FINAL TERMS

Dated 18 June 2025

Lidion Bank plc (the "**Bank**")

Issue of up to a maximum of €5,000,000 unsecured subordinated bonds (the "**Bonds**")

€10,000,000 Unsecured Subordinated Bond Issuance Programme

ISIN: MT0002881200

Series: 1/2025

Tranche No: 1

Part A – Contractual Terms

These are the Final Terms for the issue of a Tranche of Bonds under the Bank's €10,000,000 Unsecured Subordinated Bond Issuance Programme (the "**Programme**") and comprise the final terms required for the issue and admission to trading on the Official List of the MSE of the Bonds described herein pursuant to the Programme.

Capitalised terms used herein which are not defined shall have the definitions assigned to them in the Base Prospectus dated 18 June 2025 which was approved by the MFSA in Malta on 18 June 2025 which constitutes a base prospectus for the purposes of the Prospectus Regulation.

This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Bank and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus and any Supplement (if applicable), and these Final Terms are available for viewing at the office of the Bank and on the websites of: (a) the MFSA during a period of twelve months from the date of approval of the Base Prospectus; and (b) the Bank (https://www.lidionbank.com/investor-relations/). Copies of the Base Prospectus and these Final Terms may be obtained free of charge from the registered office of the Bank. A summary of this individual issue is annexed to these Final Terms (Annex 1).

THE BONDS ARE COMPLEX FINANCIAL INSTRUMENTS

1. Issuer	Lidion Bank plc
2. Series Number	1/2025
3. Tranche Number	1
4. Specified Currency	Euro (€)
5. Aggregate Nominal Value:	
i. Series	Up to €5,000,000, which may be issued solely in Tranches forming part of this Series 1 or in combination with Tranche/s forming part of one or more separate Series up to an aggregate of €10,000,000 for all Series.
ii. Tranche	Up to €5,000,000. In the event that the amount of €5,000,000 is not fully subscribed, the Issuer reserves the right to issue a further Tranche or further Tranches of Bonds, as part of this Series or as a separate Series.
6. Issue Price of the Bonds	At par (€100 per Bond).
7. Specified denomination (Nominal Value)	€100 in respect of each Bond, subject to the minimum subscription amounts set out hereunder.
8. Number of Bonds offered for subscription	Up to a maximum of 50,000.
9. Issue Date Interest Commencement Date	23 July 2025 23 July 2025
10. Maturity Date	23 July 2035
11. Early Redemption Date/s	Unless redeemed on an Early Redemption (Exceptional Event) Date, any date between the fifth anniversary of the Issue Date and the Maturity Date, subject to the MFSA granting its prior permission and subject to the Issuer giving the Bondholders at least thirty (30) days' prior notice.
12. Redemption Value	Redemption at par.

INTEREST

13. Rate of Interest	6%.
14. Interest Payment Date/s	23 July of each year (including 23 July 2026, being the first interest payment date) and the Maturity Date (or in the event of early redemption, 23 July of each year between and including each of the years 2026 and the relevant Early Redemption Date or Early Redemption (Exceptional Event) Date as applicable) provided that if any such date is not a Business Day, the next following day that is a Business Day.
15. Calculation agent (if applicable)	Not applicable.

GENERAL PROVISIONS

16. Corporate authorisations for issuance of the Bonds	The issuance of the Bonds was authorised pursuant to a resolution of the Board of Directors passed on 10 June 2025.
17. Taxation	As per "Taxation" section of the Base Prospectus.

Purpose of Final Terms

These Final Terms comprise the Final Terms required for the offer for subscription, issue and admission to trading on the Official List of the Bonds described herein pursuant to the Programme of the Bank dated 18 June 2025.

Responsibility

The Bank accepts responsibility for the information contained in these Final Terms.

Signed on behalf of Lidion Bank plc

Duly represented by:

Mr Jonathan Bellizzi
as CEO and Director of the Bank and on behalf of each of
Trond Dale, Dr Desiree Cassar, Stephen Muscat, Frank J Sekula and Mehmet ZaferKarataş

Part B - Other Information

1. ADMISSION TO TRADING AND LISTING

i. Listing	Official List of the Malta Stock Exchange.
ii. Admission to trading	Application to the MSE has been made for the Bonds to be admitted to trading on the Official List. The Bonds are expected to be listed on or around 23 July 2025, with trading expected to commence on or around 24 July 2025.
iii. Previous admission to trading	Not applicable.
iv. Estimate of total expenses related to admission to trading	Approximately €200,000. Such expenses shall be borne by the Bank.

