

**Summary Note
dated 30 October 2017**

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended (the "Prospectus Regulation").

**Rights Issue of
1 New Share for every 4 Existing Shares at an Offer Price of
€1.43 per New Share**

in

BANK OF VALLETTA P.L.C.

(a public limited liability company registered under the laws of Malta with company registration number C 2833)

and in the event that any Rights to subscribe for New Shares are not taken up by Eligible Participants they shall be allocated to: (i) Existing Shareholders that have accepted their Proportionate Entitlement in full and applied for Lapsed Rights; (ii) Employees; and (iii) to the general public in Malta through an Intermediaries Offer, in this order of preference

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE NEW SHARES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE NEW SHARES ARE BEING OFFERED AND WILL BE ISSUED IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE NEW SHARES AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN THE NEW SHARES.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THE NEW SHARES.

A PROSPECTIVE INVESTOR SHOULD SEEK INDEPENDENT INVESTMENT ADVICE BEFORE DECIDING TO INVEST IN THE NEW SHARES. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE NEW SHARES AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE BOARD OF DIRECTORS



Taddeo Scerri

*Signing in his capacity as Chairman and Director of the Issuer and
as a duly appointed agent of all the other Directors of the Issuer.*

Legal Counsel

Joint Sponsors

Manager & Registrar

CAMILLERI PREZIOSI
ADVOCATES

 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

Jesmond Mizzi
FINANCIAL ADVISORS

BOV
Bank of Valletta

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONTAINS INFORMATION ON A RIGHTS ISSUE TO EXISTING SHAREHOLDERS OF THE BANK AND THE OFFER OF LAPSED RIGHTS AND IS DRAWN UP IN COMPLIANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE PROSPECTUS REGULATION.

THE BANK IS OFFERING THE NEW SHARES ON A PRE-EMPTIVE BASIS TO EXISTING SHAREHOLDERS AND IS HEREBY ISSUING NIL PAID RIGHTS IN A RATIO OF 1 RIGHT FOR EVERY 4 SHARES HELD BY EXISTING SHAREHOLDERS. EACH ALLOCATED RIGHT SHALL ENTITLE EXISTING SHAREHOLDERS OR THEIR ASSIGNEES TO SUBSCRIBE FOR ONE (1) NEW SHARE IN THE BANK FOR EACH RIGHT ALLOCATED AT AN OFFER PRICE OF €1.43.

THE RIGHTS ARE RENOUNCEABLE AND ASSIGNABLE BY EXISTING SHAREHOLDERS BY INSTRUMENT IN WRITING USING THE APPLICABLE FORMS WHICH WILL BE MAILED BY THE ISSUER TO EXISTING SHAREHOLDERS. NO MARKET WILL BE MADE IN THE RIGHTS ON THE MSE. ACCORDINGLY, THE RIGHTS CANNOT BE TRADED AS A SEPARATE FINANCIAL INSTRUMENT ON THE MSE.

RIGHTS WHICH ARE NOT SUBSCRIBED TO BY ELIGIBLE PARTICIPANTS SHALL CONSTITUTE LAPSED RIGHTS AND WILL BE ALLOCATED TO: (I) EXISTING SHAREHOLDERS THAT HAVE ACCEPTED THEIR PROPORTIONATE ENTITLEMENT IN FULL AND APPLIED FOR LAPSED RIGHTS; (II) EMPLOYEES; AND (III) THE GENERAL PUBLIC THROUGH AN INTERMEDIARIES OFFER, IN THIS ORDER OF PREFERENCE, AND SUBJECT TO SCALING DOWN IN ACCORDANCE WITH THE PROSPECTUS.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE BANK OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE RIGHTS, THE OFFER OF LAPSED RIGHTS OR THE NEW SHARES OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN IN CONNECTION WITH THE OFFER OF NEW SHARES HEREBY MADE, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE BANK, ITS DIRECTORS OR ADVISERS.

NONE OF THE ADVISERS OR ANY PERSON MENTIONED IN THIS PROSPECTUS, OTHER THAN THE ISSUER AND ITS DIRECTORS, ARE RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY SUPPLEMENT THEREOF OR ANY DOCUMENTS INCORPORATED BY REFERENCE, AND ACCORDINGLY, TO THE EXTENT PERMITTED BY THE LAWS OF ANY RELEVANT JURISDICTION, NONE OF THESE PERSONS ACCEPTS ANY RESPONSIBILITY AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OF THESE DOCUMENTS.

THIS SUMMARY NOTE DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER, SOLICITATION OR INVITATION TO SUBSCRIBE FOR THE RIGHTS OR LAPSED RIGHTS OR THE NEW SHARES BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND (I) ANY EXISTING SHAREHOLDER TO WHOM THIS OFFER AND A FORM OF ACCEPTANCE, AUTHORITY AND ELECTION IS ADDRESSED; (II) ANY PERSON WISHING TO SUBSCRIBE FOR ANY NEW SHARES PURSUANT TO AN ASSIGNMENT OF RIGHTS FROM AN EXISTING SHAREHOLDER; (III) EMPLOYEES SUBSCRIBING TO NEW SHARES BY WAY OF ACQUISITION OF LAPSED RIGHTS AND; (IV) ANY PERSON SUBSCRIBING TO NEW SHARES BY WAY OF ACQUISITION OF LAPSED RIGHTS THROUGH THE INTERMEDIARIES OFFER, TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION.

