

Securities Note

dated 20 September 2023

This document is a Securities Note 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

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.

A public limited liability company registered under the laws of Malta with company registration number C 1607



and in the event of Lapsed Rights, the Excess Shares Offer

ISIN of the Shares: MT0000040106

Legal Counsel



CAMILLERI PREZIOSI
ADVOCATES

Sponsors & Co-Managers



Calamatta Cuschieri

Registrar



MALTA
STOCK EXCHANGE

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY, AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THIS MEANS THAT THE MALTA FINANCIAL SERVICES AUTHORITY HAS ONLY APPROVED THIS SECURITIES NOTE AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY AS PRESCRIBED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT, HOWEVER, BE CONSIDERED AS AN ENDORSEMENT OF QUALITY OF THE INSTRUMENTS THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. IN PROVIDING THIS AUTHORISATION, THE MALTA FINANCIAL SERVICES AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS OF INVESTING IN ANY INSTRUMENT ISSUED BY THE ISSUER AND SUCH AUTHORISATION SHOULD NOT BE DEEMED, OR BE CONSTRUED, AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN ANY SUCH INSTRUMENTS. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES. THIS SECURITIES NOTE HAS BEEN DRAWN UP AS PART OF A SIMPLIFIED PROSPECTUS IN ACCORDANCE WITH ARTICLE 14 OF THE PROSPECTUS REGULATION.

THE MALTA FINANCIAL SERVICES AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN SECURITIES ISSUED BY THE BANK. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN FINANCIAL ADVISER.

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.

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON A RIGHTS ISSUE AND ON THE OFFER OF LAPSED RIGHTS AND IS DRAWN UP IN COMPLIANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS RULES, THE ACT AND THE PROSPECTUS REGULATION.

THE BANK IS OFFERING THE RIGHTS ON A PRE-EMPTIVE BASIS TO EXISTING SHAREHOLDERS AND IS HEREBY ISSUING NIL PAID RIGHTS TO EXISTING SHAREHOLDERS IN A RATIO OF TWO (2) NEW ORDINARY SHARES FOR EVERY THREE (3) SHARES HELD BY EXISTING SHAREHOLDERS AS AT THE RECORD DATE, AT AN OFFER PRICE OF €0.75 PER NEW ORDINARY SHARE.

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

RIGHTS WHICH ARE NOT SUBSCRIBED TO BY ELIGIBLE PARTICIPANTS SHALL CONSTITUTE LAPSED RIGHTS, AND THE NEW ORDINARY SHARES RELATED THERETO WILL CONSTITUTE EXCESS SHARES WHICH WILL BE ALLOCATED TO: (I) EXISTING SHAREHOLDERS WHICH HAVE ACCEPTED THEIR PROPORTIONATE ENTITLEMENT IN FULL AND APPLIED FOR EXCESS SHARES; (II) PREFERRED APPLICANTS; AND (III) THE GENERAL PUBLIC, IN THIS ORDER OF PREFERENCE, AND SUBJECT TO SCALING DOWN IN ACCORDANCE WITH SECTION 8.4 OF THIS SECURITIES NOTE.

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

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

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND: (I) ANY EXISTING SHAREHOLDER TO WHOM THIS OFFER AND A FORM OF ACCEPTANCE, AUTHORITY AND ELECTION IS ADDRESSED; (II) ANY ASSIGNEE WISHING TO SUBSCRIBE FOR ANY NEW ORDINARY SHARES PURSUANT TO AN ASSIGNMENT OF RIGHTS FROM AN EXISTING SHAREHOLDER; (III) PREFERRED APPLICANTS; AND (IV) ANY OTHER PERSON SUBSCRIBING TO EXCESS SHARES, TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION.

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

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

SAVE FOR THE OFFER IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE BANK THAT WOULD PERMIT A PUBLIC OFFERING OF THE NEW ORDINARY SHARES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, NO NEW ORDINARY SHARES MAY BE OFFERED, DIRECTLY OR INDIRECTLY, AND NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THE PROSPECTUS MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS SECURITIES NOTE AND ON THE OFFER.

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

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

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

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

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

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

A COPY OF THIS SECURITIES NOTE HAS BEEN SUBMITTED TO THE MALTA FINANCIAL SERVICES AUTHORITY IN SATISFACTION OF THE CAPITAL MARKETS RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS, AND THE REGISTRAR OF COMPANIES AT THE MALTA BUSINESS REGISTRY IN ACCORDANCE WITH THE ACT.

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



TABLE OF CONTENTS

1. DEFINITIONS	72	6.5 ACTION REQUIRED BY AN EXISTING SHAREHOLDER TO SUBSCRIBE TO THE NEW ORDINARY SHARES	86
2. RISK FACTORS	74	7. EXCESS SHARES OFFER	88
2.1 SUITABILITY	75	7.1 SUBSCRIPTION TO EXCESS SHARES	88
2.2 RISKS ASSOCIATED WITH RECOVERY AND RESOLUTION REGULATIONS	75	7.2 TERMS AND CONDITIONS APPLICABLE TO THE EXCESS SHARES OFFER	88
2.3 ORDERLY AND LIQUID MARKET	76	8. GENERAL TERMS AND CONDITIONS OF THE OFFER	88
2.4 VOLATILITY IN THE PRICE OF THE SHARES	76	8.1 GENERAL	88
2.5 SUSPENSION OF TRADING OR DISCONTINUATION OF LISTING	77	8.2 RIGHT TO REJECT	89
2.6 DIVIDENDS	77	8.3 RIGHT TO REVOKE THE OFFER	89
2.7 DILUTION RISK	77	8.4 ALLOCATION POLICY	89
2.8 FUTURE ISSUES BY THE BANK	77	8.5 EXPECTED TIMETABLE	90
2.9 SHAREHOLDER CURRENCY OF REFERENCE	77	8.6 BODY CORPORATES/BODIES OF PERSONS	90
2.10 OVERSEAS SHAREHOLDERS MAY NOT BE ABLE TO RECEIVE THE NEW ORDINARY SHARES IN THE RIGHTS ISSUE	77	8.7 MINORS	90
3. PERSONS RESPONSIBLE, CONSENT FOR USE OF PROSPECTUS, AND STATEMENT OF APPROVAL	78	8.8 RESULTS OF THE OFFER	91
3.1. PERSONS RESPONSIBLE	78	8.9 OTHER TERMS AND CONDITIONS	91
3.2. CONSENT FOR USE OF PROSPECTUS	78	8.10 OVERSEAS SHAREHOLDERS	91
3.3. AUTHORISATION STATEMENT	79	8.11 DECEASED PERSONS	91
4. ESSENTIAL INFORMATION	79	8.12 SHARES SUBJECT TO USUFRUCT	91
4.1 WORKING CAPITAL STATEMENT	79	8.13 OVERSEAS SHAREHOLDERS	92
4.2 CAPITALISATION AND INDEBTEDNESS	79	9. REPRESENTATIONS AND WARRANTIES BY ELIGIBLE PARTICIPANTS AND APPLICANTS	92
4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER	81	10. REGISTRATION, REPLACEMENT, TRANSFER AND EXCHANGE	94
4.4 REASONS FOR THE OFFER AND USE OF PROCEEDS	81	11. LISTING AND TRADING OF NEW ORDINARY SHARES	95
4.5 EXPENSES	81	12. TAXATION	95
5. INFORMATION CONCERNING THE OFFER AND THE NEW ORDINARY SHARE	81	12.1 TAXATION STATUS OF THE ISSUER	96
5.1 OFFER STATISTICS	81	12.2 TAX ON DIVIDENDS	96
5.2 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO THE SHARES, INCLUDING NEW ORDINARY SHARES	83	12.3 TAX ON CAPITAL GAINS	96
5.3 AUTHORISATIONS	84	12.4 DUTY ON DOCUMENTS AND TRANSFERS	97
6. RIGHTS ISSUE	85	12.5 EXCHANGE OF INFORMATION	97
6.1 TERMS AND CONDITIONS APPLICABLE TO THE RIGHTS ISSUE	85	12.6 FOREIGN ACCOUNT TAX COMPLIANCE ACT	97
6.2 DISPATCH OF DOCUMENTATION TO EXISTING SHAREHOLDERS	85	12.7 THE COMMON REPORTING STANDARD	97
6.3 FORMS OF ACCEPTANCE, AUTHORITY AND ELECTION	85	13. DILUTION	98
6.4 SUBSCRIPTION BY MAJOR SHAREHOLDERS OR SENIOR MANAGEMENT	86	14. ADDITIONAL INFORMATION	98
		ANNEX I – AUTHORISED FINANCIAL INTERMEDIARIES	99
		ANNEX II – FORMS OF ACCEPTANCE AUTHORITY AND ELECTION	100
		ANNEX III – APPLICATION FORMS (EXCESS SHARES OFFER)	108

1. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed in capitalised terms as indicated in the Registration Document forming part of the Prospectus. Additionally, the following words and expressions as used in this Securities Note shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires.

Applicant	A person who is either a: (i) Preferred Applicant; or (ii) any investor other than an Existing Shareholder or a Preferred Applicant, who applies for Excess Shares by the lodging of an Application with an Authorised Financial Intermediary;
Application	The Application Form to subscribe for Excess Shares to be completed by an Applicant;
Application Form	The following forms of application for subscription of Excess Shares: (i) Application Form 'A' to be completed by Preferred Applicants, a specimen of which is contained in Annex III to this Securities Note; and (ii) Application Form 'B' to be completed by investors not being Existing Shareholders or Preferred Applicants, a specimen of which is contained in Annex III to this Securities Note;
Assignee(s)	A person who acquires Rights from an Existing Shareholder in accordance with the terms of this Securities Note;
Assigned Entitlement	The Rights assigned to Assignees by Existing Shareholders in accordance with the procedure set out in sections 6.5.2.3 and 6.5.2.4 of this Securities Note;
CSD	The Central Securities Depository of the MSE established pursuant to article 24 of the Financial Markets Act (Cap. 345 of the laws of Malta), and situated at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Eligible Participants	Means: (i) Existing Shareholders; and (ii) Assignees; as applicable;
Employees	Employees appearing on the payroll of the Bank or any of the Subsidiaries as at 20 September 2023;
Excess Shares	Such number of New Ordinary Shares in an amount equivalent to Lapsed Rights which shall be available for subscription by: (i) Existing Shareholders who have accepted their Proportionate Entitlement in full and have indicated their willingness to subscribe for Excess Shares by completing a FAAE during the Rights Issue Offer Period; and (ii) Applicants by virtue of the completion of an Application Form during the Excess Shares Offer Period;
Excess Shares Offer	The offer of Excess Shares to be made to: (i) Existing Shareholders subject to them having accepted their Proportionate Entitlement in full; (ii) Preferred Applicants; and (iii) the general public, in the event that the Rights Issue is not subscribed in full;
Excess Shares Offer Period	The period between 08:30 hours on 1 November 2023 and 10:00 hours on 27 November 2023 during which the Excess Shares are on offer for subscription by Applicants by lodging an Application with Authorised Financial Intermediaries;
Existing Shareholders	The Bank's shareholders appearing on the Register of Members as at the Record Date and that, on such date, hold Shares that would provide them with a Proportionate Entitlement of not less than one (1) Right;
Forms of Acceptance, Authority and Election or FAAE	The application forms, a sample of which is set out in Annex II of this Securities Note, addressed to Existing Shareholders by the Bank setting out the Rights allocated to them and pursuant to which Existing Shareholders shall be entitled to, and may bind themselves to, accept, in whole or in part, their Proportionate Entitlement and apply for any Excess Shares (as applicable), or otherwise renounce to part or all of the Rights in favour of Assignees;

Lapsed Rights	Any Rights which Existing Shareholders fail to accept or otherwise assign and pay for by the closing of the Rights Issue Offer Period;
New Ordinary Shares	The new 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, as the case may be;
Offer	Collectively, (i) the Rights Issue; and (ii) the Excess Shares Offer;
Offer Price	The price of €0.75 per New Ordinary Share;
Overseas Shareholders	Existing Shareholders whose registered address on the Register of Members is in a country other than Malta;
Preferred Applicant	Collectively, without any priority: (i) Employees; (ii) Directors; and (iii) shareholders of MaltaPost, as at the Record Date, who are not also Existing Shareholders;
Proportionate Entitlement	The entitlement of each Existing Shareholder of Rights in a ratio of two (2) New Ordinary Shares, for every three (3) Shares held by such Existing Shareholder as registered against the Shareholder's name in the Register of Members as at the Record Date;
Record Date	Close of business of 19 September 2023 being the trading session of 15 September 2023;
Register of Members	The list of shareholders of the Issuer maintained and held by the CSD;
Registration Advice	The notification sent by the CSD in the event of sales and, or purchases of financial instruments on the MSE;
Rights	The entitlements in nil paid form to acquire the New Ordinary Shares subject to the payment of the Offer Price and the conditions set out in the Prospectus, at a ratio of two (2) New Ordinary Shares for every three (3) Shares held by Existing Shareholders as at the Record Date;
Rights Issue	The offer of the Rights to Existing Shareholders as described in the Prospectus;
Rights Issue Offer Period	Between 08:30 hours on 28 September 2023 and 10:00 hours on 26 October 2023;
Shares	Collectively, the issued share capital of the Bank as at the date of the Prospectus and the New Ordinary Shares, once issued;
Shareholders	The persons registered in the Issuer's Register of Members as holding shares in the Bank from time to time; and
Terms and Conditions	The terms and conditions contained in sections 5, 6, 7 and 8 of this Securities Note.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice versa*;
- c. the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;
- d. all references in this Securities Note to "Malta" shall be construed as defined in Article 124 (1) of the Constitution of Malta;
- e. any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- f. any reference to a law, legislative act, and, or other legislation shall mean that particular law, legislative act and, or legislation as in force at the date of this Securities Note.

2. RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

AN INVESTMENT IN THE NEW ORDINARY SHARES INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN FINANCIAL ADVISER AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO INVEST IN THE NEW ORDINARY SHARES. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE DIRECTORS NOR THE ISSUER ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE RISK FACTOR FIRST APPEARING UNDER EACH CATEGORY CONSTITUTES THAT RISK FACTOR THAT THE DIRECTORS OF THE ISSUER HAVE ASSESSED TO BE, AS AT THE DATE OF THIS SECURITIES NOTE, THE MOST MATERIAL RISK FACTOR UNDER SUCH CATEGORY AND WHICH CAN BE CORROBORATED BY THE NATURE OF THE SHARES, AND THE TERMS AND CONDITIONS THEREOF, THAT ARE SUBJECT TO THE OFFER BEING MADE UNDER THIS SECURITIES NOTE. IN MAKING THIS ASSESSMENT OF MATERIALITY, THE DIRECTORS OF THE ISSUER HAVE EVALUATED THE COMBINATION OF: (I) THE PROBABILITY THAT A RISK FACTOR OCCURS; AND (II) THE EXPECTED MAGNITUDE OF THE ADVERSE EFFECT ON THE FINANCIAL CONDITION AND PERFORMANCE OF THE ISSUER AND ITS SECURITIES IF SUCH RISK FACTOR WERE TO MATERIALISE.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A NEGATIVE EFFECT ON THE VALUE OF THE NEW ORDINARY SHARES AND THE SHARES GENERALLY. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE BANK FACES. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE DIRECTORS ARE NOT CURRENTLY AWARE OF OR CURRENTLY DEEM TO BE IMMATERIAL, MAY WELL RESULT IN A MATERIAL IMPACT ON THE INVESTMENTS IN THE SHARES AND THE VALUE THEREOF.

THE PROSPECTUS, THE DOCUMENTATION INCORPORATED BY REFERENCE HEREIN, AND, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE NEW ORDINARY SHARES:

- I. IS NOT INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION; AND
- II. SHOULD NOT BE CONSIDERED OR CONSTRUED TO CONSTITUTE, A RECOMMENDATION BY THE BANK OR THE ADVISERS LISTED IN SECTION 4.2 OF THE REGISTRATION DOCUMENT, OR ANY OF THE OTHER FINANCIAL INTERMEDIARIES, TO PURCHASE, OR SUBSCRIBE TO THE NEW ORDINARY SHARES, AS APPLICABLE. ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT; AND
- III. CONTAIN STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE “*FORWARD-LOOKING STATEMENTS*”.

THE RISK FACTORS MENTIONED IN THIS SECURITIES NOTE SHOULD BE READ IN CONJUNCTION WITH ALL OF THE RISK FACTORS INCLUDED IN THE REGISTRATION DOCUMENT WHICH SETS OUT RISK FACTORS THAT MAY HAVE AN IMPACT OR EFFECT ON THE ISSUER AND ITS BUSINESS. PROSPECTIVE INVESTORS ARE URGED TO READ CAREFULLY THE RISK FACTORS CONTAINED BOTH IN THIS SECURITIES NOTE AND THE REGISTRATION DOCUMENT BEFORE COMMITTING TO SUBSCRIBE FOR ANY NEW ORDINARY SHARES OR OTHERWISE ACCEPTING THE RIGHTS ISSUE.

Forward-looking statements and financial forecasts

This Securities Note contains statements that are, or may be deemed to be, “forward-looking statements”. Forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “forecasts”, “projects”, “anticipates”, “expects”, “envisages”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places within the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and, or the Directors concerning, amongst other things, the Issuer’s strategy and business plans, financial condition and performance, results of operations, liquidity, prospects, investments, and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may, or may not occur, in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and, or the Group’s actual operational results, financial condition and performance, and trading prospects may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the operational results, financial condition and performance, and trading prospects of the Issuer and, or the Group are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, those factors identified under this section 2 of this Securities Note and elsewhere in the Prospectus.

All forward-looking statements contained in this Securities Note are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

2.1 Suitability

All Existing Shareholders are already exposed to an investment in the Shares. However, 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 (Cap. 370 of the laws of Malta) 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.

In addition, 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. Accordingly, any person seeking to invest in the New Ordinary Shares is urged to refer to the Prospectus and consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the New Ordinary Shares before making an investment decision.

An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the New Ordinary Shares and the inherent risks associated with the Bank’s business. In the event that an investor in the New Ordinary Shares does not seek professional advice and, or does not read and fully understand the provisions of the Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile and circumstances.

2.2 Risks associated with Recovery and Resolution Regulations

The Bank is subject to the BRRD, which has been transposed into Maltese law mainly (but not only) through the Recovery and Resolution Regulations (the BRRD and the Recovery and Resolution Regulations are hereinafter collectively referred to as the “**BRRD Package**”). The BRRD Package is designed to provide competent authorities and resolution authorities, as the case may be, with a set of tools to intervene early and quickly in the affairs of an unsound or failing bank so as to ensure the continuity of a bank’s critical financial and economic functions, whilst minimising the impact of a bank’s failure on the economy and financial system. Although the resolution authority is the authority appointed for the purposes of article 3 of the BRRD, it has delegated its powers assigned to it under the BRRD to the Resolution Committee which is responsible, *inter alia*, to apply resolution measures when a bank is failing or is likely to fail and such other powers as set out in the First Schedule to the MFSA Act. Resolution authorities may intervene using one or more resolution tools, actions and, or powers in respect of the Bank and the Shares in the event that the conditions set out in the Recovery and Resolution Regulations

are met, namely that: (a) a bank is failing or likely to fail; (b) there is no reasonable prospect that alternative private sector measures would prevent the failure of a bank; and (c) a resolution action is in the public interest.

The resolution tools are the following (i) the sale of business tool, which empowers the Resolution Committee to transfer to a purchaser (that is not a bridge institution) shares, other instruments of ownership, assets, rights and liabilities of a bank under resolution; (ii) the bridge institution tool, pursuant to which the Resolution Committee shall have the power to transfer to a bridge institution shares, other instruments of ownership, assets, rights and liabilities of a bank under resolution; (iii) the asset separation tool, which enables the transfer of assets, rights and liabilities a bank under resolution or a bridge institution to one or more asset management vehicles; and (iv) the bail-in tool, pursuant to which the Resolution Committee has a number of powers, including, the bailing in of unsecured creditors who will in turn bear the losses and other powers set out in the Recovery and Resolution Regulations. Furthermore, in order to apply the resolution tools, the Resolution Committee has various other broad powers, including, by way of example, the power to take control of the relevant bank under resolution and exercise all the rights and power conferred upon the shareholders; the power to transfer shares or other instruments of ownership of the bank; the power to reduce, including to reduce to zero, the nominal amount of shares or other instruments of ownership of a bank under resolution and to cancel such shares or other instruments of ownership; the power to require a bank under resolution to issue new shares or other instruments of ownership and the power to transfer to another entity, with the consent of that entity, rights, assets or liabilities of a bank under resolution.

The Committee is equipped with other powers in terms of the Recovery and Resolution Regulations, such as the power to write down or convert relevant capital instruments and eligible liabilities into shares or other instruments of ownership of a bank. This power can be exercised either independently of resolution action or in combination with a resolution action, where certain conditions for resolutions are met. In broad terms, this power essentially requires CET1 items to be reduced first in proportion to the losses, and, subsequently, the principal amount of Additional Tier 1 instruments, Tier 2 instruments and eligible liabilities are written down and, or converted into CET1 instruments, which may result, amongst others, in the reduction (including to zero) of the nominal value of shares, the dilution of shareholders' shareholding (and voting rights) in a failing bank.

The extent to which the Shares may become subject to any resolution action will depend on a number of factors. As at the date of the Prospectus, none of the conditions for the adoption of resolution action and other powers by the Resolution Committee subsist with respect to the Bank. Prospective investors should consider the risk that, in the event that the Bank becomes subject to a resolution action or other actions in terms of the Recovery and Resolution Regulations, the Resolution Committee 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 reduce, including to reduce to zero, the nominal amount of the Shares and to cancel the Shares or other instruments of ownership.

2.3 Orderly and liquid market

The existence of an orderly and liquid market for the New Ordinary Shares, depends on a number of factors, many of which are beyond the Bank's control, 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 Shares are traded, namely the Official List. Accordingly, there can be no assurance that an active secondary market for the New Ordinary Shares will develop or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the New Ordinary Shares at all.

2.4 Volatility in the price of the Shares

Following the completion of the Offer and the allocation of the New Ordinary Shares, the price at which the Shares, including the New Ordinary Shares, will be traded, as well as the volume of trades, may fluctuate. There can be no guarantee of the price which may be realised by investors in the New Ordinary Shares. Movements in the price of the Shares are influenced by a multitude of factors, some of which may be specific to the Bank, its proposed operations and ability to implement its intended strategies. It is also possible that the Bank's results of operations or its business outlook may fall short of expectations, in which case the price of the Shares could be negatively affected. In addition, limited trading in the Shares could increase the price volatility of the Shares and may limit the ability of investors to trade the Shares, including the New Ordinary Shares, in the amount, at the price and at the time desired.

A number of factors, some of which are outside the control of the Bank, may impact the price and performance of the Shares, including:

- i. prevailing economic conditions in Malta and conditions or trends in the Maltese commercial property market generally;
- ii. differences between the Bank's expected and actual operating performance as well as between expected and actual performance of the property rental industry generally;

- iii. strategic actions by the Bank or its competitors, such as mergers, acquisitions, partnerships and restructurings;
- iv. speculation, whether or not well founded, about possible changes in the Bank's management team;
- v. the publication of research reports by analysts or failure to meet analysts' forecasts; and
- vi. regulatory changes.

2.5 Suspension of trading or discontinuation of listing

Even after the New Ordinary Shares are admitted to listing and trading on the Official List, the Bank must remain in compliance with various ongoing regulatory requirements, including the continuing obligations and other requirements set out in the Capital Markets Rules. The MFSA has the authority to suspend trading of the Shares if, among other things, it believes that such a suspension is required for the protection of investors or of the integrity or reputation of the market. Furthermore, the MFSA may discontinue the listing and, or trading of the Shares if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the New Ordinary Shares are no longer possible, or upon the request of the Bank or the MSE. Any such trading suspensions or listing revocations and, or discontinuations described above, could have a material adverse effect on the liquidity and value of the New Ordinary Shares.

2.6 Dividends

The extent of any dividend distribution by the Bank will depend upon, amongst other factors, the ability of the Bank to improve its current capital base, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows of the Bank, working capital requirements, the Board's view on future investments, and the requirements of the Act. The Bank's approach to dividend pay-outs is described in the section entitled '*Dividend Policy*' found in section 14 of the Registration Document and should be read and construed accordingly.

2.7 Dilution risk

The rights of the Existing Shareholders to subscribe for the New Ordinary Shares ensure that each Existing Shareholder exercising its subscription rights under the Rights Issue will continue to hold its original, nearly unchanged percentage share in the share capital of the Bank. If an Existing Shareholder does not exercise the subscription rights granted under the Rights Issue, his or her percentage shareholding in the Bank will be reduced and his or her voting rights will be diluted. This dilution will be proportional to the percentage by which the share capital of the Issuer is increased and to the extent by which the Existing Shareholder does not participate in the Rights Issue.

Even if a Shareholder elects to transfer the unexercised Rights, or such Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his percentage ownership of the Issuer's share capital that may be caused as a result of the Rights Issue.

2.8 Future issues by the Bank

Any future issues of shares by the Bank will further dilute the holdings of Existing Shareholders and could adversely affect the market price of the Bank's shares. Other than the proposed issue of New Ordinary Shares under the Rights Issue, the Bank has no current plans for an offering of shares. However, it is possible that the Bank may decide to offer additional shares in the future either to raise capital or for other purposes. If the then Existing Shareholders did not take up such offer of shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in the Bank would be reduced and the percentage that their shares would represent of the total share capital of the Bank would be reduced accordingly. Any additional offering, or significant sale of shares by any of the Bank's major shareholders, could have a material adverse effect on the market price of the Bank's shares as a whole, including that of the New Ordinary Shares.

2.9 Shareholder currency of reference

A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the New Ordinary Shares (i.e. the Euro) and the Shareholder's currency of reference, if different. Such adverse fluctuations may impair the return of investment of the Shareholder in real terms after taking into account the relevant exchange rate.

2.10 Overseas Shareholders may not be able to receive the New Ordinary Shares in the Rights Issue

Overseas Shareholders may not be able to receive the New Ordinary Shares subject to the Rights Issue, as securities laws of certain jurisdictions may restrict the Bank's ability to allow participation by Shareholders in the Rights Issue. Securities laws of certain other jurisdictions may restrict the Bank's ability to allow participation by Shareholders in such jurisdictions

in any future issue of shares carried out by the Bank. Shareholders who have a registered address in, or who are resident in, or who are citizens of, countries other than Malta should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to receive the New Ordinary Shares in the Rights Issue.

3. PERSONS RESPONSIBLE, CONSENT FOR USE OF PROSPECTUS AND STATEMENT OF APPROVAL

3.1. Persons responsible

All of the Directors, whose names appear in section 9.1 of the Registration Document, accept responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. They have been advised and assisted in the drafting and compilation of the Prospectus by the persons mentioned under the heading ‘*Statutory Auditors and Advisers*’ found in section 4 of the Registration Document.

3.2. Consent for use of Prospectus

For the purposes of any subscription for the Excess Shares through any of the Authorised Financial Intermediaries during the Excess Shares Offer Period, in terms of this Securities Note and any subsequent resale, placement or other offering of the Excess Shares by such Authorised Financial Intermediary in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Regulation, the Bank consents to the use of the Prospectus (and accepts responsibility for the information contained herein) with respect to any such subsequent resale or placement or other offering of the Excess Shares, provided this is limited only:

- i. in respect of the Excess Shares subscribed for during the Excess Shares Offer Period;
- ii. to any resale or placement of the Excess Shares subscribed for as aforesaid, taking place in Malta; and
- iii. to any resale or placement of the Excess Shares subscribed for as aforesaid, taking place within the period of 120 days from the date of the Prospectus.

It is solely the responsibility of the Authorised Financial Intermediary to ensure its compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Excess Shares.

Other than as set out above, neither the Bank nor the Sponsors have authorised (nor do they authorise or consent to the use of the Prospectus in connection with) the making of any public offer of the Excess Shares by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Bank or the Sponsor and neither the Bank nor the Sponsor has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and, or who is responsible for its contents, it should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Bank or its advisers. The Bank does not accept responsibility for any information not contained in the Prospectus.