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE BOND ISSUE

The Bank has an interest in the issue of Bonds pursuant to these Final Terms by virtue of the fact that the net proceeds from the Bond issue will constitute an integral part of the Bank's capital plan (to further strengthen its Tier 2 Capital requirements in terms of the CRR) and will be used by the Bank to meet part of its general financing requirements.

Save for the above and the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor) and any fees payable to the various professional advisors and service providers in connection with the issue of Bonds, the Bank is not aware of any person involved in the Bond Issue that has a material interest in the issue of Bonds pursuant to these Final Terms.

3. THIRD PARTY INFORMATION

Not applicable.

4. REASONS FOR THE OFFER AND USE OF PROCEEDS, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

i. Reasons for the offer and use of proceeds	The net proceeds from the Bonds to be issued under these Final Terms will be used to further strengthen the Tier 2 Capital requirements of the Bank in terms of the CRR, and will be used by the Bank to meet part of its general financing requirements.
ii. Estimated net proceeds and total expenses of the Bond Issue	€4,800,000 Total expenses shall amount to approximately €200,000, with approximately €100,000 being attributed to selling commission fees and approximately €100,000 to professional, MSE, regulatory and ancillary fees. There is no particular order of priority with respect to such expenses. These expenses shall be borne by the Bank.
iii. Conditions to which the offer is subject	The offer of the Bonds is conditional upon the Bonds being admitted to the Official List by no later than 24 July 2025.

5. YIELD

i. Indication of yield	6%.
ii. Method of calculating the yield	The gross yield to maturity, calculated on the basis of the Rate of Interest on the Bonds, the Issue Price of Tranche, and the Redemption Value (at par) of the Bonds at the Maturity Date or a designated Early Redemption Date or on an Early Redemption (Exceptional Event) Date is 6%.

6. OPERATIONAL INFORMATION

i. ISIN code	MT0002881200
ii. Delivery	Delivery against payment.

7. DISTRIBUTION

i. Categories of potential investors to which the Bonds are offered	The Bonds are open for subscription to all categories of investors, provided that an Authorised Intermediary may only distribute the Bonds to Retail Clients subject to a Suitability Test to be performed in respect of such Applicants. In such an event, an Authorised Intermediary shall not accept an application from a Retail Client unless it is satisfied, based on the results of such Suitability Test, that an investment in the Bonds is suitable for the Applicant.
ii. Conditions for use of the Base Prospectus by the Authorised Intermediary/ies	As set out in Section 2.3 of the Base Prospectus.
iii. Plan of distribution and allotment	The Bank has reserved the full amount of the Bond Issue for subscription by Authorised Intermediaries. The Bank shall enter into Placement Agreements with Authorised Intermediaries for the placement of the Bonds, pursuant to which Authorised Intermediaries shall each conditionally be bound to subscribe to such number of Bonds as indicated in their respective Placement Agreements. The Placement Agreements are conditional upon the Bonds being admitted to the Official List. In terms of the Placement Agreements, the Authorised Intermediaries shall subscribe for Bonds either for their own account or for the account of underlying clients, including retail customers, subject to a minimum subscription for each underlying client of €10,000 and in multiples of €100 thereafter. Authorised Intermediaries must effect payment to the Registrar for the Bonds subscribed to by not later than the Placement Date. The Bank acting through the Registrar shall confirm the amount allocated under each Placement Agreement by latest 16:00 hours on 11 July 2025 and each Authorised Intermediary shall either: (a) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or (b) complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 12:00 hours on 14 July 2025.