EXISTING SHAREHOLDERS WISHING TO ACCEPT ALL OF THE RIGHTS ALLOCATED TO THEM AND SUBSCRIBE FOR LAPSED RIGHTS OR, OTHERWISE OPTING TO ACCEPT PART AND/OR ASSIGN PART OR ALL OF THEIR RIGHTS, SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF ACCEPTING SUCH ALLOCATION OR OF ASSIGNING THEIR RIGHTS TO THIRD PARTIES TO SUBSCRIBE FOR NEW SHARES, AS WELL AS ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE AND THE COUNTRIES OF THE NATIONALITY, RESIDENCE OR DOMICILE OF THOSE PERSONS IN WHOSE FAVOUR THEY MAY ASSIGN THEIR RIGHTS FOR THE SUBSCRIPTION OF NEW SHARES.

IN ADDITION: (I) ASSIGNEES OF THE RIGHTS AGREEING TO SUBSCRIBE FOR NEW SHARES THROUGH AN ASSIGNMENT FROM AN EXISTING SHAREHOLDER; (II) EMPLOYEES APPLYING TO SUBSCRIBE TO NEW SHARES; AND (III) APPLICANTS APPLYING TO SUBSCRIBE TO NEW SHARES THROUGH THE INTERMEDIARIES OFFER, SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS TO SUBSCRIBE FOR NEW SHARES AS WELL AS ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND FISCAL OBLIGATIONS IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE RIGHTS ISSUE AND THE OFFER OF LAPSED RIGHTS IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE BANK THAT WOULD PERMIT A PUBLIC OFFERING OF THE NEW SHARES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3(2) OF SAID DIRECTIVE, THE NEW SHARES CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN THE SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE BANK OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE SAID DIRECTIVE.

THE RIGHTS AND THE NEW SHARES HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, 1933. FURTHERMORE, THE BANK WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940, AS AMENDED, AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BYE LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE LISTING AUTHORITY AND THE MSE FOR THE NEW SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE.

UNLESS OTHERWISE STATED IN THIS DOCUMENT, THE CONTENTS OF THE BANK’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE BANK’S WEBSITE, DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY, NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE NEW SHARES.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTION PROPOSED IN THE PROSPECTUS, AND/OR THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL ADVISER BEFORE DECIDING TO MAKE AN INVESTMENT IN THE NEW SHARES.

THIS DOCUMENT, THE FAAEs, APPLICATION FORMS AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY NEW SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THE RIGHTS ISSUE, THE OFFER OF LAPSED RIGHTS OR ANY AGREEMENT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE IN ANY OTHER COMPETENT JURISDICTION.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS.

This Summary Note is prepared in accordance with the requirements of the Prospectus Regulation.

A summary note is made up of disclosure requirements known as ‘Elements’. These Elements are numbered in Sections A – E (A.1– E.7). This Summary Note contains all the Elements required to be included in a summary for the type of securities being offered pursuant to this Prospectus and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the Summary Note with the mention of ‘Not Applicable’.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

SECTION A INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- i. this Summary Note is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to the Prospectus. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary Note in making a decision as to whether to invest in the securities described in the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- ii. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the Summary Note including any translation thereof, and who applied for its notification, but only if the Summary Note, when read together with the other parts of the Prospectus is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the securities being offered pursuant to the Prospectus.

A.2 Not Applicable.

SECTION B COMPANY

B.1 The legal and commercial name of the Issuer is Bank of Valletta p.l.c.

B.2 The Issuer was registered in Malta, on the 21 March 1974. The Issuer is registered as a public limited liability company in terms of the Act.

B.3 The following is an overview of the key factors relating to the nature of the Issuer's current operations and its principal activities, as well as the principal markets in which it operates:

The Issuer is a commercial bank, operating, together with its Subsidiaries, predominantly in Malta, with an average number of employees of 1,814 and 37 branches as at 31 August 2017. The Group offers banking, financial and investment services and connected activities within the domestic Maltese market. The Group has three representative offices in each of Milan, Brussels and Libya. In the latter case, the Bank has retained its licence to operate the office, but has temporarily suspended operations in view of the prevailing situation in Libya. The Issuer does not operate any licensable activities in any of these jurisdictions.

The principal activities of the Issuer comprise the following:

- The receipt and acceptance of customers' monies for deposit in current, savings and term accounts which may be denominated in Euro and other major currencies.
- The provision of loans and advances to a wide array of customers, ranging from the private individual, businesses and industries, including also trade finance services to exporters, importers and traders. Loans and advances include: (i) short-term and longer-term loans; and (ii) overdrafts.
- The provision of investment services, covering a comprehensive suite of investment products and services that meet the customers' needs throughout their lifecycle, including stockbroking, advisory and discretionary portfolio management services. Such services are offered to both retail as well as institutional clients.

