor Relations/Capital Increase 2014/Phase 2 - Shareholders' Circular*" options), must be deposited at the registered office of the Bank (51 Stassinos Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus, fax: +357 22 336258 / 22 336261) **at least 48 hours before the time of the Meeting**. Shareholders may confirm that the Form of Proxy has been successfully received by the Bank by calling the Shares & Loan Stock Department at +357 22126055.
- (4) **Shareholders and/or their proxies who will attend the Extraordinary General Meeting are requested to carry with them their identity card or other proof of identification.**
- (5) Any corporation which is a shareholder of the Bank may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Bank or any class of members of the Bank, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Bank.
- (6) The Articles of the Bank do not provide for participation in the Extraordinary General Meeting by electronic means without the shareholder attending the Extraordinary General Meeting in person at the place where the Extraordinary General Meeting is held. Similarly, the Articles do not provide for participation in voting by distance voting.

VOTING PROCEDURES AT GENERAL MEETINGS

- (7) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll (before or on the declaration of the result of the show of hands) is demanded:
 - (a) by the Chairman, or
 - (b) by at least ten members present in person or by proxy, or
 - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting, or
 - (d) by a member or members holding shares in the Bank conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

If a poll be demanded in manner aforesaid, it shall be taken at such time (within fourteen days) and place, and in such manner, as the Chairman shall direct, and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

- (8) A special resolution by a company shall be a resolution passed at a general meeting by a majority of not less than three-fourths of the number of members of the company entitled to vote at the meeting who are present in person or by proxy, for which relevant notice has been

given pursuant to Article 135 of the Companies Law, Cap 113 specifying the intention to propose the resolution as a special resolution.

- (9) A resolution pursuant to article 59 A of Companies Law Cap 113 shall be a resolution which has been approved by a properly convened general meeting (a) by a majority of two thirds of the shareholders represented at the meeting or (b) with a simple majority where at least half of the issued share capital of the Bank is represented at the general meeting.

MINORITY RIGHTS AT GENERAL MEETINGS

- (10) Pursuant to article 127B of Companies Law Cap 113, shareholders of the Bank have the right (i) to put an item on the agenda of the annual general meeting, provided that the item is accompanied by a written explanation justifying the inclusion of the item or a proposed resolution for approval at the general meeting, and (ii) to table a draft resolution for inclusion in the agenda of a general meeting provided that:
- a) the shareholder or group of shareholders hold at least 5% of the issued share capital of the Bank, representing at least 5% of the voting rights of shareholders entitled to vote at the meeting for which an item has been added on the agenda and
 - b) the shareholders' request to put an item on the agenda or resolution (as described above) is received by the Bank's Secretary in hard copy or electronically at the addresses indicated below at least 42 days prior to the relevant meeting.

Delivery Address for Hard Copy:

Secretary, Bank of Cyprus Public Company Limited, 51 Stassinou Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus or by fax at +357 22 378456

Electronic address: investors@bankofcyprus.com

- (11) Pursuant to section 128C of the Companies Act Chapter 113, shareholders have the right to ask questions related to items on the agenda and to have such questions answered by the Board of Directors of the Bank subject to any reasonable measures the Bank may take to ensure the identification of shareholders. An answer is not required if (a) it would interfere unduly with preparation for the meeting or the confidentiality or business interests of the Bank or (b) an answer has already been given on the Bank's website in the form of a "Q&A" (and for this purpose, it should be noted that the Circular, which has been published on the Bank's website contains a Q&A section) or (c) the Chairman deems that it is undesirable in the interests of good order of the meeting that the question be answered. Shareholders may submit questions in writing before the Extraordinary General Meeting by sending a letter, together with evidence of their shareholding, at least four days before the meeting (i.e. by 24 August 2014) to the Bank's Secretary at Bank of Cyprus Public Company Ltd, 51 Stassinou Street, Ayia Paraskevi, Strovolos, 2002 Nicosia, Cyprus or by fax at +357 22 378456 or by email to investors@bankofcyprus.com.

