

October 19, 2012

General Manager,
The Cyprus Stock Exchange,
Nicosia

ANNOUNCEMENT

Issue and allotment of new shares

Further to our announcement dated May 28, 2012 we wish to inform you that the Board of Directors of USB Bank PLC (the «Bank»), decided on the 18th October 2012, pursuant to the shareholders' resolution dated May 25, 2012, to issue and allot 29.824.562 new ordinary shares to BLC Bank SAL of nominal value €0,57 at the issue price of €0,57 each (the "Issue") and that the Bank will take all necessary measures for their listing on the Cyprus Stock Exchange.

The Board of Directors of the Bank wish to confirm that 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, that is until the 16.11.2012 (the "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.

Following the Issue, 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 and 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.

Yours sincerely,



Andreas Theodorides
Secretary

c.c. Chairman of the Cyprus Securities & Exchange Commission

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