In most part, the activities of the Issuer are licensable activities regulated under the domestic and EU financial regulatory framework. In this respect, the Issuer is licensed by the MFSA:

- As a credit institution under the Banking Act; and
- As a category 3 and 4A licence holder in terms of the Investment Services Act (Cap. 370 of the laws of Malta), authorising it to provide a number of investment services to retail, professional and eligible counterparties.

B.4a At the date of publication of the Prospectus, with the exception of the macroeconomic conditions and market conditions generally, as well as the impact of legislation and regulations applicable to the Issuer and to other financial institutions within the Eurozone, the Issuer does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer's business for at least up to the end of the current financial year.

B.4b Not Applicable.

B.5 The Issuer is the parent company of the Group. The Issuer is the sole direct shareholder of the two subsidiary companies forming part of the Group, these being BOV Asset Management Limited and BOV Fund Services Limited. BOV Asset Management Limited (formerly known as Valletta Fund Management Limited) provides management services to collective investment schemes as well as portfolio management services to institutional clients. BOV Fund Services Limited (formerly known as Valletta Fund Services Limited) was registered in Malta under the Act and is: (a) recognised by the MFSA to provide fund administration services; and (b) registered to act as company service provider in terms of the Company Service Providers Act (Cap. 529 of the laws of Malta).

The Issuer holds a 50 per cent equity interest in MAPFRE MSV Life p.l.c., a company that operates as a life assurance business and which is licensed under the Insurance Business Act (Cap. 403 of the laws of Malta). The Issuer also holds 31.08% equity interest in MAPFRE Middlesea p.l.c, a company that operates the business of insurance, including group life assurance and which is licensed under the Insurance Business Act (Cap. 403 of the laws of Malta).

B.6 To the extent known by the Issuer, direct or indirect control of the Issuer is not vested in any one single entity or person. As at the date of the Prospectus, the Issuer is not aware of any arrangements, the operation of which may, at a subsequent date, result in a change of control of the Issuer.

The following shareholders hold in excess of 5% of the share capital of the Issuer having voting rights:

Government of Malta	25.23%
UniCredit S.p.A.	14.55%

B.7 The following table depicts key financial information extracted from the audited consolidated annual financial statements of the Issuer for the financial years ended 30 September 2016, 30 September 2015 and 30 September 2014 and unaudited consolidated interim financial statements of the Group for the six months ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014.

	31 Mar-17	30 Sep-16	31 Mar-16	30 Sep-15	31 Mar-15	30 Sep-14	31 Mar-14
Authorised share capital (ordinary shares of €1.00 each) ('000)	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Ordinary shares in issue of €1.00 each ('000)	420,000	390,000	390,000	360,000	360,000	330,000	330,000
Total assets (€'000)	11,305,810	10,722,851	10,496,201	9,901,962	9,042,441	8,296,791	7,734,102
Total liabilities (€'000)	10,552,945	9,993,690	9,790,094	9,231,773	8,401,521	7,682,322	7,148,690
Total equity (€'000)	752,865	729,161	706,107	670,189	640,920	614,469	585,412
Common Equity Tier 1 ratio	13.1%	12.8%	12.3%*	11.3%	11.8%	11.7%	11.3%
Total Capital Ratio	16.8%*	16.8%	16.6%*	13.4%	14.3%	14.5%	16.0%

There has been no material adverse change in the prospects of the Group since 30 September 2016 (date of the Group's last published audited consolidated financial statements). Further, there has been no significant change in the financial or trading position of the Group subsequent to the period covered by the historical financial information.

** This ratio does not feature in the unaudited consolidated interim financial statements of the Group, but has been included in the above table for comparative purposes.*

B.8 Not Applicable.

B.9 The table below provides a summary of the consolidated statements of profit and loss of the Group for the year ended 30 September 2016 and for the interim period 1 October 2016 to 30 September 2017 as well as the forecasted statements of profit and loss for the interim period 1 October 2017 to 31 December 2017.

Statements of Profit or Loss			
	Financial year ended 30 September 2016 (Audited)	Interim period 1 October 2016 to 30 September 2017 (Unaudited)	Interim period 1 October 2017 to 31 December 2017 (Unaudited)
	€'millions	€'millions	€'millions
	Actual	Actual	Forecast
Net Interest margin	149	147	37
Fee and commission income	88	89	22
Costs	(113)	(120)	(30)
Impairment	(23)	8	(2)
CORE PROFIT	101	124	27
Share of profit of equity-accounted investees	4	14	-
Gain on Visa transaction	28	-	-
Fair value movement	13	6	1
Profit before tax	146	144	28

B.10 Not Applicable: the audit report on the audited consolidated financial statements for the financial year ended 30 September 2016 does not contain any qualifications.

B.11 Not Applicable: the Issuer's working capital is considered sufficient for the Issuer's present requirements.

SECTION C SECURITIES

C.1 The Bank shall issue nil paid rights in a ratio of 1 Right for every 4 Shares held by Existing Shareholders which shall entitle Existing Shareholders or their Assignees to subscribe for one (1) New Share in the Bank for each Right allocated at an Offer Price of €1.43.

