

**PUBLIC OFFER OF BLC BANK SAL TO THE SHAREHOLDERS AND  
CONVERTIBLE BONDHOLDERS OF  
USB BANK PLC**

Further to BLC Bank SAL ("**BLC Bank**") announcement dated 9 September 2010 of its intention to submit a voluntary public offer, BLC Bank hereby announces its firm decision to proceed with a voluntary Public Offer (the "**Offer**") for the acquisition of:

- (i) up to 100% of the share capital of USB Bank Plc ("**USB Bank**", "**USB**"), a public company listed on the CSE and
- (ii) up to 100% of Convertible Bonds 2010/2020 ("**Convertible Bonds**") of USB Bank Plc.

The total number of issued shares of USB Bank (the "**Shares**") is 45.505.628 ordinary shares of nominal value €0,57 each and the total number of issued Convertible Bonds is 1.209.060 Convertible Bonds of nominal value €1 each. BLC Bank currently holds 4.504.500 Shares or the equivalent of approximately 9,90% of USB's share capital (the "**Existing Shareholding**").

The proposed consideration of the Offer is €0,80 per USB Bank share and €1 for each Convertible Bond, both of which would be paid in cash to all accepting shareholders and bondholders of USB.

BLC Bank has secured irrevocable commitments from shareholders of USB Bank to acquire 28.640.624 Shares or the equivalent of 62,94% of USB's issued share capital within the Offer's framework. In particular:

Kaleta Services Limited which holds 2.100.000 Shares (4,61%), Path Holdings Ltd which holds 11.570.766 Shares (25,43%), Mrs Ioanna Christofi who holds 3.654.345 Shares (8,03%), Jupiwind Ltd which holds 2.589.719 Shares (5,69%), Tygoonato Coffee Lounge Ltd which holds 689.655 Shares (1,52%), Mr. Yiannos Kasoulides who holds 2.706.500 Shares (5,95%), Liberty Life Insurance Public Company Ltd which holds 2.096.475 Shares (4,61%), Grandwind Ltd which holds 1.000.000 Shares (2,20%), Stella Holdings Ltd which holds 1.492.254 Shares (3,28%) and Mr Hagop Keheyanyan who holds 740.910 Shares (1,63%) have irrevocably committed to accept the Offer.

The Offer is subject to the following conditions precedent:

- (i) the approval of the Central Bank of Cyprus
- (ii) the approval of the Central Bank of Lebanon and
- (iii) BLC Bank securing no less than 19.640.000 Shares or 43,16% of USB Bank's share capital in addition to BLC Bank's Existing Shareholding. That is at least a total of 24.144.500 Shares or 53,06% of the total share capital of USB Bank.

BLC Bank has already secured the decision of the Commission for the Protection of Competition in Cyprus, whereby it declared the notified act of concentration as being compatible with the competitive market in Cyprus pursuant to the relevant Competition Law in Cyprus.

For the payment of the proposed consideration, BLC Bank has proceeded with all necessary arrangements with a banking institution in Cyprus.

Further information on the Public Offer will be included in the Public Offer Document, which will be prepared pursuant to the provisions of the Takeover Bids Law of 2007 of the Republic of Cyprus. The Cyprus Investment and Securities Corporation Limited (CISCO) is acting as financial advisor to BLC Bank in connection with the Offer.

This announcement is made pursuant to article 6(2) of the Takeover Bids Law of 2007 and the relevant directives of the Cyprus Securities and Exchange Commission.

BLC Bank is one of the leading banking institutions in Lebanon and currently operates a network of 35 branches. BLC Bank is a member of the Fransabank Group.

8 November 2010