BANK OF CYPRUS PUBLIC COMPANY LIMITED
(The Company was founded in Cyprus under the Cyprus Companies Law, Cap. 113)
(Company Registration no: HE165)

SUPPLEMENTARY PROSPECTUS

DATE: 22 September 2010

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

SHARE CAPITAL INCREASE
IN THE FORM OF RIGHTS ISSUE TO THE EXISTING SHAREHOLDERS

The Supplementary Prospectus dated 22 September 2010 is related to the Issuer's Prospectus dated 20 August 2010.

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

LEAD MANAGER

THE CYPRUS INVESTMENT AND SECURITIES CORPORATION LTD

SUPPLEMENTARY PROSPECTUS

The Supplementary Prospectus dated 22 September 2010 is related to the Bank of Cyprus' Public Company Ltd Prospectus dated 20 August 2010.

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

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

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

BANK OF CYPRUS PUBLIC COMPANY LIMITED

ISSUE OF 604.205.955 RIGHTS TO THE EXISTING SHAREHOLDERS OF BANK OF CYPRUS THAT WILL BE REGISTERED AS AT 9 SEPTEMBER 2010 AND LISTING OF THE RIGHTS AND THE SHARES RESULTING FROM THEIR EXERCISE FOR TRADING ON THE CYPRUS STOCK EXCHANGE AND ATHENS EXCHANGE

THE RIGHTS WILL BE ISSUED AND ALLOTTED IN THE RATIO OF 1 RIGHT FOR EACH ONE EXISTING SHARE. EVERY SEVEN (7) RIGHTS EXERCISED WILL BE CONVERTED INTO TWO (2) FULLY PAID ORDINARY NEW SHARES OF NOMINAL VALUE €1 EACH AT THE EXERCISE PRICE OF €2,00 PER NEW SHARE

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

The Supplementary Prospectus has been approved by the Cyprus Securities and Exchange Commission (CySEC) in its capacity as Cyprus competent authority for the purposes of Directive 2003/71/EC (the Prospectus Directive), of Regulation 809/2004 of the Committee of the European Union for the purpose of giving information with regard to the Rights issue. The approval of the Supplementary Prospectus should not be considered as a recommendation to invest in the Issuer.

Applications have been made by Bank of Cyprus for (a) a certificate of approval under Article 18 of Directive 2003/71/EC as implemented in Cyprus to be issued by the Cyprus Securities and Exchange Commission to the competent authority in Greece and United Kingdom and (b) the Rights to be admitted for listing and trading on the Cyprus Stock Exchange and the Athens Exchange.

This Supplementary Prospectus includes forward-looking statements. These statements relate to the Bank's future prospects, developments and business strategies. These forward-looking statements are identified by the use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will" and similar terms and phrases, including references to assumptions. These forward-looking statements involve risks, uncertainties and other factors that may cause the actual future results or events to be materially different from those suggested or described in this Supplementary Prospectus. Many of the factors that will determine these results or events are beyond the Bank's control. In view of the risks, uncertainties and assumptions, any projections mentioned herein may not be achieved. The risks described above and in the section entitled "Risk Factors" are not comprehensive. New risks, uncertainties and other factors may emerge from time to time and it is not possible for the Bank to predict all such risk factors, to assess the impact of all risk factors on its business or the extent to which any factor or combination of factors, may cause actual results or events to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, the investor should not place undue reliance on forward-looking statements as a prediction or guarantee of actual results or events.

This Supplementary Prospectus should be read and understood in conjunction with supplement hereto and with any other document incorporated herein by reference. More specifically for a discussion of Risks involved in the Rights and Shares of the Company see discussion in Bank of Cyprus' Prospectus dated 20 August 2010, Section II, Part A, Chapter 1 'RISK FACTORS'.

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

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PROFESSIONAL ADVISORS

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

1.0 INFORMATION ON THE DRAFTING OF THE PROSPECTUS – PERSONS RESPONSIBLE

The Supplementary Prospectus dated 22 September 2010 is related to the Bank of Cyprus' Public Company Ltd Prospectus dated 20 August 2010.