In the event of a resale, placement or other offering of the Excess Shares by the Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or other offering of the Excess Shares to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Financial Intermediary at the time of such resale, placement or

other offering to provide the investor with that information and neither the Bank nor the Sponsor has any responsibility or liability for such information.

Any Authorised Financial Intermediary using the Prospectus in connection with a resale, placement or other offering of shares subsequent to the Offer shall, limitedly for the period of 120 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale, placement or other offering in accordance with the consent of the Bank and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

Any new information with respect to any Authorised Financial Intermediary unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Bank's website: www.lombardmalta.com.

3.3. Authorisation Statement

This Securities Note has been approved by the Malta Financial Services Authority as the competent authority in Malta under the Prospectus Regulation. This means that the MFSA has authorised this Securities Note as meeting the standards of completeness, comprehensibility and consistency as prescribed by the Prospectus Regulation. Such approval should not however, be considered as an endorsement of the Bank of the quality of the New Ordinary Shares that are the subject of this Securities Note.

4. ESSENTIAL INFORMATION

4.1 Working Capital Statement

The Directors, after reasonable inquiry and after taking the proceeds of the Share Issue into consideration, are of the opinion that the working capital available to the Group is sufficient for the Group's present business requirements for a period of at least 12 months from the date of the Prospectus.

4.2 Capitalisation and Indebtedness

The Bank's CET 1 capital ratio as at 30 June 2023 stood at 15.9%. Capital planning is an integral part of the Bank's business strategy. To this effect, and in response to the need to meet the increasing demand for the Bank's services, in furtherance of the *Proposal to Raise Capital* published by the Bank in August 2021 with the aim of introducing an additional source of financing through which it may strengthen its capital base (as updated in H2 2022), on 22 June, 2023, the Board of Directors sought, and obtained, the approval of the Bank's shareholders of a resolution authorising and empowering the Board to increase the issued share capital of the Bank through the issuance of up to 65,000,000 new ordinary shares of a nominal value of €0.125 per share in the same class as the shares currently in issue, at a price to be determined by the Board of Directors. In addition to the retention of a significant proportion of annual profits, a wider capital base would support the Bank's growth strategy, cater for increased regulatory requirements and ensure resilience in the face of sudden and unexpected shocks impacting its business model.

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 funding requirements for the implementation of the Bank's strategic objectives as described in section 6.4 of the Registration Document, 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 the minimum requirement for own funds and eligible liabilities (MREL) prescribed by BRRD II, as further explained in section 6.5.2 of the Registration Document. The Bank is one of the core domestic banks and is classified as a Less Significant Institution ("LSI") by the regulatory authorities. With this classification the Bank is required to maintain a level of capital commensurate with the scale, nature and complexity of its operations within the context of the local economy.

The Bank has in place an investment policy that outlines the standards applicable to the investment of financial assets of the Bank. This policy governs the assets that the Bank can invest in, including local sovereign debt, foreign corporate and sovereign investment grade fixed-income securities subject to limits in place and to a lesser degree, locally quoted equities. The policy also extends limits for exposures in such investments but also mandates limits for money market placements and working balances in credit institutions.

In addition, the Bank has in place a *Liquidity & Funding Policy*. This policy sets out the risk governance framework and structure through which the Bank will identify, measure, monitor and control liquidity and funding risk within its operations. The Bank raises funds in different currencies, the main being the Euro, US Dollar and the Pound Sterling, with different maturities and various geographic markets. Where possible, overreliance on a single or very few investors or markets shall be avoided.

The Bank will endeavour to optimise the funding of the balance sheet, while also balancing the stability and cost factors of funding sources. To achieve this, the Bank, through ALCO, ensures that an effective diversification in funding sources and tenor of funding is in place. In addition, parameters such as the liquidity coverage ratio, the net stable funding ratio, the leverage ratio and the loan-to-deposit ratio are in place and are monitored regularly by the Board against established limits to ensure that the Bank holds sufficient liquidity in proportion to its business activities, at all times.

Amounts in €000s		30/06/2023	31/12/2022	31/12/2021	31/12/2020
Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	134,602	130,254	130,145	119,793
2	Tier 1 capital	134,602	130,254	130,145	119,793
3	Total capital	134,602	130,254	130,145	119,793
Risk-weighted exposure amounts					
4	Total risk exposure amount	845,013	843,967	805,762	757,135
Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	15.9	15.4	16.2	15.8
6	Tier 1 ratio (%)	15.9	15.4	16.2	15.8
7	Total capital ratio (%)	15.9	15.4	16.2	15.8
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.3	3.3	3.3	N/A
EU 7d	Total SREP own funds requirements (%)	11.3	11.3	11.3	8.0
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50	2.50	2.50	2.50
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	N/A	N/A	N/A	N/A
9	Institution specific countercyclical capital buffer (%)	0.0	0.0	0.0	0.0
EU 9a	Systemic risk buffer (%)	N/A	N/A	N/A	N/A
10	Global Systemically Important Institution buffer (%)	N/A	N/A	N/A	N/A
EU 10a	Other Systemically Important Institution buffer (%)	N/A	N/A	N/A	N/A
11	Combined buffer requirement (%)	2.5	2.5	2.5	2.5
EU 11a	Overall capital requirements (%)	13.8	13.8	13.8	10.5
12	CET1 available after meeting the total SREP own funds requirements (%)	4.7	4.2	4.9	7.8
Leverage ratio					
13	Total exposure measure	1,231,366	1,208,702	1,173,187	1,136,298
14	Leverage ratio (%)	10.9	10.8	11.1	10.5
	Regulatory minimum leverage ratio requirement (%)	3.0	3.0	3.0	3.0
Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	290,317	297,910	283,831	260,351
EU 16a	Cash outflows - Total weighted value	183,232	188,685	217,215	224,825
EU 16b	Cash inflows - Total weighted value	57,398	47,285	91,238	80,152
16	Total net cash outflows (adjusted value)	125,834	141,400	125,977	144,673
17	Liquidity coverage ratio (%)	230.7	210.7	225.3	180.0
Net Stable Funding Ratio					
18	Total available stable funding	960,824	942,849	884,458	N/A
19	Total required stable funding	636,023	635,849	595,863	N/A
20	NSFR ratio (%)	151.1	148.3	148.4	N/A

Sources: Management Information, audited annual reports of the Bank for the years ended 31 December 2020, 2021 and 2022 and interim financial information for the six months ended 30 June 2023.

4.3 Interest of natural and legal persons involved in the Offer

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.

4.4 Reasons for the Offer and use of 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 funding requirements for the implementation of the Bank's strategic objectives as described in section 6.4 of the Registration Document, and to further strengthen its capital base with a view of 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, as explained in section 4.2 of this Securities Note, the net proceeds from the issue of New Ordinary Shares will be eligible to contribute towards the Bank meeting its MREL requirements.

4.5 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 the Offer are estimated not to exceed €1 million and shall be borne by the Bank. There is no particular order of priority with respect to such expenses. The expenses pertaining to the Rights Issue shall be borne exclusively by the Issuer.

5. INFORMATION CONCERNING THE OFFER AND THE NEW ORDINARY SHARES

This section provides brief information on the Offer and the New Ordinary Shares to be admitted to trading.

5.1 Offer Statistics

The Offer	collectively, (i) the Rights Issue; and (ii) the Excess Shares Offer.
Amount of Rights issued and resultant capital increase	the Issuer has issued and allocated Rights to Existing Shareholders to subscribe for up to 61,828,332 New Ordinary Shares (following rounding). The Rights have been issued and allocated on the basis of the ratio of two (2) New Ordinary Shares for every three (3) Shares held by Existing Shareholders as at the Record Date. Accordingly, Eligible Participants are entitled to acquire two (2) New Ordinary Shares for every three (3) 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 <i>circa</i> 67% in the issued share capital of the Bank.
Assignment of the Rights	an Existing Shareholder is entitled to renounce all or part of the Rights allocated by the Issuer in favour of any third party under such terms and conditions as may be agreed between the parties. The Rights shall not be separately listed or traded on the MSE and may only be assigned by completing the appropriate section of the FAAE B – Split/Assign form and by submitting the form to any of the Authorised Financial Intermediaries. The right to assign the Rights pertains only to Existing Shareholders. The right to assign the Rights is not available to Assignees. Other than the right of Existing Shareholders to assign all or part of their Rights to third parties, the Rights may not be traded.

Class of Shares	the New Ordinary Shares 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 currently in issue of the Bank.
Offer Price	the price of €0.75 per New Ordinary Share.
Legislation under which the Shares will be created	the New Ordinary Shares will be created in terms of the Act.
Registered 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.
Currency of New Ordinary Shares	Euro (€).
ISIN of the Shares	MT0000040106.
Lapsed Rights	any Rights which Existing Shareholders fail to accept or otherwise assign and pay for by the closing of the Rights Issue Offer Period.
Plan of Distribution	<p>the New Ordinary Shares are open for subscription by the following persons:</p> <ol style="list-style-type: none"> 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 during the Excess Shares Offer Period, to the extent that the Excess Shares have not been subscribed in full pursuant to (iii) above; 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) above, <p>in this order of preference.</p> <p>The allocation of New Ordinary Shares shall be made in accordance with the allocation policy set out in section 8.4 of this Securities Note.</p>
Listing	<p>application has been made for the New Ordinary Shares to be admitted to listing on the Official List and for trading to commence thereafter. Admission to listing of the New Ordinary Shares on the Official List is expected on 11 December 2023 (or any such earlier date in terms of section 8.5 below).</p> <p>The Rights shall not be admitted to listing on the Official List and there shall be no trading in the Rights.</p>
Dispatch by mail of FAAEs to Existing Shareholders	expected 27 September 2023.
Rights Issue Offer Period	between 08:30 hours on 28 September 2023 and 10:00 hours on 26 October 2023.
Excess Shares Offer Period	between 08:30 hours on 1 November 2023 and 10:00 hours on 27 November 2023.
Target Market	principally, retail and non-retail investors in Malta.

5.2. Rights, preferences and restrictions attached to the Shares, including the New Ordinary Shares

The New Ordinary Shares 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 currently in issue in the Bank. The New Ordinary Shares shall be classified as a CET 1 instrument for the purposes of article 28 of the CRR and the following are highlights of the rights attaching to the New Ordinary Shares:

5.2.1 Classification

The Issuer's share capital may be increased by issuing new shares within the limit of its authorised share capital. At the date of this Securities Note, the Issuer has an authorised share capital of €37,500,000 divided into 300,000,000 ordinary shares of a nominal value of €0.125. The issued share capital of the Issuer is €11,592,991.38 divided into 92,743,931 ordinary shares of €0.125 each fully paid up. The Board of Directors have the power to increase the issued share capital of the Issuer through the issuance of up to 65,000,000 new ordinary shares of a nominal value of €0.125 per share in the same class as the shares in the Issuer currently in issue, at a price to be determined by the Board of Directors. The said authorisation is valid for a period of three years from 22 June 2023.

For the purposes of the Act, applicable insolvency laws, as well as the applicable accounting framework, the New Ordinary Shares, once issued, will be regarded as equity capital subscribed to by the Shareholders.

5.2.2 Dividends

The New Ordinary Shares shall carry the right to participate in any distribution of dividend declared by the Bank *pari passu* with any other ordinary shares.

The Issuer can only make a distribution to the holders of the New Ordinary Shares from distributable reserves. This means that distribution can only happen if, at the time, the amount of the net assets of the Issuer is not less than the aggregate of its called-up share capital and non-distributable reserves, and if (and to the extent that) the distribution does not reduce the amount of those assets to less than that aggregate. The dividend distribution essentially depends on the self-financing requirements of the Bank, the return expected by the Shareholders as well as applicable prudential requirement, and regulatory approvals. The Directors may, before recommending any dividend, set aside, out of the profits of the Bank available for distribution, any such sum, as they deem proper, as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Issuer may be properly applied, and pending such application shall be deemed to remain undivided profit and may, at the like discretion, either be employed in the business of the Issuer or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same reserves, carry forward any profits which they may think prudent not to distribute.

The distribution of dividends could, in future and irrespective of the presence of distributable profits pursuant to its statutory financial statements, be excluded or limited by the need to comply with the capital requirements laid down by the legal and, or regulatory rules applicable to the Bank or imposed by the supervisory authorities as prescribed by the applicable prudential regulations. The Bank adopts an approach to dividend pay-outs that is based on conservative and prudent assumptions and that allows it to fulfil its current and prospective capital adequacy conditions, which are consistent with the combination of risks assumed and which are suitable for facilitating alignment to the prudential requirements established by the CRD IV and by the CRR, as well as guaranteeing the coverage of the internal capital levels calculated under the scope of the SREP. Without prejudice to the foregoing, the conditions governing the New Ordinary Shares do not include a cap or other additional restrictions on the maximum level of distribution.

5.2.3 Voting rights

Each New Ordinary Share issued shall be entitled to one vote at general meetings of Shareholders.

5.2.4 Capital distributions

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 holders of ordinary shares of the Bank.

In terms of the Memorandum and Articles of the Bank, all holders of ordinary shares, including the New Ordinary Shares, shall rank *pari passu* upon any distribution of assets in a winding up and shall be entitled to a claim on the residual assets of the Bank, which, in the event of its liquidation and after the payment of all senior claims is not fixed or subject to a cap.

The New Ordinary Shares are classified as CET 1 instruments. In terms of Regulation 108 of the Recovery and Resolution Regulations, the Resolution Committee has the power, amongst others, to exercise the write-down or conversion power in accordance with the priority of claims under normal insolvency proceedings, in a way that CET 1 instruments are reduced first in proportion to the losses and to the extent of their capacity. The Recovery and Resolution Regulations also provide that where a bank is insolvent and is being wound up, CET 1 instruments rank below all other unsecured creditors, the amount of subordinated debt that is not Additional Tier 1 or Tier 2 capital, Tier 2 instruments and Additional Tier 1 instruments.

5.2.5 Transferability & restrictions

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.

5.2.6 Pre-emption rights

In accordance with article 88 of the Companies Act and article 3(v) of the Articles, 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 in proportion to the respective share capital held by each of them immediately prior to any new issue of shares.

