Summary

dated 20 September 2023

This document is a Summary issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules issued by the Malta Financial Services Authority and in accordance with the provisions of the Prospectus Regulation. in respect of a

Rights Issue of
two New Ordinary Shares for every three Shares held as at the Record Date at an Offer Price of €0.75 per New Ordinary Share in

LOMBARD BANK MALTA P.L.C.

and in the event of Lapsed Rights, the Excess Shares Offer (ISIN MT0000040106)

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED UNDER THE LAWS OF MALTA WITH COMPANY REGISTRATION NUMBER C 1607

Legal Counsel

CAMILLERI PREZIOSI
ADVOCATES

Sponsors & Co-Managers

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

Calamatta Cuschieri

Registrar

MALTA
STOCK EXCHANGE

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 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

Michael C. Bonello

Joseph Said

signing in their own capacity as Directors of the Issuer and on behalf of Graham A. Fairclough, Kimon Palamidis and Peter Perotti, as their duly appointed agents.

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, the Rights Issue, and the Excess Shares Offer. 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.

1. INTRODUCTION AND WARNINGS

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

FULL LEGAL AND COMMERCIAL NAME OF THE ISSUER	Lombard Bank Malta p.l.c.
REGISTERED ADDRESS	67, Republic Street, Valletta VLT 111, Malta
REGISTRATION NUMBER	C 1607

LEGAL ENTITY IDENTIFICATION (LEI) NUMBER	529900UIRB65OY6U4B21
DATE OF REGISTRATION	13 May 1969
TELEPHONE NUMBER	+356 25581117
EMAIL	mail@lombardmalta.com
WEBSITE	www.lombardmalta.com
NATURE OF THE SECURITIES	61,828,332 ordinary shares of a nominal value of €0.125 per share to form part of the issued share capital of the Bank further to subscription thereof by Existing Shareholders pursuant to the Rights Issue and by Applicants pursuant to the Excess Shares Offer
ISIN OF THE SHARES	MT0000040106
COMPETENT AUTHORITY APPROVING THE PROSPECTUS	The Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta)
ADDRESS, TELEPHONE NUMBER AND OFFICIAL WEBSITE OF THE COMPETENT AUTHORITY APPROVING THE PROSPECTUS	Address: Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business, District, Birkirkara, CBD 1010, Malta Telephone number: +356 21 441 155 Official website: www.mfsa.mt
PROSPECTUS APPROVAL DATE	20 September 2023

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 New Ordinary Shares 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 securities described in this document;

ii. any decision of the investor to invest in the securities should be based on 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 New Ordinary Shares;

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; and

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 New Ordinary Shares.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the Issuer of the securities?

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

The Issuer is Lombard Bank Malta p.l.c., a public limited liability company registered in Malta in terms of the Companies Act. The legal entity identifier (LEI) number of the Issuer is 529900UIRB65OY6U4B21.

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, to carry out investment services in terms of the Investment Services Act and is an enrolled Tied Insurance Intermediary of IVALIFE Insurance Limited under the Insurance Distribution Act. The activities undertaken by the Bank include deposit-taking, commercial and retail lending, investment services, investment management services to undertakings for collective investment schemes, international business banking services, and tied insurance intermediary services.

2.1.3. Major Shareholders of the Issuer

The entire issued share capital of the Issuer is admitted to the Official List of the Malta Stock Exchange p.l.c.. As at the date of this Summary the following shareholders hold in excess of 5% of the issued share capital of the Issuer having voting rights: the National Development & Social Fund holds 45,454,082 shares equivalent to 49.01% of the Issuer's total issued share capital, Virtu Holdings Limited holds 9,169,773 shares equivalent to 9.89% of the Issuer's total issued share capital, and First Gemini p.l.c. holds 4,921,102 shares equivalent to 5.31% of the Issuer's total issued share capital.

