mediterraneanbank

Think Ahead. Bank Ahead.

Issue of Euro equivalent of
€20,000,000 in 5% Subordinated Unsecured Bonds due 2027
issued in Euro (EUR Bonds) and Pounds Sterling (GBP Bonds)

by
Mediterranean Bank plc

(registered as a public limited liability company in the Republic of Malta)

Registration Document dated 25 September 2017

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

Legal Counsel	Sponsor	Manager & Registrar
CAMILLERI PREZIOSI ADVOCATES	Jesmond Mizzi FINANCIAL ADVISORS	MALTA STOCK EXCHANGE plc

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

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A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT 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 INDEPENDENT FINANCIAL ADVISER.

THESE SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS AND MAY NOT BE SUITABLE FOR ALL TYPES OF INVESTORS. A POTENTIAL INVESTOR SHOULD NOT INVEST IN THE SECURITIES UNLESS: (I) HE/SHE HAS THE NECESSARY KNOWLEDGE AND EXPERIENCE TO UNDERSTAND THE RISKS RELATING TO THIS TYPE OF FINANCIAL INSTRUMENT; (II) THE SECURITIES MEET THE INVESTMENT OBJECTIVES OF THE POTENTIAL INVESTOR; AND (III) SUCH PROSPECTIVE INVESTOR IS ABLE TO BEAR THE INVESTMENT AND FINANCIAL RISKS WHICH RESULT FROM INVESTMENT IN THESE SECURITIES.

APPROVED BY THE DIRECTORS

Mark A. Watson **Director**	**Joaquin Vicent** **Director**

In their own name and on behalf of

Michael A. Bussey, Benjamin Hollowood, Michael Walker, Dominic S. Wallace and John Zarb

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1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON MEDITERRANEAN BANK PLC (THE "**ISSUER**") IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

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

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THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES: BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

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

THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS.

2. DEFINITIONS

Act	the Companies Act (Cap. 386 of the laws of Malta);
AnaCap	AnaCap Financial Partners II L.P., a limited liability partnership incorporated under the laws of Guernsey with company number 1027;
Bond(s)	together, the EUR Bonds and the GBP Bonds;
Bond Issue	the Issue of the Bonds;
CRR	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012;
CSD	the Central Securities Depository of the Malta Stock Exchange situated at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Designated Early Redemption Date	any Interest Payment Date falling in the years 2022 to 2027 as the Issuer may determine by giving 30 days' prior notice to the Bondholders further to obtaining the prior approval of the MFSA;
Directors or **Board**	the directors of the Issuer whose names and addresses are set out under the heading "**Board of Directors**" in section 12.1 of this Registration Document;
ECB	the European Central Bank;
Euro or **€**	the lawful currency of the Republic of Malta;
EUR Bonds	the 5% Subordinated Unsecured Bonds due 2027 having a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date or any of the Designated Early Redemption Dates bearing interest at the rate of 5% per annum, which in aggregate with the GBP Bonds would not exceed the Euro equivalent of €20,000,000 in value of Bonds issued pursuant to this Prospectus;
GBP Bonds	the 5% Subordinated Unsecured Bonds due 2027 having a nominal value of €100 per bond redeemable at their nominal value on the Redemption Date or any of the Designated Early Redemption Dates bearing interest at the rate of 5% per annum, which in aggregate with the EUR Bonds would not exceed the Euro equivalent of €20,000,000 in value of Bonds issued pursuant to this Prospectus;
Group	the group of companies of which MeDirect Group Limited (until 26 October 2016 operating under the name "Medifin Holding Limited") is the parent company, further described under section 11 of this Registration Document;
Interest Payment Dates	annually, on 13 October of each year commencing on 13 October 2018 and ending with and including the Redemption Date, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issuer	Mediterranean Bank plc, a public limited liability company registered in Malta with company number C 34125 having its registered office at 10, St Barbara Bastion, Valletta, VLT 1961, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Listing Rules	the listing rules, issued by the Listing Authority;
Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Medifin Finance Limited	a non-cellular company limited by shares incorporated under the laws of Guernsey with company number 60032;
Medifin Investments Limited	a non-cellular company limited by shares incorporated under the laws of Guernsey with company number 58396;
MeDirect Group Limited or Parent	MeDirect Group Limited (formerly Medifin Holding Limited), a private company registered in Malta with company registration number C 34111and having its registered office at 10, St Barbara Bastion, Valletta, VLT 1961, Malta;

MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
M&A	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
Prospectus	collectively this Registration Document, the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time;
Redemption Date	13 October 2027;
Registration Document	this document in its entirety;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
Securities Note	the securities note issued by the Issuer dated 25 September 2017, forming part of the Prospectus;
Summary Note	the summary note issued by the Issuer dated 25 September 2017, forming part of the Prospectus.

