

May 28, 2012

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

Dear Sir,

### **ANNOUNCEMENT**

#### **Decisions of the Extraordinary General Meeting of the shareholders of USB Bank PLC**

We wish to announce that the Extraordinary General Meeting (the "E.G.M.") of USB Bank PLC (the "Bank") took place at the Company's registered office on May 25, 2012 with the participation of shareholders in person or via proxy who represented 58.019.506 that is 95,62% of the total issued share capital of the Bank, of which 15.168.543 shares do not bear voting rights, as they have been suspended temporarily following the CYSEC remarks.

The E.G.M. examined and approved unanimously, the following resolutions:

#### **Resolution pursuant to article 59A of the Companies Law**

- (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.

The new 29.824.562 ordinary shares will rank pari pasu with the existing shares and after the completion of the Issue and allocation of the shares, the Bank will take all necessary measures for their listing to the Cyprus Stock Exchange.

The nominal value of the Bank will remain at €85.500.000 divided into 150.000.000 ordinary shares of nominal value €0,57 each.

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.

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At the above-mentioned E.G.M. the written Report of the Board of Directors of the Bank to the shareholders was presented, elaborating the reasons for the restriction of the pre-emption rights and justifying the proposed Issue price. Also, as it has been outlined in the said Directors' Report addressed to the shareholders of the Bank, reference was made on BLC Bank's SAL commitment to cover fully the above Issue, provided that an approval is granted to BLC Bank SAL by the Cyprus Securities and Exchange Commission in accordance with the Provisions of the Public Takeover Bids Law (L.41 (I) / 2007).

Furthermore, it was mentioned that, provided the aforementioned approval by the Cyprus Securities and Exchange Commission is obtained, BLC Bank SAL is committed following the completion of the Issue, 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"), express their interest in acquiring such number of shares which correspond to the ratio and number that they will hold on the Expiry Date. The number of 1.310.459 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.

Yours sincerely,



Andreas Theodorides  
Secretary

c.c. Chairman  
CySec