2.1.4. Board of Directors of the Issuer

The Board of Directors of the Issuer is composed of the following persons: Michael C. Bonello (Chairman and Independent Non-Executive Director), Joseph Said (Executive Director and Chief Executive Officer), Graham A. Fairclough (Non-Executive Director), Kimon Palamidis (Independent Non-Executive Director), and Peter Perotti (Independent Non-Executive Director). It is pertinent to note that, as announced by the Bank on 6 June 2023 pursuant to company announcement LOM 285, by letter dated 29 May 2023, the National Development and Social Fund has, in terms of the Articles of Association, appointed Mr Paul Abela and Dr John Bonello as non-executive directors of the Bank. The appointment of Mr Abela and Dr Bonello is subject to regulatory processes which as at the date of this Summary are still ongoing.

2.1.5. Statutory Auditors

The auditors of the Issuer as of the date of this Summary and for the financial years ended 31 December 2020, 2021 and 2022 are PricewaterhouseCoopers of 78, Mill Street, Qormi QRM 3101, Malta (Accountancy Board reg. no. AB/26/84/38).

2.2. What is the key financial information regarding the Issuer?

The key financial information regarding the Issuer is set out below:

Income Statement (€'000)	FY2022	FY2021	FY2020	6-mth period ended 30 Jun'23	6-mth period ended 30 Jun'22
Net interest income	22,276	19,556	18,872	12,690	10,130
Net fee and commission income	5,416	5,211	4,739	2,600	2,893
Net movement in expected credit losses	16,243	1,464	(3,973)	(1,882)	12,131
Net trading income	793	615	539	71	433
Operating profit	28,075	13,040	10,523	5,535	17,318
Profit attributable to equity holders of the Bank	17,530	7,481	6,640	3,247	10,891
Earnings per share (€)	0.19	0.08	0.07	0.04	0.12

Statement of Financial Position (€'000)	FY2022	FY2021	FY2020	6-mth period ended 30 Jun'23
Total Assets	1,203,415	1,172,646	1,130,955	1,211,190
Senior Debt	N/A	N/A	N/A	N/A
Subordinated Debt	N/A	N/A	N/A	N/A
Loans and advances to customers	711,612	642,893	621,129	719,866
Amounts owed to customers	1,008,431	977,143	941,110	1,009,300
Total Equity	144,300	145,770	133,762	147,901
Non-performing loans	27,812	51,757	66,483	28,795
Common Equity Tier 1 Capital (CET1) ratio	15.4%	16.2%	15.8%	15.9%
Total capital ratio	15.4%	16.2%	15.8%	15.9%
Leverage ratio	10.8%	11.1%	10.5%	10.9%
Total Liabilities	1,059,115	1,026,876	997,193	1,063,289

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

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

2.3.1. Exposure to risks inherent in the Bank's business

This risk relates to the Bank's exposure to uncertainty from different sources including but not limited to the following:

- *Credit risk:* risks arising from adverse changes in the credit quality and recoverability of loans, securities and amounts due from counterparties are inherent in the Bank's business. The financial and capital strength of the Bank, and its profitability, depend in part on the creditworthiness of its customers.
- *Market risk:* market risk refers to the adverse impact of movements in market prices or rates such as interest rates, credit spreads and foreign exchange rates. In the event that market risks were to materialise, the Group may experience significant losses in the value of its investment portfolio, declines in the level of interest income, and negative movements in the fair values of its assets and liabilities.
- *Regulatory risk:* the Bank is subject to various prudential and regulatory requirements aimed at consumer protection, bank safety, risk mitigation, and adherence to economic objectives. The Bank faces risks in navigating a dynamic regulatory landscape, needing to comply with consumer credit rules, maintain sufficient capital and liquidity, and adhere to specified ratios. Evolving, stricter, or new regulations, along with changing regulatory interpretations, could lead to revenue loss, restricted business opportunities, and increased compliance costs.
- *Strategy risk:* strategy risk is the risk of suffering potential losses due to, among others, radical changes in the business environment or a lack of responsiveness to changes in the business environment, and, or improper implementation of strategic decisions. There can be no guarantee that the Bank's chosen strategies will be successful. This may have a negative impact on the Bank's risk profile and, consequently, on its capital positioning, profitability, earnings, as well as its overall strategic direction in the long run.
- *Liquidity risk:* liquidity risk refers to the possibility that the Bank may find itself unable to meet its current and future, anticipated and unforeseen, cash payment and delivery obligations, without impairing its day-to-day operations or financial position. The activity of the Bank is subject to funding liquidity risk, market liquidity risk, mismatch risk, and contingency risk, all of which could have a negative impact on the financial position of the Group.
- *Litigation risk:* legal, regulatory and administrative action against credit institutions is increasing for a number of reasons including the evolving regulatory regime and higher expectations from regulators, investors, customers and other stakeholders. In particular, the Bank is exposed to a financial crime compliance risk, which could arise from failing to adhere to anti-money laundering and anti-terrorism financing rules, identify suspicious transactions, or safeguard against financial crime. Failure to comply could lead to sanctions, regulatory intervention, reputational damage, and financial impact.
- *Risks associated with the Recovery and Resolution Regulations:* The Bank is bound by the BRRD regulations, enacted in Maltese law through the Recovery and Resolution Regulations, collectively referred to as the "BRRD Package." These regulations empower competent authorities and resolution bodies to swiftly intervene in a struggling or failing bank to preserve critical

financial functions, in order to minimise economic and financial system repercussions. The Resolution Committee, appointed under the BRRD, may exercise the resolution tools, actions and powers it is entitled to exercise in terms of the Recovery and Resolution Regulations, including the power to: (i) effect a sale of the whole or part of the business; (ii) transfer to a bridge institution shares, other instruments of ownership, assets, rights and liabilities of the Bank; (iii) transfer assets, rights and liabilities to one or more asset management vehicles; and (iv) take control of an institution.

While the Bank has processes, policies and mitigation techniques in place to identify and manage risks, the Bank may not be able to identify each potential unfavourable event. Failure to manage any of the above risks in an appropriate and, or timely manner could have a significant adverse impact on the operations and financial performance of the Group.

2.3.2. Risks relating to the current economic and market conditions

The Group may be negatively impacted by a deterioration in the economic and general business climate, at both a global and domestic level. the Group faces ongoing risks in this regard due to factors such as:

- the Russia-Ukraine war, which has led, and which may continue to lead to, increased inflation, higher credit losses, energy supply disruptions, and other factors giving rise to global economic instability. Tightening monetary policies, sanctions, and trade restrictions may also contribute to a global recession;
- adverse market developments, which could reduce customer and business confidence, give rise to an increase in default rates, and result in the revaluation and, or impairment of the Bank's assets. Furthermore, the Group's operations may be affected by reduced borrowing demand during periods of recession; and
- the decision by FATF to grey-list Malta in 2021, which induced some correspondent banks to terminate their relationship with local banks. The long-term impact of this decision (albeit since reversed) remains uncertain, affecting the Group's international business banking service, particularly as lasting reputational damage adversely affected the Bank's relationship with some of its correspondent banks.

The prolonged occurrence of any of these events or circumstances could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

2.3.3. The Group is subject to environmental, social, and governance related matters

The Group is subject to risks related to environmental, social, and governance (ESG) matters, including climate change, societal impact on nature, and human rights violations. Nature-related risks, such as economic dependency on nature, pose broader risks through market, credit, reputational, and regulatory avenues, potentially affecting the Group's business and reputation. The Group is also susceptible to governance risks which may arise from inadequate management and control, and could relate to areas like financial crime, regulatory compliance, fraud, systems and processes which would in turn affect income and capital. For the purposes of complying with ESG-related disclosure requirements, the Bank relies on various data sources for reporting, with improving data quality but still limited comparability. Failure to address ESG concerns and requirements appropriately could have financial and non-financial impacts for the Group which could, in turn, have a material adverse effect on its business, financial condition, results of operations, reputation, prospects and strategy.