A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registry of Companies for registration. This right of pre-emption must be exercised in accordance with the terms and conditions set out in the Articles of the Bank and the said right may be assigned in favour of third parties. Assignees do not have the right to further assign rights to third parties or trade in rights with third parties.

Any New Ordinary Shares not subscribed for by the Existing Shareholders in terms of their pre-emption rights may be offered for subscription to third parties under the same or other conditions, which, however, cannot be more favourable than an offer made under article 3(v) of the Articles.

This right of pre-emption may be restricted or withdrawn by (i) an extraordinary resolution of the general meeting of Shareholders; or (ii) the Board provided that the Board is authorised to issue shares in accordance with article 3(ii) of the Articles and article 85 of the Act and for so long as the Board remains authorised.

5.2.7 Mandatory takeover bids, squeeze-out and sell-out rules

Chapter 11 of the Capital Markets Rules, implementing the relevant provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, regulates the acquisition by a person or persons, acting in concert, of the control of a company and provides specific rules on takeover bids and the squeeze-out and sell-out mechanisms. The Shareholders of the Bank may be protected by the said Capital Markets Rules in the event that the Bank is the subject of a Takeover Bid (as defined therein). The Capital Markets Rules may be viewed on the official website of the MFSA: <https://www.mfsa.mt/our-work/capital-markets-supervision/#CMS>.

Chapter 11 of the Capital Markets Rules may be subject to changes following the publication of the Prospectus. Investors should consult with their advisers as to the implications of any such changes as and when amendments to Chapter 11 of the Capital Markets Rules take effect.

5.2.8 Conversion and redemption of Shares

In terms of the Articles of the Bank and the relevant provisions of the Act, the Issuer may by ordinary resolution convert any paid-up shares into stock and reconvert any stock into paid-up shares of any denomination. Provided that in making any such conversion or reconversion, the Bank shall comply with the requirements of the MSE, the FMA, the Bye-Laws and the Capital Markets Rules. The New Ordinary Shares are not redeemable or convertible into any other form of security.

5.3 Authorisations

By virtue of a resolution passed by the Shareholders on 22 June 2023, the Board of Directors was authorised to issue up to 65,000,000 new ordinary shares of a nominal value of €0.125 per share in the same class as the shares in the Issuer currently in issue, at a price to be determined by the Board of Directors. On 11 September 2023, the Board of Directors approved the Offer and the issue of up to 61,828,332 New Ordinary Shares (following rounding) in the issued share capital of the Company. The MFSA authorised the New Ordinary Shares as eligible to listing on the MSE pursuant to the Capital Markets Rules by virtue of a letter dated 20 September 2023.

6. RIGHTS ISSUE

6.1 Terms and Conditions applicable to the Rights Issue

The following Terms and Conditions should be read and construed as one with the general terms and conditions of the Offer contained in section 8 of this Securities Note.

- 6.1.1 All Existing Shareholders are entitled to Rights entitling them to subscribe for two (2) New Ordinary Shares for every three (3) Shares held as at the Record Date, subject to rounding down in line with the convention set out in section 6.1.2 below.
- 6.1.2 In the event that upon calculation of the Proportionate Entitlement an Existing Shareholder shall become entitled to a fractional entitlement of a Right, such fractional entitlement shall be rounded down to the nearest whole Right.
- 6.1.3 Existing Shareholders will be entitled to subscribe for New Ordinary Shares at a ratio of two (2) New Ordinary Share for every three (3) Shares held by them as at the Record Date. Existing Shareholders holding fewer than three (3) Shares as at the Record Date shall not be eligible to participate in the Rights Issue.
- 6.1.4 Each Existing Shareholder shall be entitled to accept the Proportionate Entitlement and to subscribe for an equivalent number of New Ordinary Shares in fully paid New Ordinary Shares by paying the Offer Price for each New Ordinary Share which the Existing Shareholder subscribes for.
- 6.1.5 The Rights Issue contemplates the right of Existing Shareholders to accept the Rights allocated to them by the Bank on a nil paid basis, and to exercise those Rights and subscribe for New Ordinary Shares (in part or in full); or to renounce their Rights (in part or in full) in favour of third parties, in either case on the basis of the Terms and Conditions set out in this Securities Note.
- 6.1.6 All Existing Shareholders registered as at the Record Date and whose shareholding as at that date will entitle such Existing Shareholder to subscribe to New Ordinary Shares by virtue of the exercise of Rights, shall receive, by mail from the Issuer, FAAEs setting out their Proportionate Entitlement of Rights that entitle them to subscribe for an equivalent number of New Ordinary Shares.
- 6.1.7 Any Rights which are neither accepted nor validly assigned by Existing Shareholders by the closing of the Rights Issue Offer Period shall constitute Lapsed Rights, and the balance of New Ordinary Shares in an amount equivalent to such Lapsed Rights shall constitute Excess Shares. Existing Shareholders may apply for Excess Shares in accordance with the provisions of section 6.5.2.2 below.
- 6.1.8 Excess Shares shall be first made available to meet the demand of Existing Shareholders that have accepted their Proportionate Entitlement in full and applied for Excess Shares, and subsequently to Preferred Applicants and the general public, in that order of preference.

6.2 Dispatch of documentation to Existing Shareholders

FAAEs and the related instructions sheet will be dispatched by mail to Existing Shareholders at their registered addresses appearing on the Register of Members and, for all Existing Shareholders residing in Malta, it shall be deemed to have been served at the expiration of two calendar days after dispatch.

6.3 Forms of Acceptance, Authority and Election

Forms of Acceptance, Authority and Election will be dispatched by mail to Existing Shareholders.

In the case of FAAEs issued to joint Existing Shareholders, reference to the Existing Shareholder in this Securities Note is a reference to each Existing Shareholder, and liability thereof is joint and several. Joint FAAEs are to be signed by all parties.

Eligible Participants shall return the Forms of Acceptance, Authority and Election to any of the Authorised Financial Intermediaries by the closing of the Rights Issue Offer Period.

The FAAEs set out the number of New Ordinary Shares which constitute the Existing Shareholder's Proportionate Entitlement. The FAAEs also set out instructions as to various options available to Existing Shareholders namely:

- a. to accept the Rights in full and accordingly subscribe for the Proportionate Entitlement in full (FAAE A - ALL); or
- b. having accepted the Proportionate Entitlement in full, may additionally commit to subscribe for Excess Shares (FAAE A - ALL); or
- c. to accept the Rights in part and accordingly subscribe for the Proportionate Entitlement only in part (FAAE B - Split/Assign); or
- d. to accept the Rights in part and assign part of the Proportionate Entitlement in favour of a third party/ies (FAAE B - Split/Assign); or
- e. to renounce in full to the Proportionate Entitlement and assign part or all of the Proportionate Entitlement in favour of a third party/ies (FAAE B - Split/Assign).

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.

Any Rights which are neither accepted nor validly assigned by Eligible Participants by the closing of the Rights Issue Offer Period shall constitute Lapsed Rights. The balance of New Ordinary Shares in an amount equivalent to such Lapsed Rights shall constitute Excess Shares, which Excess Shares shall be available for subscription as set out in section 7 below.

6.4 Subscription by major shareholders or senior management

Save for the subscription by Existing Shareholders of the Proportionate Entitlement of New Ordinary Shares, the Bank is not aware of any person who intends to subscribe to more than five per cent of the Offer.

The Company has not been informed of any person forming part of the Board of Directors and, or senior management who intends to subscribe to Excess Shares.

6.5 Action required by an Existing Shareholder to subscribe to the New Ordinary Shares

6.5.1 General

Each Form of Acceptance, Authority and Election will, apart from personal details of Existing Shareholders, set out:

- i. the number of Shares held as at the Record Date on which an Existing Shareholder's entitlement to New Ordinary Shares has been based;
- ii. the number of Rights allocated to an Existing Shareholder rounded down to the nearest whole Right (refer to section 6.1.2 above) representing the Proportionate Entitlement of each Existing Shareholder with respect to New Ordinary Shares; and
- iii. instructions regarding acceptances, splitting, assignments, payments, and applications for Excess Shares by Existing Shareholders.

The minimum number of New Ordinary Shares that an Eligible Participant may subscribe for is, by application of the 2 for 3 ratio referred to above, two (2). Each Existing Shareholder will receive two FAAEs: *FAAE A - ALL* and *FAAE B - Split/Assign*. An Existing Shareholder must select the FAAE to be completed in accordance with whether such Existing Shareholder:

- a. wishes to accept the Proportionate Entitlement in full (see section 6.5.2.1) by completing *FAAE A - ALL*; or
- b. having accepted their Proportionate Entitlement in full, also wishes to apply for Excess Shares (see section 6.5.2.2) by completing *FAAE A - ALL*; or
- c. wishes to: (a) accept the Proportionate Entitlement in part; or (b) accept the Proportionate Entitlement in part and assign part or the remainder of the Proportionate Entitlement (see section 6.5.2.3) by completing *FAAE B - Split/Assign*; or
- d. wishes to renounce to the Proportionate Entitlement but wishes to assign part or all of the Proportionate Entitlement (see section 6.5.2.4) by completing *FAAE B - Split/Assign*.

6.5.2 Procedure for acceptance and payment by Existing Shareholders and Assignees

Existing Shareholders wishing to participate in the Rights Issue shall be required to submit a FAAE validly completed and accompanied by the respective payment for the New Ordinary Shares subscribed for, to any Authorised Financial Intermediary.

6.5.2.1. Existing Shareholders who wish to accept their Proportionate Entitlement in full

Existing Shareholders who wish to take up all of the Proportionate Entitlement need only verify that the information contained in Panels I and II (A) of the *FAAE A – ALL* is correct and complete by signing the FAAE.

Duly completed and signed FAAEs by the Existing Shareholder/s must be delivered, against payment, to any of the Authorised Financial Intermediaries by the closing of the Rights Issue Offer Period. In the event that a cheque accompanying a FAAE is not honoured on its first presentation, the Registrar reserves the right to invalidate the relative FAAE.

6.5.2.2. Existing Shareholders wishing to apply for Excess Shares

Existing Shareholders accepting their Proportionate Entitlement in full may also indicate in Panel II (B) of the *FAAE A – ALL* any Excess Shares which they wish to subscribe to and shall also complete Panel II (C). Only Existing Shareholders accepting their Proportionate Entitlement in full shall be eligible to apply for Excess Shares.

Duly completed and signed FAAEs by the Existing Shareholder(s) must be delivered, against payment, to any of the Authorised Financial Intermediaries by the closing of the Rights Issue Offer Period. In the event that a cheque accompanying a FAAE is not honoured on its first presentation, the Registrar reserves the right to invalidate the relative FAAE.

6.5.2.3. Existing Shareholders who wish to: (i) accept the Proportionate Entitlement in part; or (ii) accept their Proportionate Entitlement in part and assign part or the remaining of their Proportionate Entitlement

Existing Shareholders who wish to take up only part, but not all, of their Proportionate Entitlement should complete the *FAAE B – Split/Assign*: Panel II (A) by indicating the number of New Ordinary Shares they wish to acquire and Panel II (C) indicating the number of New Ordinary Shares not taken up.

Alternatively, an Existing Shareholder wishing to accept the Proportionate Entitlement in part and assign part or all of the remaining part of the Proportionate Entitlement to third parties, should complete the *FAAE B – Split/Assign*: Panel II (A) by indicating the number of New Ordinary Shares they wish to acquire, Panel II (B) indicating the number of Rights to subscribe for New Ordinary Shares they wish to assign to third parties and Panel II (C) indicating the number of New Ordinary Shares not taken up, if any. The details of the Assignee/s shall be inserted in Panel III.

Duly completed and signed FAAEs by both the Existing Shareholder/s and the Assignee/s (if any) must be delivered, against payment, to any of the Authorised Financial Intermediaries by the closing of the Rights Issue Offer Period. In the event that a cheque accompanying a FAAE is not honoured on its first presentation, the Registrar reserves the right to invalidate the relative FAAE.

6.5.2.4. Existing Shareholders who do not take up their Proportionate Entitlement but wish to assign part or all of their Proportionate Entitlement

Existing Shareholders who do not wish to take up their Proportionate Entitlement but wish to assign part or all of their Proportionate Entitlement to a third party or third parties should complete the *FAAE B – Split/Assign*: Panel II (B) indicating the number of Rights to subscribe for New Ordinary Shares they wish to assign to third parties and Panel II (C) indicating the number of New Ordinary Shares not taken up, if any. The details of the Assignee/s shall be inserted in Panel III.

Duly completed and signed FAAEs by both the Existing Shareholder/s and the Assignee/s must be delivered, against payment, to any of the Authorised Financial Intermediaries by the closing of the Rights Issue Offer Period. In the event that a cheque accompanying a FAAE is not honoured on its first presentation, the Registrar reserves the right to invalidate the relative FAAE.

6.5.2.5. Discretion of Issuer

The Issuer reserves the right to refuse to register any renunciation of the Rights by an Existing Shareholder in favour of an Assignee/s in respect of which the Issuer believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of an Assignee/s with an address outside Malta.

6.5.2.6. Payment

All payments must be made in Euro.

6.5.2.7. Issuer's discretion as to the validity of acceptances

If any of the Authorised Financial Intermediaries do not deliver the Forms of Acceptance, Authority and Election together with proof of payment of cleared funds to the Registrar by the closing of the Rights Issue Offer Period, those Eligible Participants who would have submitted the FAAE through the said Authorised Financial Intermediary/ies to subscribe for New Ordinary Shares, will be deemed to have been declined. Accordingly, the Rights of an Existing Shareholder shall be regarded by the Issuer as Lapsed Rights and the FAAE will be treated in accordance with the provisions detailed in section 7.1 below. The Issuer may, with the agreement of the Registrar, but shall not be obliged, to treat as valid Forms of Acceptance, Authority and Election accompanied by proof of payment received after the closing of the Rights Issue Offer Period.

7. EXCESS SHARES OFFER

7.1 Subscription to Excess Shares

Any Rights which are neither accepted nor validly assigned by Existing Shareholders by the closing of the Rights Issue Offer Period shall constitute Lapsed Rights, and the balance of New Ordinary Shares in an amount equivalent to such Lapsed Rights shall constitute Excess Shares, which Excess Shares shall be first made available to meet the demand of Existing Shareholders that have accepted their Proportionate Entitlement in full and applied for Excess Shares, and any remaining Excess Shares shall subsequently be made available to Preferred Applicants and the general public, in that order of preference.

