



Summary Note

Dated 30 May 2011

This document is a Summary Note 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 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Summary Note is issued pursuant to the requirements of Listing Rule 4.9 of the Listing Rules and contains information about

€5,000,000 6.25% Bonds due 2015
to be issued by
Mediterranean Bank plc
(registered with limited liability in the Republic of Malta)

This Summary Note should be read in conjunction with the most updated Registration Document and Securities Note issued from time to time containing information about the Issuer and the Bonds.

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Sponsor


Calamatta Cuschieri
Investment Advisors & Stockbrokers

Manager and Registrar


MALTA STOCK EXCHANGE plc

Joaquin Vicent

Approved by the Directors

Joaquin Vicent on behalf of
Francis J. Vassallo, Finlay S. McFadyen,
Peter B. Cartwright, Mark A. Watson and Henry C. Schmeltzer

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General Information

THIS SUMMARY NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT, AND THE REGULATION.

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IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION, AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

THE BONDS 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, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE "U.S.") OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION "S" OF THE SAID ACT). FURTHERMORE THE ISSUER 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 MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT. STATEMENTS MADE IN THE PROSPECTUS ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THEREIN. THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THE PROSPECTUS. 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 BONDS.

1. Warnings

This Summary Note has to be read as an introduction to the Registration Document dated 13 September 2010 (as supplemented on 30 May 2011) and the Securities Note dated 30 May 2011 (the “**Prospectus**”). Any decision to invest in the Bonds has to be based on an exhaustive analysis by the investor of the Prospectus as a whole. The Directors have tabled this Summary Note and applied for its notification and assume responsibility for its content, but only if the Summary Note is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

2. Definitions

Words and expressions used in this Summary Note shall, except where the context otherwise requires, bear the same meaning as defined in the Registration Document dated 13 September 2010 (as supplemented on 30 May 2011) and the Securities Note dated 30 May 2011 forming part of the Prospectus.

3. Legal Counsel

Camilleri Preziosi

Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta

Camilleri Preziosi has acted and is acting exclusively for the Issuer in relation to this Issue and has no contractual, fiduciary or other obligation towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

4. Sponsor

Calamatta Cuschieri and Co. Limited

5th Floor, Valletta Buildings, South Street, Valletta, VLT 1103, Malta

5. Statutory Auditors

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2010 have been audited by KPMG, Certified Public Accountants of Portico Building, Marina Street, Pieta, PTA 9044, Malta. KPMG is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, laws of Malta).

Risk Factors Relating to the Issuer and the Bonds

6. General

6.1.1 General

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the risks and other investment considerations as well as all the other information contained in the Prospectus before deciding to make an investment in the Bonds. In addition, prospective investors should be aware that the risks may combine and thus accumulate.

6.1.2 Forward Looking Statements

This document contains forward looking statements. No guarantee can be given that future results or expectations covered by such statements will be achieved. These statements by their nature involve substantial risks and uncertainties, some of which are beyond the Issuer's control.

7. Risks Relating to the Issuer

7.1.1 Credit Risk

Credit risk is the risk of loss on an investment because a borrower or counterparty does not pay amounts it is required to pay on that investment. If the credit quality of the Issuer's borrowers or counterparties deteriorates, or if there is a general deterioration in European or global economic conditions or financial markets, the Issuer's investments could decrease in value and the Issuer could realise losses on those investments.

7.1.2 Liquidity Risk

Liquidity risk is the risk that the Issuer will encounter difficulty in obtaining funds to meet its financial commitments. This risk may occur if the Issuer is unable to sell a financial asset quickly at its fair value. A significant portion of the Issuer's financing is derived from international wholesale funding markets, including funding from the European Central Bank. In the event that funding from such markets were to become less available or more expensive, the Issuer may be adversely affected.

7.1.3 Interest Rate Risk

Interest rate risk occurs because a company invests in assets with different maturities than its liabilities. As is common to most banks, the Issuer runs a mismatch between its liabilities and assets.

7.1.4 Concentration Risk

The investments made by the Issuer are all securities denominated in euro and eligible for financing through the European Central Bank. Most of those securities are issued by EU entities. In addition, most of the deposits held by the Issuer are made by persons located in Malta and other European Union countries. As a result of this, the Issuer is exposed to any generally negative economic trends affecting the European Union – this may have a negative effect on the Issuer.

7.1.5 Operational Risk

Operational risk covers losses resulting from failures of the business processes, people and systems of the Issuer or from inadequate processes or systems. Operational risk also covers losses resulting from unforeseen external events. Following the acquisition by AnaCap of the Issuer in 2009, new management, policies, procedures and systems started to be implemented, and that implementation programme is continuing. Among other things, the Issuer is developing a disaster recovery plan and installing a new core banking system. There is a risk that these policies, procedures and systems will not perform as expected. This may have a negative effect on the financial performance of the Issuer.

7.1.6 Reputational Risk

Reputational risk occurs where there is reputational damage because of one of the events described above under “Operational Risk”. If such events occur and the reputation of the Issuer is negatively affected, it may have a significant negative effect on the Issuer.

7.1.7 Risks relating to Information Technology

The Issuer depends on the proper functioning and adequacy of its information technology systems. As noted above, the Issuer is also in the process of implementing a new core banking system. The Issuer may be negatively affected if problems occur as a result of things like faulty information technology or problems in implementing new systems. The Issuer could also be negatively affected by failures in systems as a result of external events like power failures, fires or natural disasters. Any such events may have a significant negative effect on the operations and performance of the Issuer.

7.1.8 Foreign Exchange Risk

Foreign exchange risk occurs when a company’s financial assets and liabilities are not denominated in the same currency. Even though the Issuer is not now exposed to significant foreign exchange risk, in the future, it may decide to hold assets and liabilities not denominated in euro. In that case, if it does not implement proper controls and limits, the Issuer may be exposed to risk because of changes in foreign currency exchange rates.

7.1.9 External Factors

The Issuer may also suffer losses because of external events outside its control. For example, changes in economic conditions, increased regulation, business cycles, instability in financial markets and increased competition may negatively affect the Issuer.

8. Risks Relating to the Bonds

8.1.1 Liquid and Orderly Market

The development of an active market for the Bonds depends on a number of things outside the Issuer's control. For example, if there are not willing buyers and sellers of the Bonds, an active market in the Bonds may not develop. The Issuer cannot ensure that the Bonds are ever traded or that they are traded at a price above €100 per Bond.

8.1.2 No Public Market

The Issuer cannot ensure the Bonds will be traded at a price above €100 per Bond.

8.1.3 Changes in Interest Rates

Future changes in interest rates may negatively affect the value of the Bonds.

8.1.4 Exchange Rate Fluctuations

If a Bondholder's base currency is not euro, the Bondholder could be negatively affected by changes in the exchange rate between euro (the currency of the Bonds) and the Bondholder's base currency.

8.1.5 Future Public Offerings

If the Issuer makes another public offering of securities in the future, or if the Issuer is taken over by or merged with another company, it may have a negative effect on the market price of the Bonds.

8.1.6 Amendment of Terms and Conditions

If the Issuer wishes to amend any of the Terms and Conditions of the Bonds, it may call a meeting of Bondholders. A majority of Bondholders can decide if any such amendment is accepted, even if not all Bondholders vote to accept it. Bondholders voting against such an amendment or not attending a Bondholders' meeting at which a vote is taken may not agree with the amendment but be bound by it anyway.

8.1.7 Status of the Bonds

The Bonds are unsecured. In the case of insolvency of the Issuer, the Bondholders have a general claim on the assets of the Issuer. However, other creditors may have a pledge on certain assets of the Issuer. In such case, if the Issuer does not have enough assets to pay all its debts, creditors with pledges on certain assets will be paid first out of the proceeds of sale of such pledged assets, before the Bondholders are paid anything. Any remaining assets of the Issuer will then be used to pay all general unsecured creditors including the Bondholders.

The Issuer has pledged investment securities to lenders under secured interbank funding lines and repurchase agreements. Those interbank funding lines and repurchase agreements are used to finance the Issuer's investment portfolio. In the case of an insolvency of the Issuer, the sale proceeds of those investment securities will be used to repay those interbank funding lines and repurchase agreements before the Bondholders are paid anything.

8.1.8 Governing Law

The Bonds are being issued under current Maltese law. Maltese law may change in the future because of new legislation or regulations or because of the result of future court cases. The Issuer cannot predict the effects of any such changes.

Information about the Issuer

9. Board of Directors and Board Committees

The following list details the members of the board of directors of the Issuer and the members of each of the committees set up by the Directors. For the full curriculum vitae of each of the Directors and for a full description of the terms of reference of each of the board committees, see the section entitled “**Board of Directors and Board Committees**” in the Registration Document.

9.1 Board of Directors

Francis J. Vassallo, *Chairman & Non-Executive Director*

Finlay S. McFadyen, *Non-Executive Director*

Peter B. Cartwright, *Non-Executive Director*

Mark A. Watson, *Executive Director – Chief Executive Officer*

Henry C. Schmeltzer, *Executive Director – Chief Operating Officer*

Joaquin Vicent, *Executive Director – Head Credit & Investments*

9.2 Board Committees

9.2.1 Audit & Risk Committee

The Audit & Risk Committee is primarily responsible for reviewing and approving specific matters relating to the audit of the Issuer, internal control and risk management systems. The members of the Audit & Risk Committee are:

Peter B. Cartwright, *Committee Chairman & Non-Executive Director*

Francis J. Vassallo, *Member & Independent Non-Executive Director*

Finlay S. McFadyen, *Member & Non-Executive Director*

9.2.2 Nomination & Remuneration Committee

The primary purpose of the Nomination & Remuneration Committee is to review the setting of remuneration levels within the Issuer, to approve or otherwise performance related bonus awards and long term incentive plan awards and to identify and nominate for board approval, candidates for appointment as directors, members of board committees and as members of the executive management committee and other senior management positions. The members of the committee are:

Francis J. Vassallo, *Committee Chairman & Non-Executive Director*

Peter B. Cartwright, *Member & Non-Executive Director*

Mark A. Watson, *Member & Executive Director*

9.2.3 Executive Committee

The Executive Committee of the Board was established in order to facilitate the day to day activities of the Bank including approval of asset purchases, approval of the establishment and modification of bank accounts/ banking relationships, waiver of specific provisions of compliance requirements, limitation of signatory authorisation, dealing with investment portfolio/trading/operational matters and issuance of certified extracts of Board resolutions. The members of the committee are **Mark A. Watson** (*Committee Chairman & Non-Executive Chairman*) and **Henry C. Schmeltzer** (*Executive Director & Chief Operating Officer*).

9.2.4 Executive Management Committee (“Exco”)

The Exco represents the principal forum for conducting the business of the Issuer and takes day to day responsibility for the efficient running of the business. In addition, the Exco is responsible for the formulation and implementation of Board approved strategies and plan and is responsible for ensuring the performance of the business in accordance with plans. The members of the committee are:

Mark A. Watson, *Committee Chairman & Non-Executive Chairman*

Edward Jaccarini, *Member & Chief Financial Officer*

Henry C. Schmeltzer, *Executive Director & Chief Operating Officer*

Joaquin Vicent, *Member & Head of Credit & Investment*

Whilst retaining the ultimate responsibility for actions taken, the Executive Management Committee may at its discretion delegate its responsibility to the following sub-committees:

a. Management Credit Committee

The Management Credit Committee is responsible for approving credit recommendations and making other credit decisions under its delegated authority. The Committee also reviews provisions and lending policies, monitors the health of the Issuer’s portfolio and reviews management information reports. The members of the committee are:

Mark A. Watson, *Committee Chairman & Executive Director*

Xavier De Pauw, *Head of International Strategy*

Joaquin Vicent, *Member & Head of Credit & Investment*

b. Management Assets & Liabilities Committee

The Management Asset & Liability Committee sets and reviews overall policies and objectives for asset and liability management, capital management and allocation, capital usage and efficiency, transfer pricing, risk management, and underwriting, dealing and trading activities in various instruments according to the risk appetite set by the board of directors. The members of the committee are:

Deo Catania, *Committee Chairman & Head of Treasury*

Mark A. Watson, *Executive Director*

Edward Jaccarini, *Member & Chief Financial Officer*

Joaquin Vicent, *Member & Head of Credit & Investment*

9.2.5 Operations Committee

The Operations Committee considers and discusses the day to day operating procedures of the Issuer and constitutes a forum at which issues relating to the Issuer’s procedures can be discussed. The Operations Committee meet fortnightly. The following persons are members of the Operations Committee:

Henry C. Schmeltzer, *Executive Director & Chief Operating Officer*

Domenic Degiorgio, *Committee Secretary & Head of Bank Office & Settlements*

Edward Jaccarini, *Member & Chief Financial Officer*

Deo Catania, *Head of Treasury*

Jonathan James, *Head of IT*

Paula Galea Farrugia, *General Counsel and Head of Compliance*

Charles Cini, *Head of Corporate Banking*

Lorraine Bonello Ghio, *Head of Administration*

Ray Calleja, *Head of Consumer Banking*

Fleur Mawdsley, *Head of Client Service Group*

Keith Huber, *Head of Risk*

9.2.6 Internal Controls Working Group

The Internal Controls Working Group reviews Issuer's policies and procedures specifically and internal controls in general, with the aim of recommending changes to the Operations Committee and/or Executive Committee of the Board. The group may also review and assess internal audit functions and procedures and discuss means of strengthening internal controls. The group meet fortnightly and is composed of the following persons:

Henry C. Schmeltzer, *Executive Director & Chief Operating Officer*

Paula Galea Farrugia, *Committee Secretary, General Counsel & Head of Compliance*

Edward Jaccarini, *Member & Chief Financial Officer*

Deo Catania, *Head of Treasury*

Domenic Degiorgio, *Head of Bank Office & Settlements*

Charles Cini, *Head of Corporate Banking*

Joanne Dimech, *Product Controller*

Keith Huber, *Head of Risk*

9.2.7 New Products Committee

The New Products Committee has been established to analyse potential new products to be offered by the Issuer from a risk, operations, reputation and legal/compliance perspective. The committee, in respect of any new product it considers, provides recommendations to the Management Committee as to whether a new product ought to be introduced by the Issuer and as to appropriate policies, procedures and controls that should be adopted. The committee is made up of the following persons:

Joaquin Vicent, *Member & Head of Credit & Investment*

Domenic Degiorgio, *Committee Secretary & Head of Bank Office & Settlements*

Edward Jaccarini, *Member & Chief Financial Officer*

Deo Catania, *Head of Treasury*

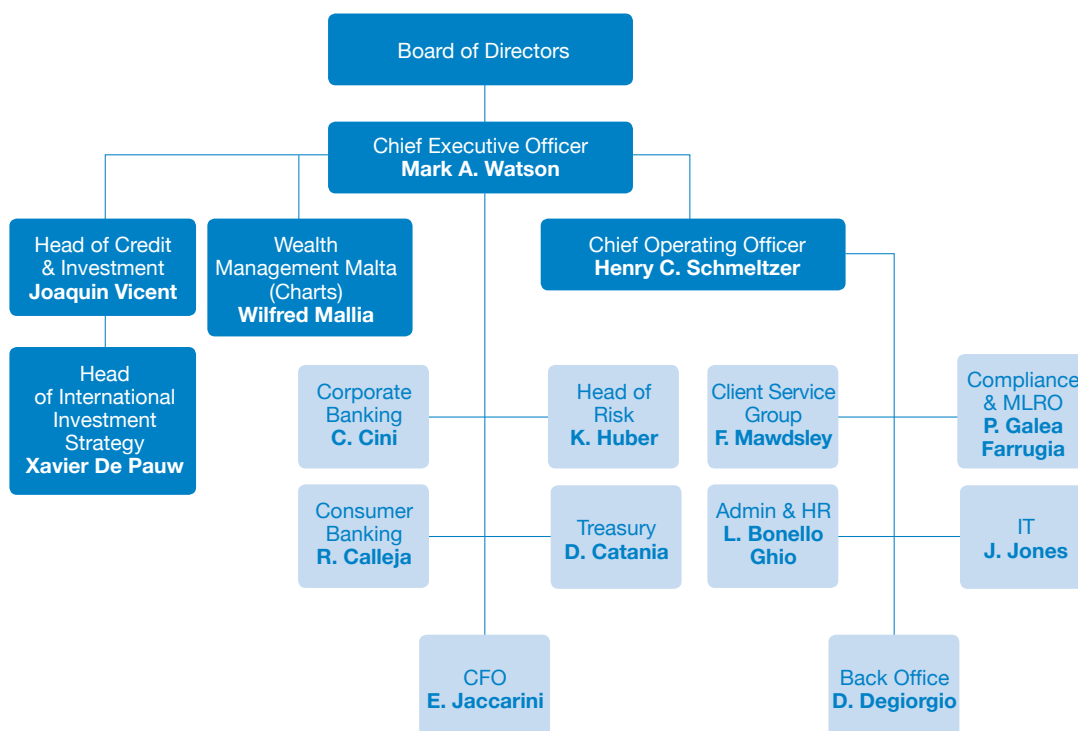
Henry C. Schmeltzer, *Executive Director & Chief Operating Officer*

Keith Huber, *Head of Risk*

Paula Galea Farrugia, *General Counsel and Head of Compliance*

9.3 Management Team

The day-to-day operation of the Issuer is managed by a management team who report to the Chief Executive Officer of the Issuer and is organised as follows:



9.4 Conflicts of Interest

Francis J. Vassallo, who is the Non-Executive Chairman of Mediterranean Bank plc, occupies various positions in the financial industry in Malta. He is a member of the Board of directors of FIMBank plc, a credit institution licensed in terms of the Banking Act, Cap. 371 of the laws of Malta and is the President and Managing Partner of Francis J. Vassallo & Associates Limited and Chairman of FJV Fiduciary Limited and FJV Management Limited. Francis J. Vassallo & Associates has entered into a referral agreement with the Bank. Pursuant to the introducer agreement, the Issuer reserves the right, in its sole discretion and without providing a reason, not to accept customers introduced by Vassallo Associates. Francis J. Vassallo has declared that he will comply to the fullest with applicable rules of the Bank in not voting (or abstaining) at any meeting of the Board of Directors should a discussion with regard to such agreements or their contents be undertaken by the Board.