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

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

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

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

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

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

• The Lead Manager

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

- The following departments of Bank of Cyprus :

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

In Greece
Custody, Registry and Derivatives Clearing Department
26 Feidippidou and Chalkidonos 115 27 Athens
Tel: +30 210 7765222

2.0 GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

On 30 August 2010 the Board of Directors of Bank of Cyprus Public Company Limited approved the unaudited consolidated financial results of the Group for the six months ended 30 June 2010. The said unaudited interim condensed consolidated financial statements for the six months ended 30 June 2010 are incorporated to the Supplementary Prospectus by reference (see point 9 below).

The Group's profit before provisions and profit after tax for the first half 2010 recorded a significant increase and reached €328 mn and €163 mn respectively, noting an increase of 27% and 10% respectively compared to the first half 2009. At the same time there was a positive contribution to profit from all the markets in which the Group operates. Net interest income recorded an increase of 28% reaching €496 mn for the first half 2010, demonstrating the Group's ability to achieve increased recurring income even in adverse economic conditions.

The Group enjoys high capital adequacy (Tier 1 ratio 9,9%), strong liquidity (loans to deposits ratio 83%) and satisfactory loan quality given the circumstances (non-performing loans ratio of 6,2%). The Group's capital adequacy is expected to be further strengthened with the forthcoming capital increase, with the pro-forma Tier 1 ratio at 30 June 2010 reaching 11,2%.

The main financial highlights for the first half 2010 are set out in the table below:

Table 1

€ mn	**Change**	**1H2010**	**1H2009**	**Year 2009**
Profit before provisions	+27%	328	259	612
Profit before tax	+10%	180	164	365
Profit after tax	+10%	163	148	313
Earnings per share	+2,2 cent	27,2 cent	25,0 cent	52,8 cent
Return on Equity	-0,3 p.p*	13,6%	13,9%	14,0%
Cost / Income	-3,7 p.p.*	51,9%	55,6%	52,4%
Non-performing loans ratio	+1,3 p.p*	6,2%	4,9%	5,6%
Total Loans (€ bn)	+10%	28,0	25,3	26,5
Total Deposits (€ bn)	+14%	32,6	28,6	28,6
Loans to Deposits[1]	-3,1 ε.μ.*	82,8%	85,9%	89,7%

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

[1] Net loans to deposits

- Significant increase in profitability: Profit before provisions for the first half 2010 reached €328 mn recording an increase of 27% compared to the first half 2009 (€259 mn). Profit after tax reached €163 mn recording an annual increase of 10%.

- Strong liquidity position: Loans to deposits ratio of 83%.

- High return on equity: Return on equity (13,6%) was maintained at high levels in a particularly demanding and negative environment.

- Strong capital position: The capital adequacy ratio reached 10,9% at 30 June 2010 with the tier 1 ratio and the core tier 1 ratio reaching 9,9% and 6,7% respectively. Taking into consideration the capital increase, the pro-forma capital adequacy ratio and core tier 1 ratio at 30 June 2010 will amount to 12,3% and 8,1% respectively.

- Improvement of interest margin: The Group's net interest margin reached 2,62% for the first half 2010, an increase of 38 basis points compared to the first half 2009 (2,24%).

- Improved efficiency: The cost to income ratio has improved to 51,9% for the first half 2010 from 55,6% in the first half 2009.

- Significant volume growth: At 30 June 2010 Group loans and deposits recorded an annual increase of 10% and 14% respectively, while from the beginning of 2010 the increase amounted to 5% and 14% respectively.

- Effective credit risk management: The non-performing loans ratio reached 6,2% at 30 June 2010 compared to 6,0% at 31 March 2010 and 5,6% at 31 December 2009. The provisions coverage ratio (provisions as % of non-performing loans) stood at 57% at 30 June 2010. The coverage ratio including tangible collateral amounted to 121% (108% taking into account tangible collateral at forced sale value).

2.1 Analysis of the Results

Geographical analysis of profitability

The Group recorded a significant increase in profitability for the first half 2010 compared to the first half 2009, with increased recurring income and positive contribution to profit from all the markets in which it operates.