7.2 Terms and Conditions applicable to the Excess Shares Offer

The following Terms and Conditions are applicable to the Excess Shares Offer and should be read and construed as one with the general terms and conditions of the Offer contained in section 8 of this Securities Note:

- 7.2.1. Existing Shareholders that have accepted their Proportionate Entitlement in full may apply for Excess Shares during the Rights Issue Offer Period by following the procedure set out in section 6.5.2.2. of this Securities Note;
- 7.2.2. In the event that, following application of section 7.2.1 above, there shall remain Excess Shares available for subscription, 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.
- 7.2.3. Applicants will be obliged to pay the Issuer (acting through the Registrar) all subscription proceeds in respect of the Applications in cleared funds by the closing of the Excess Shares Offer Period.
- 7.2.4. In the case of joint Applications, reference to the Applicant in this Securities Note is a reference to each Applicant, and liability therefor is joint and several. Joint Applications are to be signed by all Applicants.
- 7.2.5. The minimum subscription amount that Applicants may subscribe for is 1,000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter.
- 7.2.6. In the event that subscriptions for Excess Shares exceed the number of Lapsed Rights available under the Rights Issue Offer Period or the Excess Shares Offer Period, the Issuer shall allocate Excess Shares to Applicants in accordance with the allocation policy described in section 8.4 of this Securities Note.

8. GENERAL TERMS AND CONDITIONS OF THE OFFER

8.1. General

The contract created by the acceptance by an Eligible Participant/s or Applicant/s of a FAAE or an Application, respectively, shall be subject to the Terms and Conditions set out below and elsewhere in this Securities Note, and in the respective FAAE or Application Form.

Eligible Participants and Applicants may lodge their FAAEs or Application Forms, respectively, with any Authorised Financial Intermediary during the relevant offer period (that is, the Rights Issue Offer Period insofar as the application relates to the acceptance of Rights and the Rights Issue Offer Period and, or the Excess Shares Offer Period insofar as the application relates to the subscription to Excess Shares).

8.2. Right to reject

- 8.2.1. Subject to all other Terms and Conditions set out in this Securities Note, the Issuer, through the Registrar, reserves the right to reject in whole or in part any FAAE or any Application (including multiple or suspected multiple Applications) and any cheques and, or bank drafts for payment, upon receipt. The right is also reserved to refuse any FAAE or Application which in the opinion of the Issuer and, or the Registrar, is not properly completed in all respects with the FAAE's or Application Form's instructions, or is not accompanied by the required documents and, or payment. Only original Application Forms and FAAEs will be accepted.
- 8.2.2. If any Application Form or FAAE is rejected by the Issuer or the Registrar, the payment monies will be returned by means of direct credit to the Applicant's or Eligible Participant's IBAN quoted on the Application Form or FAAE, respectively, without interest.
- 8.2.3. Any expenses or charges connected with such return of monies shall be borne by the respective Applicant or Eligible Participant. The Issuer and the Registrar are not liable for any charges, loss or delay in transmission of funds.

8.3. Right to revoke the Offer

- 8.3.1. Subject to all other Terms and Conditions set out in the Prospectus, the Bank reserves the right to revoke the Rights Issue or, if applicable, the Excess Shares Offer, at any time before the closing of the Rights Issue Offer Period or the Excess Shares Offer Period, as the case may be.
- 8.3.1. The circumstances in which such revocation might occur are expected to be exceptional, for example, in the case of an extraordinary injection of capital not connected to this Offer or where a significant change in market conditions occurs.
- 8.3.3. In the event of a revocation of the Offer, the payment monies will be returned by means of a direct credit to the Applicant's or Eligible Participant's IBAN quoted on the Application Form or FAAE, respectively, without interest. The Issuer and the Registrar are not liable for any charges, loss or delay in transmission of funds.

8.4. 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 Right 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; and
- 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;
- 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 Excess 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 (5) 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.

8.5. 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.

8.6. Results of the Offer

The Issuer shall determine and announce (by way of a company announcements) the result of the Offer, including the basis of acceptance of all FAAEs and Applications and the allocation policy to be adopted by latest 1 November 2023 and 4 December 2023, respectively. Dealings in the New Ordinary Shares shall not commence prior to the New Ordinary Shares being admitted to trading on the Official List.

8.7. Other Terms and Conditions

The following are additional Terms and Conditions applicable to the Offer:

- 8.7.1 No person receiving or downloading a copy of the Prospectus or any part thereof, or an Application Form or a FAAE in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event, use such Application Form or FAAE, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form or FAAE could lawfully be used

without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to invest in the New Ordinary Shares to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any transfer or other taxes (of any nature whatsoever) required to be paid in such territory.

- 8.7.2 For the purposes of the *Prevention of Money Laundering and Funding of Terrorism Regulations 2008* and as subsequently amended, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to sections 1.2(d) and 2.4 of the *Member's Code of Conduct* appended as Appendix 3.6 in Chapter 3 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are MSE members or not. Furthermore, such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes, and within the terms, of the MSE's Data Protection Policy as published from time to time.

8.8. Body Corporates/Bodies of persons

In the case of an Applicant or an Eligible Participant, being a body corporate/body of persons, the Application Form or FAAE (as the case may be) must be signed by a person/s authorised to sign and bind such Applicant or Eligible Participant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such Applicants or Eligible Participants is or are in fact so authorised.

8.9. Minors

Applications or FAAEs in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a public registry birth certificate of the minor in whose name and for whose benefit the Application Form or FAAE is submitted, provided that a birth certificate is not required if the minor already holds securities which are listed on the MSE. Any New Ordinary Shares allocated pursuant to such an Application or FAAE shall be registered in the name of the minor as the holder of the New Ordinary Shares, with dividends payable to the parents/legal guardian/s signing the Application Form or FAAE until such time as the minor attains the age of 18 years, following which all dividends shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.

8.10. Joint Existing Shareholders

In the case of Shares held jointly by two or more persons as at the Record Date, the Bank shall send FAAEs only to the person/s entered on the register of the CSD or to the first person of the joint holders entered on the register of the CSD who shall, for all intents and purposes, be deemed, vis-a-vis the Bank, to be the registered holder of the Shares. In such case where the Shares are held jointly by two or more persons, all joint shareholders are to sign the applicable FAAE.

Similarly, where the Assignee/s are joint applicants, the FAAE must be signed by each joint Assignee.

It shall not be incumbent on the Registrar or the Bank to verify the signatory/ies on any FAAE.

8.11. Deceased persons

If the name appearing on the register of the CSD as at the Record Date is that of a deceased Existing Shareholder or if an Existing Shareholder dies before the expiry of the Rights Issue Offer Period and prior to having completed the FAAE, the FAAE must be signed by the lawful successors in title of the deceased Existing Shareholder. For this purpose, the successors in title of the deceased Existing Shareholder must contact the Bank and their Authorised Financial Intermediary within the Rights Issue Offer Period in order to produce adequate documentary proof to the satisfaction of the Bank and Authorised Financial Intermediary, and of the CSD, in order to enable them to verify their status as lawful successors of the deceased Existing Shareholder.

It shall not be incumbent on the Bank or the Registrar to verify whether the person/s signing the FAAE is/are the lawful successor/s of the deceased Existing Shareholder.

8.12. Shares subject to usufruct

In respect of Shares held subject to usufruct as at the Record Date, the Rights Issue shall be made, and the FAAE shall be issued, in the name of the bare owner, provided that any New Ordinary Shares allotted pursuant to an acceptance by a bare

owner shall be subject to the same right of usufruct in favour of the usufructuaries who have such rights with respect to the Shares held by the said Existing Shareholder as bare owner as at the Record Date. In this respect, the FAAE submitted to the Authorised Financial Intermediary is to be accompanied by an authorisation of the bare owner and usufructuary allowing the addition of the New Ordinary Shares, which is to be subsequently forwarded in original to the Registrar. It shall not be incumbent on the Bank or the Registrar to verify the signatory/ies on any FAAE.

8.13. Overseas Shareholders

THE BELOW IS INTENDED AS A GENERAL GUIDE ONLY AND ANY PERSON WHO IS IN DOUBT AS TO HIS/HER POSITION SHOULD CONSULT HIS/HER INDEPENDENT PROFESSIONAL ADVISER WITHOUT DELAY.

THE OFFER OF RIGHTS, THE ASSIGNMENT THEREOF AND, OR THE OFFER OF LAPSED RIGHTS TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, OR WHO ARE DOMICILED IN, OR WHO HAVE A REGISTERED ADDRESS IN, COUNTRIES OTHER THAN MALTA, MAY BE AFFECTED BY THE LAW OF THE RELEVANT JURISDICTION. THOSE PERSONS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS (INCLUDING TAX AND LEGAL ADVISERS) AS TO WHETHER THEY REQUIRE ANY GOVERNMENTAL OR OTHER CONSENTS OR NEED TO OBSERVE ANY OTHER FORMALITIES TO ENABLE THEM TO TAKE UP THE RIGHTS, ACCEPT AN ASSIGNMENT THEREOF AND, OR TAKE UP LAPSED RIGHTS (AS THE CASE MAY BE). IT IS ALSO THE RESPONSIBILITY OF ANY PERSON (INCLUDING, WITHOUT LIMITATION, NOMINEES, CUSTODIANS, DEPOSITARIES AND TRUSTEES) OUTSIDE MALTA WISHING TO PARTICIPATE IN THE OFFER TO SATISFY HIMSELF/HERSELF/ITSELF AS TO FULL OBSERVANCE OF THE APPLICABLE LAWS OF ANY RELEVANT TERRITORY INCLUDING OBTAINING ANY REQUISITE GOVERNMENTAL OR OTHER CONSENTS, OBSERVING ANY OTHER REQUISITE FORMALITIES AND PAYING ANY TRANSFER OR OTHER TAXES (OF ANY NATURE WHATSOEVER) DUE IN SUCH TERRITORIES. THE ISSUER SHALL NOT ACCEPT ANY RESPONSIBILITY FOR THE NON-COMPLIANCE BY ANY PERSON OF ANY APPLICABLE LAWS OR REGULATIONS OF FOREIGN JURISDICTIONS.

Having considered the circumstances, the Issuer has formed the view (due to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and, or compliance with the relevant legal or regulatory requirements) not to send FAAEs to Overseas Shareholders, except where *inter alia* in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.

9. REPRESENTATIONS AND WARRANTIES BY ELIGIBLE PARTICIPANTS AND APPLICANTS

By completing and delivering the FAAE or Application Form (as the case may be), each Eligible Participant or Applicant (as the case may be):

- 9.1. agrees to have had the opportunity to read the Prospectus and to have had notice of all information and representations concerning the Issuer and the issue of the New Ordinary Shares contained therein;
- 9.2. confirms that in completing the FAAE or the Application Form (as the case may be), no reliance was placed on any information or representation in relation to the Issuer or the issue of the New Ordinary Shares other than those contained in the Prospectus and accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- 9.3. agrees to provide the Authorised Financial Intermediary, Registrar and, or the Issuer, (as the case may be), any information which they may request in connection with the FAAE or Application Form (as the case may be);
- 9.4. warrants, in connection with the FAAE or Application Form (as the case may be), to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the FAAE or Application Form (as the case may be), and that he/she has not taken any action which will or may result in the Issuer (including when acting in its capacity as Registrar) acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the New Ordinary Shares or the FAAE or the Application Form (as the case may be);

- 9.5. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- 9.6. represents that he/she/it is not a U.S. person (as such term is defined in Regulation “S” under the Securities Act of 1933 of the United States of America, as amended, the “**Securities Act**”) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “**United States**”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- 9.7. acknowledges that the New Ordinary Shares have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person;
- 9.8. warrants that if he/she/it submits a Form of Acceptance, Authority and Election he/she is not a citizen, resident or domicile of an Excluded Territory;
- 9.9. agrees that all documents in connection with the issue of the New Ordinary Shares will be mailed at his/her/its own risk and may be sent at the address (or, in the case of joint FAAEs or joint Applications, the address of the first named person) as set out in the FAAE or Application Form (as the case may be);
- 9.10. warrants that he/she/it is aware that, for the purposes of the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and all subsidiary legislation issued thereunder, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients acquiring the New Ordinary Shares as is mentioned in sections 1.2(d) and 2.4 of the Member’s Code of Conduct appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time;
- 9.11. irrevocably agrees to subscribe, and pay the consideration for, the number of New Ordinary Shares specified in the FAAE or Application Form, as the case may be, (or any smaller number for which the FAAE or Application Form is accepted) at the Offer Price subject to the provisions of the Prospectus, these Terms and Conditions, the FAAE or Application Form and the Memorandum and Articles;
- 9.12. authorises the Registrar and the Bank to include the Assignee’s or Applicant’s name, or in the case of joint FAAEs or joint Applications, the first-named Assignee or Applicant, in the Register of Members (in respect of the New Ordinary Shares so allocated);
- 9.13. warrants to have read and understood the contents of the Prospectus and to have had full opportunity to take such advice from a financial adviser of choice as considered appropriate before investing in the New Ordinary Shares;
- 9.14. warrants that the payment for the New Ordinary Shares will be honoured on first presentation and agrees that, if such payment is not so honoured, the Eligible Participant or Applicant, as the case may be, will not be entitled to receive a Registration Advice or to be registered in the Register of Members or to enjoy or receive any rights in respect of such New Ordinary Shares, unless and until a payment in cleared funds is made for such New Ordinary Shares and such payment is accepted by the Registrar (which acceptance shall be made at the Registrar’s absolute discretion and on the basis that the Eligible Participant or Applicant, as the case may be, indemnifies the Issuer, including in its capacity as Registrar, against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of such remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Registrar of such late payment in respect of such New Ordinary Shares); the Issuer may, without prejudice to other rights, treat the agreement to allocate such New Ordinary Shares as void and may allocate such New Ordinary Shares to another Eligible Participant/s or Applicant/s, in which case the former Eligible Participant or Applicant will not be entitled to any refund or payment in respect of such New Ordinary Shares (other than return of such late payment);
- 9.15. agrees that the Registration Advice and other documents and any monies returnable may be retained pending clearance of remittance and any verification of identity as required in terms of the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) (and regulations made thereunder) and that such monies will not bear interest;
- 9.16. agrees that all FAAEs or Applications, acceptances of FAAEs or Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that the Eligible Participant or Applicant shall submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such FAAEs or Applications, acceptances of FAAEs or Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