The memorandum and articles of association of the Bank provides that in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Bank, such director is not entitled to vote on any decisions taken in connection therewith. The Companies Act, Cap. 386 of the laws of Malta provides that directors are obliged, in addition to complying with their general fiduciary obligations as directors, to ensure that their personal interests do not conflict with the interests of the Issuer.

Other than as disclosed in this Section 9.4, to the extent known to the Issuer as at the date of this Prospectus, there are no potential conflicts of interest between the duties to the Issuer and their private duties or other duties of the Directors and members of senior management of the Issuer.

10. Major Shareholders

10.1.1 Shareholding of the Issuer

The issued share capital of the Issuer is as at the date of this Prospectus, €41,030,107 represented by 41,030,106 Ordinary 'A' shares held by Medifin Holding Limited and 1 Ordinary 'B' (non-voting) share held by FJV Management Limited.

10.1.2 Shareholding of Medifin Holding Limited

The issued share capital of Medifin Holding Limited is held as follows:

Shareholder	Ordinary 'A' Shares	Ordinary 'B' Shares	Ordinary 'C' Shares
AnaCap Financial Partners II L.P. (Guernsey Reg. No. 1027)	40,188,556		
Mark Watson Holdings Limited (BVI Reg No. 1570918)		627,854	1,170,000
HCS Holdings Limited (BVI Reg No. 1568277)		224,233	540,000
JVP Holdings Limited (BVI Reg No. 1570979)		362,903	840,000
Mark A. Watson (British passport No. 800653051)		1	

Pursuant to the terms of issue of the ordinary 'A' shares, the ordinary 'B' shares and ordinary 'C' shares, indirect control of the Issuer is vested in AnaCap Financial Partners II L.P. In the event that, as a result of the shareholding structure and resultant rights described above, potential conflicts were to arise, the Issuer, through its Audit Committee and independent Non-Executive Directors, has the necessary measures in place to ensure the appropriate management and resolution of such conflicts in the best interests of the Issuer. Furthermore, in terms of the memorandum and articles of association of the Issuer, in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith.

The Issuer is not aware of any existing arrangements between the Issuer and any potential acquirer which may result in a change of control. However, AnaCap Financial Partners II L.P., the controlling shareholder of Medifin Holding Limited, may at some point exit all or part of its investment in the Issuer, in which case there may be a change of control in the Issuer.

11. History and Development of the Issuer

Legal & Commercial Name	Mediterranean Bank plc
Place of Registration	Malta
Registration Number	C 34125
Date of Registration	11 June 2004
Domicile	Malta
Legal Form	Public limited liability company
Legislation under which Issuer operates	Companies Act, Cap. 386 of the laws of Malta, the Investment Services Act, Cap. 370 of the laws of Malta and the Banking Act, Cap. 371 of the laws of Malta
Country of Incorporation	Malta
Address & Telephone Number	10, St Barbara Bastion, Valletta VLT 1961 +356 2557 4400

The Issuer was registered under the laws of Malta on 11 June 2004 and was issued a licence in terms of the Banking Act, Cap. 371 of the laws of Malta from the Malta Financial Services Authority on 14 July 2005. On 3 November 2008, prior to the acquisition and recapitalisation of the Issuer by its current owners, the Issuer breached its obligation to maintain the obligatory level of minimum own funds and as a result, the Malta Financial Services Authority imposed an administrative penalty of €5,124.68 on the Issuer. On 31 December 2008, the Malta Financial Services Authority imposed restrictions on the Issuer's licence, including restrictions on deposit taking, lending facilities and on capital adequacy and liquidity assets ratios.

In July 2009, the Issuer was, indirectly through Medifin Holding Limited, acquired by AnaCap (a private equity firm specialising in financial services and incorporated in Guernsey) and the Issuer's senior management. As a result of such acquisition, the Issuer received a capital injection of €19,154,733 from Medifin Holding Limited represented by 10,000,000 ordinary 'A' shares of a nominal value of €1 per share and issued at a premium of €0.9154733. On 20 July 2009, the Malta Financial Services Authority granted their consent to such acquisition and on 11 August 2009, having noted that the Issuer's own funds level was increased by €19,154,733 and thus becoming compliant with the minimum own funds required of €5,000,000, removed the restrictions to the Issuer's licence.

12. Business Overview

12.1 Principal Activities and Markets

The objects clause of the Issuer principally authorises the Issuer to carry on the business of banking from within Malta and to undertake, carry on and execute all kinds of banking operations with persons, companies or entities as may be allowed by the competent authorities, to engage in international financial business, to engage in investment banking business and to provide investment services in terms of the Investment Services Act, Cap. 370 of the laws of Malta.

The Issuer was granted a licence by the Malta Financial Services Authority in terms of the Banking Act, Cap. 371 of the laws of Malta, on 14 July 2005. The Issuer is licensed to, *inter alia*, carry out the business of banking, to undertake money transmission services, to issue and administer means of payment, to issue guarantees and commitments, to trade on own account and or for the account of customers in a number of instruments, to provide portfolio management and advice and to provide safe keeping services. The Issuer focuses on wealth management, savings and investments. The Issuer also holds a category 2 and a category 4 licence issued by the Malta Financial Services Authority which authorises the Issuer to provide any investment service, to hold or control clients' money and to act as trustees or custodians of collective investment schemes.

The principal activities of the Issuer comprise the following:

- The receipt and acceptance of customers' monies for deposit in savings and fixed term deposit accounts which may be denominated in euro and other major currencies;
- Trading for account of customers in foreign exchange;
- The provision of money transmission services;
- The provision of safe custody services with a wide range of custom-tailored solutions as well as administration and safekeeping of securities;
- The provision of investment advice to customers of the Issuer;
- The provision of portfolio management services.

The main market in which the Issuer operates and competes is the Maltese market. The wealth management service of the Issuer is provided to an array of international and Maltese high net worth individuals and corporate clients.

13. Selected Financial Information

The following are extracts from the consolidated audited financial information for the years ended 31 December 2009 and 31 December 2010.

Summarised Income Statement	AUDITED	
	31 December 2010	31 December 2009
	€'000	€'000
Interest income	41,834	4,544
Interest expense	(14,188)	(1,357)
Net interest income	27,646	3,187
Fee and commission income	124	114
Fee and commission expense	(1,154)	(176)
Net fee and commission expense	(1,030)	(62)
Net trading income	347	103
Other operating income	3,280	116
	3,627	219
Operating income	30,243	3,344
Impairment loss on financial assets	-	-
Administrative and other expenses	(5,675)	(3,256)
Personnel expenses	(5,137)	(723)
Depreciation and amortisation	(365)	(227)
Operating expenses	(11,177)	(4,206)
Profit/(Loss) before income tax	19,066	(862)
Tax expense	(3,955)	-
Profit/(Loss) for the year	15,111	(862)
Basic earnings / (loss) per share (cents)	37	(4)

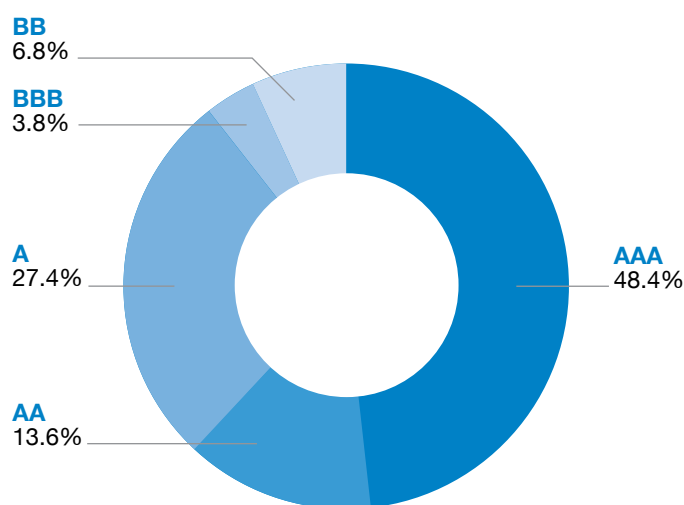
Summarised Balance Sheet	AUDITED	
	31 December 2010	31 December 2009
	€'000	€'000
ASSETS		
Balances with Central Bank of Malta and cash	10,526	39,757
Loans and advances to banks	35,801	14,045
Loans and advances to customers	1,295	9
Investment securities	1,324,114	636,323
Other assets	19,827	7,313
Total assets	1,391,563	697,447
LIABILITIES		
Amounts owed to banks	1,134,986	578,698
Amounts owed to customers	172,847	72,078
Debt securities issued	14,735	-
Other liabilities	9,524	2,411
Total liabilities	1,332,092	653,187
EQUITY		
Total equity	59,471	44,260
Total equity and liabilities	1,391,563	697,447

Since its acquisition and recapitalisation in July 2009 by AnaCap and the Issuer's senior management, the Issuer adopted a new business plan, with the aim of positioning the Bank as a savings and wealth management institution, focused both domestically in Malta and internationally. Management has implemented and continues to implement a business plan which is built to sustain the Issuer's long-term profitability and allow it to develop its customer base in the mass affluent and high net worth market sectors.

Profitability has been achieved through the creation of a high quality, liquid investment portfolio. All investments in the portfolio carry an assigned investment grade rating by at least one of the internationally recognised statistical rating agencies (such as Standard & Poor's, Moody's Investor Service and Fitch Ratings).

The aggregate breakdown of the portfolio as at 31 March 2011, categorised by the highest assigned rating, is as follows*:

Issuer Rating Distribution



AAA rated - 'AAA' rating is the highest rating assigned by credit rating agencies and is indicative that the issuer or the investment with exceptionally strong protection for the timely repayment of principal and interest.

AA rated - 'AA' ratings are of superior credit quality, and protection of interest and principal is considered high.

A rated - 'A' ratings are of satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities.

BBB rated - 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

BB rated - 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.

There have been no material changes in the Issuer's investment portfolio between 31 December 2010 and 31 March 2011. The Issuer has experienced downwards ratings migration within the portfolio resulting in the ratings distribution described above.

The above are ratings applicable to the instruments in which the Issuer has invested. The Issuer thereof may itself have a different rating to that ascribed to the said instrument issued by it.

* The definition of each of the ratings provided has been extracted from www.fitchratings.com. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by www.fitchratings.com, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The above described portfolio has been funded largely in the international wholesale banking markets. Simultaneous with this activity, the Issuer has sought to broaden its funding sources by developing its deposit base in both the local and international markets, enabling it to broaden its product offering and nurture its client base.

The fair value of the Issuer's financial assets and liabilities, which are measured at amortised cost and have a short re-pricing maturity, is not materially different from their carrying value in the balance sheet, except for held-to-maturity investments with an amortised cost of €1.24 billion as of 31 December 2010. The fair market value of such held-to-maturity investments at year end amounted to €1.14 billion.

The fair value of debt instruments represents the closing bid price quoted in an active market and is classified as level 1 under the fair value hierarchy in accordance with IFRS7.

As a result of the new business plan, as of 31 December 2010, the Issuer had built a portfolio of €1.32 billion of investment securities primarily comprised of senior financial instruments, bank covered bonds, public sector bonds and mortgage bonds. During the year ended 31 December 2010, the Issuer's portfolio generated net interest income of €27.65 million (compared with €3.19 million for the year ended 31 December 2009).

For the year ended 31 December 2010, the Issuer's operating income was €30.24 million (compared with €3.34 million for the year ended 31 December 2009). For the year ended 31 December 2010, the Issuer had a net profit before tax of €19.07 million (compared with a net loss of €0.86 million for the year ended 31 December 2009) and its net profit after tax for the year ended 31 December 2010 was €15.11 million (compared with a net loss after tax of €0.86 million for the year ended 31 December 2009). In furtherance of its goal of building a deposit base, the Issuer increased amounts due to customers from €72.08 million as of 31 December 2009 to €172.85 million as of 31 December 2010.

13.1 Capital Adequacy and Liquidity Ratios

The following provides the capital adequacy ratios and liquidity ratios with respect to the Issuer as at 31 December 2009 and 31 December 2010.

	As at 31 December 2010	As at 31 December 2009
Capital Adequacy Ratio*	37.29%	80.58%
Liquidity Ratio**	70.26%	137.02%

* The minimum capital adequacy ratio imposed by the Malta Financial Services Authority on credit institutions licensed under the Banking Act, Cap. 371 of the laws of Malta is 8%. The capital adequacy ratio for the financial year ended 31 December 2009 reflected the effect of a capital injection by AnaCap through its indirect acquisition of the Issuer (through Medifin Holding Limited).

** The minimum liquid-asset ratio imposed by the Malta Financial Services Authority on credit institutions licensed under the Banking Act, Cap. 371 of the laws of Malta is 30%.

14. Trend Information

2010 saw continued volatility especially in the European debt market. The European authorities have taken several steps towards strengthening the surveillance of imbalances within the union and towards increasing financial integration. These initiatives, together with the widespread fiscal austerity driven within Europe and the UK, were major influences in both the financial markets and the real economies within Europe. In addition, certain actions were taken by European authorities in respect of Greece and Ireland. In addition to the €110 billion Greek rescue package of May 2010, the Irish government agreed an €85 billion rescue package jointly from EFSF and IMF. In early 2011, there was strong expectation that Portugal would also require financial assistance.

Notwithstanding the factors and economic and market challenges described above, Europe overall has shown a strong economic performance mainly driven by the core countries. In particular, the performance of the German and French economies in 2010 was strong, thereby lifting the overall economic performance of Europe during the year. Ongoing performance of the European economy is uncertain particularly given the volatility described above.

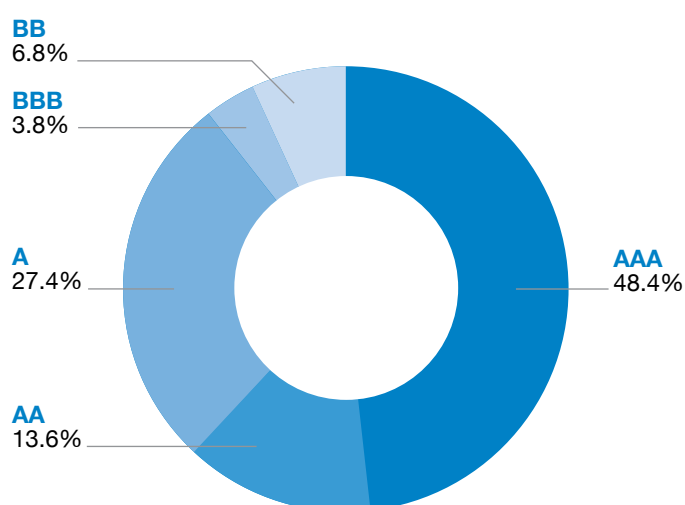
The central banks continued to mull over rates normalisation and the withdrawal of emergency measures; however only preparatory work was done on both fields.