Profit before provisions for the first half 2010 reached €328 mn, recording an annual increase of 27% compared to the first half 2009. Profit after tax for the first half 2010 reached €163 mn recording an annual increase of 10% compared to the first half 2009.

The two main markets in which the Group operates, Cyprus and Greece noted a significant improvement in profit before provisions despite the adverse economic environment.

In Cyprus, profit before provisions for the first half 2010 increased by 13% compared to a year earlier and reached €191 mn. However, the Group, having taken into consideration the worsening of the economic environment, increased significantly the charge for impairment of loans, resulting in profit after tax for the first half 2010 of €120 mn, reduced by 15% compared to the first half 2009.

In Greece, profit before provisions for the first half 2010 reached €98 mn, recording an increase of 81% compared to the first half 2009 and despite the increased provision charge (€70 mn for the first half 2010 compared to €41 mn for the first half 2009) profit after tax reached €25 mn versus €7 mn in the first half 2009 (annual increase of 268%).

In Russia profit before provisions for the first half 2010 reached €15 mn, an increase of 31% compared to the first half 2009 with profit after tax reaching €3 mn compared to a loss of €13 mn for the first half 2009.

Profit after tax for other countries (Australia, United Kingdom, Ukraine and Romania) reached €14 mn recording an increase of 10% compared to the first half 2009.

Net Interest Income and Net Interest Margin

By adjusting its pricing policy for the new economic environment, the Group achieved increased net interest income in the first half 2010. Net interest income for the first half 2010 reached €496 mn, recording a significant annual increase of 28% compared to the first half 2009, demonstrating the Group's ability to achieve increased recurring income despite continuing competition and the adverse economic conditions.

In Cyprus, net interest income reached €248 mn for the first half 2010, an increase of 22% versus the first half 2009 while in Greece net interest income reached €154 mn recording an increase of 40% compared to the first half 2009. In Russia, net interest income reached €53 mn recording an increase of 57% versus the first half 2009.

The net interest margin of the Group reached 2,64% for the second quarter 2010 compared to 2,36% for the second quarter 2009 and 2,60% for the first quarter 2010. As a result, the net interest margin for the first half 2010 reached 2,62% recording a significant increase of 38 basis points compared to the first half 2009 (2,24%).

The net interest margin in Cyprus for the second quarter 2010 reached 2,13% compared to 2,10% for the first quarter 2010. Thus, the net interest margin of the Group in Cyprus reached 2,11% for the first half 2010 compared to 1,94% for the first half 2009.

The net interest margin in Greece improved to 2,19% for the second quarter 2010 versus 2,14% for the first quarter 2010. As a result, the net interest margin of the Group in Greece for the first half 2010 reached 2,17%, having increased by 43 basis points compared to the first half 2009 (1,74%).

The net interest margin in Russia reached 5,98% in the second quarter 2010 (compared to 5,05% for the first quarter 2010), while the net interest margin for the first half 2010 reached 5,53% recording an increase of 116 basis points from the first half 2009 (4,37%).

Income from fees and commissions, foreign exchange income and gains from financial instruments

Net fee and commission income amounted to €112 mn for the first half 2010, compared to €111 mn for the first half 2009.

Foreign exchange income and gains from financial instruments for the first half 2010 amounted to €37 mn versus €49 mn for the first half 2009, while the corresponding income for the second quarter 2010 amounted to €10 mn versus €27 mn for the first quarter 2010.

Expenses

Total expenses for the first half 2010 amounted to €353 mn, recording an annual increase of 9% in relation to €324 mn for the first half 2009. Despite the increase in operating expenses, increased income led to the reduction of the cost to income ratio which stood at 51,9%, noting an improvement of 3,7 percentage points compared to the first half 2009.

The cost to income ratio in Cyprus for the first half 2010 stood at 46,2%, noting an improvement of 1,1 percentage points versus the first half 2009 and in Greece the relevant ratio stood at the very satisfactory level of 50,7% compared to 62,9% in the first half 2009.

