

December 28, 2012

Director,
Cyprus Stock Exchange,
71-73 Vyronos Avenue,
Nicosia

Dear Sir,

ANNOUNCEMENT

Issue of new share capital

Further to the decision of the Board of Directors of USB BANK PLC (the "Bank") dated November 6, 2012 to strengthen the capital base of the Bank and in view of the approval of the resolution pursuant to the provisions of article 59A of the Companies Law, Cap.113 at the Extraordinary General Meeting of the shareholders dated November 29, 2012 we wish to inform you that the Bank on December 28, 2012 has issued and allotted to BLC Bank SAL 8.771.930 new ordinary shares of nominal value €0,57 each at the issue price of €0,57 each (the "Issue"). The Bank will take all necessary measures for their listing on the Cyprus Stock Exchange.

As a result of the above, the issued share capital of the Bank will amount to €56.584.277,91 divided into 99.270.663 ordinary shares of nominal value of €0,57 each.

The Bank wish to confirm that BLC Bank SAL is committed, following the completion of the Issue, to dispose up to 258.408 ordinary shares at the price of €0,57 per share which represents the proposed issue price of the new shares, to those registered members of the Bank who will within 30 days, from the date of the Issue to BLC Bank SAL, that is until the 28.1.2013 (the "Expiry Date"), express their interest in acquiring such number of shares which correspond to the ratio and number that they will hold on the Expiry Date. The number of 258.408 represents the number of shares that would have been offered to them if the Issue was offered and allotted to all members of the Bank on a pro rata basis.

Yours sincerely,



Andreas Theodorides
Secretary

c.c. Chairman CySec

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