The acquisition by AnaCap of the Issuer, through Medifin Holding Limited, was concluded during July 2009, subsequent to the worst of the financial crisis. Accordingly, following the acquisition, the bank has implemented policies, procedures and operations designed to address the issues raised by the financial crisis and to address as robustly as possible the risks and potential risks that have become more apparent since the advent of the global financial crisis.

The investment policy of the Issuer focuses primarily on investment in highly-rated securities traded on major exchanges. All investments in the portfolio carry an assigned investment grade rating by at least one of the internationally recognised statistical rating agencies (such as Standard & Poor's, Moody's Investor Service and Fitch Ratings). The below are ratings applicable to the instruments in which the Issuer has invested. The Issuer thereof may itself have a different rating to that ascribed to the said instrument issued by it. There have been no material changes in the Issuer's investment portfolio between 31 December 2010 and 31 March 2011. The Issuer has experienced downwards ratings migration within the portfolio resulting in the ratings distribution described below.

The aggregate breakdown of the portfolio as at 31 March 2011, categorised by the highest assigned rating, is as follows:

Issuer Rating Distribution



These securities include, among others, senior financial instruments, bank covered bonds, public sector bonds and mortgage bonds. All such securities are denominated in euro and are eligible for financing through facilities provided to European Union banks by the European Central Bank. Most such securities are issued by EU entities. In addition, the deposit base of the Issuer primarily consists of customers located in Malta and other European Union countries, including both retail and corporate clients. As a result of the composition of the Issuer's investment portfolio and deposit base, any broadly negative economic trends affecting the European Union may have an adverse effect on the Issuer. The Directors believe that certain sectors of the European financial markets will continue to experience volatility, including particularly peripheral markets such as Greece, Ireland and Portugal. However, notwithstanding the foregoing, the Directors do not expect negative market and economic trends that would overall have a material adverse effect on the financial performance of the Issuer during the current financial year.

The Issuer manages the risks to its financial position through, amongst other things, diversification of its portfolio on an issuer and geographic basis, maintenance of robust liquidity buffers, management and hedging of interest rate risks and maintenance and ongoing growth of a diversified funding base.

There has been no material adverse change in the prospects of the Issuer since the date of the last published audited financial statements, that is, 31 December 2010.

15. Business Strategy

The Issuer's ongoing business strategy is based on:

- i. diversification of its funding sources and building of a stable customer base;
- ii. development of a range of new products aimed at the mass affluent and high net worth markets;
- iii. continuing the Issuer's conservative, long-term value-oriented investment philosophy; and
- iv. maintaining or improving long-term profitability.

As noted above, the Issuer has begun to execute its business strategy by developing a range of funding sources, building a stable customer base, both in Malta and internationally, and investing a portfolio of highly rated investment securities. The Issuer plans to continue its focus on the mass affluent and high net worth markets.

Over the medium term, the Issuer plans to continue to execute its existing strategy. On 30 August 2010, the Issuer established a branch office in Sliema, shall be opening a branch office in Paola in the near future and may in future consider the opening of other branches in Malta and abroad.

The Issuer also began to execute its plans to develop new products for its mass affluent and high net worth customer base through the acquisition by its parent company, Medifin Holding Limited, of Charts Investment Management Service Limited, a premier Maltese stockbroking, wealth management and corporate advisory firm.

16. Historical Financial Information

Full historical financial information for the two financial years ended 31 December 2009 and 31 December 2010 are set out in the consolidated financial statements of the Issuer as audited by KPMG, available for public inspection. The latest audited financial information available in respect of the Issuer relates to the financial year ended on 31 December 2010.

17. Legal and Arbitration Proceedings

On 25 October 2006, civil proceedings were filed by Kevin-James Fenech on behalf of the Mediterranean Bank Network and of its members (the “**Network**”) against the Issuer whereby a number of judicial demands were made by the Network against the Issuer requesting the cancellation of trademark numbers 44231 and 44232 and request the Court to order the Issuer to desist from any further use of the trademark. In March 2011, the parties ceded the law suit.

There are, and in the previous 12 months there have been, no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

18. Significant Change in the Issuer's Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 31 December 2010.

19. Material Contracts

The Issuer has identified a series of contracts which in the view of the Directors are material to the operations of the Issuer, details of which are contained in the section entitled “**Material Contracts**” in the Registration Document.

Information about the Bonds

20. Details of the Bond Issue

Issuer:	Mediterranean Bank plc
Amount:	€5,000,000
Fungible with 2010 Bonds:	The terms of the Bonds being issued pursuant to this Securities Note are identical to those of the 2010 Bonds issued by the Issuer pursuant to the Securities Note dated 13 September 2010 (other than the date of admissibility to listing and the Bond Issue Price). The Bonds are fully fungible with the 2010 Bonds. It is expected that the Bonds and 2010 Bonds will trade separately up until 30 October 2011 – this in view of the limited first interest period of the Bonds.
ISIN Code:	MT0000551219
Use of Proceeds:	<p>The Issuer shall use the proceeds of the Bond Issue for its general corporate and investment purposes and may include the following without any priority between the same:</p> <ul style="list-style-type: none"> (i) to grow its investment portfolio in accordance with its investment strategy (as described in section 11 of the Registration Document) by investing in additional investment grade securities; (ii) to refinance the Issuer's general liabilities as they become due; (iii) to enhance the Issuer's available liquidity; and (iv) to diversify the funding available to the Issuer.
Interest of Natural & Legal Persons in the Bond Issue:	Charts Investment Management Service Limited, is a subsidiary companies of Medifin Holding Limited (C 34111) and consequently under common control with the Issuer, is licensed in terms of the Investment Services Act (Cap. 370, laws of Malta) and is included in the list of Intermediaries set out in the Securities Note. Consequently, Charts Investment Management Service Limited shall act as Intermediary and may, on an “ <i>execution-only</i> ” basis, effect transactions for the account of its respective customers. However it will not be providing any advice to its respective customers in relation to the Bonds.

Form:	The Bonds will be issued in fully registered and dematerialised 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.
Denomination:	Euro (€)
Redemption Date:	30 October 2015
Bond Issue Price:	€100
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other unsecured debt. The Bonds shall rank junior and subsequent to any prior ranking security interest created for the purpose of securing the Issuer's secured interbank funding lines and repurchase agreements. Such interbank funding lines and repurchase agreements are used to finance the Issuer's investment portfolio.
Privileges and Hypothecs:	The Issuer finances its investment portfolio in the interbank market using secured funding lines and repurchase agreements. Pursuant to such arrangements, investment securities being financed are pledged to the financing counterparty. Creditors of the Issuer providing such financing and benefiting from the related pledges would rank prior to Bondholders in respect of the pledged assets.
Transferability:	The Bonds are freely transferable and once admitted to the Official List of the MSE, shall be transferable in whole in accordance with the rules and regulations of the MSE applicable from time to time.
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Intermediaries Offer Date:	21 June 2011
Interest:	6.25% per annum
Interest Payment Date:	30 October of each year from and including 2011 to and including 2015, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day.

Events of Default:	<p>The Bonds shall become immediately due and repayable at their principal amount together with accrued interest if any of the following events (“Events of Default”) shall occur:</p> <ol style="list-style-type: none"> the Issuer shall fail to pay any principal and interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.
Redemption Value:	€100 (at par)
Categories of Investors:	The Bonds are open for subscription to the Intermediaries.
Intermediaries’ Offer:	The Bonds shall be issued and subscribed for by Intermediaries either for their own account or on behalf of investors represented by such Intermediaries. The Issuer shall not, unless due notice in writing is given to it, verify the relations existing between an Intermediary and its client and shall only and at all times recognize as a Bondholder the person registered as such in the register of Bondholders held for this purpose.
Subscription Agreements:	Applications for the Bonds shall be made by the Intermediaries through the submission of duly completed Subscription Agreements with the Registrar up to 12:00 hours on 21 June 2011.
Subscription Proceeds:	The Intermediary shall, by not later than 12:00 hours on 21 June 2011, effect the deposit of subscription proceeds in respect of the Bonds applied for.
Over-Subscription:	In the event of over-subscription, the Issuer shall determine the basis of allocation of such applications and the Issuer reserves the right to allocate a fewer number of Bonds than those applied for by each Intermediary.

Refunds:	In the event that the Intermediary has been allocated a lesser number of Bonds than the number indicated in the Subscription Agreement, the Intermediary shall receive a refund of the balance of the price of the Bonds applied for but not allocated, without interest, by direct credit into the Intermediary's bank account denominated in Euro as indicated by the Intermediary in the Subscription Agreement.
Allotment Results:	It is expected that an allotment advice to the Intermediaries will be dispatched within 2 Business Days of the announcement of the allocation policy. Dealings in the Bonds may not commence before the notification to Intermediaries of the amount allotted to them is made.
Results of the Offer:	The Issuer shall make public the results of the offer by means of a company announcement issued on the website of the Malta Stock Exchange within 1 Business Day after the Intermediaries Offer Date.
Admission to Trading:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List. The 2010 Bonds, which constitute debt securities of the same class as the Bonds, are already admitted to trading on the Official List of the Malta Stock Exchange.
Underwriting:	The Bonds are not underwritten. In the event that the total aggregate principal amount of the Bonds amounting to €5,000,000 is not fully subscribed, the Issuer shall proceed to list the subscribed portion of the Bonds on the Official List, and the subscribed portion of the Bonds shall be allocated to the respective Intermediaries in accordance with the terms of the Subscription Agreement.
Expenses:	€150,000
Manager & Registrar:	Malta Stock Exchange p.l.c.
Sponsor:	Calamatta Cuschieri and Co. Limited
Terms of Acceptance:	The contract created by the subscription of Bonds shall be subject to the terms and conditions set out in the Securities Note and the memorandum and articles of the Issuer.
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law.
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

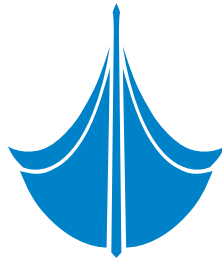
21. Expected Timetable

Subscription Agreements available	6 June 2011
Intermediaries Offer date	21 June 2011
Announcement of basis of acceptance	22 June 2011
Commencement of interest on the Bonds	22 June 2011
Expected dispatch of allotment advices and refunds of unallocated monies	24 June 2011
Admission to trading	27 June 2011

Documents on display

The following documents (or copies thereof) may be inspected at the registered office of the Issuer:

- The memorandum and articles of association of the Issuer; and
- The audited consolidated and individual financial statements of the Issuer for each of the financial years ended 31 December 2009 and 31 December 2010.



mediterraneanbank

wealth management - savings - investments

Registration Document dated 13 September 2010

This document is a Registration Document issued in accordance with the provisions of Chapter 6 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 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Registration Document is issued pursuant to the requirements of Listing Rule 6.4.2 of the Listing Rules and contains information about

Mediterranean Bank plc

(registered with limited liability in the Republic of Malta)

This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Sponsor


Calamatta Cuschieri
Investment Advisors & Stockbrokers

Manager & Registrar


MALTA STOCK EXCHANGE plc

Approved by the Directors



Mark A. Watson



Henry C. Schmeltzer



Henry C. Schmeltzer on behalf of
Francis J. Vassallo, Finlay S. McFadyen,
Peter B. Cartwright, Joaquin Vicent and
Frederic Villa

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1 IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON MEDITERRANEAN BANK PLC (THE “ISSUER”) IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION.

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IT IS THE RESPONSIBILITY OF ANY PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFER OF SECURITIES 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 OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO “**QUALIFIED INVESTORS**” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

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

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. 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 BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN 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 AND OTHER PROFESSIONAL ADVISERS.

2 DEFINITIONS

Act	the Companies Act, Cap. 386 of the laws of Malta;
AnaCap	AnaCap Financial Partners II L.P., a limited liability partnership incorporated under the laws of Guernsey with company number 1027;
CSD	the Central Securities Depository of the Malta Stock Exchange;
Directors or Board	the directors of the Issuer whose names and addresses are set out under the heading “ Board of Directors ” in section 12.1 of this Registration Document;
Euro or €	the lawful currency of the Republic of Malta;
Issuer or Bank	Mediterranean Bank plc, a public limited liability company registered in Malta with company number C 34125 having its registered office at 10, St Barbara Bastion, Valletta, VLT 1000, Malta;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act, 1990 (Cap. 345 of the laws of Malta);
Listing Rules	the listing rules, issued by the Listing Authority;
Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
M&A	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act, Cap. 330 of the laws of Malta;
Prospectus	collectively, the Registration Document, the Securities Note and the Summary Note;
Registration Document	this registration document issued by the Issuer and dated 13 September 2010, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements;
Securities Note	the securities note issued by the Issuer dated 13 September 2010, forming part of the Prospectus;
Summary Note	the summary note issued by the Issuer dated 13 September 2010, forming part of the Prospectus.

3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer. All of the Directors, whose names appear under heading “**Board of Directors**” of this Registration Document, accept responsibility for the information contained herein.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

4 STATUTORY AUDITORS

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2008 and 31 December 2009 have been audited by KPMG, Certified Public Accountants of Portico Building, Marina Street, Pietà, PTA 9044, Malta. KPMG is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, laws of Malta).

5 RISK FACTORS

An investment in the Issuer involves certain risks including those described below. 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 this Prospectus before deciding to make an investment in the Issuer. Some of these risks are subject to contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

If any of the risks described below were to materialise, they could have a serious effect on the Issuer’s financial results and trading prospects and the ability of the Issuer to fulfil its obligations under the securities issued by it from time to time.

The risks and uncertainties discussed below are those identified as such by the Directors, but these risks and uncertainties may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Issuer’s Directors are not currently aware of, may well result in a material impact on the financial condition and operational performance of the Issuer. Accordingly prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in this document.

5.1 Forward Looking Statements

This Registration Document contains “forward looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

5.2 Risks Relating to the Issuer

5.2.1 Credit Risk

Risks arising from changes in credit quality and the recoverability of investments, loans and amounts due from counterparties are inherent in the Issuer’s business. Adverse changes in the credit quality of the Issuer’s borrowers and counterparties or a general deterioration in European or global economic conditions, or arising from systemic risks in the financial systems, could affect the recoverability and value of the Issuer’s assets and require an increase in the provision for impairment losses and other provisions.

5.2.2 Liquidity Risk

Liquidity risk is the risk that the Issuer will encounter difficulty in raising funds to meet financial commitments. Liquidity risk may result from an inability to realise a financial asset quickly at close to its fair value which could have a material adverse affect on the financial performance of the Issuer.

5.2.3 Interest Rate Risk

Interest rate risk arises from the mismatch between interest rate sensitive assets and liabilities. As is common to all banks, the Issuer runs a mismatch between its liabilities and assets.

5.2.4 Concentration Risk

The investments made by the Issuer are all denominated in euro and are eligible for financing through facilities provided to European Union banks by the European Central Bank. Most such securities are issued by EU entities. In addition, the deposit base of the Issuer primarily consists of customers located in Malta and other European Union countries. As a result of the composition of the Issuer's investment portfolio and deposit base, any broadly negative economic trends affecting the European Union may have an adverse effect on the Issuer.

5.2.5 Operational Risk

Operational risk covers the losses arising from inadequate or failed internal processes, people and systems or from unforeseen external events. The Issuer was acquired by AnaCap in 2009 and as a result, new management, policies, procedures and systems were, and are, in the process of being implemented, including a disaster recovery plan and a new core banking system. The Issuer is exposed to the risk that such policies, procedures and systems being implemented will not perform to the level expected and may have a negative impact on the financial performance of the Issuer.

5.2.6 Reputational Risk

Reputational risk arises as a result of reputational damage incurred following the occurrence of one of the events described above under Section 5.2.5. Should such events materialise and the reputation of the Issuer is negatively affected, this may result in a material adverse effect on the operations and performance of the Issuer.

5.2.7 Risks relating to Information Technology

The Issuer is dependent upon the adequacy and proper functioning of information technology systems. As noted above, the Issuer is also in the process of implementing a new core banking system. Unexpected losses incurred as a consequence of individual events resulting, among other things, from faulty information technology, difficulties in the implementation of new systems or failure of such systems caused by external events, whether caused deliberately or accidentally or by natural circumstances, may have a material adverse effect on the operations and performance of the Issuer.

5.2.8 Loss of Trademark

The Issuer is presently engaged in litigation instituted by Mediterranean Bank Network and its members (the "Network") whereby, *inter alia*, the Network requested the cancellation of trademark numbers belonging to the Issuer and requested the Court to order the Issuer to desist from any further use thereof. The loss of such trademarks and their use due to a judgment being awarded in favour of the Network, may have a material adverse effect on the Issuer.

