

29 May, 2015

Director,
Cyprus Stock Exchange,
Nicosia

Dear Sir,

ANNOUNCEMENT

Decisions of the Board of Directors

We wish to inform you that the Board of Directors of USB BANK PLC (the "Bank"), following the Extraordinary General Meeting (the "EGM") of the members of the Bank dated 28 May 2015, held a meeting and decided the following:

1. That, in view of the approval of the Special Resolution No.1 at the above EGM of the shareholders, the Bank will immediately proceed with the issue and allotment of 40.800.000 new ordinary shares of nominal value €0,10 to BLC Bank sal ("BLC Bank") at the issue price of €0,25 per share (the "Issue") and that the necessary measures will be taken for completion of this issue.
2. That, further to the decision of the Board of Directors of the Bank dated 20 April 2015 and further to the approval of the Special Resolution No.1 at the above EGM of the members of the Bank in relation with the issue and allotment of 40.800.000 new ordinary shares to BLC Bank, the Bank will proceed immediately with the commencement of the Redemption procedures to be effected on 30th of June 2015 for which the relevant approval of the Central Bank of Cyprus has been obtained, of the Capital Securities of €973.903 issued on the 1st January 2006, the Convertible Bonds (USBCB) of €1.209.060 issued on the 14th June 2010 and the Non-Convertible Bonds (USBSB) of €8.000.000 issued on the 30th December 2009, in accordance with their respective terms and conditions (collectively referred to as the "Redemption"), in cash at their nominal value together with any earned interest of the current period.

It is clarified that, pursuant to the aforesaid terms and conditions, all instruments which will be redeemed by the Bank will be cancelled and the Bank ceases to have any obligations in relation to them.

A relevant informative letter will be posted to the beneficiaries of the above instruments.

3. That, in view of the approval of the Special Resolution No.2 at the above EGM of the members of the Bank and following the completion of the Mandatory Public Takeover Bid of BLC Bank to the members of the Bank for the acquisition of up to 100% of the issued share capital of the Bank, the Board of Directors of the Bank will immediately proceed with the necessary actions for the delisting of the titles of the Bank from the Cyprus Stock Exchange (the "CSE").

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

SWIFT: UNVKCY2N

e-mail: usbmail@usb.com.cy

www.usbbank.com.cy

It is noted that, following the completion of the issue and allotment of 40.800.000 new ordinary shares to BLC Bank, the issued share capital of the Bank amounts to €20.673.733 divided into 206.737.330 ordinary shares of nominal value €0,10 per share.

Yours sincerely,



Andreas Theodorides
Secretary

c.c. Chairman, CySec