

May 27, 2014

Director,
Cyprus Stock Exchange,
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 February 25, 2014 to strengthen the capital base of the Bank and in view of the approval of the resolutions at the Extraordinary General Meeting of the members of the Bank dated March 27, 2014 and the ratification of the resolution for reduction of the nominal value of the share of the Bank from €0,57 to €0,10 by the Nicosia District Court, we wish to inform you that the Board of Directors of the Bank decided on May 27, 2014 to issue and allot 66.666.667 new ordinary shares of nominal value €0,10 each at the issue price of €0,30 each (the "Issue") to BLC Bank sal. The Bank will take all necessary measures for their listing on the Cyprus Stock Exchange.

The Board of Directors of the Bank wish to confirm that BLC Bank SAL is committed, following the completion of the Issue, to dispose up to 1.790.363 ordinary shares at the issue price of €0,30 per share (which represents the proposed issue price of the new shares to BLC Bank sal), to those registered members of the Bank who will within 30 days, from the date of the Issue to BLC Bank sal, ("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 1.790.363 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.

As a result of the above, the issued share capital of the Bank will amount to €16.593.733 divided into 165.937.330 ordinary shares of nominal value of €0,10 each and the authorised share capital will amount to €85.500.000 divided into 855.000.000 ordinary shares of nominal value of €0,10 each.

Yours sincerely,

A stylized signature in blue ink, consisting of several overlapping loops and lines.

Andreas Theodorides
Secretary

c.c. Chairman CySec

USB BANK PLC

T.Θ. 28510
2080 Λευκωσία, Κύπρος
Τηλ.: +35722 883333
Φαξ: +35722 875899

USB BANK PLC

P.O. Box 28510
2080 Nicosia, Cyprus
Tel.: +35722 883333
Fax: +35722 875899