OTHER INFORMATION AND AVAILABLE DOCUMENTS

- (12) As of 28 July 2014 (being the Record Date), the outstanding issued share capital of the Bank is €4,755,710,678 divided into 4,755,710,678 ordinary shares of nominal value €1.00 each.
- (13) The Circular (which includes this Notice of EGM and the Form of Proxy) shall be made available in electronic form on the website of the Bank www.bankofcyprus.com (select the "*Investor Relations/Capital Increase 2014/Phase 2 - Shareholders' Circular*" options) and in hard copy at the Bank's Shares & Loan Stock Department, 4 Evrou Street, EuroLife House, 3rd floor, Strovolos, 2003 Nicosia.

FORM OF PROXY

Bank of Cyprus Group



Shares & Loan Stock Department
51 Stassinou Street, Ayia Paraskevi, Strovolos
P.O. Box 24884, 1398 Nicosia, Cyprus
Tel: +357 22126055
Fax: +357 22 336258 / 22 336261

FORM OF PROXY

I/We _____ from _____

with ID number/Passport number/Company Registration number _____

being a member/members of Bank of Cyprus Public Company Ltd (the “Bank”), hereby appoint (choose one of the following two options):

1. The Chairman of the Extraordinary General Meeting _____

2. Mr/Ms _____

from _____ with ID number _____

or failing him/her, Mr/Ms _____

from _____ with ID number _____

as my/our proxy to vote on my/our behalf at the Extraordinary General Meeting of the Bank, to be held on Thursday, 28 August 2014, at 10.00 a.m. at the Bank of Cyprus Group Headquarters (51 Stassinou Street, Ayia Paraskevi, Strovolos, Nicosia, Cyprus), and at any adjournment thereof.

My/our proxy is authorised to vote as he/she thinks fit, unless the manner of voting is indicated in the boxes below.

RESOLUTION		FOR	AGAINST
A.	Special Resolutions to Reduce the Nominal Value of Each Ordinary Share		
B.	Special Resolutions to Authorise the Issue and Allotment of Ordinary Shares under the Placing and the Open Offer		
C.	Special Resolutions to Authorise the Issue and Allotment of Ordinary Shares under the Retail Offer		
D.	Special Resolution to Authorise the Amendment of Article 93 of the Bank’s Articles of Association		

Date _____ Signature _____

Contact details _____ Telephone _____ Fax _____

Notes:

- The Record Date for determining the right to vote at the Extraordinary General Meeting is 5.00 p.m. on 28 July 2014.
- This Form of Proxy must be deposited at the registered office of the Bank (as per the above address and fax number), at least 48 hours before the time appointed for holding the Extraordinary General Meeting.
- If such appointor is a company, the Form of Proxy must bear the name of the company, and be signed by its duly authorised officer/s.
- In the case of joint shareholders, the Form of Proxy can only be signed by the person whose name appears first in the register of members of the Bank.

APPLICATION FORM

THIS APPLICATION FORM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS APPLICATION FORM IS PERSONAL TO THE SHAREHOLDER(S) NAMED IN IT AND MAY NOT BE ASSIGNED OR TRANSFERRED OR SPLIT. IT IS NOT A NEGOTIABLE DOCUMENT AND CANNOT BE TRADED.

If you are in any doubt about the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, solicitor, accountant or other appropriately authorised independent financial adviser. Information on the Bank of Cyprus Public Company Limited (the “**Bank**”) and the terms and conditions of the Open Offer are set out in the circular relating to the Open Offer and the EGM dated 30 July 2014 (the “**Circular**”), which should be read carefully before any action is taken. A copy of the Circular is available on the Bank’s website at www.bankofcyprus.com (select the “*Investor Relations/Capital Increase 2014/Phase 2 - Shareholders’ Circular*” options). Unless the context otherwise requires, terms defined in the Circular bear the same meanings in this Application Form.