5.2.9 Foreign Exchange Risk

Foreign exchange risk arises on monetary assets and liabilities not denominated in the base currency of a company. Currently the Issuer is not exposed to any material foreign exchange risk. However, in the future, the Issuer may decide to hold assets and liabilities not denominated in euro, in which case, subject to maintaining the necessary controls and limitations, the Issuer may be exposed to fluctuations in foreign currency exchange rates.

5.2.10 External Factors

The Issuer's and the Group's overall performance and results may also be adversely affected by external factors beyond the Issuer's control. These include changes in economic conditions, increased level of local and EU-wide regulation, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector.

6 HISTORY AND DEVELOPMENT OF THE ISSUER

Legal & Commercial Name	Mediterranean Bank plc
Place of Registration	Malta
Registration Number	C 34125
Date of Registration	11 June 2004
Domicile	Malta
Legal Form	Public limited liability company
Legislation under which Issuer operates	Companies Act, Cap. 386 of the laws of Malta, the Investment Services Act, Cap. 370 of the laws of Malta and the Banking Act, Cap. 371 of the laws of Malta
Country of Incorporation	Malta
Address & Telephone Number	10, St Barbara Bastion, Valletta VLT 1961 +356 2557 4400

The Issuer was registered under the laws of Malta on 11 June 2004 and was issued a licence in terms of the Banking Act, Cap. 371 of the laws of Malta from the Malta Financial Services Authority on 14 July 2005.

On 3 November 2008, prior to the acquisition and recapitalisation of the Issuer by its current owners, the Issuer breached its obligation to maintain the obligatory level of minimum own funds and as a result, the Malta Financial Services Authority imposed an administrative penalty of €5,124.68 on the Issuer. On 31 December 2008, the Malta Financial Services Authority imposed restrictions on the Issuer's licence, including restrictions on deposit taking, lending facilities and on capital adequacy and liquidity assets ratios.

In July 2009, the Issuer was, indirectly through Medifin Holding Limited, acquired by AnaCap (a private equity firm specialising in financial services and incorporated in Guernsey) and the Issuer's senior management (vide the section entitled "**Major Shareholders**"). As a result of such acquisition the Issuer received a capital injection of €19,154,733 from Medifin Holding Limited represented by 10,000,000 ordinary 'A' shares of a nominal value of €1 per share and issued at a premium of €0.9154733. On 20 July 2009, the Malta Financial Services Authority granted their consent to such acquisition and on 11 August 2009, having noted that the Issuer's own funds level was increased by €19,154,733 and thus becoming compliant with the minimum own funds required of €5,000,000, removed the restrictions to the Issuer's licence.

The issued share capital of the Issuer is as at the date of this Prospectus, €41,030,107 represented by 41,030,106 Ordinary 'A' shares held by Medifin Holding Limited (the ordinary capital of which is described in the section entitled "**Shareholding of Medifin Holding Limited**") and 1 Ordinary 'B' (non-voting) share held by FJV Management Limited.

7 BUSINESS OVERVIEW

7.1 Principal Activities & Markets

The objects clause of the Issuer principally authorises the Issuer to carry on the business of banking from within Malta and to undertake, carry on and execute all kinds of banking operations with persons, companies or entities as may be allowed by the competent authorities, to engage in international financial business, to engage in investment banking business and to provide investment services in terms of the Investment Services Act, Cap. 370 of the laws of Malta.

The Issuer was granted a licence by the Malta Financial Services Authority in terms of the Banking Act, Cap. 371 of the laws of Malta, on 14 July 2005. The Issuer is licensed to, *inter alia*, carry out the business of banking, to undertake money transmission services, to issue and administer means of payment, to issue guarantees and commitments, to trade on own account and/or for the account of customers in a number of instruments, to provide portfolio management and advice and to provide safe keeping services. The Issuer focuses on wealth management, savings and investments. The Issuer also holds a category 2 and category 4 license issued by the Malta Financial Services Authority which authorises the Issuer to provide any investment service, to hold or control clients' money and to act as trustee or custodian of collective investment schemes.

The principal activities of the Issuer comprise the following:

- The receipt and acceptance of customers' monies for deposit in savings and fixed term deposit accounts which may be denominated in euro and other major currencies;
- Trading for account of customers in foreign exchange;
- The provision of money transmission services;
- The provision of safe custody services with a wide range of custom-tailored solutions as well as administration and safekeeping of securities;
- The provision of investment advice to customers of the Issuer;
- The provision of portfolio management services.

The main market in which the Issuer operates and competes is the Maltese market. The wealth management service of the Issuer is provided to an array of international and Maltese high net worth individuals and corporate clients.

8 SELECTED FINANCIAL INFORMATION

The following are extracts from the consolidated audited financial information for the years ended 31 December 2008 and 31 December 2009 and the consolidated unaudited financial information for the six months ended 30 June 2009 and 30 June 2010.

Summarised Income Statement	AUDITED		UNAUDITED	
	For the 12 months ended 31 December 2008	For the 12 months ended 31 December 2009	For the 6 months ended 30 June 2009	For the 6 months ended 30 June 2010
	€	€	€	€
Interest income	1,298,497	4,543,507	137,615	17,694,984
Interest expense	(670,072)	(1,356,058)	(83,733)	(5,495,386)
Net interest income	628,425	3,187,449	53,882	12,199,598
Fees and commissions income	266,338	113,635	79,883	59,532
Fees and commissions expense	(170,223)	(175,982)	(73,525)	(383,540)
Net fee and commission (expense) / income	96,115	62,347	6,358	324,008
Trading income	52,543	102,576	-	740,414
Other operating income	-	116,093	64,172	156,460
Operating income	777,083	3,343,771	124,412	12,772,464
Impairment loss on financial asset	(92,774)	-	-	-
Administrative expenses	(1,704,720)	(3,255,869)	(650,070)	(2,271,427)
Personnel expenses	(425,798)	(722,835)	(122,901)	(2,966,961)
Depreciation and amortisation	(609,756)	(227,347)	(105,773)	(143,916)
(Loss)/Profit before tax	(2,055,965)	(862,280)	(754,332)	7,390,160
Tax	(1,273,502)	-	-	(1,781,069)
(Loss)/Profit for the period	(3,329,467)	(862,280)	(754,332)	5,609,091
Basic earnings per share	(0.32)	(0.04)	(0.06)	0.14

Summarised Balance Sheet	AUDITED		UNAUDITED	
	As at 31 December 2008	As at 31 December 2009	As at 30 June 2009	As at 30 June 2010
	€	€	€	€
<i>Assets</i>				
Balances with Central Bank of Malta and cash	589,602	39,756,534	38,252	2,018,749
Loans and advances to banks	35,251,390	14,045,344	23,595,827	23,219,360
Loans and advances to customers	2,341	8,709	1,228	254,607
Financial investments	-	636,322,789	-	1,333,088,647
Other assets	1,119,295	7,313,798	1,125,359	19,392,381
Total assets	36,962,628	697,447,174	24,760,666	1,377,973,744
<i>Liabilities</i>				
Due to banks	122,425	578,698,230	60,572	1,190,472,076
Due to customers	33,824,522	72,078,014	22,672,492	127,719,946
Other liabilities	477,025	2,410,804	238,517	9,720,656
Total liabilities	34,423,972	653,187,048	22,971,581	1,327,912,678
<i>Equity</i>				
Total Equity	2,538,656	44,260,126	1,789,085	50,061,066
Total Liabilities and Equity	36,962,628	697,447,174	24,760,666	1,377,973,744

Since its acquisition and recapitalisation in July 2009 by AnaCap and the Issuer's senior management, the Issuer adopted a new business plan, with the aim of positioning the Bank as a savings and wealth management institution, focused both domestically in Malta and internationally.

Management has implemented and continues to implement a business plan which is built to sustain the Issuer's long-term profitability and allow it to develop its customer base in the mass affluent and high net worth market sectors.

Profitability has been achieved through the creation of a high quality, liquid investment portfolio. All investments in the portfolio carry an assigned investment grade rating by at least one of the internationally recognised statistical rating agencies (such as Standard & Poor's, Moody's Investor Service and Fitch).

The aggregate breakdown of the portfolio, categorised by the highest assigned rating, is as follows:

AAA rated	61%
AA rated	24%
A rated	8%
BBB rated	7%

The above are ratings applicable to the instruments in which the Issuer has invested. The Issuer thereof may itself have a different rating to that ascribed to the said instrument issued by it.

This portfolio has been funded largely in the international wholesale banking markets. Simultaneous with this activity, the Issuer has sought to broaden its funding sources by developing its deposit base in both the local and international markets, enabling it to broaden its product offering and nurture its client base.

As a result of the new business plan, as of 30 June 2010, the Issuer had built a portfolio of €1.33 billion of investment securities primarily comprised of senior financial instruments, bank covered bonds, public sector bonds and mortgage bonds. During the year ended 31 December 2009, the Issuer's portfolio generated net interest income of €3.19 million (compared with €0.63 million for the year ended 31 December 2008). During the six months ended 30 June 2010, the Issuer's portfolio generated net interest income of €12.20 million (compared with €0.05 million for the comparable period of 2009).

For the year ended 31 December 2009, the Issuer's operating income was €3.34 million (compared with €0.78 million for the year ended 31 December 2008). For the year ended 31 December 2009, the Issuer had a net loss of €0.86 million (compared with a net loss of €3.33 million for the year ended 31 December 2008). The Issuer's operating income for the six months ended 30 June 2010 was €12.77 million (compared with €0.12 million for the comparable period of 2009), and its net income after tax for such period was €5.61 million (compared with a net loss of €0.75 million for the comparable period of 2009). In furtherance of its goal of building a deposit base, the Issuer increased amounts due to customers from €22.67 million as of 30 June 2009 to €72.08 million as of 31 December 2009 and to €127.72 million as of 30 June 2010.

8.1 Capital Adequacy and Liquidity Ratios

The following provides the capital adequacy ratios and liquidity ratios with respect to the Issuer as at 31 December 2008 and 31 December 2009 and as at 30 June 2009 and 30 June 2010.

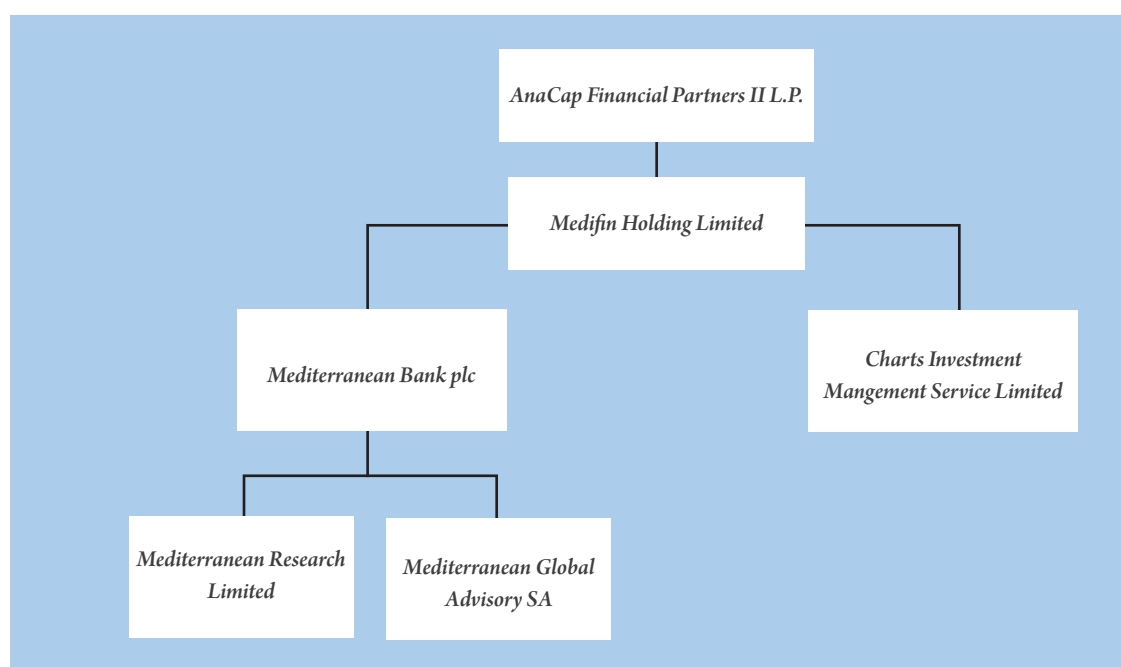
	As at 31 December 2008	As at 31 December 2009	As at 30 June 2009	As at 30 June 2010
Capital Adequacy Ratio*	30.08%	80.34%	30.79%	37.35%
Liquidity Ratio**	103.75%	137.15%	101.83%	69.97%

* The minimum capital adequacy ratio imposed by the Malta Financial Services Authority on credit institutions licensed under the Banking Act, Cap. 371 of the laws of Malta is 8%. The capital adequacy ratio for the financial year ended 31 December 2009 reflected the effect of a capital injection by AnaCap through its indirect acquisition of the Issuer (through Medifin Holding Limited).

** The minimum liquid-asset ratio imposed by the Malta Financial Services Authority on credit institutions licensed under the Banking Act, Cap. 371 of the laws of Malta is 30%.

9 ORGANISATIONAL STRUCTURE

The Issuer forms part of a group of companies, the parent of which is AnaCap.



- AnaCap Financial Partners II L.P. - a specialist private equity firm focused on making investments in the financial services sector across Europe. AnaCap Financial Partners II L.P. is a limited liability partnership incorporated under the laws of Guernsey with company number 1027 and is managed by AnaCap Financial Partners LLP, a limited liability partnership incorporated under the laws of the United Kingdom with company registration number OC 314005.
- Medifin Holding Limited – a holding company registered under the laws of Malta as a private limited liability company with company registration number C 34111. The majority of the issued share capital of Medifin Holding Limited is subscribed to by AnaCap Financial Partners II L.P.
- Charts Investment Management Service Limited – a company licensed under the Investment Services Act, Cap. 370 of the laws of Malta to provide investment services, to hold and control clients' money and assets, and to deal for its own account or underwrite. Charts Investment Management Service Limited is a private limited liability company registered under the laws of Malta with company registration number C 7944. The majority of the issued share capital of Charts Investment Management Service Limited (65%) is held by Medifin Holding Limited.
- Mediterranean Research Limited – a company incorporated to provide investment research services and registered under the laws of the United Kingdom with company number 07084422. Mediterranean Research Limited is a 100% owned subsidiary of the Issuer.
- Mediterranean Global Advisory SA – a dormant/inactive company. Mediterranean Global Advisory SA is a company incorporated under the laws of Switzerland with company number CH-501.3.006.804-8 and is a 100% owned subsidiary of the Issuer.

10 TREND INFORMATION

The year 2008 and the first half of 2009 evidenced a major downturn in economic activity and international financial markets and presented many challenges for credit and financial institutions worldwide. As a result of the financial crisis, liquidity was dramatically reduced, credit spreads widened and a global recession developed. Gradual stabilisation of the financial markets has since occurred as a result, among other things, of the intervention of central banks and governments in providing liquidity to financial institutions and in generally ensuring that measures are in place to stabilise markets. Whilst a number of major economies appear to have exited the recession, recovery and stabilisation remain uncertain.

The acquisition by AnaCap of the Issuer, through Medifin Holding Limited, was concluded during July 2009, subsequent to the worst of the financial crisis. Accordingly, following the acquisition, the bank has implemented policies, procedures and operations designed to address the issues raised by the financial crisis and to address as robustly as possible the risks and potential risks that have become more apparent since the advent of the global financial crisis.

The investment policy of the Issuer focuses primarily on investment in highly-rated securities traded on major exchanges. All investments in the portfolio carry an assigned investment grade rating by at least one of the internationally recognised statistical rating agencies (such as Standard & Poor's, Moody's Investor Service and Fitch).

The aggregate breakdown of the portfolio, categorised by the highest assigned rating, is as follows:

AAA rated	61%
AA rated	24%
A rated	8%
BBB rated	7%

The above are ratings applicable to the instruments in which the Issuer has invested. The Issuer thereof may itself have a different rating to that ascribed to the said instrument issued by it.

These securities include, among others, senior financial instruments, bank covered bonds, public sector bonds and mortgage bonds. All such securities are denominated in euro and are eligible for financing through facilities provided to European Union banks by the European Central Bank. Most such securities are issued by EU entities. In addition, the deposit base of the Issuer primarily consists of customers located in Malta and other European Union countries, including both retail and corporate clients. As a result of the composition of the Issuer's investment portfolio and deposit base, any broadly negative economic trends affecting the European Union may have an adverse

effect on the Issuer. The Directors are not aware of any trends or uncertainties in such markets which would be, during the current financial year, likely to have a material adverse effect on the financial performance of the Issuer.

