

28 July, 2016

## ANNOUNCEMENT

### DECISIONS OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF THE BANK

The Annual General Meeting ("AGM") of the shareholders of USB Bank PLC (the "Bank") which was held on Tuesday the 26<sup>th</sup> of July 2016 at the Hilton Hotel was attended, either physically or by proxy by shareholders representing 204.324.226 shares being 98,83% of the issued share capital of the Bank.

The AGM examined and approved by the necessary majorities the following:

- The Directors' Report, the Consolidated Financial Statements and the Independent Auditors Report for the year ended 31 December 2015.
- The re-election of the retiring Directors Messrs Maurice Sehnaoui, Fransa Invest Bank Sal represented by Mr. Mansour Bteish and Mr. Agis Taramides. Also, pursuant to the Articles of Association of the Bank, examined and approved the election of Messrs Ziyad Baroud and Henri Guillemin who were appointed at the Board of Directors of the Bank during the year 2015.
- The re-appointment of the Independent Auditors Messrs Deloitte Limited and authorised the Board of Directors to fix their remuneration.
- The Remuneration Report of the Board of Directors of the Bank for the year 2015.
- The revision of the remuneration of the Chairman and of the members of the Board of Directors, with retrospective effect as from the 1<sup>st</sup> August 2015, as follows:

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<b>Position</b>	<b>Annual Remuneration (€000)</b>
Chairman	40.000
Vice Chairman	25.000
Non-Executive members	17.500
Chairman of the Nominations and Internal Governance Committee	3.000
Members of the Nominations and Internal Governance Committee	1.500
Chairman of the Audit Committee	12.500
Members of the Audit Committee	5.000
Chairman of the Remunerations Committee	2.000
Members of the Remunerations Committee	1.000
Chairman of the Risk Committee	10.000
Members of the Risk Committee	4.000
Senior Independent member of the Board of Directors	2.000
Remuneration of members for each Board of Directors/Committee meeting	300

*In accordance with paragraph 81 of the Bank's Articles of Association, members are paid in addition to the above, their travelling, hotel and other expenses incurred in attending and returning from meetings or in connection with the business of the Bank.*

➤ The following 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 115.000.000 new ordinary shares of nominal value Euro 0,10 each at the issue price of Euro 0,20 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 115.000.000 new ordinary shares of nominal value Euro 0,10 will not be offered to all of the existing Members of the Bank on a pro rata basis but will be issued and allotted at the issue price of Euro 0,20 per share to BLC Bank SAL. The 115.000.000 new ordinary shares will rank pari passu with the existing fully paid shares of the Bank».

*It is noted that BLC Bank SAL, the majority shareholder of the Bank had made an irrevocable commitment to fully cover the required increase of capital of the Bank. To this end, it had deposited Euro 23 million in an escrow account to facilitate the issue of additional share capital not later than 30 September 2016, as per the Central Bank of Cyprus requirement, demonstrating its continued support to the Bank.*

*Due to the fact that the proposed issue would not be allocated to all existing members, BLC Bank SAL expressed its commitment to dispose up to 1.343.160 number of ordinary shares at the price of Euro 0,20 per share that represents the issue price of the new shares, to those registered members of the Bank who within 30 days from the date of the Issue to BLC Bank SAL ("**Expiry Date**"), following the approval of the above resolution at the Annual General Meeting, would 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 1.343.160 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.*

*The issue to BLC Bank SAL took effect on the 26<sup>th</sup> of July 2016 and therefore, the **Expiry Date is the 25<sup>th</sup> of August 2016.***

*In view of the successful completion of the issue and allotment of 115.000.000 new ordinary shares to BLC Bank SAL, the issued share capital of the Bank amounts to Euro 32.173.733 divided into 321.737.330 ordinary shares of nominal value of Euro 0,10 each.*

Yours sincerely,



Panayiota Charitonos  
Secretary