- 9.17. warrants that, if the FAAE or Application Form is signed on behalf of another person or on behalf of a body corporate/body of persons, the person signing the FAAE or Application Form has due authority to do so and such person, or body corporate/body of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertakes to submit any power of attorney or corporate authority or a copy thereof duly certified by a lawyer or notary public, if so required by the Registrar;
- 9.18. agrees that, having had the opportunity to read the Prospectus, the Eligible Participant or the Applicant shall be deemed to have had notice of all information and representations concerning the Issuer and the Offer contained therein;
- 9.19. confirms that in lodging a FAAE or an Application (as the case may be), the Eligible Participant or the Applicant (as the case may be) is not relying on any information or representation in relation to the Issuer or the Offer other than those contained in the Prospectus and accordingly agrees that no person responsible solely or jointly for the FAAE or Application, or any part thereof, will have any liability for any such other information or representation;
- 9.20. confirms that the restriction contained in paragraph 9.6 above and the warning in paragraph 9.25 below have been reviewed and complied with;
- 9.21. warrants that s/he is not under the age of 18 years or, if the FAAE or Application is lodged in the name and for the benefit of a minor, warrant that the person/s lodging such FAAE or Application (as the case may be) are the parents or legal guardian/s of the minor;
- 9.22. agrees that such FAAE or Application Form (as the case may be) is addressed to the Issuer and that, in respect of those New Ordinary Shares for which your FAAE or Application (as the case may be) has been accepted, the Eligible Participant or Applicant shall receive a Registration Advice confirming such acceptance;
- 9.23. confirms that in the case of joint Assignee/s or joint Applicant/s (as the case may be) the first-named Assignee or Applicant (as the case may be) shall be deemed to be the holder of the Shares;
- 9.24. agrees to provide the Registrar, as the case may be, with any information which the Registrar may request in connection with the FAAE or Application/s;
- 9.25. agrees that each of the Sponsors will not treat an Eligible Participant or an Applicant as their customer by virtue of such Eligible Participant or Applicant making an application for New Ordinary Shares or by virtue of such FAAE or Application to purchase New Ordinary Shares being accepted and they will not owe the Eligible Participant or the Applicant any duties or responsibilities concerning the Offer Price of the New Ordinary Shares or their suitability for thereof;
- 9.26. warrants that, in connection with the FAAE or Application (as the case may be), the Eligible Participant or the Applicant (as the case may be) has observed all applicable laws, obtained any requisite governmental or other consents, and that has not taken any action which will or may result in the Issuer (including in its capacity as Registrar) acting in breach of the regulatory or legal requirements of any territory in connection with the FAAE or the Application; and
- 9.27. acknowledges that any New Ordinary Shares which may be allotted to Eligible Participants or to Applicants (as the case may be) will be recorded by the CSD in the MSE account number quoted on the FAAE or the Application Form (as the case may be) even if the details of the Eligible Participant or Applicant (as the case may be), as held by the MSE, differ from any or all of the details appearing on the FAAE or Application Form (as the case may be).

10. REGISTRATION, REPLACEMENT, TRANSFER AND EXCHANGE

- 10.1 The Register of Members will be kept by the Issuer at the CSD, wherein there will be entered the names and addresses of the holders of the Shares (including the New Ordinary Shares). An extract of such register may be obtained from the registered office of the Issuer for the purpose of inspecting information held on their respective account.

- 10.2 The New Ordinary Shares shall be maintained in book-entry form in an electronic register maintained on behalf of the Issuer at the CSD. The New Ordinary Shares shall accordingly be evidenced by a book-entry in the Register of Members held by the CSD. Statements of holdings and, or registration advices issued by the CSD will be regulated in terms of the e-portfolio service offering of the CSD. To this extent, the Shareholders are expected to liaise directly with the CSD on this matter. An extract of such register may also be obtained from the CSD for the purpose of inspecting information held on their respective account.
- 10.3 The New Ordinary Shares may be transferred only in whole in accordance with the rules and procedures applicable from time to time in respect of the Official List.
- 10.4 Any person becoming entitled to the New Ordinary Shares in consequence of the death or bankruptcy of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the MSE, elect either to be registered himself/herself as Shareholder or to have another person nominated by him/her to be registered as the transferee thereof. If the person so becoming entitled elects to be registered himself/herself, he/she shall deliver or send to the Issuer a notice in writing signed by him/her stating that he/she so elects. If he/she elects to have another person registered, he/she shall testify his/her election by executing to that person a transfer of those Shares.
- 10.5 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Shares and to any applicable laws and regulations.
- 10.6 The cost and expenses of affecting any exchange or registration of transfer or transmission except for the expenses of delivery other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Shareholder and, or transferee, as applicable.
- 10.7 Upon submission of an Application Form or FAAE, the Eligible Participants or Applicants (as the case may be) who opt to subscribe for the online e-portfolio by ticking the appropriate box on the Application Form or FAAE (as the case may be) will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Shareholder's statement of holdings evidencing entitlement to Shares held in the Register of Members and registration advices evidencing movements in such Register of Members will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

11. LISTING AND TRADING OF NEW ORDINARY SHARES

Application has been made for the New Ordinary Shares to be admitted to the Official List. The New Ordinary Shares are expected to be admitted to the Official List with effect from 11 December 2023 (or any such earlier date in terms of section 8.5 above), and trading is expected to commence thereafter.

12. TAXATION

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Shares to be issued by the Issuer, including their acquisition, holding, disposal as well as any income/gains derived therefrom or made on their disposal, and, or the distribution and payment of dividends or other distributions on the Shares. The following information of the anticipated tax treatment applicable to investors is applicable only in so far as taxation in Malta is concerned as at the date of this Securities Note. This information, which does not constitute legal or tax advice and does not purport to be exhaustive, refers only to the Shareholders who do not deal in securities in the course of their trading activity of business.

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

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

12.1 Taxation status of the Issuer

The Issuer, being a Maltese incorporated company, is considered tax resident and domiciled in Malta for Maltese income tax purposes and is therefore subject to tax in Malta on its world-wide income and gains at the standard corporate tax rate of 35%. Certain exemptions or low tax rates may apply in respect of particular sources of income.

12.2 Tax on Dividends

In general, distributions of dividends from distributable profits of the Issuer to its Shareholders should not be subject to any further tax in Malta (whether by way of withholding or otherwise), subject to certain conditions.

However, the Issuer is obliged to withhold tax at the rate of 15% upon a distribution out of certain distributable profits (which were not taxed at the level of the Issuer and allocated to what is referred to as its ‘untaxed account’) to a Shareholder who is:

- i. a person resident in Malta (other than a company)
- ii. a non-resident person (including a non-resident company) who is owned and controlled by, directly or indirectly, or who acts on behalf of, an individual who is ordinarily resident and domiciled in Malta;
- iii. a trustee of a trust where the beneficiaries of such trust are persons referred to in (i) and (ii) above;
- iv. an individual who is a national of the EU/EEA (and his or her spouse where applicable), in specific circumstances referred to in the Maltese Income Tax Act (Cap. 123 of the laws of Malta), when such individual applies the tax rates applicable to Maltese-resident individuals.

The Shareholder may in certain circumstances opt to declare the gross dividend distributed thereto from the ‘untaxed account’ in his or her individual Maltese income tax return and claim a refund of the difference between the 15% withholding tax and the personal tax rate applicable to the individual Shareholder (if the personal tax rate applicable to the individual Shareholder is less than 15%), hereinafter referred to as the “full imputation refund”.

Under the full imputation system, the Shareholder may be entitled to claim a full imputation refund of the tax paid by the Issuer distributing the dividend from the other qualifying tax accounts (other than the ‘untaxed account’). This said, in certain circumstances, the amount of dividend that may be declared by an individual Shareholder in his or her individual Maltese income tax return and for which a credit for the tax paid at the level of the Issuer may be claimed, may be limited.

Full imputation tax refunds cannot be claimed on profits distributed from the Final Tax Account or profits on which tax for which the full imputation refund is being claimed by the Shareholder has been relieved at the level of the Company by way of certain credits and, or deductions.

12.3 Tax on Capital Gains

In terms of Income Tax Act, Maltese income tax should be chargeable on any capital gains arising from the transfer of a finite list of capital assets including “securities” which are defined as “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”.

In terms of Article 5(6)(b) of the Income Tax Act, any gains derived on a transfer of shares listed on a stock exchange recognised by the Commissioner, should be exempt from income tax to the extent that such shares are held as capital assets by the Shareholder.

Consequently, in accordance with the current Maltese income tax legislation, if and for as long as the New Ordinary Shares which are subject to this Securities Note are listed on a stock exchange recognised by the Commissioner for Tax & Customs, such as is the Malta Stock Exchange, and such New Ordinary Shares are held by the Shareholders as capital assets, no tax on capital gains is payable in Malta on any transfer of these New Ordinary Shares.

Furthermore, certain other exemptions from Maltese income tax may be applicable on the transfer of the Shares as specified

in Article 12 of the Income Tax Act. Such exemptions include capital gains derived by a Shareholder, who is not resident in Malta, on a transfer of shares in the Issuer to the extent that:

- i. the beneficial owner of the gains is a person not resident in Malta; and
- ii. such beneficial owner is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta; and
- iii. the Issuer does not own, directly or indirectly, immovable property situated in Malta or real rights thereon.

12.4 Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), Maltese stamp duty should only be chargeable on a finite list of documents and transfers including the transfer of marketable securities, including rights thereon.

A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”. Having said this, in terms of Article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta), the transfer of shares which are listed on a regulated market should be exempt from duty. Consequently, should the New Ordinary Shares be listed on the Malta Stock Exchange (being a regulated Market), no Maltese duty should be payable on the transfer of such shares. Other exemptions from Maltese stamp duty may also apply particularly in the event that the Issuer will be in possession of a Maltese stamp duty exemption determination issued by the Maltese Commissioner for Tax & Customs.

12.5 Exchange of Information

In terms of applicable Maltese legislation, the Issuer and, or its agent may be required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Shareholders) to the Commissioner for Tax & Customs. The Commissioner for Tax & Customs will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions.

12.6 Foreign Account Tax Compliance Act

In terms of US tax rules, referred to as the Foreign Account Tax Compliance Act (“**FATCA**”), 30% withholding tax may be imposed on certain payments to a foreign financial institution (“**FFI**”) if that FFI is not compliant with FATCA. FATCA generally imposes a reporting regime and, in some cases withholding requirements. The withholding tax could apply to payments to the Issuer that constitute interest, dividends and other types of income from US sources (such as dividends paid by a US corporation) and proceeds received from the sale or disposition of assets that give rise to US source dividend or interest payments. The United States has entered into an intergovernmental agreement (“**IGA**”) with Malta with the US to facilitate FATCA compliance and reporting.

Under the IGA and the Maltese legislation implementing it, the Issuer may be required to report to the Maltese tax authorities certain information about US investors (including indirect investments held through certain passive investment entities) as well as non-US financial institutions that do not comply with FATCA. Such information would be onward reported by the Maltese tax authorities to the US Internal Revenue Service.

Financial account information in respect of holders of the Shares could fall within the scope of FATCA and they may therefore be subject to reporting obligations. In order to comply with its FATCA obligations, if any, the Issuer may be required to obtain certain information, forms and other documentation on the Shareholders to report information on reportable accounts to the Commissioner for Tax and Customs, in accordance with applicable laws and regulations, which will in turn report this information to the Internal Revenue Service in the U.S.

The Issuer reserves the right to request any information and, or documentation required, in respect of any financial account, in order to comply with the obligations imposed under FATCA and any referring legislation. In the case of failure to provide satisfactory documentation and, or information, the Issuer may take such action as it thinks fit, including without limitation, the closure of the financial account.

Shareholders in the Company should consult their own tax advisors regarding the FATCA requirements with respect to their own particular circumstances.

12.7 The Common Reporting Standard

The Organisation for Economic Co-operation and Development (“**OECD**”) has developed a global framework, commonly known as the Common Reporting Standard (“**CRS**”) for the identification and timely reporting of certain financial

information on individuals, and controlling persons of certain entities, who hold financial accounts with financial institutions of participating jurisdictions in order to increase tax transparency and cooperation between tax administrations. Numerous jurisdictions, including Malta, have signed the OECD multilateral competent authority agreement, which is a multilateral agreement outlining the framework to automatically exchange certain financial and personal information as set out within CRS.

So as to introduce an extended automatic exchange of information regime in accordance with the global standard released by the OECD, CRS has also been adopted in the EU through the implementation of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of tax information in the field of taxation. Under the said Directive and the Maltese legislation implementing it, the Issuer may be required to identify and annually report to the Commissioner for Tax and Customs financial accounts held by a reportable person. Financial information relating to Shares and the holders thereof may fall within the purview of CRS and may be subject to reporting and information exchange provisions.

Shareholders may be required to provide certain information and certifications to the financial institutions, in order to satisfy their obligations under CRS. Certain confidential information in relation to the Shareholders and/or other reportable persons may be reported to the Commissioner for Tax and Customs and automatically exchanged pursuant to these arrangements with the tax administrations of other participating jurisdictions.

Shareholders should consult their professional advisers on the possible tax and other consequences with respect to the implementation of the CRS. Not complying with the CRS rules may give rise to certain fines or closure of financial accounts.

THE ABOVE INFORMATION IS BASED ON MALTESE TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THE PROSPECTUS. PROSPECTIVE INVESTORS ARE CAUTIONED THAT TAX LAW AND PRACTICE AND THE LEVELS OF TAX RELATING TO THE ISSUER AND ITS SHAREHOLDERS MAY CHANGE FROM TIME TO TIME. PROSPECTIVE INVESTORS ARE THEREFORE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF THE SHARES, AS WELL AS DIVIDEND PAYMENTS MADE BY THE ISSUER. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

13. DILUTION

The implementation of the capital increase through the Offer will result in the issued share capital of the Bank increasing by *circa* 67% in the event that the Offer were to be taken up in full.

