

February 28, 2012

General Manager,
The Cyprus Stock Exchange,
Nicosia

Dear Sir,

ANNOUNCEMENT

Approval of the Indicative Results of USB BANK PLC for the financial year 2011

We wish to inform you that at the meeting held on February 24, 2012 the Board of Directors of the Bank examined and approved the Indicative Results for the year ended December 31, 2011. The Indicative Results and the Explanatory Report are attached.

The Indicative Results and the Explanatory Report will be published in newspaper SIMERINI on Wednesday 29 February 2012.

Copies will be available free of charge to the shareholders of the Bank, at its registered office, 83 Digenis Akritas Avenue, 5th Floor, 1070, Nicosia and on the website of the Bank www.usbbank.com.cy in the section Investor Relations / Announcements.

Notification for Board of Directors meeting for the Final Results and Capital base issues

During the above meeting it has also been decided that the Board of Directors will meet on 24 April 2012 to examine and approve the audited financial results for the year ended December 31, 2011 as well as the capital base of the Bank in relation to the regulatory capital requirements.

Yours sincerely,



Andreas Theodorides
Secretary

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



RETRANSLATED

USB BANK PLC
INDICATIVE RESULTS FOR THE YEAR ENDED
31 DECEMBER 2011

On 24 February 2012 the Board of Directors of USB Bank Plc (the "Bank") reviewed and approved the unaudited indicative results of the Bank for the year ended 31 December 2011.

	2011	2010
	€000	€000
Turnover	39.806	33.981
Profit before provisions	4.287	392
Profit/(loss) after provisions for impairment of loans and advances	1.399	(6.534)
Provision for impairment of Greek government bonds	(7.212)	-
Loss after tax and provision for impairment of Greek government bonds	(6.248)	(6.534)
Loss per share (cent)	(11,3)	(14,4)
Customer deposits	522.291	470.571
Loans and advances to customers	449.421	382.735

Explanatory statement

Despite the difficult economic conditions, the intense recession and uncertainty resulting from the continuing financial crisis, it is important to highlight that the operational profit before provisions showed more than a 10-fold increase and amounted to €4.3 million in relation to a profit before provision of €392 thousand for the year 2010. After the provisions for impairment of loans and advances granted before the acquisition by BLC Bank of a majority stake in USB, the profit amounted to €1.4 million in relation to a loss of €6.5 million for the year 2010 which was followed by a €12 million capital increase subscribed entirely by BLC Bank.

During 2011, the Bank expanded significantly its turnover by 17%, increased its customer deposits by 11% and its lending portfolio by 17%.

On 26 October 2011, the Euro Summit announced a revised support plan for Greece, which includes a decision for the restructuring of Greek public debt and voluntary exchange of existing Greek government bonds held by private investors. The specific terms of the restructuring and exchange plan of the bonds as well as their accounting treatment had not yet been finalized when the Board of Directors convened to review of the Indicative Results.

On the basis of the above, the Bank for the year 2011 booked a provision for impairment on the Greek government bonds held of €7.2 million reducing their book value by 58% of their nominal value. As a result of the above impairment, the loss after tax for the year 2011 amounted to €6.2 million and is exclusively due to the Greek Government bonds.

In more detail, interest income increased by 20% resulting from the credit expansion achieved, where loans and advances increased from €383 million in 2010 to €449 million in year 2011 but also due to the increased returns of the investments of the available funds of the Bank. Respectively interest expense increased by 9% mainly because of the increase in the customer deposits from €471 million in 2010 to €522 million in 2011.

Other income increased by 8% in relation to the prior year as a result of the revaluation of properties while excluding this a decrease of 9% is shown as a result of the decrease of the income received from commissions.

Total other expenses of the Bank are increased by €833 thousand (6%) in relation to the prior year mainly because of the staff cost which represents 71% of the total expenses.

The provision for impairment of loans and advances remained at same levels as last year but due to the recoveries of previously impaired loans, the net provisions are decreased by 58% in relation to year 2010.

Particular emphasis is given to maintaining strong liquidity, with the gross loans to deposits ratio being 86% but also to the enhancement of the Bank's capital base. In May 2011 there was an increase in the share capital of the Bank by €12 million by its major shareholder BLC Bank SAL. The Board of Directors will review during its next meeting on the 24th of April 2012 the solvency requirements resulting from the above impairment of Greek government bonds in order to comply with the regulatory requirements but also to support USB Bank's growth.

Nicosia, 24 February 2012

Notes:

1. The audit of the Bank for the year ended 31 December 2011 by the external auditors is not yet completed.

The indicative results are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113. and in accordance to the Cyprus Stock Exchange Laws and Regulations.

The indicative results are prepared in accordance to the same accounting policies of the audited financial statements for the year 2010, except with the adoption of the new and amended IFRSs and Interpretations with effective date 1 January 2011. The adoption of the new and amended IFRSs and Interpretations did not have any impact on the indicative results.

2. The Bank's main activity is the provision of banking and financial services in Cyprus.
3. The indicative results and the explanatory statement for the year ended 31 December 2011 will be published to a newspaper on Wednesday 29 February 2012. Also copies will be made available for the Bank's shareholders at the Bank's registered office, 83 Digenis Akritas Avenue, 5th floor, 1070 Nicosia and on the Bank's internet site www.usbbank.com.cy under Investor Relations.