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USB BANK PLC

INDICATIVE RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

On 27 February 2013 the Board of Directors of USB Bank Plc (the "Bank") reviewed and approved the unaudited indicative results of the Bank for the year ended 31 December 2012.

	2012 €000	2011 €000
Turnover	**47.733**	39.806
Profit before provisions for impairment of loans and advances and revaluations of investments and properties	**4.762**	4.197
(Loss)/profit from sale and revaluation of investments and properties	**(713)**	90
Profit before provisions for impairment of loans and advances	**4.049**	4.287
Profit after provisions for impairment of loans and advances	**385**	1.399
Provision for impairment of Greek Government Bonds	**(504)**	(9.456)
Provision for impairment of investments available for sale	**(290)**	(470)
Loss for the year after tax	**(824)**	(8.961)
Loss per share (cent)	**(1,2)**	(16,1)

Customer deposits	**657.121**	522.291
Loans and advances to customers (gross)	**489.267**	449.421

Explanatory statement

In the midst of the economic recession and uncertainty with unprecedented developments for the Cyprus economy, USB Bank increased significantly its turnover by 20% from last year, its customer base by 26% and its loans and advances by 9%.

The primary objective of the Bank, is to maintain a satisfactory capital base and healthy liquidity, and for this purpose two share issues were made in year 2012 of €22 million from its major shareholder, BLC Bank SAL. As a result, the issued share capital of the Bank as at 31 December 2012 is €56.584.278 divided into 99.270.663 ordinary shares of nominal value of €0,57 each.

Based on the indicative results for the year ended 31 December 2012, the Bank fully complies with all the regulatory capital requirements. Specifically, the Core Tier 1 Capital and Tier 1 Capital ratio is 9,5% and 9,8% respectively in comparison to the minimum corresponding regulatory capital requirement of 8% and 9,5%. In addition the Total Capital ratio is 12,5% in comparison to the minimum regulatory under Pillar I capital requirement of 11,5%.

Furthermore, the Bank maintains its liquidity at high levels, with the ratio of gross loans to deposits being 74% as at 31 December 2012 in comparison to 86% as at 31 December 2011.

The interest income increased by 21% as a result of the credit expansion achieved during the current year, with the gross loans and advances increasing by 9% compared to the end of 2011 reaching €489 million as at 31 December 2012. Respectively the interest expense increased by 28% mainly due to the increase of customer deposits from €522 million in 2011 to €657 million in 2012.

Other income increased by 22% resulting from the increase in the Bank's turnover.

The Bank's administration expenses increased by 14% in relation to last year, mainly due to the increase in staff costs as part of the Bank's plan for enhancement of the human capital in order to support expansion.

The economic conditions affected adversely the prices of immovable property and shares and as a result the Bank recognised a loss of €358 thousand relating to sales of trading securities, while a loss of €355 thousand was recognised from the revaluation of investment properties which were acquired by the Bank in settlement of customer debts. The investment properties are presented at the reporting date at their estimated fair value. In addition, the Bank booked a loss of €290 thousand relating to impairment of available for sale investments.

Due to the deterioration of the economic conditions, the provisions for impairment of loans and advances increased in relation to last year and amount to €3,7 million compared to €2,9 million in 2011.

The Bank following the finalization and exchange of the Greek Government Bonds on the 12 March 2012, proceeded to recognize an additional impairment of €504 thousand on the new Greek bonds, which represents the difference between the market value and the present value of the new securities and as a result the new bonds were recognised at their market value of €849 thousand. The Bank proceeded with the sale of the new Greek Governement Bonds in December 2012 and as a result as at 31 December 2012 the Bank does not hold any investments issued by the Greek Government.

As a result of the above, the loss for the year 2012 amounts to €824 thousand in relation to a loss of €8,9 million in the previous year.

27 February 2013

Notes:

1. The audit of the Bank for the year ended 31 December 2012 by the external auditors is not yet completed.
   The indicative results are prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113. and in accordance to the Cyprus Stock Exchange Laws and Regulations.
   The indicative results are prepared in accordance to the same accounting policies of the audited financial statements for the year 2011, except with the adoption of the new and amended IFRSs and Interpretations with effective date 1 January 2012. The adoption of the new and amended IFRSs and Interpretations did not have any impact on the indicative results.

2. The Bank's main activity is the provision of banking and financial services in Cyprus.

3. The indicative results and the explanatory statement for the year ended 31 December 2012 will be published to a newspaper on Friday 1 March 2013. Also copies will be made available for the Bank's shareholders at the Bank's registered office, 83 Digenis Akritas Avenue, 5th floor, 1070 Nicosia and on the Bank's internet site www.usbbank.com.cy under Investor Relations.