

April 26, 2012

Director,  
Cyprus Stock Exchange,  
71-73 Vyronos Avenue,  
Nicosia

Dear Sir,

### **ANNOUNCEMENT**

#### **DECISIONS OF THE MEETING FOR THE CAPITAL BASE**

The Board of Directors of USB Bank PLC (the "Bank") at its meetings held on 24<sup>th</sup> and 25<sup>th</sup> of April 2012, in an effort to strengthen the capital base of the Bank and to allow for growth, decided to convene an Extraordinary General Meeting of the members of the Bank on the 25<sup>th</sup> of May 2012 at the registered office of the Bank in order to propose for discussion and adoption the following resolutions:

- (a) That, the Board of Directors of the Bank be and is hereby authorised to issue and allot 29.824.562 new ordinary shares of €0,57 each at the issue price of €0,57 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 29.824.562 new ordinary shares of €0,57 will not be offered to the existing members of the Bank but will be issued and allotted at the price of €0,57 per share to BLC Bank SAL. The 29.824.562 new ordinary shares will rank pari passu with the existing fully paid shares of the Bank.

After the completion of the issue and allocation of 29.824.562 new shares, the Bank will take all necessary measures for their listing to the Cyprus Stock Exchange.

Upon adoption of the above resolutions and completion of the proposed Issue, the pro-forma Core Tier 1 Capital and Total Tier 1 Capital ratio indexed as at 31 December 2011 will reach 9.3% and 9.6% respectively in comparison to the minimum corresponding regulatory capital requirements 8% and 9.5%. In addition the Total Capital Adequacy ratio will reach 12.6% in comparison to the minimum regulatory Pillar I capital requirement of 11.5%.

**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

BLC Bank SAL has expressed its commitment to cover fully the above Issue following the approval of the above resolutions by the members of the Bank at the Extraordinary General Meeting of the Bank to be held on 25<sup>th</sup> May 2012 provided that an approval is granted by the Cyprus Securities and Exchange Commission in accordance with the Provisions of the Public Takeover Bids Law (L.41 (I) / 2007).

Due to the fact that the proposed Issue is not intended to be allotted to all existing members of the Bank, BLC Bank SAL has further expressed its commitment to dispose up to 1.310.459 number of ordinary shares at the price of €0,57 per share which represents the proposed Issue price of the new shares, to those registered members of the Bank who will within 30 days from the date of the Issue to BLC Bank SAL ("Expiry Date"), following the approval of the proposed resolution at the Extraordinary General Meeting, express their interest in acquiring such number of shares which correspond to the ratio and number that they will hold on the Expiry Date that 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.

With the successful completion of the Issue and allotment of 29.824.562 new ordinary shares, the issued share capital of the Bank will amount to €51.584.277,81 divided into 90.498.733 ordinary shares of nominal value of €0,57 each.

It is noted that BLC Bank SAL currently holds 58.008.213 shares that represent 95.61% of the issued share capital of the Bank. With the completion of the above issue and on condition that all necessary approvals will be secured, the stake of BLC Bank SAL in the share capital of the Bank will increase to 97.05% (excluding any possible disposal of shares by BLC Bank SAL mentioned above to the registered members of the Bank).

Yours sincerely,



Andreas Theodorides  
Secretary