	In the event that the Authorised Intermediary has been allocated a lesser number of Bonds than the number indicated in its respective Placement Agreement, the amount paid in respect of such unsatisfied amount shall be credited to the Authorised Intermediary's bank account indicated in the Placement Agreement by latest close of business on 14 July 2025.
iv. Placing and/or underwriting	Not applicable.
v. Selling commission	2%.
vi. Expected timetable	1. Offer Period: 23 June 2025 to 11 July 2025 (both days inclusive) 2. Announcement of Allocation Policy: 16 July 2025 3. Issue Date & Interest Commencement Date: 23 July 2025 4. Dispatch of allotment letters: 23 July 2025 5. Expected date of admission of the Bonds to listing: 23 July 2025 6. Expected date of commencement of trading of the Bonds: 24 July 2025
8. ADDITIONAL INFORMATION	
i. Reservation of a Tranche, or part thereof, in favour of specific retail and/or non-retail investors or categories of either	Not applicable.
ii. Time period, including any possible amendments, during which the offer will be open days included.	The period between 08:30 CET on 23 June 2025 and 12:00 CET on 11 July 2025, both days included.
iii. Manner and date in which results of the offer are to be made to public	The Bank shall announce the results of the Bond Issue, together with the basis of acceptance of Applications and the allocation policy to be adopted, through a company announcement, by latest 16 July 2025.
iv. Description of the application process v. Details of the minimum/ maximum amount of application (whether in numbers of securities or aggregate amount to invest)	Refer to clause 7(iii) above. The minimum subscription amount shall be €10,000 per Application and in multiples of €100 thereafter. It is the responsibility of each Authorised Financial Intermediary to ensure that applications for subscription of Bonds made under nominee are subjected to the minimum of €10,000 per underlying Applicant/client upon initial subscription.
vi. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants	Refer to clause 7(iii) above.
vii. Method and time limits for paying up the securities and for delivery of the securities an Application	Applications must be accompanied by the full price of the Bonds applied for in Euro and in cleared funds at the Issue Price. In the event that any cheque accompanying is not honoured on its first presentation, the Bank, Authorised Financial Intermediaries and/or the Registrar reserve the right to invalidate the relative Application.
viii. Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure	€100 per Bond.
ix. Process for notification to applicants of the amount of Bonds allotted and indication whether dealing may begin before notification is made	Allotment letters will be dispatched to Applicants on 23 July 2025. Dealing in the Bonds may not commence before the Bonds are admitted to the Official List.
x. Credit rating of the Bonds	Not applicable.

Annex 1: Issue Specific Summary

This summary is issued in accordance with the provisions of the Prospectus Regulation and the Capital Markets Rules. Capitalised terms used but not otherwise defined in this Summary shall have the meanings assigned to them in the 'Definitions' section of the Base Prospectus.

A. INTRODUCTION AND WARNINGS

Prospective investors are hereby warned that:

- this summary should be read as an introduction to the Base Prospectus and the Final Terms;
- any decision to invest in the Bonds should be based on consideration of the Base Prospectus and the Final Terms as a whole by the prospective investor;
- a prospective investor may lose all or part of the capital invested in subscribing for Bonds;
- where a claim relating to the information contained in the Base Prospectus or the Final Terms is brought before a court, the plaintiff investor might, under Maltese law, have to bear the costs of translating the Base Prospectus and the Final Terms before the legal proceedings are initiated;
- civil liability attaches only to those persons who have tabled the summary including any translation thereof and who applied for its notification, but only if the summary, when read together with the other parts of the Base Prospectus and the Final Terms, 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
- this summary (and the entire Base Prospectus and the Final Terms) relate to a product that is not simple and may be difficult to understand.

International Securities Identification Number (ISIN) of the Bonds: MT0002881200

Identity and Contact Details of the Bank:

Legal & Commercial Name:	Lidion Bank plc
Company Registration Number:	C 57067
Registered Office Address:	Lidion Bank, Block 3 Level 0, Trident Park, Mdina Road, Zone 2, Central Business
District:	Birkirkara CBD 2010, Malta
LEI:	213800BJFRCI88UOLL93
Telephone Number:	+356 2092 6000
E-mail Address:	bondholders@lidionbank.com
Website:	https://www.lidionbank.com/

The Base Prospectus has been approved by the MFSA, which is the competent authority in Malta for the purposes of the Prospectus Regulation, on 18 June 2025. The MFSA has only approved the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Bank or of the quality of the Bonds. The address of the MFSA is Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. Its telephone number is +356 2144 1155 and its website is www.mfsa.mt.