There has been no material adverse change in the prospects of the Issuer since the date of the last published audited financial statements, that is, 31 December 2009.

11 BUSINESS STRATEGY

The Issuer's ongoing business strategy is based on:

- (i) diversification of its funding sources and building of a stable customer base;
- (ii) development of a range of new products aimed at the mass affluent and high net worth markets;
- (iii) continuing the Issuer's conservative, long-term value-oriented investment philosophy; and
- (iv) maintaining or improving long-term profitability.

As noted above, the Issuer has begun to execute its business strategy by developing a range of funding sources, building a stable customer base, both in Malta and internationally, and investing in a portfolio of highly rated investment securities. The Issuer plans to continue its focus on the mass affluent and high net worth markets.

Over the medium term, the Issuer plans to continue to execute its existing strategy. On 30 August 2010, the Issuer established a branch office in Sliema and may in future consider the opening of other branches in Malta and abroad.

The Issuer also began to execute its plans to develop new products for its mass affluent and high net worth customer base through the acquisition by its parent company, Medifin Holding Limited, of Charts Investment Management Service Limited, a premier Maltese stockbroking, wealth management and corporate advisory firm.

12 BOARD OF DIRECTORS AND BOARD COMMITTEES

12.1 Board of Directors

The Board of Directors of the Issuer consists of a minimum of two and a maximum of eleven members. The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

As at the date of this Registration Document the Board of Directors of the Issuer is composed of the following persons:

Francis J. Vassallo

Chairman & Non-Executive Director

Francis J. Vassallo occupied various senior positions with Chase Manhattan Bank worldwide in a career that spanned 28 years and which also included being on the Board of Directors of the bank's operations in the Channel Islands, Luxembourg and Spain. Mr Vassallo also occupied the post of Directeur General of Chase Manhattan Private Bank in Switzerland and later General Manager of Chase Manhattan Bank in Spain. In September 1993, Mr Vassallo was appointed Governor of the Central Bank of Malta. During his tenure as Governor, Mr Vassallo was a founding member of the Board of Governors of the Malta Financial Services Authority at the time of the restructuring of this vital sector in Malta. Francis J. Vassallo is President of Francis J. Vassallo & Associates Limited and Chairman of FJV Fiduciary Limited and FJV Management Limited. He also acted as Chairman of the Malta Development Corporation, between 1999 and 2000, a government corporation with a mandate to attract foreign direct investment to Malta. Mr Vassallo is a non-executive board member of various listed and un-listed companies, and is a member of the Board of Directors of FIMBank plc. He is also a member of the Board of Directors of major international SICAVs registered in Malta, namely, the Celsius Fund (owned by Barclays Bank plc) and Altma Fund (owned by National Bank of Canada (Global) Limited). He is also a member of the International Tax Planning Association and the Institute of Financial Services Practitioners, and is a member of the Sovereign Military Order of the Knights of St John.

Finlay S. McFadyen

Non-Executive Director

Finlay was a founding partner of AnaCap Financial Partners LLP, and previously a Managing Director at Terra Firma Capital Partners. Finlay is a highly experienced private equity investor and currently works as a non-executive director for private equity owned investments. Prior to this, Finlay worked in the Structured

Products Group at Morgan Stanley & Co and in the Structured Finance Group at Banque Paribas Capital Markets. Finlay holds an LLB (Hons) from Glasgow University and is a solicitor by training, having worked previously at Dundas & Wilson in Edinburgh and at Freshfields in London. Finlay currently lives in France.

Peter B. Cartwright

Non-Executive Director

Peter has spent his entire career in the financial services sector and was one of the founding partners of AnaCap Financial Partners LLP, a European Private Equity firm specialising in financial services, where he is the Business Services Principal responsible for the development of AnaCap's portfolio company investments. Prior to AnaCap, Peter was Commercial Director within a specialty insurance services provider backed by a UK-based private equity firm, and between 1999 and 2003 was the Sales & Marketing Director and Operations Director for GMAC UK and On:line Finance, respectively, having previously worked for GE Capital. Peter is an experienced business builder and operational specialist and holds various non executive and Supervisory Board roles within banks and financial services companies across Europe.

Mark A. Watson

Executive Director – Chief Executive Officer

Mark A. Watson joined Salomon Brothers in 1985 and completed the New York training programme before returning to London to join the Eurobond desk. In London, he traded a variety of European credit and government bonds. In 1991, Mark joined Salomon Brothers Tokyo with responsibility for overnight trading of European products. In 1993, he returned to London to join the Syndicate Desk and later took responsibility for the European primary credit business. Starting in 1996, Mark was given responsibility for all credit trading in Europe and later also became co-head of European Origination functions. In 2004, he became head of European Fixed Income at Citigroup, in charge of all Origination and Markets functions for Europe, Middle East and Africa. Mark was a member of Citigroup's European Operating Committee and the Global Fixed Income Management Group. In 2007, he was appointed co-head of Global Credit Markets. Mark holds a BSc in Business Finance from Cass Business School.

Henry C. Schmeltzer

Executive Director - Chief Operating Officer

Prior to Mediterranean Bank, Henry Schmeltzer founded and managed the European ABS and Illiquid Credit structuring and execution businesses at UBS, including development of the synthetic ABS and ABS derivatives businesses, non-recourse senior funding structures and asset origination strategies and structures. Before joining UBS, he ran credit structuring and origination businesses at Swiss Re London, Merrill Lynch London and Lehman Brothers London and New York. Prior to becoming a banker, Henry was an attorney in New York, leaving the law firm of Brown & Wood as a partner. Henry holds an MBA (Finance) from New York University, a Juris Doctor from the University of Chicago and a Bachelor of Arts degree (magna cum laude) from the Woodrow Wilson School of Princeton University. He was awarded CFA designation and is a member of the bar of the State of New York.

Joaquin Vicent

Executive Director - Head Credit & Investments

Prior to Mediterranean Bank, Joaquin established and built from scratch UBS London's integrated European residential real estate and ABS platform, including cash and derivative trading, structuring, whole loan servicing, hedging and asset origination. He was a member of UBS's European Fixed Income Management Committee. Before joining UBS, Joaquin was head of European ABS trading at Citigroup London and managed Citigroup's Spanish securitisation business in Madrid. Joaquin Vicent holds a Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania.

Frédéric Villa

Executive Director – Head of Private Banking

Frédéric Villa is a Swiss and Italian national and is a founder of Mediterranean Bank plc. In 2005, he moved to Malta from Switzerland to set up the bank, obtain the Banking and Investment services Category 2 and 4 licenses and manage the bank as CEO until September 2009. Prior to Mediterranean Bank, he worked with prime banking institutions in Switzerland in the private banking sector. In 1996, he joined Banca Commerciale Italiana (Suisse) in Zurich and then moved to Swiss Bank Corporation in Lugano in 1998, which later became UBS. Frédéric was responsible for a group of private bankers and developed part of the Italian market. Frédéric holds an honours degree in Banking and Financial Markets from the University of Lausanne and the University of St Gallen, both in Switzerland. He is also a member of the investment committee of Integradvisory, an

investment advisory firm in Malta and of the Institute of Financial Services Practitioners.

The business address of each Director is that of the Issuer.

12.1.1 Conflict of Interest

Francis J. Vassallo is a member of the board of directors of FIMBank plc, a credit institution licensed in terms of the Banking Act, Cap. 371 of the laws of Malta and is the president of Francis J. Vassallo & Associates Limited and Chairman of FJV Fiduciary Limited and FJV Management Limited. Francis J. Vassallo & Associates Limited and the Issuer have entered into an agreement regulating the terms and conditions upon which Francis J. Vassallo & Associates Limited ("Vassallo Associates") may from time to time introduce customers to the Issuer. Any potential conflict of interest that this may present has been addressed as follows:

- a) Pursuant to the introducer agreement, the Issuer reserves the right, in its sole discretion and without providing a reason, not to accept customers introduced by Vassallo Associates;
- b) The memorandum and articles of association of the Issuer provides that in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith; and
- c) The Companies Act, Cap. 386 of the laws of Malta provides that directors are obliged, in addition to complying with their general fiduciary obligations as directors, to ensure that their personal interests do not conflict with the interests of the Issuer.

Other than as disclosed herein, to the extent known to the Issuer as at the date of this Prospectus, there are no other potential conflicts of interest between the duties to the Issuer and their private duties or other duties of the Directors and members of senior management of the Issuer.

12.2 Board Committees

The Board of Directors has established the following Committees:

12.2.1 Audit & Risk Committee

The mandate of the Audit & Risk Committee is primarily to:

- review and approve the annual audit plan and subsequent revisions and monitoring progress against the annual audit plan;
- ensure that the scope of work performed in accordance with the audit plan is adequate and appropriate;
- review work performed on all audit engagements;
- monitor the effectiveness of the Issuer's internal control and risk management systems;
- monitor and review the external auditors' independence, and in particular, the provision of additional services to the Issuer;
- develop and implement a policy on the engagement of the external auditors to supply non-audit services; and
- review and interact with external auditors on the annual statutory audit.

The members of the Audit & Risk Committee are Peter B. Cartwright (Committee Chairman), Francis J. Vassallo and Finlay S. McFadyen. Meetings are to be held four times a year or additionally at the request of any committee member and at least annually, the committee is required to meet with the external auditors without the presence of an executive director. The Issuer determined that the member of the Audit & Risk Committee who is independent and competent in auditing and/or accounting, as required by the Listing Rules, is Francis J. Vassallo.

12.2.2 Nomination & Remuneration Committee

The purpose of the Nomination & Remuneration Committee is to review the setting of remuneration levels within the Issuer and to approve or otherwise performance related bonus awards and long term incentive plan awards. Furthermore, the committee is responsible to identify and nominate for board approval, candidates for appointment as members of the board and the various board committees and has authority from the directors to review candidates for the executive management committee and other senior management positions. The committee is also responsible to regularly review the succession planning of the Issuer and review the structure, size and composition of the non-executive directors, the independent non-executive directors and the executive management committee. The members of the committee are Francis J. Vassallo (Committee Chairman), Peter B. Cartwright and Mark A. Watson. Meetings are to be held at least annually or more frequently if required.

12.2.3 Management Credit Committee

The Management Credit Committee is responsible for approving credit recommendations and making other credit decisions under its delegated authority. This includes decisions on individual credits, reviewing and recommending credit and large exposures to the board of directors, considering credit hedging strategies, recommending other concentration limits for approval of the board of directors and delegating credit approval responsibility to the credit and investment department of the Issuer. The Committee also reviews provisions and lending policies, monitors the health of the Issuer's portfolio and reviews management information reports. The members of the committee are Mark A. Watson (Committee Chairman), Edward Jaccarini (Chief Financial Officer), and Joaquin Vicent (Head of Credit & Investment). The frequency of meetings is not fixed.

12.2.4 Management Assets & Liabilities Committee

The Management Asset & Liability Committee sets and reviews overall policies and objectives for asset and liability management, capital management and allocation, capital usage and efficiency, transfer pricing, risk management, and underwriting, dealing and trading activities in various instruments according to the risk appetite set by the board of directors. The members of the committee are Mark A. Watson (Committee Chairman), Edward Jaccarini (Chief Financial Officer), Deo Catania (Head of Treasury) and Joaquin Vicent (Head of Credit & Investment). Meetings are to be held at least on a monthly basis.

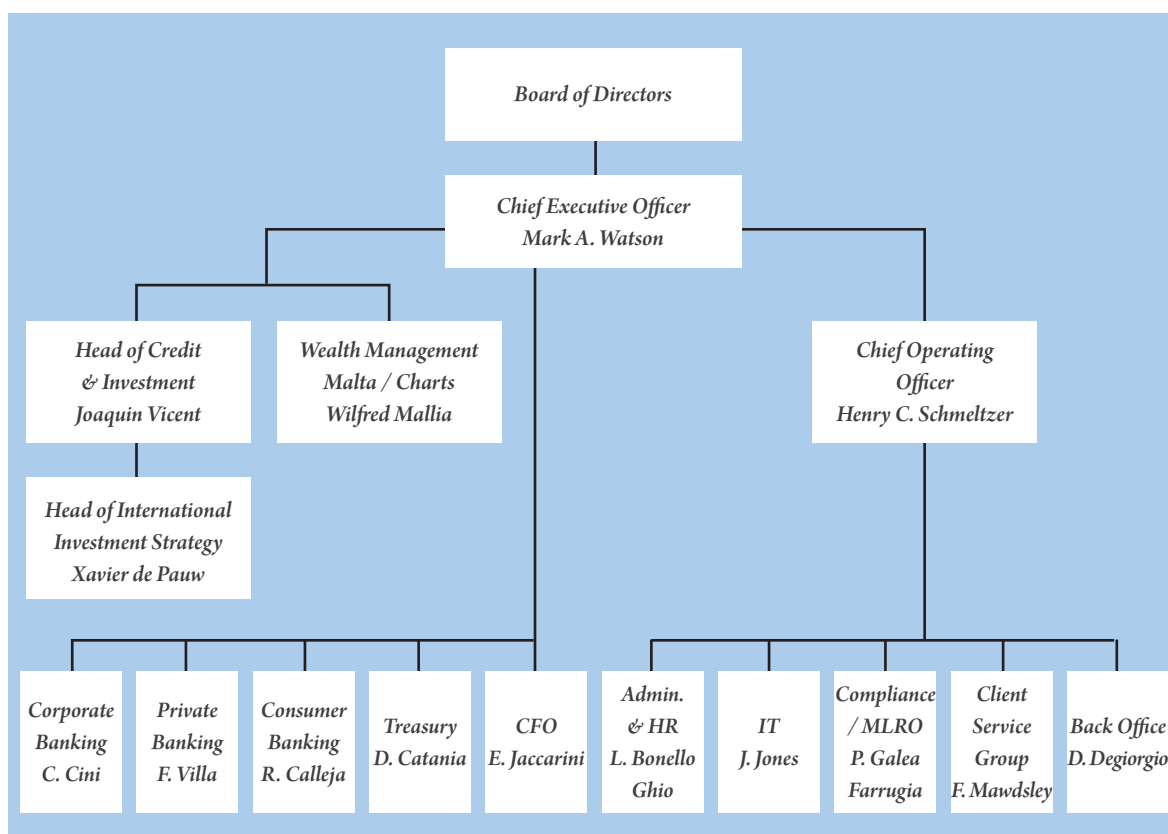
12.3 Management Executive Committee

The board of directors has established a management executive committee of the Issuer to which it has delegated certain day-to-day management responsibilities. The executive committee consists of Mark A. Watson (Chief Executive Officer) and Henry C. Schmeltzer (Chief Operating Officer). The committee is authorised to:

- Approve the establishment and modification of bank accounts / banking relationships;
- Waive specific provisions of the Issuer's compliance requirements;
- Deal with day-to-day operational matters; and
- Issue certified extracts of Board resolutions.

12.4 Management Team

The day-to-day operation of the Issuer is managed by a management team who report to the Chief Executive Officer of the Issuer and is organised as follows:



13 MAJOR SHAREHOLDERS

13.1 Shareholding of the Issuer

As at the date of this Registration Document, Medifin Holding Limited (a Maltese limited liability company with registration number C 34111) holds 99.9% of the issued share capital of the Issuer.

13.2 Shareholding of Medifin Holding Limited

The issued share capital of Medifin Holding Limited is held as follows:

- AnaCap Financial Partners II L.P. (a limited partnership registered under the laws of Guernsey with registration number 1027) holding 40,188,556 ordinary 'A' shares;
- Mark Watson Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1570918) holding 627,854 ordinary 'B' shares and 1,170,000 ordinary 'C' shares;
- HCS Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1568277) holding 224,233 ordinary 'B' shares and 540,000 ordinary 'C' shares;
- JVP Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1570979) holding 362,903 ordinary 'B' shares and 840,000 ordinary 'C' shares; and
- Mark A. Watson (holder of British passport number 800653051) holding one ordinary 'B' share.

Pursuant to the memorandum and articles of Medifin Holding Limited, holders of the ordinary 'A' shares and of the ordinary 'B' shares are entitled to the right to receive notice of, and to attend, speak and vote at all general meetings. The majority of such voting shares are held by AnaCap Financial Partners II L.P. Furthermore, in terms of the said articles of association, the holders of ordinary 'A' shares are entitled to nominate persons to act as directors of Medifin Holding Limited. Accordingly, indirect control of the Issuer is vested in AnaCap Financial Partners II L.P.