The Rights are renounceable and assignable by Existing Shareholders using the forms available but no market will be made in the Rights on the MSE. Accordingly, the Rights cannot be traded as a separate financial instrument on the MSE.

Rights which are not subscribed to by Eligible Participants by 6 December 2017 shall constitute Lapsed Rights and will be offered to: (i) Existing Shareholders who would have accepted their Proportionate Entitlement in full and applied for Lapsed Rights; (ii) Employees; and (iii) the general public through an Intermediaries Offer, in this order of preference.

The New Shares will be issued in fully registered and dematerialised book-entry form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Bank. On admission to trading the Shares will have the following ISIN: MT0000020116.

C.2 The New Shares are denominated in Euro (€).

C.3 The Issuer has an issued share capital of €420,000,000 divided into 420,000,000 ordinary shares of a nominal value of €1.00 per share, each fully paid-up. Through a resolution taken at an extraordinary general meeting held on the 27 July 2017, the Board of Directors was authorised to increase the Issuer's issued share capital up to a total of €580,000,000 divided into 580,000,000 shares of €1.00 per share, through the issue of new shares.

C.4 The New Shares form part of the only class of Ordinary Shares in the Issuer and shall accordingly have the same rights and entitlements as all other Ordinary Shares currently in issue in the Issuer. The following are highlights of the rights attaching to the Shares:

- i. The New Shares shall carry the right to participate in any distribution of dividend declared by the Issuer *pari passu* with any other Ordinary Shares in the Issuer;
- ii. Each New Share shall be entitled to one vote at meetings of Shareholders; and
- iii. The New Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether in the context of a winding up or otherwise, *pari passu* with all other Ordinary Shares of the Issuer.

C.5 The New Shares are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

C.6 Application has been made to the Listing Authority for the admissibility of the New Shares to listing and to the MSE for the New Shares to be listed and traded on its Official List.

C.7 In determining dividend pay-outs, the Group adopts a prudent approach which aims to ensure that an adequate amount of earnings is retained to strengthen the Tier 1 capital base. Indeed, as from FY 2016, the Bank's approach to dividend pay-outs is to determine the same with reference to a target CET1 ratio such that sufficient earnings are retained to enable the Bank to reach the aforementioned target ratio, with the remaining profit then being deemed eligible for distribution.

SECTION D RISKS

D.1 Key information on the key risks specific to the Issuer or its industry:

An investment in the New Shares involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to invest in the New Shares.

This Prospectus contains statements that are, or may be deemed to be “forward-looking statements.” They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer’s strategy, current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer’s strategy and business plans, results of operations, financial condition, liquidity, prospects, dividend pay-out approach and the market in which it operates.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled “Risk Factors” in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer’s future performance.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investment in the New Shares involves certain risks, including those described below.

An investment in the Issuer and the New Shares may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the New Shares before making an investment decision.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the New Shares – there may be other risks which are not mentioned in this Summary Note.

Risks relating to the Strategic Initiatives

The increase in share capital is one of the main measures of the Bank’s Strategic Initiatives. Accordingly, unless the Bank can strengthen its capital buffers through additional CET1, its ability to sustain further growth within the parameters of the new regulatory framework, may be significantly curtailed. Failure to improve the capital base would also have an adverse impact on the Bank’s ability to sustain its current dividend pay-out approach and would entail that the Bank’s ability to proceed with the payment of dividends to Shareholders would be curtailed, if not altogether prohibited, until the new capital requirements are met to the satisfaction of the Regulatory Authorities. This could have a significant impact on the Issuer’s overall business, operational results and financial and capital condition.

In such an event, the Bank could also be subject to measures by the Regulatory Authorities involving its management including the imposition restrictions on assets and/or the sale of assets should this result in serious risks to the financial condition of the Bank.

Credit Risk and Risk of Credit Quality Deterioration

The activity, financial and capital strength and profitability of the Issuer also depend on the creditworthiness of its customers, among other things. In carrying out its credit activities, the Issuer is exposed to the risk that an unexpected change in the creditworthiness of a counterparty may generate a corresponding change in the value of the associated credit exposure and give rise to the partial or total write-down thereof.

Risks associated with Capital Adequacy

The Issuer is required to adhere to capital adequacy regulations which require it to maintain appropriate capital resources both in terms of quantity and quality. As an other systemically important institution (“O-SII”), the Issuer must fulfil supplementary requirements concerning the amount of CET1 capital it must hold as a buffer. In addition, as a result of the SREP which banks within the EU, including the Issuer, are subjected to once a year, the applicable prudential limits setting out the specific measures which every bank needs to implement in the following year, including the minimum amount of capital, are communicated by the Regulatory Authorities.

The rules on capital adequacy for banks define the prudential minimum capital requirements, the quality of capital resources, and risk mitigation instruments. Non-compliance with these capital requirements may have a significant impact on the Bank’s operations and future sustainability.

Liquidity Risk

Liquidity risk refers to the possibility that the Issuer may find itself unable to meet its current and future, anticipated and unforeseen cash payment and delivery obligations without impairing its day-to-day operations or financial position. The activity of the Issuer is subject in particular to funding liquidity risk, market liquidity risk, mismatch risk and contingency risk.