2.2 Balance Sheet Analysis

Group Loans

At 30 June 2010 Group loans amounted to €27,95 bn recording an annual increase of 10% as well as an increase of 5% from 31 December 2009. Despite the market conditions prevailing in the main markets in which the Group operates and the prudent credit policy applied by the Group, the increase in loans reaffirms that the Group, based on its strong balance sheet footings and primarily on its strong liquidity, continues its expansion by taking advantage of opportunities that arise.

At 30 June 2010, the Group's total loans in Russia reached €1,87 bn recording an increase of 33% for the first half 2010 and an annual increase of 64%.

Group Deposits

The Group's total deposits at 30 June 2010 reached €32,55 bn recording an annual increase of 14% and an increase of 14% from 31 December 2009. The significant increase of deposits noted by the Group during the second quarter 2010 is mainly derived from the International Business Sector where a continuous increase in the number of customers further enhances the Group's leading market share.

The Group's strong liquidity position, with a loans to deposits ratio of 83% and its minimal reliance on wholesale funding (deposits to total assets ratio of 75% at 30 June 2010) provide the Group with a strong competitive advantage particularly in the adverse conditions prevailing in international money markets and the intense competition on deposits evident in the main markets in which the Group operates.

Capital Base

At 30 June 2010, the Group's shareholder funds amounted to €2,37 bn. The Group's total capital adequacy ratio based on Basel II requirements reached 10,9% with the core tier 1 ratio at 6,7% and the tier 1 ratio at 9,9%.

As already announced, the Group has decided to increase its capital through a rights issue of up to €345 mn to further strengthen its capital base.

The forthcoming capital increase will further strengthen the Group's capital adequacy, with the pro-forma capital adequacy ratio, the Core Tier 1 ratio and the Tier 1 ratio at 30 June 2010 reaching 12,3%, 8,1% and 11,2% respectively.

Bond portfolio

At 30 June 2010, the Group's total investment in Greek government bonds amounted to €2,1 bn, with the category loans and receivables constituting 67% of the total, the category available-for-sale 21%, and the category held to maturity 12%.

2.3 Credit Risk Management

The quality of the Group's loan portfolio remains at satisfactory levels taking into consideration the continuing economic crisis. At 30 June 2010, the ratio of loans in arrears for longer than three months which are not fully covered by tangible collateral ("non-performing loans") over the total loans of the

Group (non-performing loans ratio) stood at 6,2%, compared to 6,0% at 31 March 2010 noting an increase of 20 basis points. At 31 December 2009 the relevant ratio stood at 5,6%.

At 30 June 2010, the relevant ratio stood at 6,1% in Cyprus (31 March 2010: 5,9%) and at 6,8% in Greece (31 March 2010: 6,1%).

The Group, taking into consideration the macro-economic environment and the partial deterioration of the loan portfolio, maintained the relatively high charge for impairment of loans, which reached 1,07% of total loans on an annual basis for the first half 2010 (2009: 0,96%).

Through increased provisions and the satisfactory level of accumulated provisions, the provision coverage ratio (provisions/NPLs) stood at 57% at 30 June 2010. The remaining balance of NPLs is fully covered by tangible collateral. The coverage ratio including tangible collateral amounted to 121% (108% taking into account tangible collateral at forced sale value).

3.0 INVESTMENTS

The Group's major investments for the six month period ended on 30 June 2010 are presented as follows:

	30 June 2010	**31 December 2009**
	€000	**€000**
Investments at fair value through profit and loss	207.081	346.127
Investments available-for-sale	2.831.867	4.168.056
Investments held-to-maturity	1.053.226	93.079
Investments classified as loans and receivables	2.108.596	320.851
Total	**6.200.770**	**4.928.113**
Investment Properties	67.699	53.007
Investment in associate company	4.506	6.552

There were no major new investments of the Group since 30 June until the date of the current Supplementary Prospectus.

