SUMMARY

DATED 22 JULY 2022

In respect of an issue of up to

€14,000,000 5% Unsecured Subordinated Bonds 2027 – 2032

of a nominal value of €100 per bond, issued and redeemable at par by

izola Bank

Izola Bank p.l.c.
A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA
WITH REGISTRATION NUMBER C 16343

ISIN MT0000531229

Sponsors	Manager & Registrar	Legal Counsel
MZ INVESTMENT SERVICES RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	MZ INVESTMENT SERVICES	CAMILLERI PREZIOSI ADVOCATES

YOU ARE ABOUT TO PURCHASE SECURITIES THAT ARE NOT SIMPLE AND MAY BE DIFFICULT TO UNDERSTAND. THIS SUMMARY HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MALTA FINANCIAL SERVICES AUTHORITY ONLY APPROVED THIS SUMMARY AS MEETING THE STARDARDS OF COMPLETENESS, COMPREHENSIBILITY, AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND, OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE THEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES, OR MATERIAL INACCURACIES.

APPROVED BY THE BOARD OF DIRECTORS

Andrew Mifsud

signing in his capacity as director of the Issuer and on behalf of
Simon Azzopardi, Magdalena De Roeck, Francis Gouder, Alain Malschaert,
Guido Mizzi, Patrick H. Van Leynseele, and Caroline Van Marcke.

1. INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which investors require in order to understand the nature and the risks of the Issuer and the Bonds. Except where the context otherwise requires, the capitalised words and expressions used in this Summary shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

This Summary contains key information on the Issuer and the Bonds, summarised details of which are set out below:

Legal and commercial name:	Izola Bank p.l.c.
Registered address:	53 – 58, East Street, Valletta, Malta
Registration number:	C 16343
Telephone number:	+356 2792 2040
Issuer's website:	https://www.izolabank.com/mt-en/
LEI number:	2138003IGGAUDLPNC244
Competent authority approving the Prospectus:	The MFSA, being the competent authority to approve prospectuses of any offer of securities to the public in Malta in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
Address of the MFSA:	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010
Telephone number of the MFSA:	+356 2144 1155
MFSA's website:	https://www.mfsa.mt/
Name of the Bonds:	5% Unsecured Subordinated Bonds due 2027-2032 issued by the Issuer
ISIN number of the Bonds:	MT0000531229
Prospectus approval date:	22 July 2022

Prospective investors are hereby warned that:

i. this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the Bonds described in this document;

ii. any decision of the investor to invest in the Bonds should be based on a consideration of the Prospectus as a whole by the investor;

iii. an investor may lose all or part of the capital invested in subscribing for Bonds;

iv. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;

v. civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Bonds; and

vi. the Bonds are complex instruments and may be difficult to understand.

2. KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and legal form, its LEI and country of incorporation

The Issuer is Izola Bank p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Cap. 386 of the laws of Malta), having company registration number C 16343. The Issuer was incorporated and is domiciled in Malta, with LEI number 2138003IGGAUDLPNC244.

2.1.2 Principal Activities of the Issuer

The Issuer is licensed by the MFSA to carry on the activities of a credit institution in terms of the Banking Act (Cap. 371 of the laws of Malta), as well as the following additional activities: financial leasing; payment services as defined in the Financial Institutions Act (Cap. 376 of the laws of Malta); issuing and administering other means of payment insofar as this activity is not covered by the immediately preceding activity; participation in securities issues and the provision of services related to such issues; and trading for own account in: money market instruments, foreign exchange, exchange and interest rate instruments, and transferable securities. The Bank's core business segments are considered to be: (i) factoring; (ii) lending; (iii) deposit-taking; and (iv) liquidity management.

2.1.3 Major Shareholders of the Issuer

As at the date of this Summary, 99.99% of the entire issued share capital of the Issuer is held by IBL T Limited (C 16322), with the remaining 0.01% held by IBL I Limited (C 16321). In turn, the majority shareholder of the Issuer, IBL T Limited, is owned by VMT S.A. (registration number: 0437.251.254), a wholly owned subsidiary of Carlenco NV, a company registered in Belgium with company number 475.839.438). The ultimate beneficial owner of the Issuer is Caroline Van Marcke, whose interests in Carlenco NV are represented through Stichting Administratiekantoor VM Continuity (registration number 80494307). The Group is in the process of formalising an internal restructuring process, resulting in VMT S.A.'s holding in IBL T Limited being transferred to another entity within the Group, namely, VM FIN S.A. (registration number: 0755.532.802), a wholly owned subsidiary of Carlenco Finance NV, a company registered in Belgium with company number 0755.471.533, which, similarly to Carlenco NV is ultimately owned by Caroline Van Marcke. Accordingly, the said restructuring has no impact on both the direct ownership and ultimate beneficial ownership of the Issuer.