Existing Shareholders who accept their Proportionate Entitlement in full will suffer no dilution to their interests in the Bank. However, Existing Shareholders who do not take up any of their Rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of 40% in their interests in the Bank if the Offer is taken up in full.

The Offer Price of the new Ordinary Shares is set at €0.75 per share. Based on the reviewed interim financial statements for the six months ended 30 June 2023, this represents a discount of 50% per share on the net asset value of the Bank.

14. ADDITIONAL INFORMATION

The Prospectus does not contain any statement or report attributed to any person as an expert.

ANNEX I – AUTHORISED FINANCIAL INTERMEDIARIES

APS Bank plc	APS Centre, Tower Street, Birkirkara BKR4012	21226644
Bank of Valletta plc	Premium Banking Centre, 475, Triq il-Kbira San Guzepp, St Venera SVR 1011	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688688
CiliaFormosa Financial Advisors Ltd	CiliaFormosa Financial Advisors Ltd, Triq id-Delu, Mosta MST 3355	22260200
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
FINCO Treasury Management Ltd	The Bastions Office No.2, Emvin Cremona Street, Floriana FRN 1281	21220002
GlobalCapital Financial Management Ltd	GlobalCapital Financial Management Ltd, Testaferrata Street, Ta' Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	NuBis Centre, Mosta Road, Lija LJA 9012	21322872
Jesmond Mizzi Financial Advisors Ltd	67, Level 3, South Street, Valletta VLT 1105	21224410
Lombard Bank Malta plc	67, Republic Street, Valletta VLT 1117	25581112
MeDirect Bank Malta plc	The Centre, Tigne` Point, Sliema TPO 0001	25574400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria VCT2551	22587000
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	21453739
Rizzo Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM1551	22583000
Timberland Invest Ltd	CF Business Centre, Triq Gort, Paceville, St Julian's STJ 9023	20908100

ANNEX II – FORMS OF ACCEPTANCE, AUTHORITY AND ELECTION



FAAE A - ALL

Form Number: XXXXXX

Rights Issue of 2 New Ordinary Shares for every 3 Shares at an Offer Price of €0.75 per New Ordinary Share

FORM OF ACCEPTANCE, AUTHORITY AND ELECTION (“FAAE”) - A

Your Rights to the New Ordinary Shares of Lombard Bank Malta p.l.c. arises as follows:

I. Existing Shareholder: [preprinted]	MSE Account Number: [preprinted]
Address: [preprinted]	ID Document No/Co Reg No: [preprinted]
	Document Type (ID Card/Passport/etc): <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No:
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>	
Email:	Mobile No: <i>(mandatory)</i>

I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorise the Registrar to apply on my/our behalf.

Shareholding as at 19 September 2023 (Record Date): [preprinted]

Proportionate Entitlement to New Ordinary Shares (Fractional entitlement of a Right shall be rounded down to the nearest whole Right): [preprinted]

ADDITIONAL ACCOUNT HOLDER DETAILS *(in case of joint accounts – please provide details for any additional holders separately)*

Additional Existing Shareholder/s: [preprinted]	ID Document No: [preprinted] <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>

By completing ALL the relevant boxes, signing this FAAE A and returning it to the Authorised Financial Intermediary by 10:00 hours on 26 October 2023, you will be confirming your election to take up ALL your Rights to the New Ordinary Shares.

II. I/We accept to purchase and acquire ALL of my/our Proportionate Entitlement to New Shares:

A	PROPORTIONATE ENTITLEMENT TO NEW ORDINARY SHARES	AMOUNT PAYABLE (€0.75 per share)
	[preprinted]	€ [preprinted]

Furthermore, I/we accept to purchase and acquire Excess Shares, if available, in addition to my/our Proportionate Entitlement to New Shares:

B	NUMBER OF EXCESS SHARES (in figures)	NUMBER OF EXCESS SHARES (in words)	AMOUNT PAYABLE (€0.75 per share)
			€

Mandatory if Panel B has been completed - Total Number of New Shares (Box A + Box B):

C	TOTAL NUMBER OF NEW ORDINARY SHARES (in figures)	TOTAL NUMBER OF NEW ORDINARY SHARES (in words)	TOTAL AMOUNT PAYABLE
			€

D	DIVIDEND & REFUND MANDATE	
	BANK: [preprinted]	IBAN: [preprinted]

III. DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to take all the Proportionate Entitlement is taken by a third-party on behalf of the Existing Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the Shares)</i>	

Decision Maker / Parent / Legal Guardian 2

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the Shares)</i>	

I/we hereby declare that I/we have fully understood the instructions for the completion of this FAAE on the basis of the Prospectus dated 20 September 2023. Furthermore, I/we confirm that I/we have returned this FAAE on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorise the Bank to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this FAAE A to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Bank and/or the Authorised Financial Intermediary may require additional information for Transaction Reporting purposes.

Signature of Existing Shareholder	Signature of Existing Shareholder	Date
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(Parent/s or legal guardian/s are/is to sign if Existing Shareholder is a minor)
(All parties are to sign in the case of a joint Existing Shareholders)
(Authorised representative/s to sign in the case of attorney, a body corporate / body of persons)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP

AUTHORISED FINANCIAL INTERMEDIARY'S CODE

Rights Issue of 2 New Ordinary Shares for every 3 Shares at an Offer Price of €0.75 per New Ordinary Share

FORM OF ACCEPTANCE, AUTHORITY AND ELECTION (“FAAE”) - B

Your Rights to the New Ordinary Shares of Lombard Bank Malta p.l.c. arises as follows:

I. Existing Shareholder: [preprinted]	MSE Account Number: [preprinted]
Address: [preprinted]	ID Document No/Co Reg No: [preprinted]
	Document Type (ID Card/Passport/etc): <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No:
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>	
Email:	Mobile No: <i>(mandatory)</i>

I/We wish to register for the Malta Stock Exchange's **e-Portfolio facility** and hereby authorise the Registrar to apply on my/our behalf.

Shareholding as at 19 September 2023 (Record Date): [preprinted]

Proportionate Entitlement to New Ordinary Shares (Fractional entitlement of a Right shall be rounded down to the nearest whole Right): [preprinted]

ADDITIONAL ACCOUNT HOLDER DETAILS (in case of joint accounts – please provide details for any additional holders separately)

Additional Existing Shareholder/s: [preprinted]	ID Document No: [preprinted] <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>

By completing the relevant boxes, signing this **FAAE B** and returning it to the Authorised Financial Intermediary by 10:00 hours on 26 October 2023, you will be confirming your election to: (i) take up only **PART** and **ASSIGN** or **LAPSE** the remaining part of your Rights to the New Ordinary Shares; or (ii) **ASSIGN ALL** of your Rights; or (iii) **ASSIGN PART** and **LAPSE** the remaining Rights, as applicable.

II. I/We accept to purchase and acquire **PART** of my/our Proportionate Entitlement to New Ordinary Shares:

PARTIAL TAKE UP (where applicable)			
A*	NUMBER OF NEW ORDINARY SHARES (in figures)	NUMBER OF NEW ORDINARY SHARES (in words)	AMOUNT PAYABLE (€0.75 per share)
			€
DIVIDEND & REFUND MANDATE			
	BANK: [preprinted]	IBAN: [preprinted]	

I/we accept to assign **ALL** or **PART OF** the Proportionate Entitlement as follows:

ASSIGN (where applicable)			
B*	NUMBER OF NEW ORDINARY SHARES (in figures)	NUMBER OF NEW ORDINARY SHARES (in words)	AMOUNT PAYABLE (€0.75 per share)
			€
C*	BALANCE OF NEW ORDINARY SHARES NOT TAKEN UP (if any)		
	(in figures)	(in words)	

* The total number of New Ordinary Shares as added up in Panels A, B & C above, needs to be equal to the Proportionate Entitlement to New Ordinary Shares as pre-printed in Panel I above.

FAAE B – SPLIT/ASSIGN (continued)

III. DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to take part of the Proportionate Entitlement is taken by a third-party on behalf of the Existing Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1	
Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>	

Decision Maker / Parent / Legal Guardian 2	
Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>	

I/we hereby declare that I/we have fully understood the instructions for the completion of this FAAE on the basis of the Prospectus dated 20 September 2023. Furthermore, I/we confirm that I/we have returned this FAAE on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorise the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this FAAE B to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature of Existing Shareholder	Signature of Existing Shareholder	Date

(Parent/s or legal guardian/s are/is to sign if Existing Shareholder is a minor)
(All parties are to sign in the case of a joint Existing Shareholders)
(Authorised representative/s to sign in the case of attorney, a body corporate / body of persons)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP

AUTHORISED FINANCIAL INTERMEDIARY'S CODE

FAAE B – SPLIT/ASSIGN (continued)

IV. DECLARATION BY ASSIGNEE/S

I/We have irrevocably agreed to acquire that portion of the Proportionate Entitlement of the existing Shareholder/s to the New Ordinary Shares as detailed below:

DETAILS OF ASSIGNEE/S 1

Title (Mr/Mrs/Ms...)	Name and Surname:		
Address:	ID Document No/Co Reg No:		
	Document Type (ID Card/Passport/etc): <i>(mandatory for individuals)</i>		
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>		
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No:		
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>			
Email:	Mobile No: <i>(mandatory)</i>		
<input type="checkbox"/> I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorise the Registrar to apply on my/our behalf.			
Number of New Ordinary Shares acquired:	Amount payable (€0.75 per share) €		
<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate	MSE Account No: <i>(mandatory)</i>		

DIVIDEND & REFUND MANDATE

Bank:	IBAN:
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DETAILS OF ASSIGNEE/S 2

Title (Mr/Mrs/Ms...)	Name and Surname:		
Address:	ID Document No/Co Reg No:		
	Document Type (ID Card/Passport/etc): <i>(mandatory for individuals)</i>		
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>		
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No:		
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>			
Email:	Mobile No: <i>(mandatory)</i>		
<input type="checkbox"/> I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorise the Registrar to apply on my/our behalf.			
Number of New Ordinary Shares acquired:	Amount payable (€0.75 per share) €		
<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate	MSE Account No: <i>(mandatory)</i>		

DIVIDEND & REFUND MANDATE

Bank:	IBAN:
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FAAE B – SPLIT/ASSIGN (continued)

V. ASSIGNEE DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to accept the transfer of Proportionate Entitlements is taken by a third-party on behalf of the Assignee, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1	
Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>	

Decision Maker / Parent / Legal Guardian 2	
Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i> <i>(The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)</i>	

I/we hereby declare that I/we have fully understood the instructions for the completion of this FAAE on the basis of the Prospectus dated 20 September 2023. Furthermore, I/we confirm that I/we have returned this FAAE on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorise the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the Malta Stock Exchange to adhere to its regulatory obligation to report all necessary transaction and personal information provided in this FAAE B to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature of Assignee/s 1	Signature of Assignee/s 2	Date

(Parent/s or legal guardian/s are/is to sign if Assignee is a minor)
(All parties are to sign in the case of a joint Assignees)
(Authorised representative/s to sign in the case of attorney, a body corporate / body of persons)

INSTRUCTIONS SHEET

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

Instructions for completion FORM OF ACCEPTANCE, AUTHORITY AND ELECTION ("FAAE")

IMPORTANT: READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE RELEVANT FAAE

The following is to be read in conjunction with the Prospectus dated 20 September 2023 (the "**Prospectus**"). Unless otherwise defined herein, the capitalised terms used in the FAAE have the same meaning ascribed to them in the Prospectus.

1. There are two (2) FAAEs:
 - a. '**FAAE A – ALL**' is to be completed by the Existing Shareholder/s wishing to **TAKE UP ALL** of his/her Proportionate Entitlement with the option to apply for Excess Shares; and
 - b. '**FAAE B- SPLIT / ASSIGN**' is to be completed by the Existing Shareholders wishing to: (i) take up only **PART** and **ASSIGN** or **LAPSE** the remaining part of his/her Rights to the New Ordinary Shares; or (ii) **ASSIGN ALL** of the Rights; or (iii) **ASSIGN PART** and **LAPSE** the remaining Rights to New Ordinary Shares.

2. The FAAE is to be completed in **BLOCK LETTERS**.

3. The relevant FAAE/s must be accompanied by payment **IN CLEARED FUNDS AND NET OF BANK TRANSFER CHARGES** for the amount in Euro of the New Ordinary Shares subscribed for. Payment shall be made to the Authorised Financial Intermediary of choice.

4. Existing Shareholders shall receive any dividends payable to them by the Issuer directly in a bank account as pre-printed in Panel IID of FAAE A and Panel IIA of FAAE B as applicable (such bank account represents the dividend mandate as held by the Issuer in the Register of Members as at the Record Date). In case such panels contain no account details, please insert the relevant information.

Assignees shall receive any dividends payable to them by the Issuer directly in a bank account held locally in Euro and which is to be inserted by Assignees in the 'Dividend & Refund Mandate' found in Panel IV of FAAE B.

5. FAAEs may be accepted by Authorised Financial Intermediaries between and including 08:30 hours on 28 September 2023 and 10:00 hours on 26 October 2023 (the "**Rights Issue Offer Period**"). The Issuer, through the Registrar, may reject, in whole or in part, any FAAE/s:
 - a. received after the Rights Issue Offer Period closes; and/or
 - b. for which funds are still uncleared after the Rights Issue Offer Period closes; and/or
 - c. which is/are in breach of the Terms and Conditions as defined and set out in the Prospectus.

Eligible Participants are to ensure that payment for the exercise of Rights reach the respective Authorised Financial Intermediary **NET OF BANK CHARGES**.

6. Each FAAE has been pre-printed with details of Existing Shareholders/s appearing on the Issuer's Register of Members as at the Record Date.

7. With respect to **FAAE A – ALL**, Existing Shareholders wishing to take up their Proportionate Entitlement in full need only sign and submit the FAAE A to an Authorised Financial Intermediary, together with the payment for the Proportionate Entitlement. Where Existing Shareholders opt to take up their Proportionate Entitlement in full and wish to subscribe for any Excess Shares (to the extent that there shall remain Excess Shares available for subscription by Existing Shareholders), Panels IIB and IIC need to be completed, accompanied also by the funds for the Excess Shares applied for.