3.1 Investments at fair value through profit and loss

	30 June 2010	**31 December 2009**
	€000	**€000**
Debt securities	187.497	315.027
Equity securities	19.584	29.304
Mutual funds	-	1.796
Total	**207.081**	**346.127**

3.2 Investments available-for-sale

	30 June 2010	31 December 2009
	€000	€000
Debt securities	2.767.364	4.088.368
Equity securities	64.503	79.688
Total	**2.831.867**	**4.168.056**

3.3 Investments held-to-maturity

	30 June 2010	2009
	€000	€000
Debt securities	**1.053.226**	**93.079**

3.4 Investments reclassified to loans and receivables

	30 June 2010	2009
	€000	€000
Debt securities	**2.108.596**	**320.851**

3.5 Reclassification of investments

Reclassification of trading investments

On 1 April 2010, the Group reclassified certain debt securities from trading investments which are presented under investments at fair value through profit and loss, to investments classified as loans and receivables in view of the fact that the Group had no intention to trade or sell these debt securities in the near future and these securities met the definition of loans and receivables at the date of reclassification. The book value and fair value of the reclassified debt securities is presented below:

	30 June 2010		1 April 2010
	Book Value	Fair Value	Book value and fair value
	€000	€000	€000
Trading investments reclassified to loans and receivables	133.367	134.471	132.570

The gain recognised in the consolidated income statement for the six months ended 30 June 2010 as a result of the revaluation of the reclassified debt securities, amounted to €441 thousand (2009: gain of €2.233 thousand). This gain represents the revaluation of the reclassified debt securities up to the date of reclassification.

Had the Group not reclassified the debt securities on 1 April 2010, the consolidated income statement would have included losses from the revaluation of these debt securities of €54 thousand.

On 1 April 2010, the effective interest rate of the reclassified debt securities ranged from 1,22% to 4,37% per annum. The Group expects to recover all cash flows relating to these debt securities.

On 1 July 2008, in light of the rare circumstances arising as a result of the deterioration of the world's markets in 2008, the Group identified the investments which it had no intention to trade or sell in the foreseeable future. These investments in debt securities were reclassified from trading investments to available-for-sale investments. The book value of the reclassified debt securities which is equal to their fair value is presented below:

	30 June 2010	31 December 2009	1 July 2008
	€000	€000	€000
Trading investments reclassified to available-for-sale investments	20.122	19.081	17.385

Had the Group not reclassified the debt securities on 1 July 2008, the consolidated income statement would have included gains from the revaluation of these securities of €709 thousand (year 2009: gains of €2.480 thousand) which, following the reclassification, were recorded in the revaluation reserve of available-for-sale investments in equity.

Reclassification of available-for-sale investments

On 1 April 2010, the Group reclassified certain available-for-sale debt securities to investments classified as loans and receivables in view of the fact that there was no active market for these debt securities and the Group had the intention and ability to hold these securities for the foreseeable future. The book value and fair value of the reclassified debt securities is presented below:

	30 June 2010		1 April 2010
	Book value	Fair value	Book value and fair value
	€000	€000	€000
Available-for sale investments reclassified to loans and receivables	1.339.293	1.002.878	1.328.231

The loss recognised in the revaluation reserve of available-for-sale investments in equity as a result of the revaluation of the reclassified investments from 1 January 2010 to the date of reclassification amounted to €48.017 thousand (2009: loss of €8.252 thousand).

Had the Group not reclassified these debt securities on 1 April 2010, the Group's equity would have included additional losses from the revaluation of these debt securities of €278.472 thousand.

On 1 April 2010, the effective interest rate of the reclassified debt securities ranged from 3,36% to 6,10% per annum. The Group expects to recover all cash flows relating to these debt securities.

The Group had also reclassified certain available-for-sale debt securities to investments classified as loans and receivables as from 1 October 2008, in view of the fact that there was no active market for these debt securities and the Group had the intention and ability to hold these securities for the foreseeable future. The book value and fair value of the reclassified debt securities is presented below:

	30 June 2010		31 December 2009		1 October 2008
	Book value	Fair value	Fair Value	Fair Value	Book value and fair value
	€000	€000	€000	€000	€000
Available-for sale investments reclassified to loans and receivables	168.892	173.707	172.941	170.678	169.196

Had the Group not reclassified these debt securities on 1 October 2008, the Group's equity would have included gains from the revaluation of these debt securities of €3.234 thousand (year 2009: losses of €3.395 thousand) which would have been otherwise included in the revaluation reserve of available-for-sale investments in equity.