3. RISK FACTORS

An investment in the Issuer involves certain risks including those described below. Before deciding to make any investment decision with respect to the Issuer and the Bonds, prospective investors should, with their own independent financial and other professional advisers, make their own independent evaluation of the following risk factors and other investment considerations as well as all the other information contained in this Registration Document.

Some of these risks are subject to contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

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

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

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

3.1 Forward-Looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements which include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances.

Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a serious effect on the Issuer's financial condition and operational performance. Accordingly, the Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements and no assurance is given that the future results or expectations will be achieved.

All forward-looking statements contained in this Registration Document are made only as at the date hereof. 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 statement is based.

3.2 Risks Relating to the Issuer

3.2.1 Exposure to Credit Risk

Risks arising from adverse changes in the credit quality and recoverability of loans, securities and amounts due from counterparties are inherent in the Issuer's business. The financial assets of the Group primarily comprise two types of assets: (i) extensions of credit, primarily on a senior secured basis, to sub-investment grade international corporate borrowers; and (ii) investment grade treasury instruments, primarily covered bonds issued by EU financial institutions.

The Group's portfolio of investment grade treasury investments is significantly smaller in risk-weighted terms than its international corporate lending portfolio. The Issuer's international corporate lending activities are focussed on pan-European widely-syndicated and mid-market transactions for unrated counterparties (approximately 64.2% of total international corporate lending exposures) and non-investment grade counterparties (approximately 35.8% of international corporate lending exposures).

Unrated and non-investment grade corporate lending activities may be at higher risk of default than investment grade lending because of the relatively higher levels of debt that the issuing counterparty has relative to the amount of equity. This could affect the probability of default for each counterparty and increase the level of write-offs or provisions to which the Issuer is potentially exposed.

The Issuer currently holds no specific impairment provisions in respect of its securities portfolio, based on the view that accounting standards do not currently require or permit specific provisions unless a loss event has been deemed to have occurred. As at 31 December 2016, the Issuer held specific impairment provisions equivalent to approximately 0.96% of the carrying value before impairments of its loan portfolio. Adverse changes in the credit quality of the Issuer's assets, either specific to individual obligors or caused by a general deterioration in European or global economic conditions, or by systemic risks in the financial system, could affect the recoverability and value of the Issuer's assets and either lead to write-offs or require provisions for impairment. Write-offs or provisions for impairment could also be dictated by a change in accounting standards or prudential regulatory changes to financial services legislation.

3.2.2 Liquidity Risk

Liquidity risk is the risk that the Issuer will be unable to meet its obligations, including funding commitments, as they become due.

The Issuer funds its portfolios largely through deposits and partly through the international wholesale financial markets. The availability of retail and commercial deposits, the Issuer's primary source of liquidity, may be impacted by increased competition from other deposit-takers or factors that constrain the volume of liquidity in the market.

Extreme market disruptions, such as the severe dislocations experienced in credit and financing markets following the onset of the global financial crisis in 2008, a prolonged and severe restriction on the Issuer's access to liquidity (including to government and central bank funding and liquidity support) and/or a prolonged and severe decline in consumer confidence, could adversely affect the Issuer's ability to meet its minimum regulatory liquidity requirements or to fulfil its financial and lending commitments. In extreme circumstances, the Issuer may not be in a position to continue to operate without additional funding support and failure to access such support in these circumstances could have a material impact on the Issuer's solvency. A loss in customer confidence in the Issuer or in the market generally, as well as events beyond the Issuer's control which may have a detrimental effect on the market, could also give rise to significant increases in deposit withdrawals.

While the Issuer does not intend to rely on wholesale funding, if access to deposit funding were constrained, the Issuer may need to make increased use of international wholesale funding markets. In the event that funding from such markets were to become less available or more expensive, or in the event that it becomes difficult to sell financial assets close to their fair value, the Issuer may be adversely affected and its ability to grow may be hampered. Such a deterioration of the Issuer's

ability to raise funding at attractive levels may adversely affect the Issuer's margins and profit, potentially materially affecting its business, financial condition, results of operations and prospects.

3.2.3 Interest Rate Risk

Interest rate risk arises from the mismatch between interest rate sensitive assets and liabilities. As is common to all banks, the Issuer runs a mismatch between its liabilities and assets. Fluctuations in interest rates are influenced by factors outside the Issuer's control (such as the fiscal and monetary policies of governments and central banks and political and economic conditions in the countries in which it operates) and can affect the interest rate margin realised between lending and deposit and other borrowing costs, thereby affecting the Issuer's results and profitability.

3.2.4 Foreign Exchange Risk

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

3.2.5 Concentration Risk

The investments made by the Issuer are primarily denominated in Euro. The obligors of most of such investments are issued by EU entities. In addition, the deposit base of the Issuer primarily consists of customers located in Malta and other European Union countries. As a result of the composition of the Issuer's investment portfolio and deposit base, any broadly negative economic trends affecting the European Union may have an adverse effect on the Issuer.