2.1.4 Directors of the Issuer

The Board of Directors of the Issuer is composed of the following persons: Caroline Van Marcke (Non-Executive Director and Chairperson), Andrew Mifsud (Executive Director and Chief Executive Officer), Magdalena De Roeck (Non-Executive Director), Simon Azzopardi (Independent Non-Executive Director), Francis Gouder (Independent Non-Executive Director), Alain Malschaert (Independent Non-Executive Director), Guido Mizzi (Independent Non-Executive Director), and Patrick H. Van Leynseele (Independent Non-Executive Director).

2.1.5 Statutory Auditors

The auditors of the Issuer as of the date of this Summary are PricewaterhouseCoopers Malta of 78, Mill Street, Zone 5, Central Business District, Qormi CBD 5090, Malta. The auditors of the Issuer for financial years ending 31st December 2019 and 31st December 2020 were KPMG of 92, Marina Street, Pieta PTA9044, Malta.

2.2 What is the key financial information regarding the Issuer?

The below tables show the main financial information and relevant ratios of the Bank:

Income Statement (€'000)	**FY 2021**	**FY 2020**	**FY 2019**
Net interest income	6,191	5,564	6,185
Total operating income	6,752	5,942	6,458
Profit for the year	448	385	1,461
Pre-tax return on capital employed	2.82%	2.14%	8.63%
Statement of Financial Position (€'000)	**FY 2021**	**FY 2020**	**FY 2019**
Total assets	402,420	389,297	368,332
Amounts owed to institutions and banks	55,275	35,251	250
Deposits from customers	297,780	304,385	319,738
Debt securities in issue	11,940	11,923	11,906
Total equity	33,280	34,084	33,671
Capital adequacy ratio	16.5%	20.2%	20.0%

2.3 What are the key risks that are specific to the Issuer?

The most material risk factors specific to the Issuer, which may adversely impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

2.3.1 Credit risk

Credit risk arises principally through the Issuer's lending and factoring activities in Malta and Belgium and the placement of liquidity with banks domiciled in Malta and other European jurisdictions. Credit exposures through advances to Group undertakings and balances held with other Group undertakings located in European jurisdictions also give rise to credit risk, as do proprietary positions of the Issuer in financial or other instruments including investments in securitised instruments. Within the context of the Issuer's lending activities, credit risk may arise due to fluctuating quality of the customers' creditworthiness which can result in a growing rate of irregular receivables resulting from the customers' inability to fulfil their liabilities. The Issuer is also exposed to credit risk arising from interbank, commercial and retail loans and advances, syndicated facilities, factoring, balances with the Central Bank of Malta, and investments in debt securities and other financial instruments purchased as part of its liquidity management and investment activities. In addition, changes in the credit quality of the Issuer's customers and counterparties, arising from systemic risks and macroeconomic factors in the Maltese and global financial system, can negatively affect the Issuer. Any failure by the Issuer to manage the credit quality of its borrowers or counterparties within prudent risk parameters and, or to monitor and regulate the adequacy of its provisioning levels could have a material adverse effect on the Issuer's business, financial condition, prospects, and, or results of operations.

2.3.2 Liquidity risk

Liquidity risk may arise, amongst others, from: (i) differences in the amounts and, or maturities of incoming and outgoing cashflows which could impact the ability of the Issuer to meet liabilities as they fall due; (ii) unforeseen economic and market conditions which could curtail the Issuer's access to deposits and other forms of funding, limiting the Issuer's access to funds to meet liabilities; (iii) the unexpected withdrawal of a large number of deposits which could arise due to, amongst others, prevailing economic conditions and, or negative public perception of the Issuer's trustworthiness and reputation; (iv) difficulties in accessing a product or market at the required time, price and volume; and, or (v) a high incidence of defaults across the Issuer's lending and factoring portfolio. In the event that liquidity risks arise and, or the Issuer's liquidity management processes are insufficient to mitigate and, or eliminate unexpected liquidity situations, this could result in the Issuer failing to meet obligations, repay creditors, and, or fulfil commitments, which could negatively impact the Issuer's business, financial condition, prospects, and, or results of operations.