On 1 April 2010 the Group reclassified certain debt securities from available-for-sale investments to investments held-to-maturity, in view of the fact that the Group had the intention and ability to hold these investments until their maturity. The book value and fair value of the reclassified debt securities is presented below:

	30 June 2010		1 April 2010
	Book value	Fair value	Book value and fair value
	€000	€000	€000
Available-for sale investments reclassified to held-to-maturity investments	505.958	420.320	498.237

For the three months from 1 January to 31 March 2010, the loss recognised in equity in the revaluation reserve of available-for-sale investments as a result of the revaluation of the reclassified investments amounted to €1.661 thousand (2009: gain of €5.120 thousand).

Had the Group not reclassified these debts securities on 1 April 2010, the Group's equity would have included losses from the revaluation of these debt securities of €81.385 thousand which would have been included in the revaluation reserve of available-for-sale investments.

On 1 April 2010, the effective interest rate of the reclassified debt securities ranged from 3,96% to 6,31% per annum. The Group expects to recover all cash flows relating to these debt securities.

3.6 Investment properties

The movement of investment properties is summarised below:

	30 June 2010	31 December 2009
	€000	€000
1 January	53.007	33.293
Exchange adjustments	414	(28)
Transfer from property and equipment	1.680	340
Additions	13.834	16.187
Disposals	(1.965)	(214)
Gains from revaluation at the initial transfer from property and equipment	-	36
Gains from revaluation	729	3.393
31 December	**67.699**	**53.007**

3.7 Investment in Associate

The Company has a 22,83% interest in Interfund Investments Plc, which is a closed-end investment company listed on the Cyprus Stock Exchange. The holding was acquired on 21 May 2007.

The Group's interest in Interfund Investments Plc is as follows:

	30 Ιουνίου 2010	31 Δεκεμβρίου 2009
	€000	€000
Carrying amount of the investment	4.506	6.552
Market value of the investment on the Cyprus Stock Exchange	3.006	4.967

4.0 RELATED PARTY TRANSACTIONS

There were no significant related party transactions from 30 June 2010 as mentioned in the Prospectus dated 20 August 2010 and under note 18 of the unaudited consolidated financial results of the Group for the six months ended 30 June 2010 and until the date of this Supplementary Prospectus.

5.0 NIL PAID RIGHTS

The Rights issue was addressed to the Bank's shareholders registered on the Central Depository/Registry of the Cyprus Stock Exchange (CSE) and/or the Dematerialised Securities System (DSS) of the Hellenic Exchanges on 9 September 2010 (Record Date).

Allotment Letters and Notification Letters for the purchase of New Shares have been mailed on 17 September 2010. The rights have been issued and allotted at the ratio of 1 right for each 1 existing ordinary share. Every seven (7) rights exercised at the price of €2,00 per New Share will be converted into two (2) new fully paid ordinary shares of nominal value €1,00. Fractional shares will not be issued and any fractions will be ignored.

6.0 INTERIM DIVIDEND

The Board of Directors of the Bank, taking into consideration the results to date, the expected profitability for the whole year, the level of reserves, the applicable legislation for dividend distribution, as well as its dividend policy, decided to pay an interim dividend for 2010 in cash and in the form of shares. The interim dividend in cash has been set at €0,06 per share and the special distribution of interim dividend in the form of shares has been set at €0,50 per share at the issue price of €3,25.

On 20 September 2010, the special distribution of an interim dividend was approved at an Extraordinary General Meeting of the shareholders of Bank of Cyprus Public Company Ltd. It is noted that, in addition to the shareholders of the Bank as at the Record Date set as Friday 29 October 2010, eligible shareholders of the interim dividend (in cash and in the form of shares) will also be the shareholders of New Shares that will arise following the exercise of Rights that will be issued by the Bank.

7.0 MAJOR SHAREHOLDERS

On 21 September 2010 Bank of Cyprus Public Company Ltd announced that it has been notified by Odella Resources Limited that on 21 September 2010 it acquired 45.724.213 Bank of Cyprus shares (7,57% of the Bank's total share capital) from which, 45.300.000 shares were acquired from the Bank's Employee Provident Funds at a price of €4,90 per share.