The majority of the Issuer's international corporate lending portfolio consists of internationally syndicated senior secured leveraged loans. As at 31st December 2016, approximately 60.0% of the Group's consolidated assets were related to the Issuers international corporate lending portfolio. The Issuer could be adversely affected to the extent that: (i) adverse economic or market conditions affect the credit quality of such loans or the ability to refinance such loans at their maturity; or (ii) the prudential regulator makes alterations to the leveraged lending guidelines that it currently applies to loans. In addition, the Issuer intends to increase materially the proportion of such loans in its total asset portfolio over the medium term, thus increasing both the market concentration of the Issuer's portfolio of senior secured loans and the proportion of less investment grade credits relative to the treasury portfolio.

The majority of the Issuer's securities portfolio consists of covered bonds which are secured on residential mortgages, primarily located in European Union countries and securities issued by supranational organisations. Accordingly, negative developments in European property markets may also have an adverse effect on the Issuer.

3.2.6 Operational Risk

Operational risk and losses can result in each of the jurisdictions in which the Issuer operates from a wide range of factors, including fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with increasingly complex regulatory requirements and conduct of business rules, systems and equipment failures, natural disasters or the failure of external systems (for example, those of the Issuer's counterparties or vendors).

The Issuer is exposed to the risk that policies, procedures, internal controls and systems implemented from time to time will not perform to the level expected and may have a negative impact on the financial performance of the Issuer. The same risk applies to online banking and investment services provided to customers, as well as systems to support such services, e-brokerage systems, websites and other wealth management tools and functions.

Any losses arising from the failure of the Issuer's system of internal controls could have a material adverse effect on its business, financial condition, results of operations and prospects and could materially adversely affect its reputation. Operational risk specific to the Issuer's IT systems is described below.

3.2.7 Risks relating to Information Technology

The Issuer depends on its information technology systems to process a large number of transactions on an accurate and timely basis, and to store and process substantially all of the Issuer's business and operating data. The proper functioning of the Issuer's financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between its branches and main data processing centres, are critical to the Issuer's business and ability to compete effectively. The Issuer's business activities would be materially disrupted if there were a partial or complete failure of any of these information technology systems or communications networks.

Such failures can be caused by a variety of factors, many of which are wholly or partially outside the Issuer's control including natural disasters, extended power outages and cyber security issues, ranging from computer viruses to hacking. The proper functioning of the Issuer's information technology systems also depends on accurate and reliable data and other system input, which are subject to human errors. In addition, given the Issuer's high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Any failure or delay in recording or processing the Issuer's transaction data could subject it to claims for losses and regulatory fines and penalties.

The Issuer has implemented online banking and wealth management functionality, including the provision of online financial advice in Belgium. These functionalities might not operate as intended and might suffer unexpected downtime. In addition, the Issuer intends to continue to build out its systems and improve its online functionalities, and the implementation of such new systems and functionalities might result in operational losses.

3.2.8 Reputational Risk

The Issuer's business prospects could be adversely affected to the extent it fails to address, or appears to fail to address, various issues that could give rise to reputational risk. Reputational issues could result from a number of factors, including but not limited to:

- **failing to appropriately address potential conflicts of interest;**
- **breaching or facing allegations of having breached legal and regulatory requirements (including, *inter alia*, money laundering, anti-terrorism financing and capital adequacy requirements);**
- **acting or facing allegations of having acted unethically (including having adopted inappropriate sales and trading practices);**
- **failing or facing allegations of having failed to maintain appropriate standards of customer privacy, customer service and record keeping;**
- **technology failures that adversely impact customer services and accounts;**
- **failing to properly identify legal, reputational, credit, conduct, liquidity and market risks inherent in the products it offers;**
- **generally poor company performance;**
- **risk of association in respect of issues being faced by competitors or the banking industry generally, which may or may not be directly applicable to the Issuer; and**
- **negative reporting and wide dissemination of issues relating to the Issuer by the media, including social media.**

A failure to address these or any other relevant issues adequately should they arise could result in customers, depositors or investors becoming unwilling to do business with the Issuer, thereby potentially adversely affecting its business, financial condition, results of operations and/or prospects and/or damaging its relationships with its regulators.

3.2.9 Expansion

In July 2013 the Issuer received authorisation to establish its first international branch, in Belgium. As part of the establishment of the branch, the Issuer devoted significant time and resources to the build out of systems, infrastructure and organisational structure for the branch. On 1 June 2015, the Issuer completed the process of converting its Belgian branch into a subsidiary having its own separate legal personality and a Belgian banking licence.

The Issuer may from time to time consider opportunities to expand its operations further in Belgium, Malta or in other European Union jurisdictions, to invest in new asset classes which may include speciality mortgages, amongst others, or to offer new services to its customers. If it were to decide to pursue one of these opportunities or any such future venture, such initiatives may prove not to be successful, whether for commercial or other reasons, and this may result in a material adverse effect on the operations and performance of the Issuer.