In the event that, as a result of the shareholding structure and resultant rights described above, potential conflicts were to arise, the Issuer, through its Audit Committee and independent Non-Executive Directors, has the necessary measures in place to ensure the appropriate management and resolution of such conflicts in the best interests of the Issuer. Furthermore, in terms of the memorandum and articles of association of the Issuer, in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith.

The Issuer is not aware of any existing arrangements between the Issuer and any potential acquirer which may result in a change of control. However, AnaCap Financial Partners II L.P., the controlling shareholder of Medifin Holding Limited, may at some point exit all or part of its investment in the Issuer, in which case there may be a change of control in the Issuer.

14 FINANCIAL INFORMATION

14.1 Historical Financial Information

Full historical financial information for the two financial years ended 31 December 2008 and 31 December 2009 are set out in the consolidated financial statements of the Issuer as audited by KPMG and are available for public inspection. The unaudited consolidated interim financial information for the six months ended 30 June 2009 and 30 June 2010 are also available for public inspection.

The latest audited financial information available in respect of the Issuer relates to the financial year ended on 31 December 2009.

14.2 Legal and Arbitration Proceedings

On 25 October 2006, civil proceedings were filed by Kevin-James Fenech on behalf of the Mediterranean Bank Network and of its members (the "Network") against the Issuer whereby a number of judicial demands

were made by the Network against the Issuer requesting the cancellation of trademark numbers 44231 and 44232 and requesting the Court to order the Issuer to desist from any further use of the trademark. These demands were rebutted by the Issuer by the submission in Court of its statement of defence on 20 November 2006 whereby a series of grounds in defence were raised. The proceedings are presently during the stage where the Issuer is submitting its own evidence.

14.3 Significant Change in the Issuer's Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 30 June 2010.

15 MATERIAL CONTRACTS

15.1 Non-discretionary Investment Advisory Agreement

On 6 August 2009, the Issuer entered into an agreement with Citadel Europe LLP, whereby the Issuer sought the assistance of Citadel Europe LLP in connection with the construction and monitoring of a portfolio of European asset-backed securities subject to the terms and conditions contained therein. The term of this agreement is linked to the longest final maturity of the approved securities in the portfolio. The services which are the subject of this agreement include investment advice, portfolio review, advice in respect of the Issuer's credit approval process, sourcing and arranging for purchase of approved securities and portfolio surveillance. The agreement may be terminated by the Issuer at any time on written notice with immediate effect and may be terminated by Citadel Europe LLP by giving at least six months prior written notice if given during the first year of the agreement and by giving at least three months written notice at any other time. The agreement also contemplates a series of termination events linked to each of the Issuer and Citadel Europe LLP, whereby upon their occurrence, the agreement may be terminated with immediate effect and may require the payment of fees to Citadel Europe LLP. This Agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts.

15.2 Outsourcing Agreement

On 1 January 2005, the Issuer and Boss Lab SA entered into an agreement pursuant to which the Issuer outsourced its information technology (IT) (or a portion thereof) and its back office administration (or portion thereof) to Boss Lab SA. The term of the contract is indefinite; however either party may terminate the agreement at the end of June and December of any given year with a prior 12 months' written notice period. In the event that prescribed events, such as the insolvency of a party, prohibition by law of the performance of the contract and change of ownership of a party which change endangers its competitive position, the contract may be terminated with immediate effect. Furthermore, the contract regulates the conditions by which such termination takes place. The services provided by Boss Lab SA relate to application services, data centre services, back office administration and related implementation services. Under the terms of this agreement, Boss Lab is required to provide a manual describing the operating processes and procedures relating to the provision of the data centre services. The Issuer is required to pay the aggregate charges and annual charges, as described in the said agreement, within 30 days from the invoice date. In the event of termination of the agreement, Boss Lab SA is required to provide the necessary assistance to the client to transfer the client data to another services provider or to the Issuer. Boss Lab SA are required to regularly report to the Issuer on the performance of the services and on any problems incurred or forecasted and are further required to provide the Malta Financial Services Authority with all information and documents in relation to the outsourced business area that it requires for its supervisory activities.

Under the terms of this agreement, Boss Lab SA is liable only for direct damages resulting from gross negligence and wilful misconduct.

15.3 Professional Services Agreement & Software Licence Agreement

On 10 August 2010, Infosys Technologies Limited ("Infosys") and the Issuer entered into an agreement pursuant to which Infosys (a) granted the Issuer a license to use its proprietary software Finacle (a banking software product) in accordance with the terms of the Software License Agreement; and (b) agreed to provide the Issuer with services in relation to the installation, customisation, development, parameterisation, training, testing and implementation of the licensed software, subject to the terms and conditions contained in the said agreement.

On 10 August 2010, Infosys and the Issuer entered into the Software License Agreement pursuant to which Infosys granted the Issuer a non-exclusive, non-transferable, limited license to use the Finacle

banking software product subject to the payment of a license fee and maintenance fees and other terms and conditions contained in the said agreement. Unless otherwise terminated by either party, the term of the agreement is indefinite.

The Professional Services Agreement is valid for a period of one year, and unless otherwise terminated beforehand, is automatically extended for a further period of one year.

Both the Professional Services Agreement and the Software Licence Agreement contain indemnity and limitation of liability clauses effectively limiting the liability of either party thereunder. Both agreements may terminate as follows: (i) either party has the right to terminate the agreement if the other breaches or is in default of any obligation thereunder (which default is incapable of cure or, if curable, is not cured within 30 calendar days after receipt of notice of default); (ii) either party may terminate the agreement by written notice to the other in the event of insolvency or bankruptcy, inability to pay its debts as they become due, or in the event that the other party makes an assignment for the benefit of creditors or the other party sells all or substantially all of its assets; (iii) in the case of the Professional Services Agreement, the Issuer is entitled to terminate any individual work order issued pursuant to the agreement by providing 60 days' written notice (unless such notice period is otherwise set forth in the work order); and (iv) either party may terminate the agreement without cause by providing 60 days' written notice provided that such notice will not affect the completion of any work order. Following termination, the Issuer is required to pay Infosys charges for the services and deliverable provided to the Issuer up to the date of termination.

The agreements are governed by the laws of England and any disputes arising thereunder are to be finally settled by arbitration conducted in accordance with the rules of the United Nations Commission and International Trade Law.

15.4 Software License Agreement

On 14 August 2009, SunGard Front Arena AB ("**SunGard**") and the Issuer entered into an agreement pursuant to which SunGard provided a personal, non-transferable, non-exclusive, limited-scope, term license in favour of the Issuer, subject to the payment of a license fee, yearly support fees, as well as professional services fees, expense reimbursements and taxes, all as specified in the agreement. The licence provided to the Issuer relates to the Front Arena trading and risk management system under which the Issuer can enter and execute new trades, manage asset and liability risk and perform risk and portfolio management. The initial license term duration is five years from the specified date, after which the renewed license term will continue unless terminated by either party giving the other party not less than 6 months' prior notice. The Issuer or SunGard may immediately terminate the Agreement by giving a written notice of termination, upon the occurrence of certain events set forth in the agreement.

16 DOCUMENTS ON DISPLAY

The following documents (or copies thereof) may be inspected at the registered office of the Issuer:

- The memorandum and articles of association of the Issuer;
- The unaudited consolidated interim financial statements of the Issuer for the six months ended 30 June 2009 and 30 June 2010; and
- The audited consolidated and individual financial statements of the Issuer for each of the financial years ended 31 December 2008 and 31 December 2009.



Securities Note

Dated 30 May 2011

This document is a Securities Note 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 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about

€5,000,000 6.25% Bonds due 2015
to be issued by
Mediterranean Bank plc
(registered with limited liability in the Republic of Malta)

This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Joaquin Vicent

Sponsor


Calamatta Cuschieri
Investment Advisors & Stockbrokers

Approved by the Directors

Manager and Registrar


MALTA STOCK EXCHANGE plc

Joaquin Vicent on behalf of
Francis J. Vassallo, Finlay S. McFadyen,
Peter B. Cartwright, Mark A. Watson and Henry C. Schmeltzer

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1. IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT, AND THE REGULATION.

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

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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 THIS PROSPECTUS.

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS 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 PERSONS IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY BONDS ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE APPLICANTS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS 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 OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “**QUALIFIED INVESTORS**” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

THE BONDS 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, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “U.S.”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE THE ISSUER 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 MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

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

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. 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 BONDS.

ALL THE ADVISERS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING “**ADVISERS TO THE ISSUER**” OF THIS SECURITIES NOTE HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

2. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document issued by the Issuer on 13 September 2010, as amended, supplemented and updated by the Supplement contained in this Securities Note.

2010 Bonds	The bonds issued by the Issuer pursuant to the securities note dated 13 September 2010, which bonds are fully fungible with the Bonds being issued pursuant to this Securities Note;
Bond(s)	The €5,000,000 bonds due 2015 of a face value of €100 per bond redeemable on the Redemption Date, bearing interest at the rate of 6.25% per annum and redeemable at their nominal value issued pursuant to this Securities Note dated 30 May 2011, and subject to the terms and conditions contained herein;
Bondholder	A holder of Bonds;
Bond Issue	The issue of the Bonds;
Bond Issue Price	The price of €100 per Bond;
Business Day	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Interest Payment Date	30 October of each year from and including 2011 to and including 2015, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries	a) Charts Investment Management Service Limited, of Valletta Waterfront - Vault 17, Pinto Wharf, Floriana, FRN 1913, Malta; and b) Calamatta Cuschieri and Co. Limited of 5th Floor, Valletta Buildings, South Street, Valletta, VLT 1103, Malta;
Intermediaries' Offer Date	The 21 June 2011 on which date the Subscription Agreements shall be received by the Issuer;
Issue Date	Expected to be 27 June 2011;
Official List	The list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Redemption Date	30 October 2015;
Redemption Value	The nominal value of each Bond;

Registration Document	The registration document issued by the Issuer dated 13 September 2010, as amended, supplemented and updated by virtue of the Supplement contained in this Securities Note, forming part of the Prospectus;
Securities Note	This Securities Note in its entirety;
Subscription Agreement	The form of subscription agreement to be entered into between the Issuer and an Intermediary pursuant to which the Intermediary agrees to subscribe to the Bonds, subject to the terms and conditions contained therein;
Summary Note	The summary note issued by the Issuer dated 30 May 2011, forming part of the Prospectus;
Supplement	The supplement to the Registration Document dated 13 September 2010 contained in Annex 1 of this Securities Note;
Terms and Conditions	The terms and conditions of the Bonds contained in this Securities Note under the heading “ Terms and Conditions of the Bonds ”.

3. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Bonds. All of the Directors, whose names appear under the heading “**Board of Directors**” of the Registration Document, as the same has been amended pursuant to the Supplement, accept responsibility for the information contained herein. The current Directors of the Issuer are:

Francis J. Vassallo, Chairman & Non-Executive Director
Finlay S. McFadyen, Non-Executive Director
Peter B. Cartwright, Non-Executive Director
Mark A. Watson, Executive Director – Chief Executive Officer
Henry C. Schmeltzer, Executive Director - Chief Operating Officer
Joaquin Vicent, Executive Director - Head Credit & Investments

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

4. ADVISERS TO THE ISSUER

Legal Counsel	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta, VLT 1103, Malta
Sponsor	Calamatta Cuschieri and Co. Limited 5th Floor, Valletta Buildings, South Street, Valletta, VLT 1103, Malta

5. RISK FACTORS

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity. An investment in the Bonds involves certain risks including those described below. 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 this Prospectus before deciding to make an investment in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

Neither this Securities Note, nor any other parts of the Prospectus or any other information supplied in connection with the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer or the Sponsor or Intermediaries; that any recipient of this Securities Note (or any other part of the Prospectus or any other information supplied in connection with the Prospectus or any Bonds) should purchase any Bonds.

Accordingly prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in this document.

5.1 Forward Looking Statements

This Securities Note contains “forward looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

5.2 Risks Relating to the Bonds

- 5.2.1 The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer’s Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell the Bonds at or above the Bond Issue Price or at all.
- 5.2.2 There can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.
- 5.2.3 Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- 5.2.4 A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder’s currency of reference, if different.
- 5.2.5 No prediction can be made about the effect which any future public offerings of the Issuer’s securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- 5.2.6 In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds, it shall call a meeting of Bondholders. Defined majorities of Bondholders may bind all Bondholders including those that did not attend and vote at the relevant meeting and Bondholders who attended and voted in a manner contrary to the majority.
- 5.2.7 The Bonds are unsecured. The Bonds constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt. The Bonds shall rank junior and subsequent to any prior ranking security interest created for the purpose of securing the Issuer’s secured interbank funding lines and repurchase agreements. Such interbank funding lines and repurchase agreements are used to finance the Issuer’s investment portfolio.
- 5.2.8 The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

6. KEY INFORMATION

6.1 Interest of Natural and Legal Persons in the Bond Issue

Charts Investment Management Service Limited is a subsidiary company of Medifin Holding Limited (C 34111) and consequently under common control with the Issuer, is licensed in terms of the Investment Services Act (Cap. 370, laws of Malta) and is included as an Intermediary. Consequently, Charts Investment Management Service Limited shall act as one of the Intermediaries and may, on an “*execution-only*” basis, effect transactions for the account of their respective customers. Charts Investment Management Service Limited will not be providing any advice to their respective customers in relation to the Bonds.

6.2 Reasons for the Issue and Use of Proceeds

The Issuer shall use the proceeds of the Bond Issue for its general corporate and investment purposes and may include the following without any priority between the same:

- i. to grow its investment portfolio in accordance with its investment strategy (as described in section 11 of the Registration Document) by investing in additional investment grade securities;
- ii. to refinance the Issuer’s general liabilities as they become due;
- iii. to enhance the Issuer’s available liquidity; and
- iv. to diversify the funding available to the Issuer.

6.3 Expenses

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsorship, management, and registrar fees, a 1% selling commission, and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €150,000, and shall be borne by the Issuer.

The overall amount of the commission payable to Intermediaries will not exceed €50,000.

7. TERMS AND CONDITIONS OF THE BONDS

7.1 General

- 7.1.1 The terms of the Bonds being issued pursuant to this Securities Note are identical to those of the 2010 Bonds (other than the date of admissibility to listing and the Bond Issue Price). The Bonds are fully fungible with the 2010 Bonds.
- 7.1.2 It is expected that the Bonds and 2010 Bonds will trade separately up until 30 October 2011 – this in view of the limited first interest period of the Bonds.
- 7.1.3 Each Bond forms part of a duly authorised issue of 6.25% 2010 Bonds due 2015 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €5,000,000 (except as otherwise provided under section “**Further Issues**”).
- 7.1.4 The Bonds are not underwritten. In the event that the principal amount of the Bonds amounting to €5,000,000 is not fully subscribed, the Issuer shall proceed to list the subscribed portion of the Bonds on the Official List, and the subscribed portion of the Bonds shall be allocated to the respective Intermediary in accordance with the terms of this Prospectus.
- 7.1.5 The Bonds have been assigned the following ISIN: MT0000551219.

7.2 Legislation under which the Bonds are Created

The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.

7.3 Registration, Form, Denomination and Title

- 7.3.1 Certificates will not be delivered to Bondholders in respect of the Bonds pursuant to the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer.
- 7.3.2 Upon request by the Bondholder, the CSD will issue a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.
- 7.3.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100.
- 7.3.4 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading “**Transferability of the Bonds**”.

7.4 Currency of the Bonds

The currency of the Bonds is euro (€).

7.5 Status of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt. The Bonds shall rank junior and subsequent to any prior ranking security interest created for the purpose of securing the Issuer's secured interbank funding lines and repurchase agreements. Such interbank funding lines and repurchase agreements are used to finance the Issuer's investment portfolio.

7.6 Privileges and Hypothecs

The Issuer finances its investment portfolio in the interbank market using secured funding lines and repurchase agreements. Pursuant to such arrangements, investment securities being financed are pledged to the financing counterparty. Creditors of the Issuer providing such financing and benefiting from the related pledges would rank prior to bondholders in respect of the pledged assets.

7.7 Rights Attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest and in accordance with the ranking as provided in this Securities Note.

7.8 Interest

- 7.8.1 The Bonds shall bear interest from and including 22 June 2011 at the rate of 6.25% per annum on the nominal value thereof, payable annually in arrears on each “**Interest Payment Date**”, the first Interest Payment Date being on 30 October 2011. Provided that any Interest Payment Date which falls on a day other than a Business Day, will be carried over to the next following day that is a Business Day.

- 7.8.2 When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of the actual number of days in such period divided by the actual number of days (365 or 366) in the respective year.