B. KEY INFORMATION ON THE ISSUER

Who is the Issuer of the Securities?

The Bank is registered in Malta as a public limited liability company under the Companies Act, and is licensed by the MFSA to carry out the business of banking in terms of the Banking Act. The main activities of the Bank involve the provision of various structured products and banking services, including bank account and payment services, non-recourse factoring and various types of lending.

To the extent known by the Bank, the Bank's largest shareholders (or beneficial owners) are Atilla Ateykin and Umut Akinpar who own 36.37% each indirect and beneficial interest in the Bank via their holdings in the Parent through Armoza Beheer B.V. and Monde Celeste B.V., respectively.

As at the date of the Base Prospectus, the Board is composed of six (6) Directors who are responsible for the overall direction, management and strategy of the Bank, being Mr Trond Dale, Mr Jonathan Bellizzi, Dr Desiree Cassar, Mr Stephen Muscat, Mr Frank J Sekula and Mr Mehmet Zafer Karataş.

The Bank's statutory auditors are Deloitte Audit Limited (C 51312), of Deloitte Place, Triq l-Intornjatur, Zone 3, Central Business District, Birkirkara CBD 3050, Malta.

What is the Key Financial Information regarding the Issuer?

The below tables show the main financial information of the Bank:

Statement of Financial Position

€'000	31 Dec '24	31 Dec '23	31 Dec '22
Loans and advances to customers	34,261	24,727	17,486
Factored receivables	68,156	42,643	31,865
Total assets	282,175	154,672	94,292
Amounts owed to customers	255,332	135,772	77,773
Total equity	23,073	13,718	12,668
Tier 1 capital ratio	22.5%	18.3%	21.3%
Total capital ratio	22.5%	18.3%	21.3%
Leverage ratio	7.1%	8.3%	12.1%

Income Statement

€'000	31 Dec '24	31 Dec '23	31 Dec '22
Net interest income	8,579	6,005	2,659
Net fee and commission income	1,988	1,208	3,090
Profit after tax	2,695	1,050	1,526

What are the Key Risks that are Specific to the Issuer?

The most material risk factors specific to the Bank are set out below.

Credit Risk

Credit risk is the possibility that a borrower or counterparty fails to meet its obligations in accordance with agreed terms, causing a financial loss and arises *inter alia* from various types of loans and advances, factoring business, but from credit enhancement provided, investments in debt securities and from liquidity management. The Bank is subject to inherent risks concerning the credit quality of borrowers and counterparties, which could affect the value of the Bank's assets. Changes in the credit quality of the Bank's customers, counterparties, and investments arising from systemic risks and macroeconomic factors in the Maltese and global financial system, can also negatively affect the value of the Bank's assets. Any failure by the Bank to manage the credit quality of its borrowers or counterparties within prudent risk parameters or to monitor and regulate the adequacy of its provisioning levels could have a material adverse effect on the Bank's business, financial condition, prospects and/or results of operations.

Information and Communication Technology, Cyber-Security Risk and Third-Party Providers related Risks

The activities of the Bank are reliant on the continuous and proper functioning of its operating systems, including its information technology and communication ("**ICT**") systems and other technological arrangements. The Bank is susceptible to a variety of risks relating to the functioning of these systems and any such risks may result in the loss, compromise or corruption of sensitive data (including customer data), interruption or delay in business operations, regulatory fines or penalties, legal liabilities and reputational damage. A cyber-attack which would affect the Bank, either directly or through a third-party provider, could adversely affect the Bank's ability to provide services, reputation, financial performance and financial position.

In addition, to the extent that the Bank is reliant upon technological solutions acquired from and developed by third-party providers for the efficient running of its business, it will be exposed to the risk of supply chain attacks, failures, errors or other interruptions in such systems. There is no assurance that the services or systems run by the Bank will not be disrupted. Failures or breaches at a third-party provider may have a cascading effect, potentially exposing the Bank to extended periods of system downtime or data unavailability. Moreover, the increasing sophistication, frequency and scale of cyber-threats globally, including threats targeting the financial services sector, amplifies the Bank's exposure to cyber and ICT-related risks. The evolving regulatory expectations around operational resilience, ICT risk management, and cyber incident reporting may also result in additional compliance costs or enforcement risks in the event of non-compliance.