3.2.10 Regulatory Matters – the Issuer is subject to substantial and changing prudential regulation

The Issuer, through its operations in Malta and Belgium, is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk including (i) the legislative package implementing the proposals of the Basel Committee (known as Basel III) in the European Union and amending and supplementing the existing Capital Requirements Directive and other regulatory developments impacting capital position ("CRD IV"); and (ii) the European Commission's Single Resolution Mechanism ("SRM") establishing uniform rules and procedures for the resolution of credit institutions and certain investment firms, providing for the establishment of a European Union-wide framework for the Bank Recovery and Resolution Directive (the "BRRD") in the Euro area. The Issuer faces risks associated with an uncertain and rapidly evolving prudential regulatory environment, pursuant to which it is required, amongst other things, to maintain adequate capital resources and to satisfy specified capital ratios at all times. The Issuer's capital requirements could be affected by further prudential regulatory developments.

CRD IV and CRR (the "CRD IV Package")

The CRD IV Package introduced significant changes in the prudential regulatory regime applicable to banks with effect from 1 January 2014, including: (i) increased minimum levels of capital and additional minimum capital buffers; (ii) enhanced quality standards for qualifying capital; (iii) increased risk weighting of assets, particularly in relation to market risk and counterparty credit risk; and (iv) the future introduction of a minimum leverage ratio. Although the CRD IV Package provides for some of these measures to be phased in over a transitional period to 2018, the majority of measures were applicable from 1 January 2014. The requirements emanating from the CRD IV Package adopted in Malta or Belgium may change, whether as a result of further changes to the CRD IV Package agreed by European Union legislators, Delegated Acts, binding regulatory and implementing technical standards to be developed by the European Banking Authority, changes to the way in which the prudential regulator interprets and applies these requirements to banks under its supervision (including as regards individual model approvals granted under CRD II and III), or otherwise. Such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Issuer's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

A perceived or actual shortage of capital held by the Issuer or any of its subsidiaries could result in actions by regulatory authorities, including public censure and the imposition of sanctions. This may also affect the Issuer's capacity to continue its business operations, generate a sufficient return on capital, pay variable remuneration to staff, pay future dividends or pursue acquisitions or other

strategic opportunities, affecting future growth potential. If, in response to any such shortage, the Issuer raises additional capital through the issuance of share capital or capital instruments, existing shareholders or holders of debt of a capital nature may experience a dilution of their holdings.

BRRD

On 6 May 2014, the Council of the European Union adopted the BRRD. The BRRD was published in the Official Journal of the European Union on 12 June 2014 and the SRM became fully operational on 1 January 2016. The SRM implements the EU-wide BRRD in the euro area. The full resolution powers of the Single Resolution Board ("SRB") also apply as of 1 January 2016.

The powers provided to the SRB and national resolution authorities under the supervision of the SRB include write-down powers to ensure relevant capital instruments absorb losses upon, amongst other events, the occurrence of the non-viability of the relevant institution or its parent company, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims to equity.

BRRD - Malta

In Malta, the Recovery & Resolution Regulations (the "R&R Regulations"), 2015 transpose into Maltese law the provisions of the BRRD. Pursuant to Article 7B of the MFSA Act, the Board of Governors of the MFSA also acts as the Resolution Authority for the purposes of Article 3 of the BRRD. The Resolution Authority has appointed a Resolution Committee which shall have all the powers assigned to the Resolution Authority under the BRRD. R&R Regulations provide for various powers and tools of the Resolution Committee in the event that the Resolution Committee considers that all of the criteria set out in Regulation 32 of the R&R Regulations are met.

In the case of credit institutions (primarily credit institutions and certain investment firms) that meet the applicable conditions for resolution, the Resolution Committee has the following tools available at its disposal:

- **the sale of business tool: enabling the Resolution Committee to effect a sale of the whole or part of the business;**
- **the bridge institution tool: providing for a new institution to continue to provide essential services to clients of the institution under resolution;**
- **the asset separation tool: enabling the transfer of 'bad' assets to a separate asset management vehicle; and**
- **the bail-in tool: ensuring that most unsecured creditors bear losses and bail-in the institution under resolution.**

The power to write down or convert capital instruments may also be exercised by the Resolution Committee.

Pursuant to Regulation 63 of the R&R Regulations, the Resolution Committee has very wide powers to apply the aforementioned resolution tools, including but not limited to:

- **the power to take control of an institution under resolution and exercise all the rights and powers conferred upon the shareholders, other owners and the board of directors of the institution under resolution;**
- **the power to transfer shares or other instruments of ownership issued by an institution under resolution;**
- **the power to transfer to another entity, rights, assets or liabilities of an institution under resolution; and**
- **the power to reduce, including to zero, the nominal amount of shares or other instruments of ownership of an institution under resolution and to cancel such shares or other instruments of ownership.**

The exercise by the Resolution Committee of any of these powers may have a material effect on the business and prospects of the Issuer. In addition, any bail-in of capital instruments will mean

that shareholders might have some or all of their shareholdings diluted or cancelled without any compensation therefor.