BANK OF CYPRUS PUBLIC COMPANY LIMITED

(Incorporated and registered in Cyprus with registration number HE165)

Open Offer to Qualifying Shareholders of 833,333,333 Open Offer Shares at a price of €0.24 per Open Offer Share payable in full on application by not later than 1.30 p.m. on 21 August 2014

Box 1 Registered Shareholder's Details	
Name(s):
Address: (street, city, postcode, county)
ID/Passport No./Registration No:
Investor Share Code (if applicable):
Telephone Number:

Box 2 Number of Existing Ordinary Shares registered in your name(s) at 5.00 p.m. on 28 July 2014	Box 3 Open Offer Entitlement to Open Offer Shares for which you may apply to subscribe under the Open Offer (rounded down to whole number)	Box 4 Amount payable at €0.24 per Open Offer Share if you apply for your full Open Offer Entitlement set out in Box 3
		€

Box 5(a) Number of Open Offer Shares for which application is made under your Open Offer Entitlement under the Open Offer (see Box 3)	
Box 5(b) Number of Excess Shares under the Excess Application Facility for which application is made ⁽¹⁾	
Box 5(c) Total number of Open Offer Shares for which application is being made ⁽²⁾	
Box 6 Total amount payable (Box 5(c) x €0.24 per Open Offer Share) ⁽³⁾	€
<p>(1) Application is being made for any whole Number of Excess Shares up to 833,333,333 Open Offer Shares. You can only apply for Excess Shares under the Excess Application Facility if you have taken up your Open Offer Entitlement in full.</p> <p>(2) Please add the numbers in Boxes 5(a) and 5(b).</p> <p>(3) This amount must be at least €100,000 or your application will not be accepted.</p>	

Box 7
Name and address of person or agent lodging this Application Form (if other than the person named in Box 1) and/or to whom the Statement of Shareholding/returned cheque (if any) should be sent.
.....
.....
.....
.....

ACTION TO BE TAKEN

This Application Form represents an invitation to subscribe for Open Offer Shares pursuant to the Open Offer and must be used if you wish to apply for Open Offer Shares under the Open Offer. Applicants may apply for Open Offer Shares at a price of €0.24 per Open Offer Share. **The attention of Overseas Shareholders is drawn to the section entitled “Overseas Shareholders” set out in section 6 of Part 2 (Terms and Conditions of the Open Offer) of the Circular and to the representations and warranties to be given by applicants in paragraph 11 of the Application Letter below.**

If you wish to apply for Open Offer Shares, please complete the boxes above and the paragraphs set out below in the section entitled “Application Letter” in accordance with the instructions set out in paragraph 6 of Part 3 (*Questions and Answers on the Open Offer*) of the Circular and then sign below, date and return this Application Form, together with a euro cheque or banker’s draft payable to “The Bank of Cyprus Public Company Limited” for the sum inserted by you in Box 6 if this is the payment option you have chosen in paragraph 4 below of the section entitled “Application Letter”. You should read the Circular carefully before you take any action.

If you need help with calculating your Open Offer Entitlement, the Bank has provided an online calculation tool for this on its website at www.bankofcyprus.com (select “Investor Relations/Capital Increase 2014/Phase 2 - Shareholders’ Circular” options).

If you do not wish to apply for any Open Offer Shares, you should not return this Application Form. Qualifying Shareholders should be aware that under the Open Offer, unlike a rights issue, Open Offer Shares not validly applied for will not be sold in the market for the benefit of Qualifying Shareholders.

In the event that the Open Offer Shares will be credited on the register of members of the Bank in the name of a custodian, nominee, trustee or agent, please complete the details in paragraph 6 of the Application Letter.

In the event that you maintain a securities account with the CSE and/or the Dematerialised Securities System (DSS) of the Hellenic Exchanges, please complete the information as indicated below in order for the Open Offer Shares to be credited to your account:

Securities Account Number:

Investor Share Code:

Operator Name and Code:

Queries relating to this Application Form should be referred to CISCO, 154 Lemesou Avenue, 2025, Strovolos, Nicosia, Cyprus (telephone +357 22121700). Please note that CISCO cannot provide any legal, tax or financial advice on the Open Offer or any of the other matters set out in the Circular.