2.3.3 Operational risk

The Issuer's exposure to operational risk and consequent losses can result from, amongst others, internal or external fraud (including, amongst others, credit and, or identity fraud), errors by employees, inadequate employment practices and workplace safety measures, client claims, failure of the Issuer's systems or internal controls, failure to document transactions properly, failure to obtain proper internal authorisations, failure to comply with increasingly complex regulatory requirements and conduct of business rules, systems and equipment failures, failure to protect the Issuer's operations from increasingly sophisticated cyber-crime, loss or corruption of customer data or other sensitive information, damage to the Issuer's physical assets, natural disasters, or the failure of external systems. Any losses arising from the above failures may result in direct or indirect losses and could have a material adverse effect on the Issuer's business, financial condition, prospects, and, or results of operations.

2.3.4 Market risk

The Issuer's exposure to market risk is mainly in the form of interest rate risk and foreign exchange risk. Fluctuations in interest rates are influenced by factors outside the Issuer's control and can affect the interest rate margin realised between lending and deposit and other borrowing costs, thereby affecting the Issuer's economic value of equity and, or income. The financial position of the Issuer may be impacted by foreign exchange risk, which is the risk of adverse movements in the monetary value of assets and liabilities, and additionally of income and expenses, from the fluctuation of exchange rates in relation to the Euro. Any significant fluctuations in interest rates and foreign exchange rates could therefore have a material adverse effect on the Issuer's financial position.

2.3.5 Reputational risk

The Issuer could be exposed to reputational risk as result of, amongst others: (i) breach of, or allegations of having breached, legal and regulatory requirements such as money laundering, anti-terrorism financing, and capital adequacy requirements; (ii) acting, or facing allegations of having acted, unethically; (iii) failing to address potential conflicts of interest; (iv) technology inefficiencies, disruption, or failures; (v) poor performance or operational results; (vi) failing to maintain appropriate standards of customer privacy, customer service, and record keeping; (vii) risk of association in respect of issues being faced by competitors or the banking industry generally; (viii) unfavourable media coverage or measures taken by consumer protection bodies and, or consumer advocacy groups; and, or (ix) failure by customers, consumer protection organizations and the market at large, to understand the nature of the Issuer's business. If any one or more of the above risks were to arise (or the Issuer were to face reputational damage for any other reason), relevant stakeholders may become unwilling to do business with the Issuer, which could have a material adverse effect on the Issuer's business, financial condition, prospects, and, or results of operations.

2.3.6 Information technology and cyber-security risk

The proper functioning of the Issuer's core systems, risk management tools, credit analysis and reporting, accounting, customer service, and other information technology systems, as well as its communication networks to, from and within the main data processing centres, are critical to the Issuer's business and ability to compete effectively. The Issuer's business activities would be materially disrupted if there were to be a partial or complete failure of any of these information technology systems or communication networks. Such failures could be caused by a variety of factors, many of which are wholly or partially outside the Issuer's control. If any of the foregoing risks were to materialise, these could have a material adverse effect on the Issuer's business, financial condition, prospects, and, or results of operations.

2.3.7 Information security and data protection risk

The Issuer is exposed to the risk of loss caused by deliberate or accidental loss, alteration, falsification or leakage of information, or by destruction, disruption, errors, or misuse of information systems. Loss or leakage of confidential information could have a material adverse effect on the operations and performance of the Issuer. The Issuer is also subject to comprehensive regulation regarding the use of personal customer data emanating principally from the GDPR, which is expected to have an ongoing impact on the acceptance, processing, and storage of personal data. The possible damage, loss, unauthorised processing, or disclosure of personal data could have a negative impact on the activity of the Issuer, in reputational terms too, and could give rise to negative consequences, including, financial loss and, or reputational damage.