Market Risk

Market risk involves the risk that the Bank’s earnings or capital will be adversely affected by the volatility of market rates or prices such as interest rates, credit spreads and foreign exchange rates. In the event that any of the foregoing market risks were to occur, the Issuer may experience significant losses in the value of its investment portfolio, that would consequently have a significant adverse impact on the operations and financial performance of the Bank as well as the value of its assets.

Concentration Risk

Concentration risk arises due to a high level of exposure by the Bank to individual issuers or counterparties (single name concentration) or a group of connected clients or a high level of exposure within industry sectors and geographical regions (sectoral concentration). Given the size and nature of the domestic financial sector and the local economy, the Bank is exposed to concentration risk in its credit business. The Bank’s investment portfolio may also be exposed to concentration risk derived from excessive reliance on the same country, counterparty, sector or currency. In addition, the deposit base of the Issuer primarily consists of customers located in Malta and other EU countries. As a result, the Issuer is highly exposed to any economic trends affecting Malta specifically and the EU generally, which if negative may have an adverse effect on the Issuer, its business and results of operations and financial condition.

Move from BBR to Euribor

The increase in competition for credit in the local sector is leading to pressure on the Bank to move from its BBR in pricing its loans to Euribor. This situation, if material, would have an effect on the net interest margin of the Bank and would therefore impact the financial position of the Group.

Operational Risk

Operational risk is the risk of loss due to errors, infringements, interruptions and damages caused by inadequate or failures in internal processes or personnel or systems or caused by external events. Any losses arising from such failures, could have a material adverse effect on the Issuer’s business, financial condition, results of operations and prospects and could materially adversely affect its reputation.

Risks relating to Information Technology

The Issuer depends on its information technology systems to process a large number of transactions on an accurate and timely basis, and to store and process substantially all of the Issuer's business and operating data. The Issuer's business activities would be materially disrupted if there were a partial or complete failure of any of these information technology systems or communication networks. In addition, any failure or delay in recording or processing the Issuer's transaction data could subject the Issuer to claims for losses and regulatory fines and penalties.

Information Security Risk

Loss or leakage of confidential information could have a material adverse effect on the operations and performance of the Issuer.

Reputational Risk

Reputational risk is the current or future risk of a loss or decline in profits or share value as a result of a negative perception of the Issuer's image by customers, counterparties, shareholders, investors or regulators. The Issuer believes that if any of these risks were to occur it could result in a material adverse effect on the operations and performance of the Issuer.

Business Risk

Business risk is defined as a measurement of the variance between unanticipated unfavourable changes in future profit margins of the Issuer and those forecasted. It can lead to serious losses and therefore impact the Issuer's capital.

Strategic Risk

Strategic risk is the risk of suffering potential losses due to decisions or radical changes in the business environment, improper implementation of decisions, lack of responsiveness to changes in the business environment, with negative impact on the risk profile and consequently on capital, earnings as well as the overall direction and scope of the Bank in the long run.

Risks connected with Legal Proceedings in Progress and Supervisory Authority Measures

As at the date of the Prospectus, the Bank and the Group companies are defendants in several legal proceedings. Moreover, from time to time, past and present directors, officers and employees may be involved in civil and/or criminal proceedings, the details of which the Group may not lawfully know about or communicate. The Group is also required to deal appropriately with various legal and regulatory requirements in relation to certain aspects of its activity, such as conflicts of interest, ethical issues, anti-money laundering laws, client assets, competition law, privacy and information security rules and others. Actual or alleged failure to do so may lead to additional litigation and investigations and subjects the Group to damages claims, regulatory fines, other penalties and/or reputational damages.

Risks related to the Distribution of Dividends

The capacity of the Issuer to distribute dividends depends on the compliance of the minimum applicable capital requirements based on the regulations in force, specifically the overall capital requirements, where failure to comply involves the need to calculate the Maximum Distributable Amount. Therefore, albeit the Issuer may have distributable profits pursuant to its statutory financial statements, the Issuer would not be able to pay dividends in the case of failure to comply with these prudential regulatory provisions.

The distribution of dividends could, also, in future, be excluded or limited by the need to comply with capital requirements laid down by legal and/or regulatory rules applicable to the Group and/or imposed by the rules concerning Maximum Distributable Amount.

Risks associated with Borrowings and Evaluation Methods of the Issuer's Assets and Liabilities

In conformity with the framework dictated by International Accounting Standards, the Issuer should formulate evaluations, estimates and theories that affect the application of accounting standards and the amounts of assets, liabilities, costs and revenues reported in the financial statements, as well as information relating to contingent assets and liabilities. The estimates and related hypotheses are based on past experience and other factors considered reasonable in the specific circumstances and have been adopted to assess the assets and liabilities whose book value cannot easily be deduced from other sources.

The application of IAS by the Issuer reflects the interpretation and decisions made with regard to said principles. In particular, the measurement of fair value is regulated by IFRS 13 "*Fair Value Measurement*".