Information Security and Data Protection Risk

This risk relates 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 Bank. The Bank is also subject to comprehensive regulation regarding the use of personal customer data, compliance with the GDPR creates significant regulatory obligations for the Bank and it will continue to have an ongoing impact on the acceptance, processing and storage of personal sensitive data. The possible damage, loss, unauthorised processing or disclosure of personal data could have a negative impact on the activity of the Bank, in reputational terms too, and could lead to the imposition of fines and consequent financial loss. Evolving data protection regimes, including rules on cross-border transfers and sector-specific privacy, may increase regulatory and operational risk. Diverging standards or stricter interpretations could require changes to data governance or third-party contracts, with non-compliance potentially leading to enforcement action. In addition, any changes to the applicable laws and/or regulations, including at European Union level, could have a negative impact on the Bank's activities, including the need to incur costs for adapting to the new regulations.

Financial Crime Compliance Risk

Financial crime risks refer to the potential exposure the Bank faces from illegal activities that may impact the integrity and stability of its financial operations. These risks include: money laundering, terrorist financing, sanctions violations, fraud, bribery and corruption. Financial crime compliance risks may materialise from: (i) lack of adherence to the appropriate regulatory environment and/or market practice; (ii) failures arising from the lack of implementation of updated directives, rules, regulations, and/or internal operating procedures; and/or (iii) inadequate internal controls to monitor level of adherence to the required standards inclusive of illegal practices such as bribery and corruption. Additional risks may arise from reliance on third-party vendors, agents or correspondent banks whose financial crime controls may not meet applicable legal or regulatory standards. Rapidly changing legal frameworks, jurisdictional differences, and increased enforcement activity across multiple countries may also complicate compliance efforts. The materialisation of such risks could have a detrimental impact on customers and expose the Bank to financial sanctions and regulatory reprimands, reputational risks and regulatory censure.

Liquidity and Funding Risk

Liquidity risk is the risk that the Bank cannot meet its financial obligations as they fall due in the short and medium term, either at all or without incurring unacceptable losses. Funding risk is the risk that the Bank cannot meet its financial obligations as they fall due in the medium to long term, either at all or without increasing funding costs at an unacceptable level. Funding risk can be seen as the risk that its assets are not stably funded in the medium and long term. The Bank is mainly funded through customer deposits and equity, which exposes the Bank to concentration risks in its funding sources and behavioural risks linked to depositor sentiment. A deterioration in market confidence or a reputational event could lead to unexpected deposit outflows or volatility in funding volumes. The management of liquidity and funding is central to the Bank's operations, just as the ability to fund asset growth and meet obligations as they come due is crucial to the on-going viability of the Bank. In certain stress scenarios the Bank may be unable to access stable sources of funding or roll over maturing obligations on acceptable terms and this could strain the Bank's liquidity position and increase reliance on potentially volatile or expensive short-term funding. Should the Bank be unable to access the necessary liquidity to conduct its operations and/or meet its obligations, this could negatively impact it's financial condition and performance. Moreover disruptions in financial markets, changes in interest rates, regulatory restrictions, or loss of access to central bank facilities may increase the cost of funding or restrict the Bank's ability to raise funds altogether. Non-compliance with liquidity regulatory requirements such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) could result in supervisory measures, reputational harm, or limitations on business activities.

Operational Risk

Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk can manifest across all areas of the Bank's operations, and may lead to financial loss, regulatory breaches, reputational harm, or prolonged business disruption. Such risks may arise unexpectedly and escalate rapidly, particularly in complex or time-sensitive environments. In line with the Basel Committee on Banking Supervision's definitions, the following types of operational risk events are considered as having the potential to result in material operational losses: (i) internal fraud; (ii) external fraud; (iii) employment practices and workplace safety; (iv) clients, products and business practices; (v) damage to physical assets; (vi) business disruption and system failure; and (vii) execution, delivery and process management. Losses from the failure of the Bank's system of internal controls to discover and rectify such matters could have a material adverse effect on the Bank's business, financial condition and/or results of operations.