2.3.4. The Group operates in markets that are highly competitive

The financial services industry, both in Malta and globally, is highly competitive, with factors like market shifts, regulations, customer demands, and technological advancements contributing to increased competitive pressures. The Group faces competition from existing players with larger resources and potential new entrants. The Group's competition strategy revolves around relationship-building, customer service quality, diverse product offerings, distribution channels, flexibility, and reputation. It must also maintain competitive pricing. The Group's success relies on meeting service quality, adapting to customer behaviour and technology, and investing in skilled talent. Failure to do so could result in loss of market share and negatively impact the Group's business, financial status, results, and prospects.

2.3.5. The Group is dependent on its information technology systems

The Group depends on its information technology systems for accurate transaction processing, data storage, and business operations. Potential disruptions, stemming from factors beyond the Group's control like natural disasters, power outages, human error and cyber-attacks, could substantially disrupt the Group's business activities. The risks posed by cyber-attacks, in particular, may continue to increase due to factors such as the increasing demand for services delivered over the internet, increased reliance on internet-based products, applications and data storage, and malicious cyber activity. The accuracy of automated processes depends on precise data inputs, and errors may have significant repercussions given the high transaction volume, potentially leading to financial losses, regulatory penalties, and claims.

2.3.6. Concentration risk

Concentration risk arises due to a high level of exposure by the Bank to: (i) individual issuers or counterparties (single name concentration); (ii) a group of connected clients; (iii) industry sectors and geographical regions or countries (sectoral concentration); (iv) a single currency; and, or (v) credit exposures secured by a single security. Given the size and nature of the domestic financial sector and the local economy, the Bank is exposed to concentration risk in its credit business. Any major downturn in economic activity in markets where the Bank is exposed to concentration risk could have a significant adverse impact on the financial performance and financial condition of the Bank.

2.3.7. Systemic risk

The Bank may be negatively affected by "systemic" risk, which is the risk that a default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, or a governmental "bail out" of, or "bail in" of, one institution could lead to significant liquidity problems, including increases in the cost of liquidity, losses or defaults by other institutions. Such systemic risk could have a material adverse effect on the Bank's ability to raise new wholesale funding, which could affect its business, financial condition, results of operations, liquidity and, or prospects.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

ISIN of the Shares:	MT0000040106
Description and amount of the New Ordinary Shares	61,828,332 ordinary shares of a nominal value of €0.125 per share to form part of the issued share capital of the Bank further to subscription thereof by Existing Shareholders pursuant to the Rights Issue and by Applicants pursuant to the Excess Shares Offer. Rights have been issued and allocated on the basis of the ratio of two New Ordinary Shares for every three Shares held by Existing Shareholders as at the Record Date. Accordingly, Eligible Participants are entitled to acquire two New Ordinary Shares for every three Shares held at an Offer Price of €0.75 per New Ordinary Share. Through the Rights Issue, and assuming the take up in full of all New Ordinary Shares, the number of issued shares in the Bank will increase from 92,743,931 to up to 154,572,263 (following rounding). The New Ordinary Shares, once issued, would constitute an increase of *circa* 67% in the issued share capital of the Bank.
Class:	The New Ordinary Shares shall rank equally with, and form part of, the only class of ordinary shares in issue in the Bank and shall accordingly have the same rights and entitlements as all other ordinary shares of the Bank currently in issue.
Offer Price:	The price of €0.75 per New Ordinary Share.
Minimum amount per subscription:	i. The minimum number of New Ordinary Shares that an Eligible Participant may subscribe for is two. ii. The minimum subscription amount that Applicants may subscribe for is 1,000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter.
Denomination:	Euro (€)
Form:	The New Ordinary Shares will be issued in fully registered and dematerialised book-entry form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Bank.
Rights attaching to the New Ordinary Shares:	i. The New Ordinary Shares shall carry the right for the holders thereof to participate in any distribution of dividends declared by the Bank; ii. The New Ordinary Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether in the context of a winding up or otherwise, *pari passu* with all other shares of the Bank; iii. Each New Ordinary Share shall entitle the holder thereof to one vote at meetings of Shareholders; and iv. Should any shares in the Bank be proposed for allotment for consideration in cash, such shares must be offered on a pre-emptive basis to the existing holders of shares, including holders of New Ordinary Shares, in proportion to the respective share capital held by each of them immediately prior to any new issue of shares.
Transferability	The New Ordinary Shares are freely transferable and once admitted to the Official List shall be transferable in accordance with the applicable rules and regulations thereof.
Dividend Policy	It is the Board of Directors' objective to recommend a dividend distribution of *circa* one third of profits, subject to the requirements of the Bank at the time and regulatory approval.