Following the above mentioned transactions, Odella Resources Limited holds a total of 58.596.580 Bank of Cyprus shares, which correspond to a shareholding of 9,70% of the Bank's current issued share capital of 604.205.955 shares. Following the above mentioned transaction, the Bank's Employee Provident Funds decreased their shareholding from 7,6% to 0,1% based on the current issued share capital of the Bank of 604.205.955 shares.

According to the above notification to the Bank, Odella Resources Limited has also agreed with the Bank's Employee Provident Funds to acquire 29.400.000 nil paid rights upon commencement of their trading at an average price of €0,8286 per nil paid right (as derived from today's transaction price of €4,90), which upon exercise will correspond to 8.400.000 new shares.

The shareholding of Odella Resources Limited post the rights issue is calculated at 8.98%, assuming it exercises its entitled rights as a shareholder on the Record Date of 9 September 2010 and it exercises the nil paid rights it has agreed to acquire from the Bank's Employee Provident Funds.

8.0 PROSPECTS

The strategic priorities of the Group for the year 2010 focus on maintaining strong liquidity and high capital adequacy, improving efficiency and cost containment, satisfactory profitability and effective risk management. In addition, the Group aims to further enhance its presence in the new markets in which it operates, which have strong growth potential, thereby creating long term diversification of income, profitability and risks.

The Group is monitoring developments in the international markets as well as the macroeconomic environment in Cyprus, Greece and the surrounding regions and takes measures to shield itself effectively. Such measures include the continuous monitoring of risks, especially the control of credit risk, the repricing of selected loan and deposit products and the prudent expansion of the Group's operations.

Having taken into consideration the results for the first half 2010 and the results to date, the Group reaffirms its estimate as presented in Part C, Chapter 16.0 of the Prospectus dated 20 August 2010 of achieving satisfactory profitability for the year 2010 within the targets already announced. Specifically, the Group estimates that profit after tax will range between €300 mn and €400 mn, with positive contribution from all the markets in which it operates.

9.0 INCORPORATE BY REFERENCE

The Group's unaudited interim condensed consolidated financial statements for the six months ended 30 June 2010 have been incorporated to the Supplementary Prospectus by reference pursuant to article 28 of the Commission Regulation 809/2004 of the European Union. Investors may obtain a free copy of them during working days, between 9.00 a.m. and 12.00 noon, from the Bank's headquarters, 51 Stassinou Street, Ayia Paraskevi, Nicosia, Cyprus during the period that the Prospectus shall be valid, as well as on the Group's website www.bankofcyprus.com (select Investor Relations / Annual Report).

10.0 WITHDRAWAL RIGHT

According to the provisions of article 14(1)(6) and 14(1)(7) of the Public Offer and Prospectus Law of 2005, investors who have agreed or have been bound in any manner prior to the publication of the supplement to the prospectus to purchase or acquire by registration securities, in respect of which the prospectus refers to, based on the information contained in the Prospectus dated 20 August 2010, may withdraw their application or acceptance. The withdrawal right is exercised within three working days from the publication of the supplement to the prospectus.

DIRECTORS DECLARATIONS

The present Supplementary Prospectus of Bank of Cyprus Public Company Limited dated 22 September 2010 has been signed by the Directors of the Company. The Directors of the Company ensure that to the best of their knowledge and belief (after taking all reasonable care), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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Theodoros Aristodemou   Non – Executive Chairman

....

Andreas Eliades   Executive Director

....

Yiannis Pechlivanides   Executive Director

....

Yiannis Kypri   Executive Director

LEAD MANAGER'S DECLARATION

The present Supplementary Prospectus of Bank of Cyprus Public Company Limited dated 22 September 2010 has been signed by the Lead Manager of the issue The Cyprus Investment and Securities Corporation Limited which declares that, having taken all responsible care to ensure that such is the case the information contained in the Prospectus is to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Cyprus Investment and Securities Corporation Limited