C. KEY INFORMATION ON THE BONDS

What are the Main Features of the Bonds?

Securities:	Unsecured subordinated bonds
Amount:	Up to €5,000,000
Nominal Value:	€100 per Bond
Denomination:	Euro (€)
ISIN:	MT0002881200
Issue Price:	€100 in respect of each Bond
Minimum subscription:	The minimum subscription amount is €10,000 per Applicant and in multiples of €100 thereafter.
Interest:	6%

Issue Date:	23 July 2025
Interest Payment Dates:	23 July of each year (including 23 July 2026, being the first interest payment date) and the Maturity Date (or in the event of early redemption, 23 July of each year between and including each of the years 2026 and the relevant Early Redemption Date or Early Redemption (Exceptional Event) Date (as applicable) provided that if any such date is not a Business Day, the next following day that is a Business Day.
Redemption:	On an Early Redemption (Exceptional Event) Date; an Early Redemption Date; and/or the Maturity Date.
Maturity Date:	23 July 2035.
Rights:	There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest, subject to and in accordance with the ranking specified in the Base Prospectus.
Status:	The Bonds are Tier 2 Bonds and constitute direct, unsecured and subordinated obligations of the Bank, which will at all times rank *pari passu* without any preference among themselves. In a dissolution and winding up of the Bank, the claims of Bondholders in respect of the Bonds will be subordinated to the claims of all depositors and other unsubordinated secured and unsecured creditors of the Bank and will not be repaid until all other unsubordinated debt outstanding at the time has been settled in full. In the event of a resolution of the Bank or in any other instances under applicable law, the Bonds are subject to conversion or write down by the applicable resolution authorities as provided by law.
Transferability:	The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole, that is, in multiples of €100.

Where will the Bonds be Traded?

Application has been made to the MSE for the Bonds to be listed and traded on the Official List.

What are the Key Risks that are Specific to the Bonds?

The most material risk factors specific to the Bank are the following:

Subordinated Status

The Bonds (their redemption and the payment of interest thereon) shall constitute the general, direct, subordinated, unsecured and unconditional obligations of the Bank to the Bondholders, and shall at all times rank *pari passu*, without any priority or preference among themselves and with all other Tier 2 Claims. In the event of the dissolution and winding up of the Bank, the claims of Bondholders in respect of the payment of capital and interest on the Bonds will have the ranking set out in the Ranking Legislation and will be subordinated to Preferred Claims, all Ordinary Unsecured Claims and Secondary Unsecured Claims. In addition, as per the said Ranking Legislation, to the extent that the Bonds qualify as Tier 2 instruments, they shall also rank below Senior Subordinated Claims. All claims of Bondholders will therefore not be repaid until Preferred Claims, Ordinary Unsecured Claims, Secondary Unsecured Claims and Senior Subordinated Claims have been settled in full. If any Bonds cease to qualify as Tier 2 Instruments, the claims in respect of such Bonds will, in the event of the dissolution and winding up of the Bank, rank *pari passu* with all Senior Subordinated Claims, subject to the Ranking Legislation.

If, on a dissolution and winding-up of the Bank, the assets of the Bank are insufficient to enable the Bank 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 Bank 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 some (or all) of their investment in the Bonds. The same principles would apply to the Bank where the relevant resolution authority applies the appropriate powers of write-down or conversion of capital (the Bonds) (whether in the event of a resolution of the Bank or in any other instances under applicable law), in which case it must respect the *pari passu* treatment of creditors and the statutory ranking of claims under the applicable insolvency law.

Moreover, pursuant to the Recovery & Resolution Regulations, all claims resulting from own funds items of relevant institutions (such as the Bank) are to rank lower than any claim that does not result from an own funds item. Therefore, this may affect the amount of recovery (if any) a Bondholder may expect to receive in a winding-up or resolution of the Bank. It is expected that, in certain circumstances, this may have an impact on the effective ranking of own funds instruments, such as the Bonds. In such circumstances, if the Bank is wound-up or resolved, the claims of Bondholders which qualify as Tier 2 Capital of the Bank may be subordinated to claims of holders of such disqualified instruments (if any), and accordingly any recovery of amounts in respect of such qualifying Bonds in a winding-up or resolution of the Bank may be adversely affected.