BRRD – Belgium

Belgium implemented the BRRD as part of the Belgian Banking Act of 25 April 2014. Should the Issuer become subject to such bail-in or resolution powers, existing shareholders or holders of debt of a capital nature may experience a dilution or cancellation of their holdings without any compensation therefor.

Single Resolution Mechanism

Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 (the "SRM Regulation") established uniform rules and procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("SRM") and the Single Resolution Fund.

The SRM is a key pillar of the Eurozone's banking union and complements the Single Supervisory Mechanism ("SSM"). The SRM is the European framework for the orderly resolution of failed Eurozone banks.

The Single Resolution Board ("SRB"), established by the SRM Regulation, is the European resolution authority within the Eurozone's banking union. The SRB assesses, in cooperation with national resolution authorities, the resolvability of banks of Members States participating in the Eurozone's banking union and creates their resolution plans. Responsibilities for resolution are shared between the SRB, the national resolution authorities of participating Member States, the European Commission and the ECB in particular.

The SRB is, in general, in charge of the most significant banking groups while the national resolution authorities oversee other institutions.

Domestic prudential regulation and controls

In Malta, these prudential regulations and controls include laws and regulations promulgated by the prudential regulator, which is the regulatory body for banks. In Belgium, the activities of MeDirect Bank S.A. are regulated by the National Bank of Belgium (NBB) and the Belgian Financial Services and Markets Authority.

Categorisation as a significant institution and regulation by the European Central Bank

The Group has been classified as a significant institution ("SI") in Malta in 2016. As an SI, the Issuer is subject to regulation under the SSM through a Joint Supervisory Team ("JST") including representatives of the ECB, the MFSA and the NBB, with capital adequacy requirements determined by the JST. Moreover, for capital purposes, it has also been classified as an O-SII, which has imposed additional capital buffer requirements (see the risk factor below for further details).

As an SI, the Issuer is currently subject to regulation at the level of the ECB, together with the MFSA and the NBB (each as part of the JST) pursuant to the SSM. The regulation of the Issuer by the ECB introduces uncertainty, which could have an adverse impact on the Issuer's business, capital structure, financial condition, results of operations and prospects.

Categorisation as an O-SII for the purposes of regulatory capital requirements and results of the Comprehensive Assessment

In accordance with Legal Notice 29 of 2014 (S.L. 204.06), the MFSA and the Central Bank of Malta assumed the task of implementing Article 131 of CRD IV and in November 2015 determined that the Group should be deemed to be an O-SII. An O-SII is subject to additional capital buffer requirements beyond the minimum capital requirements for European financial institutions, and, in the case of

the Issuer, additional capital buffer requirements of 0.5% over a transitional period of four years commencing on 1 January 2016 have been imposed (as a result, during this period additional capital buffer requirements will be 0.125% in 2016, 0.25% in 2017, 0.375% in 2018 and 0.5% in 2019).

A comprehensive assessment ("CA") by the ECB carried out in 2015 resulted in an acknowledgment of the Group's capital level and confirmation that no further capital enhancing measures were required at the time.

Following a capital contribution of €28.7 million in September 2015, the CET 1 capital ratio, after the application of the baseline scenario, was equivalent to 10.56% (compared to the 8% threshold imposed under CRD IV), and the CET 1 capital ratio after the application of the more severe adverse scenario, was equivalent to 7.07% (compared to the 5.5% stress test adverse scenario threshold).

General

The Issuer is also required to comply with applicable know your customer, anti-money laundering and counter-terrorism financing laws and regulations in Malta and Belgium, including those related to countries subject to sanctions by the United States Office of Foreign Assets Control, similar regulations of the European Union and other jurisdictions, and applicable anti-corruption laws. To the extent that the Issuer fails or is perceived to fail to comply with these and other applicable laws and regulations, its reputation could be materially damaged, with consequent adverse effects on its business, financial condition, results of operations and prospects.

Any failure or delay in receiving any required regulatory approvals or the enactment of new and adverse regulations or regulatory requirements may have a material adverse effect on the Issuer's business. In addition, future legislative, judicial and regulatory agency actions could have a material adverse effect on the Issuer's business. Furthermore, changes in the regulatory environment could ultimately place increased regulatory pressure on the Issuer and could have a material adverse effect on its business, financial condition, results of operation and cash flow, particularly in the case of an adverse impact resulting from regulatory developments which could expose its business to a number of risks as well as limit growth, curtail revenues and impact the Issuer's service offerings. Moreover, there is a risk of noncompliance associated with the complexity of regulation. Failure to comply with current or future regulation could expose the Issuer's business to various sanctions, including fines or the withdrawal of authority to conduct certain lines of business.

3.2.11 External Factors

The Issuer's overall performance and results may also be adversely affected by external factors beyond the Issuer's control. These include changes in economic conditions, geopolitical issues such as the anticipated exit of the United Kingdom from the European Union, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector.

