

29 May, 2015

Director,
Cyprus Stock Exchange,
Nicosia

Dear Sir,

ANNOUNCEMENT

Decisions of the Extraordinary General Meeting of the members of USB BANK PLC

We wish to inform you that the Extraordinary General Meeting (the "EGM") of USB BANK PLC (the "Bank") took place at its registered office on 28 May 2015, with the participation of members in person or via proxy who represented 163.292.406 shares that is 98,41% of the total issued share capital of the Bank.

The EGM examined and approved by the necessary majorities, the following Resolutions:

SPECIAL RESOLUTION NO.1

- (a) **THAT**, the Board of Directors of the Bank be and is hereby authorised to issue and allot 40.800.000 new ordinary shares of nominal value €0,10 each at the issue price of €0,25 each (the "Issue"); and
- (b) **THAT**, the pre-emption rights of the existing members of the Bank in relation to the said Issue be and are hereby waived in accordance with the provisions of the Cyprus Companies Law Cap. 113 (as amended); and
- (c) **THAT**, for the purpose of the increase of the issued share capital of the Bank, the 40.800.000 new ordinary shares of nominal value €0,10 will not be offered to all of the existing members of the Bank on a pro rata basis but will be issued and allotted at the issue price of €0,25 per share to BLC Bank SAL. The 40.800.000 new ordinary shares will rank pari passu with the existing fully paid shares of the Bank.

SPECIAL RESOLUTION NO.2

THAT, the titles of the Bank be delisted from the Cyprus Stock Exchange (the "Delisting"), following the completion of the Mandatory Public Takeover Bid by BLC Bank SAL (the "Offeror") to the members of the Bank for the acquisition of up to 100% of the share capital of the Bank and **THAT**, the Board of Directors of the Bank be and is hereby authorized to take all necessary actions for the delisting of the titles of the Bank from the Cyprus Stock Exchange.

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ORDINARY RESOLUTION

THAT, the Board of Directors of the Bank be and is hereby authorized to take all necessary actions in order to give effect to the above Resolutions, to give effect to the Redemption on the 30th June 2015 of the Capital Securities of €973.903 issued on the 1st January 2006, the Convertible Bonds (USBCB) of €1.209.060 issued on the 14th June 2010 and the Non-Convertible Bonds (USBSB) of €8.000.000 issued on the 30th December 2009, in accordance with their respective terms and conditions (collectively referred to as the "Redemption"), including, without limitation, sending all necessary notifications to the holders of the above described securities, to make all necessary applications to the Cyprus Stock Exchange in relation with the Delisting, to make all necessary entries in the Bank's books and finally to file all necessary returns with the Registrar of Companies as prescribed by the Law.

At the EGM, the Directors' Report was presented to the members of the Bank in accordance with article 60(B) of the Cyprus Companies Law Cap.113 (as amended) explaining the reasons for proposing the increase of the issued share capital of the Bank, as well as the reasons for restricting the pre-emption rights of the members and justifying the proposed issue price of €0,25 per share.

Also, as it has already been stated in the above Directors' Report to the shareholders, it has been noted that the parent Company of the Bank, namely BLC Bank SAL («BLC Bank»), made an irrevocable commitment to fully cover any required increase of the issued share capital of the Bank to facilitate the Bank's decision to redeem on the 30th of June 2015, the Capital Securities of €973.903 issued on the 1st January 2006, the Convertible Bonds (USBCB) of €1.209.060 issued on the 14th June 2010 and the Non-Convertible Bonds (USBSB) of €8.000.000 issued on the 30th December 2009 in accordance with their respective terms and conditions (collectively referred to as the "Redemption").

With the successful completion of the issue and allotment of 40.800.000 new ordinary shares to BLC Bank, the issued share capital of the Bank amounts to €20.673.733 divided into 206.737.330 ordinary shares of nominal value €0,10 per share. The new 40.800.000 ordinary shares will rank pari passu with the existing shares of the Bank.

Yours sincerely,



Andreas Theodorides
Secretary

c.c. Chairman, CySec