APPLICATION LETTER

To: the Board of Directors of the Bank of Cyprus Public Company Limited

- 1 I/We being the registered holder(s) at 5.00 p.m. on 28 July 2014 of the number of Existing Ordinary Shares set out in Box 2, hereby apply to subscribe for the number of Open Offer Shares inserted in Box 5(c) and agree to accept the same on the terms and subject to the conditions set out in the Circular, this Application Form and subject to the Articles of Association of the Bank (as amended from time to time). If no number is inserted in Box 5(c) (or if a number is inserted in Box 5(c) which is inconsistent with the amount of the remittance accompanying this Application Form, if applicable, and shown in Box 6), I/we agree that I/we shall be deemed to have applied for the lesser of: (i) the number of Open Offer Shares shown in Box 5(c); or (ii) such number of Open Offer Shares at €0.24 per Open Offer Share as is covered by the remittance which accompanies this Application Form, if applicable.
- 2 Subject to paragraph 1, should I/we have applied for a greater number of Open Offer Shares in Box 5(c) than my/our Open Offer Entitlement set out in Box 3 as a result of applying for Excess Shares under the Excess Application Facility, then I/we shall be deemed to have applied for the number of Open Offer Shares set out in Box 5(c). I/We acknowledge that I/we may not receive any Excess Shares under the Excess Application Facility or I/we may have only part of such application fulfilled. Further, there can be no guarantee that once all Application Forms have been received that there will be any Open Offer Shares which have not been taken up under the Open Offer and, therefore, available to meet such excess applications. Accordingly, I/we authorise the Bank or its agents to return the relevant amount of excess application monies without payment of interest to me/us by the method chosen by me/us in paragraph 8 below.
- 3 **I/we acknowledge and agree that no application for Open Offer Shares (including any application for Excess Shares under the Excess Application Facility) will be accepted if the total amount payable, or the amount of remittance accompanying this Application Form, is less than €100,000.**

4 I/We:

(please tick the appropriate box and, if applicable, fill in and sign where indicated. Note that signature(s) below must be the authorised signature(s) for the bank account concerned.)

- enclose a cheque or banker's draft payable to "Bank of Cyprus Public Company Limited" and crossed "A/C Payee Only" for the sum inserted in Box 6, being the amount payable in full on application for such Open Offer Shares.
- hereby authorise the debit of my/our bank account held with the Bank for the sum inserted in Box 6, being the amount payable in full on application for such Open Offer Shares, with the following details:

Name of accountholder:

Account No:

Authorised signature(s) of accountholder(s):

.....
.....

5 In consideration of your agreeing to deal with this application to subscribe for the aggregate number of Open Offer Shares stated in Box 5(c) or as otherwise calculated as set out in this Application Form and subject to the terms and conditions of the Open Offer set out in the Circular, I/we undertake that this application shall be irrevocable and agree that the completion and return of this Application Form with its accompanying remittance (if applicable) shall constitute a contract between me/us and the Bank, which shall become binding upon receipt by CISCO of this Application Form and the accompanying remittance (if applicable). I/We acknowledge that you reserve the right to treat any application not strictly complying with the terms and conditions of this Application Form and the terms and conditions of the Open Offer (as set out in Part 2 of the Circular) as nevertheless valid.

6 I/We request and authorise the Bank or its agents to send to me/us an Open Offer Confirmation and a Statement of Shareholding in respect of the Open Offer Shares for which this application is accepted by post or by hand at my/our risk to the registered address as it appears on the Bank's register of members or to the agent whose name appears in Box 7 and to procure:

(please tick the appropriate box and, if applicable, fill in where indicated.)

