



CONVERSION PROCEDURE OF CONVERTIBLE BONDS 2010 – 2020 (USBCB) INTO SHARES OF USB BANK PLC (THE “BANK”)

The holders of Convertible Bonds (USBCB) may, in accordance to the individual terms of their issue, exercise the conversion right of Convertible Bonds into shares issued by the Bank during the period 15 – 30 March and 15 – 30 September of each year, for the years 2012, 2013 and 2014. The last conversion period is 15 – 30 September 2014.

The declaration of conversion of the USBCB into shares issued by the Bank will only be made during the above periods and with the presentation and deposit of the Conversion Form properly completed and signed, at any Branch of USB BANK PLC.

Declarations for Conversion will only be valid and will be accepted for whole numbers of Convertible Bonds.

During the allocation of the new shares resulting from the exercise of the USBCB, any fractional balances below 0,5 will be ignored.

The Conversion Form is available on the website of the Bank, www.usbbank.com.cy (Investors Relations /Announcements), or will be made available via the email shares@usb.com.cy.

For additional information or clarifications, the investors may contact the telephone no 22883523 from Cyprus or telephone no. +00357 22883523 from abroad.

The USBCB to be converted must be registered in the holder's name and be free of any charge.

The conversion of USBCB into shares issued by the Bank will be possible if all data of the Convertible Bond Holder which are shown on the Conversion Form are duly completed.

The deposit of the Conversion Form as stated above makes the application for conversion of USBCB into shares of the Bank, irrevocable.

In the event of conversion, the holders of the USBCB will receive any earned interest of the current period of interest, as from the beginning of the mentioned period of interest up to the beginning of the conversion period.

For the conversion period 15 – 30 March 2012, the conversion price will be calculated, in accordance to the terms of the issue of the Convertible Bonds at the weighted average closing price of the Bank negotiated during the previous 30 trading days before the start of each conversion period. In relation with the Conversion price, there will be a later announcement from the Bank.