7.9 Payments of Redemption Value and Interest

- 7.9.1 Payment of the principal amount of a Bond will be made in euro by the Issuer to the person in whose name such Bonds are registered at the close of business on the Redemption Date, with interest accrued to the Redemption Date, by direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in euro and held with any licensed bank in Malta. The Issuer shall not be responsible for any loss or delay in transmission.
- 7.9.2 Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD. Provided that where the Bondholder's bank account number is not known, the principal amount is retained by the Issuer for collection by the Bondholder or remittance when the bank account number of the said Bondholder is made known to the Issuer. In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.
- 7.9.3 Payment of any instalment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in euro and held with any licensed bank in Malta. The Issuer shall not be responsible for any loss or delay in transmission. Provided that where the Bondholder's bank account number is not known, the interest is retained by the Issuer for collection by the Bondholder entitled to such interest or remittance when the bank account number of the said Bondholder is made known to the Issuer.
- 7.9.4 All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.
- 7.9.5 No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.
- 7.9.6 Unless previously purchased and cancelled as provided below, the Issuer will redeem the Bonds (together with payment of interest accrued thereon) at their nominal value on Redemption Date.
- 7.9.7 Subject to the provisions of section 7.9.8, the Issuer may at any time purchase Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders shall be made available to all Bondholders alike.
- 7.9.8 All Bonds purchased by the Issuer on its own account will be cancelled forthwith and may not be re-issued or resold.

7.10 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is six point two five per cent (6.25%).

7.11 Meetings of Bondholders

- 7.11.1 The Terms and Conditions contained herein may be amended with the approval of Bondholders at a meeting called for that purpose in accordance with the terms hereunder.
- 7.11.2 In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders by giving such Bondholders not less than 14 days' notice, in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.
- 7.11.3 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose a quorum shall be considered present if there are Bondholders present, in person or by proxy, accounting for at least 50% in nominal value of the Bonds then outstanding.
- 7.11.4 Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the regulations of the Issuer would chair a general meeting of shareholders), the meeting may then proceed to business and the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that the Terms and Conditions of Issue of the Bonds ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present.
- 7.11.5 The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- 7.11.6 The proposal placed before a meeting of Bondholders shall only be considered approved if at least 75% in nominal value of the Bondholders present at the meeting shall have voted in favour of the proposal.
- 7.11.7 Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply.

7.12 Authorisations and Approvals

- 7.12.1 The Board of Directors of the Issuer authorised the Bond Issue pursuant to a Board of Directors' resolution passed on 25 May 2011.
- 7.12.2 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 30 May 2011.
- 7.12.3 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- 7.12.4 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 27 June 2011 and trading is expected to commence on 28 June 2011.

7.13 Issue Date

The Issue Date of the Bonds is expected to be 27 June 2011.

7.14 Transferability of the Bonds

- 7.14.1 The Bonds are freely transferable and once admitted to the Official List of the MSE, shall be transferable in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- 7.14.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD, a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.
- 7.14.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 7.14.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.
- 7.14.5 The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

7.15 Taxation

7.15.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.15.2 Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, (Cap. 123, laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123, laws of Malta). Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However tax withheld shall in no case be available to any person for a credit against that person's tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.15.3 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

7.15.4 Capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "*shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*", no tax on capital gains is chargeable in respect of transfer of the Bonds.

7.15.5 Duty on documents and transfers

In terms of article 50 of the Financial Markets Act, (Cap. 345, laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds is exempt from Maltese duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

7.16 Further Issues

The Issuer may, from time to time, without the consent of the Bondholder, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue.

7.17 Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest if any of the following events ("Events of Default") shall occur:

- (a) the Issuer shall fail to pay any principal and interest on any Bond when due and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- (b) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- (c) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- (d) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.

7.18 Distribution

The Bonds shall be issued and subscribed for by Intermediaries either for their own account or on behalf of investors represented by such Intermediaries. The Issuer shall not, unless due notice in writing is given to it, verify the relations existing between an Intermediary and its client and shall only and at all times recognise as a Bondholder the person registered as such in the register of Bondholders held for this purpose.

The Issuer intends to enter into Subscription Agreements with Intermediaries whereby the Issuer binds itself to allocate to such persons, who shall bind themselves to purchase Bonds, subject to the terms and conditions contained therein. Subscription Agreements shall be received by the Registrar up to 12:00 hours on 21 June 2011 at the Registrar's office or by fax provided that in the event that the Subscription Agreements are transmitted by fax, an original copy thereof must be submitted by not later than 16:00 hours on 21 June 2011. In the event that the Intermediary fails to submit the completed Subscription Agreements as aforesaid, the Intermediary shall not be entitled to any Bonds.

As a condition subsequent to the submission of the completed Subscription Agreements, the Intermediary shall, by not later than 12:00 hours on 21 June 2011, effect the deposit of subscription proceeds in respect of the Bonds applied for. Satisfactory evidence of such payment shall be transmitted to the Registrar forthwith upon the deposit/s being effected to the Registrar's office. Alternatively, a copy of the deposit slip evidencing payment may be transmitted by fax to the Registrar, provided that any such deposit slip submitted to the Registrar by fax is to be followed up by submission of the original to the Registrar by not later than 16.00 hours on 21 June 2011. The Registrar shall, immediately upon receipt of the necessary evidence of payment, acknowledge receipt thereof in writing.

In the event that the Intermediary fails to provide the Registrar with any evidence of payment, the respective Subscription Agreement shall not be taken into consideration by the Issuer for the purposes of the allocation of Bonds to the respective Intermediary.

Where such evidence of payment is submitted by the Intermediary, and, the amount/s shown in such evidence/s is/are not sufficient to cover the amount/s set out in the completed Subscription Agreement, the Issuer reserves the right not to take into consideration (for the purposes of the allocation of Bonds to the Intermediary) such part of the amount set out in the completed Subscription Agreement in respect of which the Intermediary has not submitted evidence of payment.

In the event that the total aggregate number of Bonds subscribed for pursuant to the Subscription Agreements exceeds the maximum amount being issued by the Issuer, the Issuer shall determine the basis of allocation of such applications and the Issuer reserves the right to allocate a fewer number of Bonds than those applied for by each Intermediary pursuant to the completed Subscription Agreement. In the event that the Intermediary has been allocated a lesser number of Bonds than the number indicated in the Subscription Agreement, the Intermediary shall receive a refund of the balance of the price of the Bonds applied for but not allocated, without interest, by direct credit into the Intermediary's bank account denominated in Euro as indicated by the Intermediary in the Subscription Agreement.

The intermediary offer is the only distribution channel that the Issuer has selected for the purpose of making the Bond Issue and accordingly there will be no direct retail distribution except through Intermediaries.

Intermediaries purchasing Bonds may do so for their own account or for the account of underlying customers, including retail customers and shall in addition be entitled to distribute any portion of the Bonds purchased upon commencement of trading.

7.19 Allotment Results

It is expected that an allotment advice to Intermediaries will be dispatched within 2 Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Intermediaries may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid. Dealings in the Bonds may not commence before the notification to Intermediaries of the amount allotted to them is made.

The Issuer shall make public the results of the offer by means of a company announcement issued on the website of the Malta Stock Exchange within 1 Business Day after the Intermediaries Offer Date.

8. EXPECTED TIMETABLE

Subscription Agreements available	6 June 2011
Intermediaries Offer date	21 June 2011
Announcement of basis of acceptance	22 June 2011
Commencement of interest on the Bonds	22 June 2011
Expected dispatch of allotment advices and refunds of unallocated monies	24 June 2011
Admission to trading	27 June 2011

9. ADMISSION TO TRADING

Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List. The Conditions contained herein shall be read in conjunction with the Bye-Laws of the MSE applicable from time to time.

The 2010 Bonds, which constitute debt securities of the same class as the Bonds, are already admitted to trading on the Official List of the Malta Stock Exchange.

ANNEX 1: SUPPLEMENT

This Supplement is being prepared in terms of Article 12(2) of the Prospectus Directive 2003/71/EC.

This Supplement is supplemental to, and should be read in conjunction with the Registration Document issued by the Issuer on the 13 September 2010. Terms defined in the Registration Document have the same meaning when used in this Supplement.

This Supplement contains information given in compliance with the Listing Rules of the Listing Authority for the purpose of giving information. The Board of Directors of Mediterranean Bank plc accept responsibility for the information contained in this Supplement. To the best of its knowledge (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information. A copy of this Supplement has been delivered to the Listing Authority.

Save as disclosed, there has been no significant change and no significant matter has arisen since the publication of the Prospectus dated 13 September 2010.

This Supplement has been produced for the following purpose:

- A. To incorporate by reference the consolidated Audited Financial Statements of the Issuer for the financial year ended 31 December 2010;
- B. To amend the Registration Document dated 13 September 2010 (the “Registration Document”) as follows:
 - i. To amend the definition of the term ‘Prospectus’, ‘Securities Note’ and ‘Summary Note’ as follows:

<i>“Summary Note</i>	<i>the summary note issued by the Issuer dated 30 May 2011, forming part of the Prospectus.</i>
<i>Securities Note</i>	<i>the securities note issued by the Issuer dated 30 May 2011, forming part of the Prospectus.</i>
<i>Prospectus</i>	<i>collectively the Registration Document, the Securities Note, the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time.”</i>
 - ii. To amend Section 4 and replace same with the following:

“4. Statutory Auditors

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2009 and 31 December 2010 have been audited by KPMG, Certified Public Accountants of Portico Building, Marina Street, Pieta, PTA 9044, Malta. KPMG is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, laws of Malta).”
 - iii. To delete Section 5.2.8 – this in view of the fact that the litigation referred to therein and instituted by Mediterranean Bank Network and its members (the “Network”) against the Issuer is expected to be settled and consequently withdrawn in the near future.

- iv. To delete Section 5.2.4 and replace the same with the following:

“5.2.2 Liquidity Risk

Liquidity risk is the risk that the Issuer will encounter difficulty in obtaining funds to meet its financial commitments. This risk may occur if the Issuer is unable to sell a financial asset quickly at its fair value. A significant portion of the Issuer's financing is derived from international wholesale funding markets, including funding from the European Central Bank. In the event that funding from such markets were to become less available or more expensive, the Issuer may be adversely affected.”

- v. To delete Section 8 entitled “Selected Financial Information” and replace the same with the following:

“8. Selected Financial Information

The following are extracts from the consolidated audited financial information for the years ended 31 December 2009 and 31 December 2010.

	AUDITED	
Summarised Income Statement	31 December 2010	31 December 2009
	€'000	€'000
<i>Interest income</i>	41,834	4,544
<i>Interest expense</i>	(14,188)	(1,357)
Net interest income	27,646	3,187
<i>Fee and commission income</i>	124	114
<i>Fee and commission expense</i>	(1,154)	(176)
Net fee and commission expense	(1,030)	(62)
Net trading income	347	103
Other operating income	3,280	116
	3,627	219
Operating income	30,243	3,344
<i>Impairment loss on financial assets</i>	-	-
<i>Administrative and other expenses</i>	(5,675)	(3,256)
<i>Personnel expenses</i>	(5,137)	(723)
<i>Depreciation and amortisation</i>	(365)	(227)
Operating expenses	(11,177)	(4,206)
Profit/(Loss) before income tax	19,066	(862)
<i>Tax expense</i>	(3,955)	-
Profit/(Loss) for the year	15,111	(862)
Basic earnings / (loss) per share (cents)	37	(4)

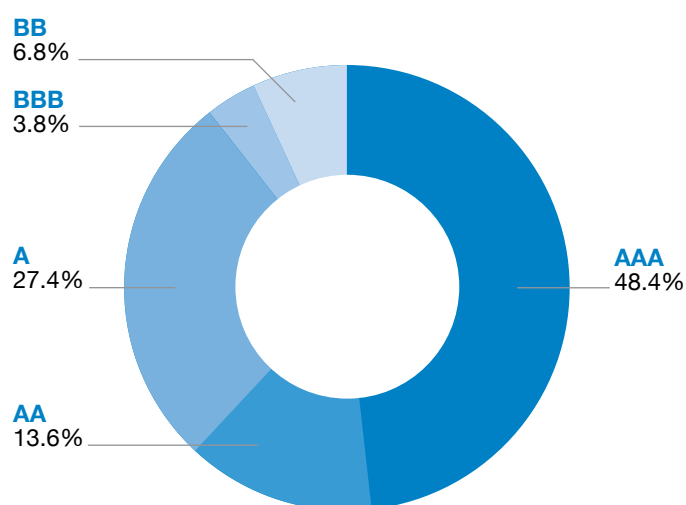
Summarised Balance Sheet	AUDITED	
	31 December 2010	31 December 2009
	€'000	€'000
ASSETS		
<i>Balances with Central Bank of</i>		
<i>Malta and cash</i>	10,526	39,757
<i>Loans and advances to banks</i>	35,801	14,045
<i>Loans and advances to customers</i>	1,295	9
<i>Investment securities</i>	1,324,114	636,323
<i>Other assets</i>	19,827	7,313
Total assets	1,391,563	697,447
LIABILITIES		
<i>Amounts owed to banks</i>	1,134,986	578,698
<i>Amounts owed to customers</i>	172,847	72,078
<i>Debt securities issued</i>	14,735	-
<i>Other liabilities</i>	9,524	2,411
Total liabilities	1,332,092	653,187
EQUITY		
Total equity	59,471	44,260
Total equity and liabilities	1,391,563	697,447

Since its acquisition and recapitalisation in July 2009 by AnaCap and the Issuer's senior management, the Issuer adopted a new business plan, with the aim of positioning the Bank as a savings and wealth management institution, focused both domestically in Malta and internationally. Management has implemented and continues to implement a business plan which is built to sustain the Issuer's long-term profitability and allow it to develop its customer base in the mass affluent and high net worth market sectors.

Profitability has been achieved through the creation of a high quality, liquid investment portfolio. All investments in the portfolio carry an assigned rating by at least one of the internationally recognised statistical rating agencies (such as Standard & Poor's, Moody's Investor Service and Fitch Ratings).

The aggregate breakdown of the portfolio as at 31 March 2011, categorised by the highest assigned rating, is as follows*:

Issuer Rating Distribution



AAA rated - 'AAA' rating is the highest rating assigned by credit rating agencies and is indicative that the issuer or the investment with exceptionally strong protection for the timely repayment of principal and interest.

AA rated - 'AA' ratings are of superior credit quality, and protection of interest and principal is considered high.

A rated - 'A' ratings are of satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities.

BBB rated - 'BBB' ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

BB rated - 'BB' ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.

There have been no material changes in the Issuer's investment portfolio between 31 December 2010 and 31 March 2011. The Issuer has experienced downwards ratings migration within the portfolio resulting in the ratings distribution described above.

The above are ratings applicable to the instruments in which the Issuer has invested. The Issuer thereof may itself have a different rating to that ascribed to the said instrument issued by it.

* The definition of each of the ratings provided has been extracted from www.fitchratings.com. This information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by www.fitchratings.com, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The above described portfolio has been funded largely in the international wholesale banking markets. Simultaneous with this activity, the Issuer has sought to broaden its funding sources by developing its deposit base in both the local and international markets, enabling it to broaden its product offering and nurture its client base.

The fair value of the Issuer's financial assets and liabilities, which are measured at amortised cost and have a short re-pricing maturity, is not materially different from their carrying value in the balance sheet, except for held-to-maturity investments with an amortised cost of €1.24 billion as of 31 December 2010. The fair market value of such held-to-maturity investments at year end amounted to €1.14 billion.

The fair value of debt instruments represents the closing bid price quoted in an active market and is classified as level 1 under the fair value hierarchy in accordance with IFRS7.

As a result of the new business plan, as of 31 December 2010, the Issuer had built a portfolio of €1.32 billion of investment securities primarily comprised of senior financial instruments, bank covered bonds, public sector bonds and mortgage bonds. During the year ended 31 December 2010, the Issuer's portfolio generated net interest income of €27.65 million (compared with €3.19 million for the year ended 31 December 2009).

For the year ended 31 December 2010, the Issuer's operating income was €30.24 million (compared with €3.34 million for the year ended 31 December 2009). For the year ended 31 December 2010, the Issuer had a net profit before tax of €19.07 million (compared with a net loss of €0.86 million for the year ended 31 December 2009) and its net profit after tax for the year ended 31 December 2010 was €15.11 million (compared with a net loss after tax of €0.86 million for the year ended 31 December 2009). In furtherance of its goal of building a deposit base, the Issuer increased amounts due to customers from €72.08 million as of 31 December 2009 to €172.85 million as of 31 December 2010."