Bail-In Risk

The Recovery & Resolution Regulations provide for various powers and tools of the Resolution Committee in the event that the Resolution Committee considers that all of the relevant conditions are met. Resolution occurs at the point where the applicable authority determines that a bank is failing or likely to fail, that there is no other private sector intervention or supervisory action, including early intervention measures or the write-down or conversion of relevant capital instruments, that would prevent the failure of the institution within a reasonable timeframe and that a resolution action is necessary in the public interest. The Resolution Committee may exercise the bail-in tool in respect of the Bank if the Bank is under resolution pursuant to which the Bonds may be subject to a write-down and/or conversion into equity. Such a development would have a direct adverse impact on the Bondholders, including a cancellation and complete loss in value of the Bonds.

Limited Remedies of Bondholders

The Bonds are the obligations of the Bank only and do not establish any liability or other obligation of any other person mentioned in this Base Prospectus. Payment of principal and accrued but unpaid interest on the Bonds may be accelerated only in the event of: (i) an extraordinary resolution passed at a general meeting for the dissolution, winding-up or liquidation of the Bank or; (ii) an order by the applicable judicial authorities is made for the dissolution, liquidation, winding-up of the Bank or; (iii) an order for liquidation is made by the competent authority in respect of the Bank under the Controlled Companies (Procedure for Liquidation) Act (Chapter 383 of the laws of Malta) or; (iv) the dissolution, winding-up or liquidation of the Bank carried out in terms of any other law that may come into force from time to time. The right of acceleration will not be triggered solely by any resolution carried out under the Recovery & Resolution Regulations or any moratorium provided for thereunder. The only remedy available to the Bondholders in the case of non-performance by the Bank of any of its obligations or any other breach by the Bank of the Terms and Conditions shall be the ability to institute court proceedings for the dissolution and winding-up of the Bank in those instances set out by law. The Bondholders are not entitled to any other remedy in such cases and are not able to call an event of default or otherwise bring any enforcement action in respect of the Bank or its assets. The remedies under the Bonds are, therefore, more limited than those typically available to the Bank's unsubordinated creditors.

Complex Financial Instrument and Suitability Risk

The Bonds are complex financial instruments and may not be suitable for all prospective investors. Subject to the overarching requirement that Applicants who are Retail Clients may only subscribe for Bonds after passing a Suitability Test, all prospective investors are urged to consult an investment advisor licensed under the Investment Services Act as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor: (a) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds and understand the merits and risks of investing in the Bonds and the information contained, or incorporated by reference, in the Base Prospectus or in the relevant Financial Terms, or any Supplement; (b) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency; (c) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (d) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Bonds are Redeemable at the Option of the Bank

Any or all of the Bonds may be redeemed at the option of the Bank (subject to obtaining the prior permission of the MFSA and provided that the Bank meets the conditions set out in article 78 of the CRR) on an Early Redemption (Exceptional Event) Date; and/or, if provided for in the applicable Final Terms, on an Early Redemption Date, in each case on at least 30 days' prior written notice to the relevant Bondholders. Bondholders will be entitled to, in respect of the Bonds being redeemed, repayment of all principal together with interest accrued until the date of redemption but once the Bonds are redeemed the relevant Bondholders will no longer be entitled to any interest or other rights in relation to those Bonds. If Bonds are redeemed prior to the Maturity Date a Bondholder would not receive the same return on its investment that it would have received if those Bonds were redeemed on the Maturity Date. In addition, the Bondholder may not be able to re-invest the proceeds from the early redemption at yields that would have been received on the Bonds had they not been redeemed early. This optional redemption feature may also have a negative impact on the market value of the Bonds. During a period when the Bank may opt to redeem the Bonds, it is unlikely that the market value will rise above the price at which the Bond will be redeemed.

D. KEY INFORMATION ON THE OFFER OF BONDS TO THE PUBLIC AND THE ADMISSION TO TRADING UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THE BONDS?