3.2.12 Failure to attract and/or retain key employees

The Issuer's success depends on the continued service and performance of its key employees, an organised plan of succession to ensure the Issuer's long-term stability and its ability to attract, retain and develop high calibre talent. The Issuer may lose key employees as a result of natural attrition, including health, family and other reasons. In addition, external factors, such as macro-economic conditions, the developing and increasingly rigorous regulatory environment and/or negative media attention on the financial services industry, could adversely impact employee retention, sentiment and engagement. Each of these factors could have an adverse effect on the Issuer's ability to recruit and/or retain key employees, which could, in turn, materially adversely affect the Issuer's business, financial condition, results of operations and prospects.

3.2.13 The Issuer may be subject to privacy or data protection failures and fraudulent activity

The Issuer is subject to regulation regarding the use of personal customer data. The Issuer processes personal customer data (including name, address and bank details) as part of its business, some

of which may be sensitive personal data, and therefore must comply with strict data protection and privacy laws and regulations. Such laws restrict the Issuer's ability to collect and use personal information relating to customers and potential customers including the use of that information for marketing purposes. The Issuer is also at risk from cyber theft. Notwithstanding the Issuer's efforts to ensure compliance with the relevant data protection regulations and protection from cyber theft, the Issuer is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection and privacy laws and regulations. If the Issuer or any of the third party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, the Issuer could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. The Issuer could also be targeted by other forms of fraudulent activity. Any of these events could also result in the loss of the goodwill of its customers and deter new customers which could have a material adverse effect on the Issuer's business, financial condition, results of operation and prospects.

3.2.14 The Issuer could be negatively affected by a deterioration in the soundness (or a perceived deterioration in the soundness) of other financial institutions.

Given the high level of interdependence between financial institutions, the Issuer is and will continue to be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial services institutions.

Within the financial services industry, the default of any one institution could lead to defaults by other institutions. Concerns about, or a default by, or a governmental "bail out" of, or "bail in" of, one institution could lead to significant liquidity problems, including increases in the cost of liquidity, losses or defaults by other institutions, as was the case after the bankruptcy of Lehman Brothers in 2008, because the commercial and financial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Even the perceived lack of creditworthiness of, or concerns about, a counterparty may lead to market wide liquidity problems and losses or defaults by the Issuer or by other institutions. This risk is often referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges. Such systemic risk could have a material adverse effect on the Issuer's ability to raise new wholesale funding, which could affect its business, financial condition, results of operations, liquidity and/or prospects.

4. PERSONS RESPONSIBLE

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

THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER, WHO HAVE TAKEN ALL REASONABLE CARE TO ENSURE THAT SUCH IS THE CASE, THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

5. STATUTORY AUDITORS

The annual statutory consolidated financial statements of the Issuer for the financial year ended 31 March 2015 have been audited by KPMG, Certified Public Accountants, of Portico Building, Marina Street, Pieta, PTA 9044, Malta. KPMG is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 March 2016 and 31 March 2017 have been audited by PricewaterhouseCoopers, Certified Public Accountants, of 93, Mill Street, Qormi, QRM 3102. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

6. HISTORY AND DEVELOPMENT OF THE ISSUER

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

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

In July 2009, the Issuer was, indirectly through MeDirect Group Limited (at the time Medifin Holding Limited), acquired by AnaCap (a private equity firm specialising in financial services and incorporated in Guernsey) and the Issuer's senior management (see the section entitled "**Major Shareholders**"). In July 2014 a corporate restructuring of the Group took place pursuant to which Medifin Investments Limited acquired 99.9% of the shareholding in the parent company of the Group, MeDirect Group Limited, with its previous shareholders receiving shares in Medifin Investments Limited, as set out in further detail in section 11 under the heading "**Organisational Structure**". As a result, Medifin Investments Limited became the direct parent of MeDirect Group Limited, which in turn is the parent company of the Issuer. On 19 August 2015 Medifin Finance Limited acquired from Medifin Investments Limited the entire shareholding in the Parent in exchange for the issue, by Medifin Finance Limited to Medifin Investments Limited, of an equal amount in nominal value of ordinary shares in the capital of the Issuer. These ordinary shares in the capital of the Issuer were subsequently re-designated as ordinary 'A' Shares.

