English Retranslated Version

USB BANK PLC

Unaudited Interim Management Statement for the period from 1 July 2011 to 4 November 2011

The Interim Management Statement of USB Bank Plc (the 'Bank') for the period from 1 July 2011 to 4 November 2011, is prepared in accordance to Article 11 of the Transparency Law of 2007 (L.190 (I)/2007).

1. Explanation of material events and transactions

The current economic situation is characterized by an intense economic recession and uncertainty due to the ongoing economic crisis. At the European Summit held on 26 October 2011, the European Council adopted a series of measures with the purpose of dealing with the current financial crisis within the Eurozone and the restoration of the stability and confidence in the markets. In addition to other matters, the heads of the members of the European Union agreed to a rescue plan for Greece (the "plan") with the voluntary participation of the private sector with a nominal discount of 50% on the Greek government bonds held. Up to the date of the issuance of the Unaudited Interim Management Statement the exact terms of the plan have not been announced. The Bank's exposure in Greek government bonds is limited and amounts to €12.5 million, with an impairment of €3.1 million already being recognized as at 30 June 2011 representing 21% of their value. The Bank is in a position to easily cover possible capital needs that may arise from any further impairment resulting from the recent decision of the European Summit dated 26 October 2011.

Within the current economic environment, the Bank improved its profitability, increased its turnover and its customer deposits while maintaining high liquidity. Particular attention is given in the effective management of credit risk while the continuous support of the holding company, BLC Bank, ensures its successful growth.

During this period there were no other material transactions other than the Bank's ordinary operations that affected significantly the Bank's financial statements and no other profit or loss occurred from non-recurring activities other than the Bank's ordinary operations.

2. Financial Results for the three month period from 1 July 2011 to 30 September 2011

Despite the adverse economic conditions and environment, the Bank's turnover for the three month period ended 30 September 2011 is increased by 15% in relation to the corresponding period of the previous year, reaching €10 million in relation to €8.7 million, while maintaining high liquidity, with the gross loans to deposits ratio being 84% as at 30 September 2011 in relation to 78% for September 2010.

Interest income is increased by 17% resulting from the increased return on investments, of available funds and the credit expansion achieved in the current period. The gross loans are increased by 12% in relation to the prior year period from €377 million as at 30 September 2010 to €421 million as at 30 September 2011.

As a result of the increase in customer deposits, from €481 million as at 30 September 2010 to €499 million as at 30 September 2011 and from the increase in interbank lending, interest expense increased by 8%.

Other income which comprise of commission income and fees indicates a small decrease of 3% in relation to the 3 month period of 2010.

Total administration expenses increased by 4% because of the increase in staff cost which represents 71% of the total amount.

As a result of the above the Bank increased its profitability for the three month period under review with the profit before provisions amounting to €1.1 million in relation to a profit of €278 thousand for the corresponding period of the previous year.

Due to the deterioration of the economy, the provision charge on loans and advances is increased in relation to the prior period but due to the collection of previously impaired loans, the net provisions shows a recovery of €370 thousand.

The profit for the Bank for the period under review amounts to €1.4 million compared to a loss of €129 thousand for the corresponding period of the previous year.

In case the proposed 50% haircut on the Greek government bonds announced on 27 October 2011 is confirmed, an additional impairment of approximately €3.6 million will be accounted for and the capital required to comply with the new European directives calling for a 9% Core Tier 1 capital by 30 June 2012 will be approximately €7 million and shall be covered by the expected 2012 first half profits plus, if needed, a capital increase by the shareholders and mainly its majority shareholder, BLC Bank (Lebanon).

Nicosia, 4 November 2011