- my/our name(s) to be placed on the register of members of the Bank as holder(s) of the said Open Offer Shares.
- the name of my/our custodian, nominee, trustee or agent to be entered on the register of members of the Bank as holder of the said Open Offer Shares as set out below:

Custodian/nominee/trustee/agent name:

In the event that the Open Offer Shares will be credited on the Bank's register of members in the name of a custodian, nominee, trustee or agent and such custodian, nominee, trustee or agent maintains a securities account with the CSE and/or the Dematerialised Securities System (DSS) of the Hellenic Exchanges, please complete the information as indicate below in order for the Open Offer Shares to be credited to the account of such custodian, nominee, trustee or agent:

Securities Account Number:

Investor Share Code:

Operator Name and Code:

7 If accompanied by a euro cheque or banker's draft, I/we represent and warrant that due completion of this Application Form accompanied by such cheque or banker's draft constitutes a warranty that such cheque or banker's draft will be honoured on first presentation and that this shall constitute a fundamental term of the application and that this application may be deemed invalid if such cheque or banker's draft is not so honoured. I/We acknowledge that you reserve the right to instruct the Bank to seek special clearance of cheques to allow the Bank to obtain value for remittance at the earliest opportunity.

8 I/We authorise the Bank and/or its agents to present the enclosed euro cheque or banker's draft or to debit the bank account indicated in paragraph 3 above, as applicable, on receipt. In the event that any of the Conditions of the Open Offer set out in the Circular are not fulfilled by **15 October 2014** or I/we cannot be allocated all or any number of the Open Offer Shares I/we have applied for in accordance with the Terms and Conditions (as defined below) (including under paragraph 2 or 3 above), I/we authorise the Bank or its agents to return the relevant amount of application monies without payment of interest to me/us by:

(please tick the appropriate box and, if applicable, fill in and sign where indicated. Note that signature(s) below must be the authorised signature(s) for the bank account concerned.)

cheque posted at my/our risk either to the address given above or to the agent whose name appears in Box 7.

credit to my/our bank account held with the Bank with the following details:

Name of accountholder:

Account No:

Authorised signature(s) of accountholder(s):

.....
.....

9 By lodging this Application Form, I/we undertake to provide such information as may be required if CISCO, in its absolute discretion, determines that the identity of any application should be verified. Failure to provide the relevant information within a reasonable period of time following a request for verification of identity may result in rejection of an application, in which event the monies payable on application will be returned (at the applicant's risk) without interest by cheque, or, if specified in paragraph 8 above, to the specified bank account held with the Bank.

10 I/We acknowledge that the dates and times referred to in this Application Form or the Circular may be altered by the Bank from time to time (in which case an announcement will be published by the Bank on its website).

11 I/We represent and warrant that I/We have not received from or sent copies of this Application Form into or within any Excluded Territories, unless the Bank has expressly agreed otherwise.

12 I/We confirm that in making this application I/we am/are not relying on any information in relation to the Bank other than that contained or incorporated by reference in the Circular and I/we agree that no person responsible solely or jointly for the Circular or any part thereof or involved in the preparation thereof shall have any liability for any such other information. I/We agree that, having had the opportunity to read the Circular, I/we shall be deemed to have had notice of all the information concerning the Bank contained or incorporated by reference therein.

13 I/We confirm that I/we have read the Circular, including the terms and conditions of the Open Offer set out in Part 2 of the Circular (the “**Terms and Conditions**”), and, by completing and delivering this Application Form, I/we am/are bound by, and subject to, the Terms and Conditions. In particular, by completing and delivering this Application Form, I/we hereby provide the acknowledgements, agreements, representations, warranties and confirmations set out in section 4.7 (*Effect of application*) and section 7 (*Representations and warranties relating to overseas territories*) of the Terms and Conditions.

Note: If you cannot give the representations and warranties above, you may not make an application for Open Offer Shares.

Please sign and date below if you want to apply under the Open Offer on the terms and conditions set out in this Application Form and in the Circular. All joint holders must sign.