Local debt market issues

The following sets out the debt issues by the Issuer on the Official List of the Malta Stock Exchange to date:

i. pursuant to a prospectus dated 13 September 2010, the Issuer issued €15,000,000 in bonds of a face value of €100 per bond, redeemable at their nominal value on the 30 October 2015 and bearing interest at the rate of 6.25% per annum (ISIN: MT0000551201);
ii. subsequently, in terms of a securities note, supplement and summary note dated 30 May 2011, the Issuer issued a further €5,000,000 in bonds, also redeemable at their nominal value on the 30 October 2015 and bearing interest at the rate of 6.25% per annum (ISIN: MT0000551219), fully fungible with, and subject to the same terms and conditions as, the bonds issued by the Issuer pursuant to the 2010 prospectus. As from 31 October 2011, the two bonds have been deemed to constitute one bond;
iii. on 30 October 2015, unsecured debt securities bearing interest at 6.25% per annum matured and were redeemed by the Issuer at their nominal value of €9,200,000;
iv. pursuant to a prospectus dated 21 November 2012, the Issuer issued the euro equivalent of €12,500,000 bonds in Euro (EUR Bonds) and Pounds Sterling (GBP Bonds) of a face value of €100 per EUR Bond and £100 per GBP Bond, redeemable at their nominal value on 14 December 2019

and bearing interest at 7.5% per annum (ISIN MT 0000551227 (EUR Bonds) and MT 0000551235 (GBP Bonds)).

v. pursuant to a prospectus issued on 12 June 2013, the Issuer issued the euro equivalent of €10,000,000 bonds in Euro (EUR Bonds) and Pounds Sterling (GBP Bonds) of a face value of €100 per EUR Bond and £100 per GBP Bond, redeemable at their nominal value on 14 December 2019 and bearing interest at 7.5% per annum (ISIN MT 0000551243 (EUR Bonds) and MT 0000551250 (GBP Bonds)), fully fungible with, and subject to the same terms and conditions as, the bonds issued by the Issuer pursuant to the 2012 prospectus. As from 15 December 2013, the two bonds have been deemed to constitute one bond. On 10 December 2013 the Issuer announced that the subordinated bonds issued in terms of the prospectus dated 12 June 2013 were to be merged with the 7.5% subordinated bonds 2019 issued in November 2012 (ISIN: EUR bonds - MT0000551227 and GBP bonds - MT0000551235) following the first interest payment on 14 December 2013, and that the two subordinated bonds were thereafter to be deemed to be one subordinated bond. Accordingly, trading in the 7.5% Subordinated Bonds 2019 Fungible Issue June 2013 was suspended forthwith

vi. on 3 November 2014 the Issuer issued the euro equivalent of €25,000,000 in euro and pounds sterling denominated subordinated bonds (ISIN: EUR bonds - MT0000551268 and GBP bonds - MT0000551276), redeemable at their nominal value on 28 November 2024 (or redeemable early at the option of the Issuer (with the prior approval of the MFSA) on 28 November in each year between 2015 and 2023) and bearing interest at 6.0% per annum.

Capital requirements

As noted above in the section entitled **"Regulatory Matters – the Issuer is subject to substantial and changing prudential regulation"** , the Group has been categorised as an O-SII and re-categorised by the Central Bank of Malta as a core domestic bank following a comprehensive assessment carried out by the ECB in 2015. The results of such comprehensive assessment were received in November 2015, whereby the ECB acknowledged that the Group as of 30 September 2015 had a capital surplus of €23,100,000 over the minimum capital requirement. Thereafter, on 30 September 2015, 11 December 2015 and 20 March 2016, Medifin Finance Limited, the parent company of MeDirect Group Limited, made capital contributions of €28,699,601, €14,000,000 and €16,000,000 respectively to MeDirect Group Limited. Such amounts were in turn contributed to the Issuer - in fact on 25 November 2015, 22 January 2016 and 30 March 2016, the Issuer received capital contributions from its parent company, MeDirect Group Limited, amounting to €28,699,601, €14,000,000 and €16,000,000 respectively.

Subsidiaries of the Issuer

On 11 April 2014 the Issuer announced that it entered into an agreement with VB-Holding Aktiengesellschaft and Mithra Holding Gesellschaft m.b.H. to acquire 100% of the share capital of Volksbank Malta Limited ("**Volksbank Malta**") for a cash consideration of €35,300,000. The Issuer also agreed to refinance existing debt of Volksbank Malta payable to Österreichischen Volksbanken AG ("**Volksbank Austria**") as of the closing date of the transaction. The acquisition was concluded subject to approval by the MFSA, which was obtained on 25 September 2014. Volksbank Malta was subsequently renamed Mediterranean Corporate Bank Limited. On 21 November 2016, the Issuer announced that the Board of Directors of the Issuer and its subsidiary, Mediterranean Corporate Bank Limited, have each voted to merge Mediterranean Corporate Bank Limited into the Issuer, subject to receipt of all applicable regulatory approvals and to completion of all applicable legal requirements. On 10 March 2017, the directors of the Issuer delivered the draft terms of acquisition for registration and publication in terms of paragraph (a) of Article 358(3) of the Companies Act to the Registrar of Companies, and registration of the same was effected on 17 March 2017. On 22 June 2017, the merger became effective

On 1 September 2013 the Issuer established a branch in Belgium, through which the Issuer sought to access a broader and deeper market for savings and investment clients. Following approval by the NBB on 1 June 2015 the Issuer transferred the business of its Belgian branch to MeDirect Bank S.A., a direct separately capitalised subsidiary of the Issuer. MeDirect Bank S.A. now operates as a fully authorised Belgian bank.