2.3.8 Regulatory risk

The Issuer is subject to a number of prudential and regulatory requirements and therefore faces risks associated with an uncertain and rapidly evolving prudential regulatory environment. In addition, although the Issuer is not currently classified as a significant institution under the single supervisory mechanism, it may, in the future, be deemed a significant institution and hence subject to a greater degree of regulation. Additional, stricter, and, or new regulatory requirements may be adopted in the future and the interpretation and application by regulators of laws and regulations to which the Issuer is or may be subject may also change from time to time. The substance and scope of any such laws and regulations as well as the manner in which laws and regulations are (or will be) adopted, enforced or interpreted could result in significant loss of revenue, limit the ability to pursue business opportunities in which the Bank might otherwise consider engaging or limit the ability to provide certain products and services, affect the value of assets held, impose additional compliance and other costs, or otherwise adversely affect its business.

2.3.9 Financial crime compliance risk

Financial crime compliance risk could arise should the Issuer fail to comply with anti-money laundering and prevention of financing of terrorism rules, laws, and regulatory procedures and, or otherwise fail to identify suspicious transactions, activities, or connections and, or protect customers from financial crime. The materialisation of such risks could have a detrimental impact on customers and expose the Issuer to financial sanctions and regulatory reprimands and censure which could have a material adverse impact on the financial performance and condition of the Issuer. The effects of a sanctions breach or the failure to implement adequate anti-fraud and anti-bribery and corruption measures could also give rise to additional and unwarranted financial or reputational risks.

3. KEY INFORMATION ON THE SECURITIES

3.1 What are the main features of the securities?

ISIN:	MT0000531229;
Description, amount:	up to €14,000,000 5% unsecured subordinated Bonds due 2027 – 2032, having a nominal value of €100 per Bond issued at par;
Bond Issue Price:	at par (€100 per Bond);
Interest:	5% per annum;
Redemption Date:	15 September 2032 or a designated Early Redemption Date;
Status of the Bonds:	the Bonds constitute the subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other subordinated debt of the Issuer, present and future, if any;
Minimum amount per subscription:	minimum of €10,000 multiples of €100 thereafter;
Denomination:	Euro (€);
Form:	the Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Rights attaching to the Bonds:	a Bondholder shall have such rights as are attached to the Bonds, including the repayment of capital; the payment of interest; ranking with respect to other indebtedness of the Issuer; the right to attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bonds; and the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus;
Transferability:	the Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

3.3 What are the key risks that are specific to the securities?

3.3.1 Subordinated status and ranking of the Bonds

The Bonds constitute subordinated and unsecured obligations of the Issuer. In the event of the dissolution and winding up of the Issuer, the claims of Bondholders in respect of the payment of capital and interest on the Bonds will be subordinated to the claims of all depositors and other unsubordinated secured and unsecured creditors of the Issuer. If, on a dissolution and winding-up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior ranking creditors in full, the Bondholders will lose their entire investment in the Bonds. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of the Bonds and all other claims that rank *pari passu* with the Bonds, Bondholders may lose all or part (which may be a substantial portion of) of their investment in the Bonds.

3.3.2 Risks associated with Recovery and Resolution Regulations

Issuer is subject to the BRRD Package, designed to provide competent authorities with a set of tools to intervene early and quickly in the affairs of an unsound or failing bank. Once a bank is declared as failing or likely to fail, the BRRD Package vests resolution authorities with tools and powers to ensure the continuity of the bank's critical financial and economic functions, whilst minimising the impact of a bank's failure on the economy and financial system. Resolution authorities may intervene using one or more resolution tools, actions, and, or powers if the conditions set out in the R&R Regulations are met. The extent to which the Bonds may become subject to any resolution action will depend on a number of factors and it is difficult to predict when, if at all, any such action can be taken, particularly since, as at the date of this Prospectus, none of the conditions for the adoption of resolution action by the Resolution Committee subsist with respect to the Issuer.

3.3.3 Orderly and liquid market

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 Bonds at any given time. Securities admitted to trading on the Official List are often thinly traded. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Moreover, there can be no assurance that Bondholders will be able to sell the Bonds at or above the Bond Issue Price or at all. Furthermore, the requirement that the initial investment amount invested by a Retail Client (whose financial instrument portfolio, calculated in accordance with article 44A of the R&R Regulations, does not, at the time of the purchase, exceed €500,000) must be at least €10,000, could have an impact on the level of activity in the secondary market.