General Terms and Conditions

The Bond Issue, the listing of the Bonds on the Official List and the publication of the Base Prospectus were authorised by a resolution of the Board passed on 10 June 2025. Application has been made to the MSE for the Bonds to be listed and traded on the Official List. The Bonds are being issued at their nominal value (€100 per Bond) subject to a maximum aggregate principal amount of the Bonds that may be issued not exceeding €10,000,000

Applications for subscription to the Bonds may be made through the Authorised Intermediaries. Applications must be accompanied by the full price of the Bonds applied for in Euro, or in the currency of the Bonds as set out in the relevant Final Terms, and in cleared funds at the Issue Price.

Applications shall in all cases be subject to a minimum subscription amount of €10,000 in Nominal Value of Bonds in relation to each underlying client to which an Application relates.

Expected Timetable of the Bond Issue

1. Offer Period .... 23 June 2025 to 11 July 2025 (both days inclusive)
2. Announcement of Allocation Policy .... 16 July 2025
3. Issue Date & Interest Commencement Date .... 23 July 2025
4. Dispatch of allotment letters .... 23 July 2025
5. Expected date of admission of the Bonds to listing .... 23 July 2025
6. Expected date of commencement of trading of the Bonds .... 24 July 2025

Plan of Distribution

The Bank has reserved the full amount of the Bond Issue for subscription by Authorised Intermediaries. The Bank shall enter into Placement Agreements with Authorised Intermediaries for the placement of the Bonds, pursuant to which Authorised Intermediaries shall each conditionally be bound to subscribe to such number of Bonds as indicated in their respective Placement Agreements.

The Placement Agreements are conditional upon the Bonds being admitted to the Official List.

In terms of the Placement Agreements, the Authorised Intermediaries shall subscribe for Bonds either for their own account or for the account of underlying clients, including retail customers, subject to a minimum subscription for each underlying client of €10,000 and in multiples of €100 thereafter. An Authorised Intermediary shall not accept an Application from a Retail Client unless it is satisfied, based on the results of a Suitability Test, that an investment in the Bonds is suitable for the Applicant.

Authorised Intermediaries must effect payment to the Registrar for the Bonds subscribed to by not later than the last day of the Offer Period.

The Bank acting through the Registrar shall confirm the amount allocated under each Placement Agreement by latest 16:00 hours on 11 July 2025 and each Authorised Intermediary shall either:

(a) distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or

(b) complete a data file representing the amount they have been allocated in terms of the respective Placement Agreement as provided by the Registrar by latest 12:00 hours on 14 July 2025.

In the event that the Authorised Intermediary has been allocated a lesser number of Bonds than the number indicated in its respective Placement Agreement, the amount paid in respect of such unsatisfied amount shall be credited to the Authorised Intermediary's bank account indicated in the Placement Agreement by latest close of business on 14 July 2025.

Estimated Expenses of the Bond Issue

Total expenses shall amount to approximately €200,000, with approximately €100,000 being attributed to selling commission fees and approximately €100,000 to professional, MSE, regulatory and ancillary fees. There is no particular order of priority with respect to such expenses. These expenses shall be borne by the Bank.

Why is this Prospectus being Produced?

The net proceeds from the Bonds to be issued under these Final Terms will be used to further strengthen the Tier 2 Capital requirements of the Bank in terms of the CRR, and will be used by the Bank to meet part of its general financing requirements.

Conflicts of interest pertaining to the Bond Issue

Save for the subscription for Bonds by Authorised Intermediaries, and any fees payable in connection with the Bond Issue to M.Z. Investment Services Ltd as Sponsor, Manager & Registrar, in so far as the Bank is aware, no person involved in the Bond Issue has an interest, conflicting or otherwise, material to the Bond Issue.

Annex 2: List of Authorised Intermediaries

Name	Address	Telephone
Jesmond Mizzi Financial Advisors Limited	67 Level 3, South Street, Valletta VLT 1105	2122 4410
Michael Grech Financial Investment Services Limited	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2258 7000
M.Z. Investment Services Limited	63, St Rita Street, Rabat RBT 1523	2145 3739

Annex 3: Specimen Application Form

Not applicable.