3.2. Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the New Ordinary Shares 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. Suitability

The acceptance of the Rights Issue and the consequent subscription of part or all of the Proportionate Entitlement will increase the exposure of Existing Shareholders to the Bank and its future performance. Any additional exposure to the Shares may not be suitable for every Existing Shareholder. Accordingly, Existing Shareholders are urged to consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act as to the suitability or otherwise of a further investment in the Shares before making an investment decision to accept their Proportionate Entitlement under the Rights Issue and any Excess Shares they may subscribe for. Additionally, an investment in the New Ordinary Shares may not be suitable for all Eligible Participants, including Assignees, and an investment in the Excess Shares may not be suitable for all investors subscribing to Excess Shares, and prospective investors are urged to read and fully understand the provisions of the Prospectus and consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act as to the suitability or otherwise of an investment in the New Ordinary Shares before making an investment decision.

3.3.2. Risks associated with Recovery and Resolution Regulations specific to the value of the Shares

The Bank is bound by the BRRD Package. In seeking to swiftly intervene in a struggling or failing bank, competent authorities and resolution bodies may apply resolution tools, actions and powers including the power to reduce, to as low as zero, the nominal amount of the Shares, and to cancel the Shares or other instruments of ownership.

3.3.3. Orderly and liquid market
The existence of an orderly and liquid market for the New Ordinary Shares depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the New Ordinary Shares at any given time and the general economic conditions in the market in which the New Ordinary Shares are traded. Should there not be a liquid market in the New Ordinary Shares, there can be no assurance that an investor will be able to trade in New Ordinary Shares.

3.3.4. Volatility in the price of the Shares
Following the completion of the Offer and allocation of New Ordinary Shares, the trading price and volume of trades in the Shares, including the New Ordinary Shares, may vary and cannot be guaranteed. Price movements are influenced by diverse factors, some specific to the Bank, its operations, and strategies. Unexpected operating results or economic conditions, strategic actions, speculation, analyst reports, and regulatory changes, among other factors, could impact the Shares' price and performance, and limited trading could increase volatility and hinder investor trading.

3.3.5. Dividends
Whilst it is the Board of Directors' objective to recommend a dividend distribution of circa one third of profits, subject to the requirements of the Bank at the time and to regulatory approval, there is no guarantee that dividends will be paid by the Bank. Any dividend on the Shares will be conditional on, and may be limited by, the performance of the Bank.

3.3.6. Dilution
Existing Shareholders who do not exercise the subscription rights granted under the Rights Issue will have their percentage shareholding in the Bank reduced and their voting rights diluted. This dilution will be proportional to the percentage by which the share capital of the Issuer is increased and to the extent by which the Existing Shareholder does not participate in the Rights Issue. Transferring unexercised Rights might not fully compensate for resulting ownership dilution caused by the Rights Issue.