- vi. To delete Section 8.1 entitled "Capital Adequacy and Liquidity Ratios" and replace the same with the following:

"8.1 Capital Adequacy and Liquidity Ratios

The following provides the capital adequacy ratios and liquidity ratios with respect to the Issuer as at 31 December 2009 and 31 December 2010.

	As at 31 December 2010	As at 31 December 2009
Capital Adequacy Ratio*	37.29%	80.58%
Liquidity Ratio**	70.26%	137.02%

* The minimum capital adequacy ratio imposed by the Malta Financial Services Authority on credit institutions licensed under the Banking Act, Cap. 371 of the laws of Malta is 8%. The capital adequacy ratio for the financial year ended 31 December 2009 reflected the effect of a capital injection by AnaCap through its indirect acquisition of the Issuer (through Medifin Holding Limited).

** The minimum liquid-asset ratio imposed by the Malta Financial Services Authority on credit institutions licensed under the Banking Act, Cap. 371 of the laws of Malta is 30%.

- vii. To amend the Trend Information contained in Section 10 thereby replacing such section with the below:

“10. Trend Information

2010 saw continued volatility especially in the European debt market. The European authorities have taken several steps towards strengthening the surveillance of imbalances within the union and towards increasing financial integration. These initiatives, together with the widespread fiscal austerity driven within Europe and the UK, were major influences in both the financial markets and the real economies within Europe. In addition, certain actions were taken by European authorities in respect of Greece and Ireland. In addition to the €110 billion Greek rescue package of May 2010, the Irish government agreed an €85 billion rescue package jointly from EFSF and IMF. In early 2011, there was strong expectation that Portugal would also require financial assistance.

Notwithstanding the factors and economic and market challenges described above, Europe overall has shown a strong economic performance mainly driven by the core countries. In particular, the performance of the German and French economies in 2010 was strong, thereby lifting the overall economic performance of Europe during the year. Ongoing performance of the European economy is uncertain particularly given the volatility described above.

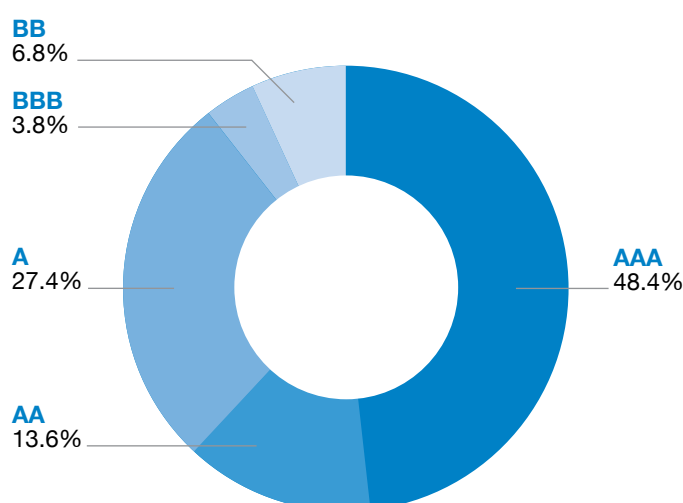
The central banks continued to mull over rates normalisation and the withdrawal of emergency measures; however only preparatory work was done on both fields.

The acquisition by AnaCap of the Issuer, through Medifin Holding Limited, was concluded during July 2009, subsequent to the worst of the financial crisis. Accordingly, following the acquisition, the bank has implemented policies, procedures and operations designed to address the issues raised by the financial crisis and to address as robustly as possible the risks and potential risks that have become more apparent since the advent of the global financial crisis.

The investment policy of the Issuer focuses primarily on investment in highly-rated securities traded on major exchanges. All investments in the portfolio carry an assigned rating by at least one of the internationally recognised statistical rating agencies (such as Standard & Poor's, Moody's Investor Service and Fitch Ratings). The below are ratings applicable to the instruments in which the Issuer has invested. The issuer thereof may itself have a different rating to that ascribed to the said instrument issued by it. There have been no material changes in the Issuer's investment portfolio between 31 December 2010 and 31 March 2011. The Issuer has experienced downwards ratings migration within the portfolio resulting in the ratings distribution described below.

The aggregate breakdown of the portfolio as at 31 March 2011, categorised by the highest assigned rating, is as follows:

Issuer Rating Distribution



These securities include, among others, senior financial instruments, bank covered bonds, public sector bonds and mortgage bonds. All such securities are denominated in euro and are eligible for financing through facilities provided to European Union banks by the European Central Bank. Most such securities are issued by EU entities. In addition, the deposit base of the Issuer primarily consists of customers located in Malta and other European Union countries, including both retail and corporate clients. As a result of the composition of the Issuer's investment portfolio and deposit base, any broadly negative economic trends affecting the European Union may have an adverse effect on the Issuer. The Directors believe that certain sectors of the European financial markets will continue to experience volatility, including particularly peripheral markets such as Greece, Ireland and Portugal. However, notwithstanding the foregoing, the Directors do not expect negative market and economic trends that would overall have a material adverse effect on the financial performance of the Issuer during the current financial year.

The Issuer manages the risks to its financial position through, amongst other things, diversification of its portfolio on an Issuer and geographic basis, maintenance of robust liquidity buffers, management and hedging of interest rate risks and maintenance and ongoing growth of a diversified funding base.

There has been no material adverse change in the prospects of the Issuer since the date of the last published audited financial statements, that is, 31 December 2010."

- viii. To amend Section 12.1 to remove the reference to Mr Frederic Villa – this as a result of Mr Villa's resignation as executive director on 15 February 2011 and head of private banking of the Bank on 1 March 2011.

- ix. Section 12.1.1 shall be deleted and replaced by the following:

“12.1.1 Conflicts of Interest

Francis J. Vassallo, who is the Non-Executive Chairman of Mediterranean Bank plc, occupies various positions in the financial industry in Malta. He is a member of the Board of directors of FIMBank plc, a credit institution licensed in terms of the Banking Act, Cap. 371 of the laws of Malta and is the President and Managing Partner of Francis J. Vassallo & Associates Limited and Chairman of FJV Fiduciary Limited and FJV Management Limited. Francis J. Vassallo & Associates has entered into a referral agreement with the Bank. Pursuant to the introducer agreement, the Issuer reserves the right, in its sole discretion and without providing a reason, not to accept customers introduced by Vassallo Associates. Francis J. Vassallo has declared that he will comply to the fullest extent with applicable rules of the Bank in not voting (or abstaining) at any meeting of the Board of Directors should a discussion with regard to such agreements or their contents be undertaken by the Board.

The memorandum and articles of association of the Bank provides that in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Bank, such director is not entitled to vote on any decisions taken in connection therewith. The Companies Act, Cap. 386 of the laws of Malta provides that directors are obliged, in addition to complying with their general fiduciary obligations as directors, to ensure that their personal interests do not conflict with the interests of the Issuer.

Other than as disclosed in this Section 12.1.1, to the extent known to the Issuer as at the date of this Prospectus, there are no potential conflicts of interest between the duties to the Issuer and their private duties or other duties of the Directors and members of senior management of the Issuer.”

- x. Section 12.2 shall be deleted and replaced by the following:

“12.2 Board Committees

12.2.1 Audit & Risk Committee

The Audit & Risk Committee is primarily responsible for reviewing and approving specific matters relating to the audit of the Issuer, internal control and risk management systems. The members of the Audit & Risk Committee are:

Peter B. Cartwright, Committee Chairman & Non-Executive Director

Francis J. Vassallo, Member & Independent Non-Executive Director

Finlay S. McFadyen, Member & Non-Executive Director

12.2.2 Nomination & Remuneration Committee

The primary purpose of the Nomination & Remuneration Committee is to review the setting of remuneration levels within the Issuer, to approve or otherwise performance related bonus awards and long term incentive plan awards and to identify and nominate for board approval, candidates for appointment as directors, members of board committees and as members of the executive management committee and other senior management positions. The members of the committee are:

Francis J. Vassallo, Committee Chairman & Non-Executive Director

Peter B. Cartwright, Member & Non-Executive Director

Mark A. Watson, Member & Executive Director

12.2.3 Executive Committee

The Executive Committee of the Board was established in order to facilitate the day to day activities of the Bank including approval of asset purchases, approval of the establishment and modification of bank accounts/banking relationships, waiver of specific provisions of compliance requirements, limitation of signatory authorisation, dealing with investment portfolio/trading/operational matters and issuance of certified extracts of Board resolutions.

The members of the committee are **Mark A. Watson** (Committee Chairman & Non-Executive Chairman) and **Henry C. Schmeltzer** (Executive Director & Chief Operating Officer).

12.2.4 Executive Management Committee (“Exco”)

The Exco represents the principal forum for conducting the business of the Issuer and takes day to day responsibility for the efficient running of the business. In addition, the Exco is responsible for the formulation and implementation of Board approved strategies and plan and is responsible for ensuring the performance of the business in accordance with plans. The members of the committee are:

Mark A. Watson Committee Chairman & Non-Executive Chairman

Edward Jaccarini, Member & Chief Financial Officer

Henry C. Schmeltzer, Executive Director & Chief Operating Officer

Joaquin Vicent, Member & Head of Credit & Investment

Whilst retaining the ultimate responsibility for actions taken, the Executive Management Committee may at its discretion delegate its responsibility to the following sub-committees:

a. Management Credit Committee

The Management Credit Committee is responsible for approving credit recommendations and making other credit decisions under its delegated authority. The Committee also reviews provisions and lending policies, monitors the health of the Issuer’s portfolio and reviews management information reports. The members of the committee are:

Mark A. Watson, Committee Chairman & Executive Director

Xavier De Pauw, Head of International Strategy

Joaquin Vicent, Member & Head of Credit & Investment

b. Management Assets & Liabilities Committee

The Management Asset & Liability Committee sets and reviews overall policies and objectives for asset and liability management, capital management and allocation, capital usage and efficiency, transfer pricing, risk management, and underwriting, dealing and trading activities in various instruments according to the risk appetite set by the board of directors. The members of the committee are:

Deo Catania, Committee Chairman & Head of Treasury

Mark A. Watson, Executive Director

Edward Jaccarini, Member & Chief Financial Officer

Joaquin Vicent, Member & Head of Credit & Investment

12.2.5 Operations Committee

The Operations Committee considers and discusses the day to day operating procedures of the Issuer and constitutes a forum at which issues relating to the Issuer's procedures can be discussed. The Operations Committee meet fortnightly. The following persons are members of the Operations Committee:

Henry C. Schmeltzer, Executive Director & Chief Operating Officer

Domenic Degiorgio, Committee Secretary & Head of Bank Office & Settlements

Edward Jaccarini, Member & Chief Financial Officer

Deo Catania, Head of Treasury

Jonathan James, Head of IT

Paula Galea Farrugia, General Counsel and Head of Compliance

Charles Cini, Head of Corporate Banking

Lorraine Bonello Ghio, Head of Administration

Ray Calleja, Head of Consumer Banking

Fleur Mawdsley, Head of Client Service Group

Keith Huber, Head of Risk

12.2.6 Internal Controls Working Group

The Internal Controls Working Group reviews Issuer's policies and procedures specifically and internal controls in general, with the aim of recommending changes to the Operations Committee and/or Executive Committee of the Board. The group may also review and assess internal audit functions and procedures and discuss means of strengthening internal controls. The group meet fortnightly and is composed of the following persons:

Henry C. Schmeltzer, Executive Director & Chief Operating Officer

Paula Galea Farrugia, Committee Secretary & General Counsel & Head of Compliance

Edward Jaccarini, Member & Chief Financial Officer

Deo Catania, Head of Treasury

Domenic Degiorgio, Head of Bank Office & Settlements

Charles Cini, Head of Corporate Banking

Joanne Dimech, Product Controller

Keith Huber, Head of Risk

12.2.7 New Products Committee

The New Products Committee has been established to analyse potential new products to be offered by the Issuer from a risk, operations, reputation and legal/compliance perspective. The committee, in respect of any new product it considers, provides recommendations to the Management Committee as to whether a new product ought to be introduced by the Issuer and as to appropriate policies, procedures and controls that should be adopted. The committee is made up of the following persons:

Joaquin Vicent, Member & Head of Credit & Investment

Domenic Degiorgio, Committee Secretary & Head of Bank Office & Settlements

Edward Jaccarini, Member & Chief Financial Officer

Deo Catania, Head of Treasury

Henry C. Schmeltzer, Executive Director & Chief Operating Officer

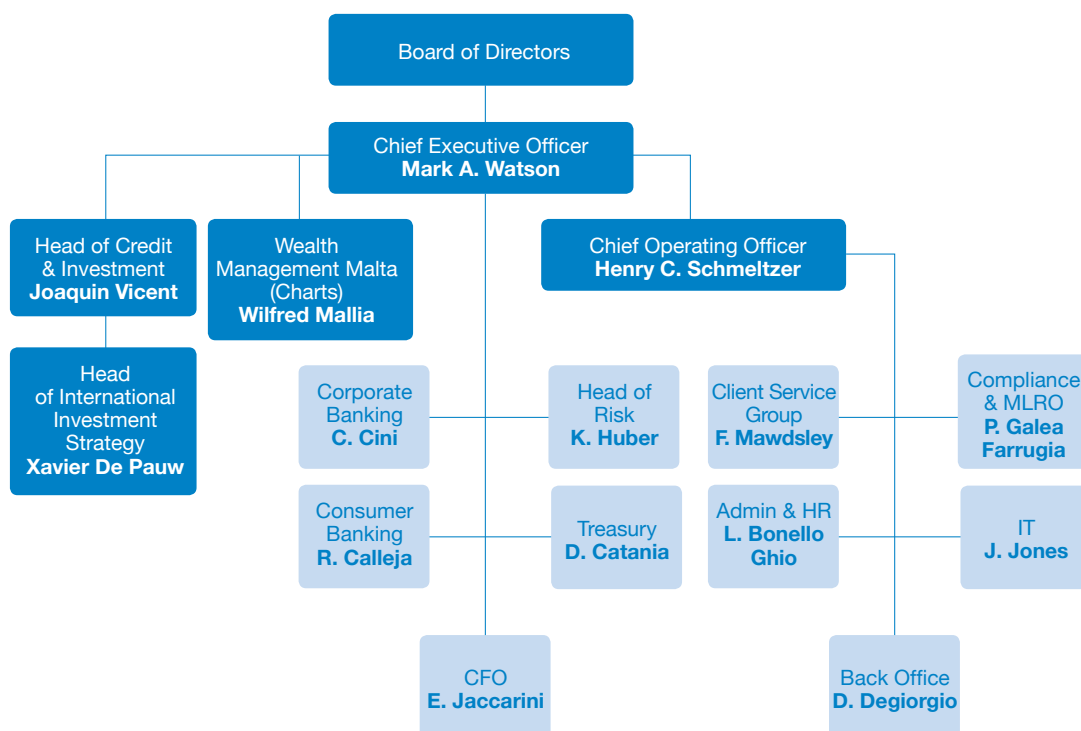
Keith Huber, Head of Risk

Paula Galea Farrugia, General Counsel and Head of Compliance"

- xi. To amend Section 12.4 thereby replacing such section with the below:

“12.4 Management Team

The day-to-day operation of the Issuer is managed by a management team who report to the Chief Executive Officer of the Issuer and is organised as follows:



- xii. To amend Section 14.1 thereby replacing such section with the below:

“14.1 Historical Financial Information

Full historical financial information for the two financial years ended 31 December 2009 and 31 December 2010 are set out in the consolidated financial statements of the Issuer as audited by KPMG and are available for public inspection.

The latest audited financial information available in respect of the Issuer relates to the financial year ended on 31 December 2010.”

- xiii. To delete Section 14.2 thereby replacing such section with the below:

“14.2 Legal and Arbitration Proceedings

On 25 October 2006, civil proceedings were filed by Kevin-James Fenech on behalf of the Mediterranean Bank Network and of its members (the “Network”) against the Issuer whereby a number of judicial demands were made by the Network against the Issuer requesting the cancellation of trademark numbers 44231 and 44232 and request the Court to order the Issuer to desist from any further use of the trademark. In March 2011, the parties ceded the law suit.

There are, and in the previous 12 months there have been, no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have, or have had in the recent past, significant effects on the Issuer and/or the Group’s financial position or profitability.”

- xiv. To amend Section 14.3 thereby replacing such section with the below:

“14.3 Significant Change in the Issuer’s Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 31 December 2010.”

- xv. To amend Section 16 thereby replacing such section with the below:

“16. Documents on Display

The following documents (or copies thereof) may be inspected at the registered office of the Issuer:

- *The memorandum and articles of association of the Issuer; and*
- *The audited consolidated and individual financial statements of the Issuer for each of the financial years ended 31 December 2009 and 31 December 2010.”*