In addition to the risks implicit in the market valuations for listed instruments, the risk of uncertainty in the estimate is essentially inherent in calculating the value of: (i) the fair value of financial instruments not listed on active markets; (ii) receivables, equity investments and, in general, all other financial assets/liabilities; (iii) severance pay and other employee benefits; (iv) provision for risks and charges and contingent assets; (v) goodwill and other intangible assets; (vi) deferred tax assets; and (vii) real estate. The quantification of these items subject to estimation can vary quite significantly in time depending on certain trends.

Risks arising from the Issuer's Custody Business

The Issuer acts as custodian to a number of professional investor funds ("PIFs"), UCITS funds and alternative investment funds ("AIFs") (collectively "CISs"). When acting as custodian of UCITS, AIFs and PIFs marketed to experienced investors, the Issuer is (broadly) in terms of applicable regulation: (a) liable for loss of financial instruments held in custody; and (b) is also liable for all other losses suffered by such investment funds and unit holders therein as a result of the Issuer's negligent or intentional failure to properly fulfil its obligations pursuant to applicable law. The liability of the Issuer is not affected by any delegation of services. When acting as custodian of PIFs marketed to qualifying and extraordinary investors, the Issuer is, in terms of applicable regulation (broadly) liable for any loss or prejudice suffered by the PIF or the unit-holders due to the Issuer's fraud, wilful default or negligence including the unjustifiable failure to perform in whole or in part the custodian's obligations arising pursuant to applicable law and the relevant custody agreement in place. With respect to PIFs marketed to qualifying and extraordinary investors, the Issuer's liability is similarly not affected by delegation of safekeeping functions, however it may (in certain instances) be varied or reduced with the written consent of the PIF or the manager acting on behalf thereof.

In the event that such liability arises, this could impact the financial performance of the Issuer.

Risks arising from the Issuer's Trusts Business

The Bank's trust unit was established in 2005, when the Bank was granted authorisation by the MFSA to offer trustee services in terms of the Trusts and Trustees Act (Cap. 331 of the laws of Malta). The Issuer has decided to wind down its trust business. However until such time as the trust business is wound down and, possibly even thereafter, liability of the Issuer could materialise in respect of the Bank's trust business due to (amongst others), negligence of the Issuer in the performance of its functions, loss of assets settled on trust and any breaches of the Issuer's contractual obligations. In the event that such liability arises, this could impact the financial performance of the Issuer. Such liabilities in relation to the trust business are taken into account in the capital allocation of the Issuer.

Risks arising from the Bank's International Corporate Centre

The Issuer's international corporate centre ("ICC") houses a large number of deposit accounts held by the Issuer's international corporate clients. The level of information required in order for the Issuer to comply with know-your-customer and other due diligence requirements may be very cumbersome when international corporate clients are comprised of complex corporate structures. In such instances, the identification of the ultimate beneficial owners and/or the sources of funds and wealth may be difficult to determine. Such situations present serious legal, regulatory and reputational risks for the

Issuer and potential financial risks due to the fact that the Issuer may not be able to detect money laundering and terrorist financing in respect of its international clients.

Risks connected with the Collection, Storage and Processing of Personal Data

The activity conducted by the Group is subject to the rules governing the processing of personal data in terms of the Data Protection Act (Cap. 440 of the laws of Malta) and subsidiary legislation issued thereunder (the “DPA”). The Group has adapted its internal procedures to comply with the DPA. However, the Group remains exposed to the risk that data collected could be damaged or lost, disclosed or processed for purposes other than as permitted in the DPA. The possible damage or loss of customer data, in the same way as its unauthorised processing or disclosure, would have a negative impact on the activity of the Issuer, in reputational terms too, and could lead to the imposition of fines.

Risks connected with the Performance of the Property Market

The Issuer is exposed to the risks of the property market. Any downturn in the property market could result in the Group having to make impairments to the real estate it owns or holds as collateral at a value that is higher than the recoverable value, with consequent negative effects, including significant ones, on the operating results and capital and financial position of the Issuer and/or the Group.

D.3 Risks relating to the Shares

- There can be no assurance that an active secondary market for the New Shares will develop or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Shares at all.
- Following the completion of the Rights Issue and the allocation of the New Shares, the price at which the Shares will be traded, as well as the volume of trades, may fluctuate. There can be no guarantee of the price which may be realised by investors in the New Shares. In addition, limited trading in the Shares could increase the price volatility of the Shares and may limit the ability of investors to trade the New Shares in the amount, at the price and at the time desired.
- The Rights being offered to Existing Shareholders pursuant to the Rights Issue form part of the Issuer’s capital plan. In accordance with the capital plan, the Issuer intends to raise its share capital by approximately €150,000,000. In the event that the Bank is not successful in raising this capital, its capital base and its ability to sustain further growth within the parameters of the new regulatory framework will be significantly curtailed. This could have a significant impact on its overall business, as well as its operational and financial results.
- Even after the New Shares are admitted to trading on the Official List, the Bank must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Shares if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the markets. Furthermore, the Listing Authority may discontinue the listing of the Shares if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Shares are no longer possible, or upon the request of the Issuer or the MSE. Any such trading suspensions or listing revocations/discontinuations described above, could have a material adverse effect on the liquidity and value of the Shares.
- The value of an investment in the Shares can rise or fall, and past performance of the Shares is not necessarily indicative of future performance.
- The subscription of part or all of the Proportionate Entitlement will increase the exposure of Existing Shareholders to the Bank and its future performance. Any additional exposure to the Shares may not be suitable for every Existing Shareholder. In addition, an investment in the New Shares may not be suitable for all investors, including Assignees as well as Employees and other investors subscribing to New Shares pursuant to the Intermediaries Offer.