3.3.4 Subsequent changes in interest rate and potential impact of inflation

The Bonds are fixed rate debt securities and investment therein involves the risk that subsequent changes in market interest rates may adversely affect the market value of the Bonds. The price of fixed income securities tends to move in a way that is inversely proportional to changes in interest rates. Moreover, the coupon payable on the Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Bond coupons. In a period of high inflation, an investor's real return on the Bonds will be lower than the Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Bonds on the secondary market.

3.3.5 Early redemption

The Bonds are redeemable in whole or in part at the option of the Issuer prior to the Redemption Date on any designated Early Redemption Date upon giving 30 days' notice to the Bondholders, subject to obtaining the prior approval of MFSA. The feature allowing for optional redemption on a designated Early Redemption Date may condition the market value of the Bonds and there can be no guarantee that the Bondholders may be able to re-invest the proceeds of such redemption at equivalent or higher rates of return. Bondholders will have no right to request the redemption of the Bonds and should not invest in the Bonds in the expectation that the Issuer would exercise its option to redeem the Bonds. Bondholders should be aware that they may be required to bear the financial risks of an investment in the Bonds until maturity.

3.3.6 Complexity

The Bonds are complex financial instruments, including as a result of their subordination and the potential resolution action which can be taken in respect thereof. Although the Bonds may only be sold to Retail Clients which pass the Suitability Test, potential investors should be aware that, even if they pass the Suitability Test and invest in the Bonds, said investment in the Bonds carries a high degree of risk.

4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

4.1 Under which conditions and timetable can I invest in this security?

4.1.1 Plan of Distribution, Allotment and Allocation Policy

The Bonds shall be made available for subscription as detailed hereunder and the Issuer shall allocate the Bonds on the basis of the following allocation policy:

(a) up to an aggregate of €8,000,000 shall be allocated to Existing Bondholders applying for Bonds by way of Exchangeable Bond Transfer up to the extent of their holdings of Exchangeable Bonds and subject to the minimum application requirements; and

(b) up to an aggregate of €6,000,000 shall be allocated to Authorised Financial Intermediaries applying for Bonds through the Intermediaries' Offer.

Provided that in the event that less than €8,000,000 in nominal value of Bonds are subscribed for by Existing Bondholders by way of Exchangeable Bond Transfer in terms of paragraph (a) above, the balance shall be made available for, and shall be allocated to: (i) Existing Bondholders in respect of any Excess applied for (provided such Existing Bondholders have transferred their entire holding in Exchangeable Bonds by Exchangeable Bond Transfer); and (ii) Authorised Financial Intermediaries through an Intermediaries' Offer.

Provided further that in the event that not all of the Bonds made available through the Intermediaries' Offer referred to in paragraph (b) above are subscribed for, the amount allocated to Existing Bondholders in terms of paragraph (a) above shall be increased accordingly.

In the event that the aggregate value of Bonds applied for by Existing Bondholders by way of Exchangeable Bond Transfer exceeds the aggregate amount of Bonds available for subscription by Existing Bondholders, then the Issuer, acting through the Registrar, shall first scale down each Application by Existing Bondholders to the minimum subscription amount of €10,000 per Application ("**Scaling Down**"). Where, notwithstanding Scaling Down, the aggregate value of Bonds applied for by Existing Bondholders by way of Exchangeable Bond Transfer remains in excess of the aggregate amount of Bonds available for subscription by Existing Bondholders, a ballot shall be held in accordance with the allocation policy of the Issuer, pursuant to which, only the drawn Applications shall be allocated a €10,000 complement in Bonds. As a result, there is the possibility that not all Existing Bondholders seeking to subscribe for Bonds by Exchangeable Bond Transfer will be allocated any Bonds.

All subscriptions shall be made through Authorised Financial Intermediaries, subject to a minimum subscription amount of €10,000 in nominal value of Bonds and in multiples of €100 thereafter.

Authorised Financial Intermediaries shall be required to conduct a Suitability Test in respect of all Applicants, including Existing Bondholders. Applications shall not be accepted by Authorised Financial Intermediaries unless, based on the results of the Suitability Test, the Authorised Financial Intermediary is satisfied that an investment in the Bonds may be considered suitable for the Applicant.