8. With respect to **FAAE B – SPLIT / ASSIGN**, Existing Shareholders wishing to accept their Proportionate Entitlement in part need to complete Panel IIA and IIC. Where an Existing Shareholder wishes to assign part or all of his Proportionate Entitlement, Panel IIB needs also to be completed and details of the Assignee/s need to be inserted in Panel IV.

9. Non-resident Assignee/s must indicate their passport number in Panel IV of **FAAE B – SPLIT / ASSIGN** as applicable and tick the appropriate box accordingly.

10. In the case of an Existing Shareholder or an Assignee who is a **minor**, the respective FAAE shall be signed by the parents or the legal guardian/s as applicable. A Public Registry birth certificate must be provided only where an Assignee is a minor and does not hold securities listed on the MSE. The relative box in Panel IV of **FAAE B – SPLIT / ASSIGN** shall be marked accordingly, and details of the parents or legal guardian/s shall be inserted in Panel V.

11. In the case where an Eligible Participant is a **body corporate**, the respective FAAE must be signed by the duly authorised representatives indicating the capacity in which they are signing and shall bind that body corporate. Where an Assignee/s under FAAE B is a body corporate, the exact registered name and registration number are to be inserted in Panel IV and the appropriate box ticked accordingly. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such Applicants or Eligible Participants is or are in fact so authorised.

12. If the name appearing on the register of the CSD as at the Record Date is that of a **deceased** Existing Shareholder or if an Existing Shareholder dies before the expiry of the Rights Issue Offer Period and prior to having completed the FAAE, the FAAE must be signed by the lawful successors in title of the deceased Existing Shareholder. For this purpose, the successors in title of the deceased Existing Shareholder

must contact the Issuer and their Authorised Financial Intermediary within the Rights Issue Offer Period in order to produce adequate documentary proof to the satisfaction of the Issuer and Authorised Financial Intermediary, and of the CSD, in order to enable them to verify their status as lawful successors of the deceased Existing Shareholder. It shall not be incumbent on the Issuer or the Registrar to verify whether the person/s signing the FAAE is/are the lawful successor/s of the deceased Existing Shareholder.

13. Where the Shares are held subject to **usufruct**, the FAAE must be signed by both the bare owner/s and usufructuary/ies. In this respect, the FAAE submitted to the Authorised Financial Intermediary is to be accompanied by an authorisation of the bare owner and usufructuary allowing the addition of the New Ordinary Shares, which is to be subsequently forwarded in original to the Registrar. It shall not be incumbent on the Issuer or the Registrar to verify the signatory/ies on any FAAE.
14. In the case of Shares held **jointly** by two or more persons as at the Record Date, all joint shareholders are to sign the applicable FAAE. Similarly, where the Assignee/s are joint applicants, the FAAE must be signed by each joint Assignee. It shall not be incumbent on the Issuer or the Registrar to verify the signatory/ies on any FAAE.
15. **ASSIGNEES WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL III OF FAAE B - SPLIT / ASSIGN. ASSIGNEES ARE HEREBY NOTIFIED THAT ANY NEW ORDINARY SHARES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE FAAE B - SPLIT / ASSIGN. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE ASSIGNEE TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**
16. Where an Existing Shareholder wishes to assign Rights to more than two Assignees, an addendum can be used and this needs to be also signed by the Existing Shareholder/s and Assignee/s as applicable.
17. Completed FAAEs are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Securities Note. Remittances by post are made at the risk of the Existing Shareholder/s and or Assignee/s. The Issuer and the Registrar disclaim all responsibility for any such remittance not received by the closing of the Rights Issue Period.
18. Should any FAAE be lost or destroyed or otherwise defaced and/or invalidated, the Existing Shareholder/s shall contact any Authorised Financial Intermediary who will provide a duplicate of the FAAE to be used in such instance.
19. By completing and delivering an FAAE, each Existing Shareholder/s and Assignee/s acknowledges that:
 - a. the Authorised Financial Intermediary, Registrar and/or the Issuer may process the personal data in the FAAE in accordance with the Data Protection Act (Cap. 440 of the laws of Malta);
 - b. the Authorised Financial Intermediary, Registrar and/or the Issuer may process such personal data for all purposes necessary for and related to the Rights Issue;
 - c. they have the right to request access to and rectification of the personal data relating to him/her, as processed by the Authorised Financial Intermediary, Registrar and/or the Issuer. Any such request must be signed by the Existing Shareholder/s and/or Assigned/s and made in writing to the CSD at the Malta Stock Exchange; and
 - d. all terms and conditions of the Prospectus, including but not limited to the undertakings, representations and warranties contained therein, have been read and understood.

The value of investments may increase as well as decrease and past performance is not an indication of future performance. Prospective investors are urged to read the Prospectus with particular reference to the sections entitled "Risk Factors" as contained in the Prospectus. Prospective Investors should seek independent and professional financial advice before deciding to invest in the New Ordinary Shares.

ANNEX III – APPLICATION FORMS (EXCESS SHARES OFFER)



LOMBARD BANK MALTA P.L.C.
EXCESS SHARES OFFER
APPLICATION FORM 'A' - PREFERRED APPLICANTS

This application form is not transferable as at the Record Date who is not also an Existing Shareholder and entitles you to subscribe for New Ordinary Shares in Lombard Bank plc as either (i) an **Employee** or a **Director** or (ii) a **shareholder of MaltaPost p.l.c.** as at the Record Date who is not also an Existing Shareholder, together referred to as 'Preferred Applicants' as defined in the Prospectus dated 20 September 2023 (the "**Prospectus**"). Please read the notes overleaf before completing this Application Form. **Complete in BLOCK LETTERS and Mark 'X' where applicable.**

A. APPLICANT (see notes 2 to 7)

			MSE A/C NO. (mandatory)
			I.D. CARD/PASSPORT/ COMPANY REG. NO. (mandatory)
DOCUMENT TYPE (mandatory)	COUNTRY OF ISSUE (mandatory)	DATE OF BIRTH (mandatory)	NATIONALITY (mandatory)
LEI (Legal Entity Identifier) (mandatory for non-individuals including companies/partnerships/ organisations/trusts/foundations/religious orders/etc) (The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares)			MOBILE NUMBER (mandatory)
<input type="checkbox"/> REGISTER FOR E-PORTFOLIO			

B. ADDITIONAL (JOINT) APPLICANTS (see note 3)

(please use addendum to Application Form if space is not sufficient)

TITLE (Mr/Mrs/Ms/-)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

C. DECISION MAKER/MINOR'S PARENTS/LEGAL GUARDIAN(S)/USUFRUCT (see notes 4,7 and 8)

(to be completed ONLY if applicable)

TITLE (Mr/Mrs/Ms/-)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/-)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY

D. I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9)

AMOUNT OF NEW ORDINARY SHARES IN FIGURES	AMOUNT IN WORDS
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New Ordinary Shares in Lombard Bank Malta p.l.c. (minimum subscription of 1,000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter) at the Offer Price of €0.75 per New Ordinary Share, as defined in the Prospectus dated 20 September 2023 payable in full upon application under the Terms and Conditions of the New Ordinary Shares as set out in the Prospectus.

AMOUNT PAYABLE €

E. DIVIDEND AND REFUND MANDATE (see notes 11 and 12)

(completion of this panel is MANDATORY)

BANK	IBAN
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I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions of the Excess Shares Offer (as defined in the Prospectus and as contained therein) which I/we fully accept.

I/We hereby authorise the Bank to forward the details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Bank may require additional information for Transaction Reporting purposes and agree that such information will be provided.

Signature/s of Applicant/s Date

(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER
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Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 20 September 2023 regulating the Excess Shares Offer

1. This Application is governed by the Terms and Conditions of the Excess Shares Offer contained in the Securities Note dated 20 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents for tax purposes must indicate their passport number in Panel A.
3. The MSE Account Number, name/s and address pertaining to MaltaPost p.l.c. shareholders has been pre-printed in Panel A and reflects the MSE account number on the register of MaltaPost p.l.c. shareholders at the CSD as at the Record Date.

Employees and Directors of the Issuer are to insert full personal details in Panel A (including MSE account number which is mandatory). In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels A and B but the person **whose name appears in Panel A shall, for all intents and purposes, be deemed to be the registered holder of the New Ordinary Shares (vide note 6 below)**. Applications by more than two persons are to use the addendum to the Application Form.

Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The shareholder's statement of holdings evidencing entitlement to New Ordinary Shares held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account on the MSE. Any New Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as Shareholder, with dividend, if any, payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, which all dividends, if any, shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel A. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **PREFERRED APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MALTA STOCK EXCHANGE, WILL HAVE TO BE AFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an Applicant quotes an MSE account number which is held subject to usufruct, both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of 1,000 New Ordinary Shares and thereafter in multiples of 100 New Ordinary Shares.
10. Dividends if any will be credited to the account indicated in Panel E or as otherwise amended by the shareholder.
11. The Excess Shares Offer will open at 08:30 hours on 1 November 2023 and will close at 10:00 hours on 27 November 2023. 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 timetable set out in the Prospectus will be brought forward but will be kept in the same chronological order.

Completed Application Forms are to be delivered to any Authorised Financial Intermediary listed in Annex I of the Prospectus during regular office hours. **Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.** If any Application is not accepted after the closure of the subscription lists or is accepted for fewer New Ordinary Shares than those applied for, the monies equivalent to the number of New Ordinary Shares not being accepted will be returned by direct credit into the IBAN specified in Panel E.

12. The Issuer, through the Registrar, reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Excess Shares Offer as contained in the Prospectus dated 20 September 2023.
13. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Issuer or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
 - b. the Issuer may process such personal data for all purposes necessary for and related to the New Ordinary Shares applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer.

Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. Prospective investors are urged to read the Prospectus with particular reference to the sections entitled "Risk Factors" as contained in the Prospectus. Prospective Investors should seek financial advice before deciding to invest in the New Ordinary Shares.

Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A. APPLICANT (see notes 2 to 7)

<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons	<input type="checkbox"/> CIS-Prescribed Fund
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B. TITLE (Mr/Mrs/Ms/...)

FULL NAME AND SURNAME / REGISTERED NAME

Address

POST CODE (mandatory)

MSE A/C NO. (mandatory) I.D. CARD/PASSPORT/COMPANY REG. NO. (mandatory) DOCUMENT TYPE (mandatory) COUNTRY OF ISSUE (mandatory)

LEI (Legal Entity Identifier) (mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc) (The LEI must be duly valid (unexpired) as at the date of listing of the New Ordinary Shares) DATE OF BIRTH (mandatory) NATIONALITY (mandatory) MOBILE NUMBER (mandatory)

REGISTER FOR E-PORTFOLIO

C. ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use addendum to Application Form if space is not sufficient)

TITLE (Mr/Mrs/Ms/...) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

DOCUMENT TYPE COUNTRY OF ISSUE DATE OF BIRTH NATIONALITY

D. DECISION MAKER/MINOR'S PARENTS/LEGAL GUARDIAN(S)/USUFRUCT (see notes 4,7 and 8) (to be completed ONLY if applicable)

TITLE (Mr/Mrs/Ms/...) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

DOCUMENT TYPE COUNTRY OF ISSUE DATE OF BIRTH NATIONALITY

TITLE (Mr/Mrs/Ms/...) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

DOCUMENT TYPE COUNTRY OF ISSUE DATE OF BIRTH NATIONALITY

E. I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9)

AMOUNT OF NEW ORDINARY SHARES IN FIGURES AMOUNT IN WORDS

New Ordinary Shares in Lombard Bank Malta p.l.c. (minimum subscription of 1,000 New Ordinary Shares and in multiples of 100 New Ordinary Shares thereafter) at the Offer Price of €0.75 per New Ordinary Share, as defined in the Prospectus dated 20 September 2023 payable in full upon application under the Terms and Conditions of the New Ordinary Shares as set out in the Prospectus.

AMOUNT PAYABLE
€

F. DIVIDEND AND REFUND MANDATE (see notes 10 and 11) (completion of this panel is MANDATORY)

BANK IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions of the Excess Shares Offer (as defined in the Prospectus and as contained therein) which I/we fully accept.

I/We hereby authorise the Bank to forward the details to the Malta Stock Exchange for the purposes of registering the New Ordinary Shares in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Bank may require additional information for Transaction Reporting purposes and agree that such information will be provided.

Signature/s of Applicant/s Date

(Parent/s or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings that are subject to usufruct)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP AUTHORISED FINANCIAL INTERMEDIARY'S CODE APPLICATION NUMBER

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1. This Application is governed by the Terms and Conditions of the Excess Shares Offer contained in the Securities Note dated 20 September 2023 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. Applicants who are non-residents must indicate their passport number in Panel B. The relative box in Panel A must also be marked appropriately.
3. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the New Ordinary Shares** (vide note 6 below). Applications by more than two persons are to use the addendum to the Application Form.

Upon submission of an Application Form, Applicants who opt to have an online e-portfolio facility (by marking the relative box in Panel B), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The shareholder's statement of holdings evidencing entitlement to New Ordinary Shares held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/help>.

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5. In the case of a body corporate, the name of the entity exactly as registered and the registration number are to be inserted in Panel B. A valid Legal Entity Identifier ("LEI") needs to be inserted in Panel B. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **APPLICANTS ARE TO INSERT AN MSE ACCOUNT NUMBER IN THE SPACE PROVIDED IN PANEL B. APPLICANTS WHO DO NOT HAVE AN MSE ACCOUNT NUMBER ARE TO CONTACT THEIR AUTHORISED FINANCIAL INTERMEDIARY. FAILURE TO DO SO WILL RESULT IN REJECTION OF THE APPLICATION FORM. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE AFFECTED.**
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9. Applications must be for a minimum subscription of 1,000 New Ordinary Shares and thereafter in multiples of 100 New Ordinary Shares.
10. Dividends, if any, will be credited to the account indicated in Panel F or as otherwise amended by the shareholder.
11. The Excess Shares Offer Period will open at 08:30 hours on 1 November 2023 and will close at 10:00 hours on 27 November 2023. 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 timetable set out in the Prospectus will be brought forward but will be kept in the same chronological order.

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