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. Application for the New Ordinary Shares
The New Ordinary Shares are open for subscription, in the following order of preference, by: (i) Existing Shareholders up to their Proportionate Entitlement during the Rights Issue Offer Period; (ii) Assignees up to the Assigned Entitlement in their favour during the Rights Issue Offer Period; (iii) Existing Shareholders who have accepted their Proportionate Entitlement in full and applied for Excess Shares during the Rights Issue Offer Period, to the extent that following (i) and (ii) there shall remain Excess Shares; (iv) Preferred Applicants applying for Excess Shares through Authorised Financial Intermediaries during the Excess Shares Offer Period, to the extent that the Excess Shares have not been subscribed in full pursuant to (iii); and (v) Applicants, not being Preferred Applicants, applying for Excess Shares through Authorised Financial Intermediaries during the Excess Shares Offer Period, to the extent that the Excess Shares have not been subscribed in full pursuant to (iii) and, if applicable, (iv).

Eligible Participants shall return the Forms of Acceptance, Authority and Election (FAAE) to any of the Authorised Financial Intermediaries by the closing of the Rights Issue Offer Period. The FAAEs, once duly completed, executed and lodged with an Authorised Financial Intermediary by the Eligible Participant, shall constitute a binding contract between the Issuer and the Eligible Participant, whereby the Eligible Participant shall be bound to subscribe for and acquire the number of New Ordinary Shares forming part of the Rights Issue as are indicated in the FAAE and to effect payment therefor.

Applicants that wish to apply for Excess Shares during the Excess Shares Offer Period are to lodge their Application Form indicating their Application for Excess Shares through the Authorised Financial Intermediaries. Preferred Applicants are to complete an Application Form 'A', whereas investors not being Existing Shareholders or Preferred Applicants are to complete an Application Form 'B'.

4.1.2. Allocation policy
The Bank shall allocate the New Ordinary Shares arising from the exercise of Rights and the subscription to Excess Shares on the basis of the following policy:

i. it shall first satisfy in full the exercise by all Existing Shareholders of their Rights and in the case of Assignees, of the Assigned Entitlement;
ii. in the event that following the allocations made pursuant to (i) above there shall still remain unallocated New Ordinary Shares, the Issuer shall then allocate such unallocated New Ordinary Shares to those Existing Shareholders that have accepted their Proportionate Entitlement in full and have acquired Excess Shares during the Rights Issue Offer Period. Where subscriptions for Excess Shares are greater than the number of unallocated New Ordinary Shares available for allocation during the Rights Issue Offer Period, then each application for Excess Shares shall be scaled down in such manner as shall be determined by the Issuer at its own discretion;
iii. in the event that following the allocations made pursuant to sections (i) and (ii) above, there shall remain Excess Shares for allocation to investors, the Issuer shall allocate such Excess Shares to Preferred Applicants who have submitted an Application to acquire Excess Shares through Authorised Financial Intermediaries during the Excess Shares Offer Period. Where subscriptions for Excess Shares are greater than the number of unallocated New Ordinary Shares during the Excess Shares Offer Period, then each application for Excess Shares by Preferred Applicants shall be scaled down in such manner as shall be determined by the Issuer at its own discretion; and

iv. in the event that following the allocations made pursuant to (i), (ii) and (iii) above, there shall remain Excess Shares for allocation to investors, the Issuer shall allocate such Excess Shares to any other Applicants (who are not Preferred Applicants) who have submitted an Application to acquire Excess Shares through Authorised Financial Intermediaries during the Excess Shares Offer Period. Where subscriptions for Excess Shares are greater than the number of unallocated New Ordinary Shares during the Excess Shares Offer Period, then each application for Excess Shares by Applicants (who are not Preferred Applicants) shall be scaled down in such manner as shall be determined by the Issuer at its own discretion.