- The extent of any dividend distribution by the Bank will depend upon, amongst other factors, the ability of the Bank to improve its current capital base, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows of the Bank, working capital requirements, the Board's view on future investments, and the requirements of the Act.
- A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the New Shares (i.e. the Euro) and the Shareholder's currency of reference, if different.
- If an Existing Shareholder does not exercise the subscription rights granted under the Rights Issue, his/her percentage shareholding in the Issuer will decline and his/her voting rights will be diluted. This dilution will be proportional to the percentage by which the share capital of the Issuer is increased and to the extent by which the Existing Shareholder does not participate in the Rights Issue.
- Investment in the New Shares involves the risk of the loss of the capital invested in the event that the Issuer becomes subject to insolvency proceedings or finds itself failing or at risk of failure which involves the application of resolution tools, including the bail-in tool. In this regard, the BRRD Regulations, provide for the application of resolution tools by the Resolution Committee to credit institutions, at risk of failure, as an alternative to liquidation proceedings. The exercise by the Resolution Committee of any of its powers may have a material effect on the business and prospects of the Issuer. In addition, any bail-in of capital instruments will mean that Shareholders might have some or all of their shareholdings diluted or cancelled without any compensation therefor.

SECTION E OFFER

E.1 If subscribed to in full, the proceeds from the Offer are expected to amount to approximately €150,000,000. The selling commissions and legal, publicity, printing, Sponsors', and other miscellaneous, fees and expenses in connection with the Offer are estimated not to exceed €1.06 million and will be borne by the Issuer and not deducted from the proceeds of the Offer. Listing fees amounting to €143,000 will also be borne by the Issuer.

E.2a The purpose of the proceeds from the Offer, expected to amount to approximately €150,000,000, is to further strengthen the Issuer's Common Equity Tier 1 ("**CET1**") such that the Issuer will be in a better position to meet the level of capital buffers required under the relevant European banking regulations. The net proceeds from the Offer will also be used for the Issuer's general funding purposes.

E.3 The following are the Terms and Conditions of the Offer:

a. Rights Issue and Offer of Lapsed Rights

The New Shares will be offered to Existing Shareholders at the Offer Price of €1.43 per New Share (consisting of a premium of €0.43 over nominal value and a discount of 27.47% to TERP) by way of a Rights Issue. All Existing Shareholders are entitled to 1 Right for every 4 Shares held on the Record Date (the "**Proportionate Entitlement**"). In this respect, in the event that upon calculation of the Proportionate Entitlement an Existing Shareholder shall become entitled to a fractional entitlement of a Right, such fractional entitlement shall be rounded down to nearest whole Right; provided further that, if upon calculation of the Proportionate Entitlement, an Existing Shareholder is entitled to less than one (1) New Share, then such Existing Shareholder shall not be eligible to participate in the Rights Issue. Existing Shareholders will be entitled to subscribe for New Shares at a ratio of 1 New Share for every Right issued to them.

The Rights Issue contemplates the right of Existing Shareholders to accept the Rights allocated to them during the Offer Period, on a nil paid basis, by the Bank and to exercise those Rights and subscribe for New Shares (in part or in full); or to renounce to their Rights (in part or in full) in favour of third parties.

Existing Shareholders and, where applicable, Assignees, are required to complete, execute and lodge FAAEs with any of the Authorised Financial Intermediaries. The FAAEs also sets out instructions as to various options available to an Existing Shareholder namely:

- i. To accept the Rights in full and accordingly subscribe for the Proportionate Entitlement in full (*FAAE A - ALL*); or
- ii. Having accepted the Proportionate Entitlement in full, additionally commit to subscribe for Lapsed Rights (*FAAE A - ALL*); or
- iii. To accept the Rights in part and accordingly subscribe for the Proportionate Entitlement only in part (*FAAE B - Split/Assign*); or
- iv. To accept the Rights in part and assign part of the Proportionate Entitlement in favour of a third party/ies (*FAAE B - Split/Assign*); or
- v. To renounce in full to the Proportionate Entitlement and assign part or all of the Proportionate Entitlement in favour of a third party/ies (*FAAE B - Split/Assign*).

b. Offer of Lapsed Rights

- i. Existing Shareholders that have accepted their Proportionate Entitlement in full

Any Rights which are not validly accepted or validly assigned and paid for by the Rights Issue Closing Date, shall lapse and shall be offered to Existing Shareholders who would have accepted their Proportionate Entitlement in full and applied for Lapsed Rights by completing the relevant panel in *FAAE A- ALL*.