Execution by Individuals:	
Sole or first named registered holder	Joint registered holder(s) (if any)
Name:	Name:
Signature:	Signature:
Joint registered holder(s) (if any)	Joint registered holder(s) (if any)
Name:	Name:
Signature:	Signature:

Execution by legal entities:		
Name of legal entity	Acting by: *Delete as appropriate Name of director/authorised signatory*	Signature of director/authorised signatory*
(the "Entity") under its common seal as above, if applicable, or by the person(s) named opposite who, in accordance with the laws of the territory in which the Entity is incorporated, is/are acting under the authority of the Entity.	Name of director/secretary/authorised signatory*	Signature of director/secretary/authorised signatory*

Box 8

Please sign the completed Application Form, together with a cheque or banker's draft (if applicable), and submit by hand or send (during normal business hours) to:

The Cyprus Investment and Securities Corporation Limited

**154 Lemesou Avenue
2025, Strovolos
Nicosia
Cyprus**

Last time and date for receipt of completed Application Forms and payments in full is 1.30 p.m. on 21 August 2014.

If, under paragraph 4 of the Application Letter below, you have elected to pay for the Open Offer Shares with a cheque or banker's draft, please add the details of your cheque/banker's draft below:

Name of the Bank:

Cheque Number:

Amount:

NOTES ON COMPLETION OF THIS APPLICATION FORM

- 1 This Application Form should be completed and lodged with CISCO as detailed in Box 8, together with a remittance for the number of Open Offer Shares applied for (if applicable), so as to arrive not later than 1.30 p.m. on 21 August 2014. If you post your Application Form, you are recommended to allow at least five working days for delivery. No receipt will be given for this Application Form or any remittance. All documents or remittances sent by or to an applicant, or as he or she may direct, will be sent through the post and at his or her risk.
- 2 Complete Box 7 with the name and address (if other than the Qualifying Shareholder(s) named in Box 1) to whom the Statement of Shareholding and/or any returned application monies should be sent.
- 3 A legal entity should sign under seal or under the hand of a duly authorised official who should state his capacity. In the case of joint holders, all must sign. If this Application Form is signed under a power of attorney or other authority, such power of attorney or other authority or a notarially certified copy thereof must accompany this Application Form.
- 4 It is expected that Statements of Shareholding in respect of Open Offer Shares will be despatched to the registered address of the sole or first named Qualifying Shareholder as it appears in the Bank's register of members or, where Box 7 has been completed, to the address of the person shown in Box 7.
- 5 Shareholders should note that the Open Offer has been made on the basis that Qualifying Shareholders will only be permitted to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder, which is an exemption from the requirement to produce an approved prospectus under the Prospectus Directive. Accordingly, notwithstanding any other term or condition of the Open Offer, Qualifying Shareholders will only be permitted to subscribe for Open Offer Shares for a total consideration of at least €100,000 per Qualifying Shareholder. The making of the Open Offer to persons who are resident in, or citizens of, countries other than Cyprus may be affected by the laws of the relevant jurisdictions. No person(s) receiving this Application Form and/or the Circular and the Form of Proxy in any territory other than Cyprus may treat the same as constituting an invitation or offer to him to subscribe, nor should he in any event use this Application Form, unless, in the relevant territory, such an invitation or offer can lawfully be made to him and observance of the laws of any relevant territory in connection therewith, including obtaining all requisite government or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory. The attention of Overseas Shareholders is drawn to the restrictions on applications set out in the Circular. Receipt of the Circular or an Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in such circumstances this Application Form and the Circular will be deemed to have been sent for information only. Subject to certain exceptions, no Open Offer Shares shall be offered in the Excluded Territories. The Bank reserves the right to treat the Open Offer as having been declined in a particular case if it believes acceptance may violate applicable legal or regulatory requirements. Submission of an Application Form will constitute a warranty by you that you have complied with all such requirements. Persons resident in countries other than the Cyprus should contact their independent professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to apply for Open Offer Shares.