In the event that following the events specified in (i) and, if applicable, (ii) above:

- there shall not be any remaining Excess Shares available for allocation to Preferred Applicants or other Applicants, the Excess Shares Offer shall not take place and the events specified in (iii) and (iv) above shall not apply;
- there shall remain Excess Shares available for allocation to Preferred Applicants and, if applicable, other Applicants, the Excess Shares Offer shall take place. In such case, in the event that an Applicant has not been allocated any New Ordinary Shares or has been allocated a number of Shares which is less than the number applied for, the Applicant shall receive a refund of the full amount or the balance of the price of the Shares applied for but not allocated, as the case may be, without interest, by credit transfer to such account as designated by the Applicant, at their sole risk within five Business Days from the date of announcement of basis of acceptance. The Bank and the Registrar shall not be responsible for any loss or delay in transmission or any charges in connection therewith.

4.1.3. Total estimated expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, Sponsor & Co-Manager fees, Registrar fees, selling commission, and other miscellaneous expenses in connection with the Offer are estimated not to exceed €1,000,000 and shall be borne by the Bank. There is no particular order of priority with respect to such expenses.

4.1.4. Expected timetable

1.	FAAE mailed to Existing Shareholders	27 September 2023
2.	Commencement of Rights Issue Offer Period	28 September 2023
3.	Closing of Rights Issue Offer Period	26 October 2023
4.	Announcement of the results of the Rights Issue	1 November 2023
5.	Opening of Excess Shares Offer Period	1 November 2023
6.	Closing of Excess Shares Offer Period	27 November 2023
7.	Announcement of the results of the Excess Shares Offer	4 December 2023
8.	Refunds of unallocated monies (if any)	11 December 2023
9.	Dispatch of allotment letters	11 December 2023
10.	Allotment of the New Ordinary Shares and expected date of admission of the New Ordinary Shares to listing	11 December 2023
11.	Expected date of commencement of trading in the New Ordinary Shares	12 December 2023

In the event of over-subscription of the Rights Issue, the Bank reserves the right not to open the Excess Shares Offer, in which case the events set out in points 5 to 7 above shall not take place, and the events set out in points 8 to 11 above will be brought forward but shall be kept in the same chronological order as set out above. In the event of over-subscription of the Excess Shares during the Excess Shares Offer Period, the Bank reserves the right to close the Excess Shares Offer early, in which case the events set out in points 8 to 11 above will be brought forward but shall be kept in the same chronological order as set out above.

4.2. Why is this Prospectus being produced?

4.2.1. The use and estimated net amount of the proceeds

The proceeds from the issue of New Ordinary Shares, which net of issue expenses are expected to amount to approximately €45.4 million, will be utilised by the Bank to supplement the Bank's funding requirements for the implementation of the Bank's strategic objectives, and to further strengthen its capital base with a view to ensuring that the Bank is well-positioned to meet the capital buffers required in terms of the European banking regulations. Specifically with respect to the latter, the net proceeds from the issue of New Ordinary Shares will be eligible to contribute towards the Bank meeting its minimum requirement for own funds and eligible liabilities ('MREL') prescribed by BRRD II.

4.2.2. Underwriting agreement

The Offer is not subject to any underwriting agreement on a firm commitment basis.

4.2.3. Conflicts of interest

The Issuer is an Authorised Financial Intermediary in respect of the Offer. As the Issuer of the New Ordinary Shares, the Bank has an interest in the success of the Offer. In this respect, the Issuer will not be providing investment advice in relation to subscriptions for New Ordinary Shares, however, may entertain applications for subscriptions for New Ordinary Shares on an execution only basis. In this respect, investors are strongly encouraged to seek independent and professional advice prior to participating in the Offer. As an Authorised Financial Intermediary, the Issuer shall not be subscribing for Excess Shares for its own account.

Save for the foregoing and for any fees payable to Authorised Financial Intermediaries in connection with the Offer, in so far as the Bank is aware, no person involved in the Offer has an interest, conflicting or otherwise, which is material to the Offer.