The Issuer shall announce the result of the Bond Issue through a company announcement by not later than 15 September 2022. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List.

4.1.2 Expected Timetable of the Bond Issue

1	Application Forms mailed to Existing Bondholders as at the Cut-Off Date	27 July, 2022
2	Offer Period for Existing Bondholders	1 August, 2022 to 7 September, 2022
3	Intermediaries' Offer	1 August, 2022 to 7 September, 2022
4	Commencement of interest on the Bonds	15 September, 2022
5	Announcement of basis of acceptance	15 September, 2022
6	Refunds of unallocated monies (if any)	23 September 2022
7	Expected dispatch of allotment advices	23 September, 2022
8	Expected date of admission of the Bonds to listing	23 September, 2022
9	Expected date of commencement of trading in the Bonds	26 September, 2022

The Issuer reserves the right to close the Offer Period and the Intermediaries' Offer before 7 September, 2022 in the event of over-subscription, in which case the events set out in 5 to 9 above will be brought forward to no earlier than the 15 September, 2022, but shall be kept in the same chronological order as set out above.

4.1.3 Total Estimated Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €550,000 in the aggregate. There is no particular order of priority with respect to such expenses. The expenses pertaining to the Bond Issue shall be borne exclusively by the Issuer and shall be funded through the Issuer's own funds.

4.2 Why is this prospectus being produced?

4.2.1 The use and estimated net amount of the proceeds

The aggregate proceeds from the Bond Issue will consist of:

(a) an amount of up to €8,000,000 in the form of Exchangeable Bonds surrendered by Existing Bondholders in favour of the Issuer (including any Cash Top-Ups) by virtue of an Exchangeable Bond Transfer resulting in the purchase of Exchangeable Bonds from said Existing Bondholders by the Issuer, for cancellation (as at the date of the Prospectus the total value of Exchangeable Bonds in issue stands at €12,000,000); and

(b) an amount of up to €6,000,000 through the Intermediaries' Offer.

Provided that in the event that less than €8,000,000 in the form of Exchangeable Bonds are purchased by the Issuer by way of Exchangeable Bond Transfer in terms of paragraph (a) above, the amount indicated in paragraph (a) above may consist of: (i) Exchangeable Bonds surrendered as aforesaid; (ii) proceeds from subscription for Bonds by Existing Bondholders in respect of any Excess applied for (provided that such Existing Bondholders have transferred their entire holding in Exchangeable Bonds by Exchangeable Bond Transfer); and (iii) proceeds derived from the Intermediaries' Offer.

Provided further that in the event that not all of the Bonds made available through the Intermediaries' Offer referred to in paragraph (b) above are subscribed for, the amount indicated in paragraph (a) above shall be increased accordingly.

The aggregate proceeds from the Bond Issue will constitute an integral part of the Bank's capital plan, with a view to further strengthen its Tier 2 Capital requirements in terms of the CRR. Proceeds derived other than by Exchangeable Bond Transfer, as well as any amounts received through the exercise of the Cash Top-Up, will be used by the Bank to meet part of its general financing requirements.

The Bond Issue is subject to a minimum subscription amount of €5,000,000. Should the Bond Issue be undersubscribed, the subscription for the Bonds shall be deemed not to have been accepted by the Issuer and all proceeds from Applicants shall be refunded accordingly, and the Bond Issue shall be cancelled forthwith. If the Bond Issue is undersubscribed and the abovementioned minimum threshold of €5,000,000 is met, the Issuer shall proceed with the listing of the Bonds so subscribed for and shall apply the net proceeds from the Bond Issue received in the manner set out above.

4.2.2 Underwriting

The Bond Issue is not subject to an underwriting agreement on a firm commitment basis.

4.2.3 Conflicts of interest

Magdalena De Roeck and Caroline Van Marcke have an indirect beneficial interest in the shareholding of the Issuer through their indirect shareholding in Carlenco NV (and Carlenco Finance NV post-restructuring). Magdalena De Roeck, Caroline Van Marcke, and Patrick H. Van Leynseele are directors of the Issuer and other companies of the Group.

Save as stated above, there are no other identified conflicts of interest between the duties of the Directors or the members of the senior management team towards the Issuer and, or the Group and their private interests and, or other duties.