- ii. Employees

In the event that a balance of Lapsed Rights remains unallocated following the allocation of: (i) the Proportionate Entitlements to Eligible Participants; and (ii) any Lapsed Rights allocated to Existing Shareholders which have accepted their Proportionate Entitlement in full and have indicated their willingness to subscribe to Lapsed Rights; then such Lapsed Rights will be offered for subscription to Employees. Employees may apply for Lapsed Rights representing New Shares by completing *Application Form 'A'*. The minimum subscription amount that Employees may subscribe for is 1,000 New Shares and in multiples of 100 New Shares thereafter.

- iii. Intermediaries Offer

In the event that a balance of Lapsed Rights remains unallocated following the allocation of: (i) the Proportionate Entitlements to Eligible Participants; (ii) any Lapsed Rights allocated to Existing Shareholders which have accepted their Proportionate Entitlement in full and have indicated their willingness to subscribe to Lapsed Rights; and (iii) Lapsed Rights allocated to Employees; then, the remaining balance of such Lapsed Rights will be offered for subscription to Authorised Financial Intermediaries through an Intermediaries Offer. Investors may apply for Lapsed Rights and subscribe for New Shares under the Intermediaries Offer by completing *Application Form 'B'* which may be obtained from any of the Authorised Financial Intermediaries. The minimum subscription amount that investors may subscribe for is 1,000 New Shares and in multiples of 100 New Shares thereafter.

New Shares shall be available for subscription by Existing Shareholders, Assignees, Employees and the general public *via* an Intermediaries Offer during the Offer Period, that is, the period between and including 08.30 hours on 8 November 2017 and 14.00 hours on 6 December 2017.

c. Allocation Policy

The Issuer shall allocate the New Shares on the basis of the following policy:

- i. It shall first satisfy in full the exercise by all Existing Shareholders of their Rights and in the case of Assignees, of the Assigned Entitlement;
- ii. In the event that following the allocations made pursuant to (i) above there shall still remain unallocated New Shares, the Issuer shall then allocate such unallocated New Shares to those Existing Shareholders who would have indicated their wish to acquire Lapsed Rights and, where subscriptions for Lapsed Rights is greater than the number of unallocated New Shares available for allocation, then each application for Lapsed Rights shall be scaled down in accordance with the allocation policy as determined by the Issuer;

- iii. Where, following the allocations made to Eligible Applicants in terms of (i) and (ii) above there still remain Lapsed Rights, the Issuer will satisfy applications made by Employees subject to an allocation policy as determined by the Issuer;
- iv. In the event that following the allocations made pursuant to (i), (ii) and (iii) above, there shall still remain Lapsed Rights, the Issuer shall allocate such remaining New Shares to Authorised Financial Intermediaries who would have submitted a Subscription Agreement to acquire Lapsed Rights and shall be allocated in accordance with the allocation policy as determined by the Issuer through the Registrar.

It is expected that allotment letters will be dispatched to Existing Shareholders, Assignees, Employees and with respect to the Intermediaries Offer, to Authorised Financial Intermediaries for their own account or for the account of underlying customers by 8 January 2018.

d. Excluded Territories

The Offer is not being made in each of the United States of America, Canada, Australia, Japan, the Republic of South Africa and any other jurisdiction (whether in the EU or otherwise) where the extension into or availability of the Offer would breach any applicable law.

E.4 The Issuer is an Authorised Financial Intermediary in respect of the Offer. However, as the Issuer of the New Shares, it has an interest in the Offer. In this respect, the Issuer will not be providing investment advice in relation to subscriptions for New Shares, however, may entertain applications for subscriptions for New Shares on an execution only basis. In this respect, investors are strongly encouraged to seek independent and professional advice prior to participating in the Offer.

Save for the Sponsors' entitlement to fees payable in connection with the Offer, so far as the Issuer is aware, no person involved in the Offer has any other interest that is material to the Offer.

E.5 Not Applicable. The Offer comprises an offer of New Shares to be issued by the Issuer.

E.6 The implementation of the capital increase through the Offer will result in the issued share capital of the Bank increasing by 25% provided that the offer is taken up in full.

Existing Shareholders who accept their Proportionate Entitlement in full will suffer no dilution to their interests in the Bank. However, Existing Shareholders who do not take up any of their Rights to subscribe for the New Shares will suffer an immediate dilution of 20% in their interests in the Bank if the offer is taken up in full.

E.7 Not Applicable. No expenses will be charged to the investors by the Issuer.

EXPECTED TIME-TABLE

1. FAAE mailed to Existing Shareholders	Tuesday, 7 November 2017
2. Commencement of Offer Period	Wednesday, 8 November 2017
3. Closing of Offer Period	Wednesday, 6 December 2017
4. Announcement of basis of acceptance	Friday, 29 December 2017
5. Refunds of unallocated monies (if any)	Friday, 29 December 2017
6. Dispatch of allotment letters	Monday, 8 January 2018
7. Expected date of admission of the New Shares to listing	Tuesday, 9 January 2018
8. Expected date of commencement of trading in the New Shares	Wednesday, 10 January 2018