7. BUSINESS OVERVIEW

7.1 Principal Activities & Markets

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

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

The Issuer has a diversified investment portfolio comprising a treasury book consisting of high quality, liquid securities, including primarily senior financial instruments, bank covered bonds and public sector bonds, and a corporate lending portfolio consisting primarily of senior secured loans, revolving credit facilities and bonds. Its corporate lending portfolio largely consists of Western European credits, and all loans and bonds in the portfolio are denominated in Euro or Pounds Sterling.

The principal customer-related activities of the Issuer in Malta include the following:

- the provision of senior secured loans to foreign companies and the acquisition of senior secured bonds from foreign companies;
- the receipt and acceptance of customers' monies for deposit in savings and fixed term deposit accounts which may be denominated in euro and other major currencies;
- the provision of wealth management products;
- trading for account of customers in foreign exchange;
- the provision of money transmission services;
- the provision of safe custody services with a wide range of custom-tailored solutions as well as administration and safekeeping of securities;
- the provision of model portfolios comprising mutual funds selected in cooperation with the investment research and investment management firm, Morningstar Inc.;
- the provision of e-brokerage services for the purchase and sale of mutual funds, equities, bonds and exchange traded funds;
- the provision of online tools and information to support and guide clients in their investment decisions;
- the provision of corporate lending by providing innovative financing solutions for medium-sized and larger enterprises;
- the receipt and acceptance of customers' monies for deposit in current accounts, fixed term deposit accounts and savings accounts;
- trading for the account of customers in foreign exchange, be it on spot or forward basis; and
- the provision of money transmission services by handling local and international payments.

The main markets in which the Issuer operates and competes are the Maltese and the Belgian markets. The banking, investment and wealth management services of the Issuer are provided to an array of Maltese and international individuals and corporate clients.

In addition to the above, the Issuer has introduced for its customers new online banking, investment and wealth management services, together with systems to support such services. The Issuer has successfully implemented (i) an e-banking system that enables the Issuer's customers to execute banking transactions online; and (ii) an execution platform for international and domestic investment products. The new platform provides access to a one-stop-shop for a broad array of savings and investment products which is supplemented by free investment research and financial planning tools. In addition the Issuer has successfully implemented a new corporate e-platform enabling its growing corporate customer base to access on a 24/7 basis its payments platform and foreign exchange execution service.

The Issuer is currently considering a number of organic and inorganic opportunities to broaden and diversify its investment activities to encompass new asset classes which may include speciality mortgages, amongst others. As at the date of this Prospectus, the Issuer is actively investigating and pursuing such specific opportunities in several markets in the European Union; however, as at the date of this Prospectus there is no certainty that any specific opportunity the Issuer is looking at or considering will materialise.

Grand Harbour I B.V.

On 23 December 2016, the Issuer acquired all of the issued share capital of the Dutch bankruptcy-remote funding vehicle Grand Harbour I B.V. (**"Grand Harbour I"**). The Issuer restructured Grand Harbour I as a subsidiary with the purpose of allocating risk more efficiently between the Issuer and its subsidiary, MeDirect Bank S.A., in line with the respective risk appetites of those entities. Following the restructuring, euro-denominated corporate credit assets were transferred both from the Issuer and MeDirect Bank S.A. to Grand Harbour I, which funded such purchases through a senior loan facility provided by MeDirect Bank S.A. and a junior loan facility provided by the Issuer. The Issuer also increased its equity investment in Grand Harbour I. Grand Harbour I is fully consolidated on the financial statements of the Issuer.

MeDirect Bank S.A.

As described in further detail under section 10 below ("**Business Strategy**"), in 2013 the Issuer established a branch in Belgium. Through the Belgian branch, the Issuer has broadened the range of markets in which it operates and competes. International expansion of the Issuer's operations enables the Issuer to offer its products and services to a larger number of customers and to take advantage of relatively cost efficient back office and systems infrastructure in Malta. Following approval by the NBB of the Issuer's application to convert its Belgian branch to a subsidiary, the Issuer transferred the business of its Belgian branch to MeDirect Bank S.A. (with registered number 0553851093) effective 1 June 2015.

Using the infrastructure created by the Issuer in Malta and supported by the Issuer's Maltese processing capability, the Issuer has launched in Belgium an investment services and wealth management offering directed toward the mass affluent audience. The Issuer is operating for the first time under a different brand, "MeDirect", with a refreshed image in keeping with the internet-based offering which currently is the Issuer's principal channel for addressing the Belgian market. As at 30 September 2016, MeDirect Bank S.A. had over 19,500 clients, more than €790 million in deposits and a growing investment and wealth management business.

MeDirect Bank S.A. has its physical office in Brussels. It operates with a local team and is supported by a contact centre, client service group and other operational functions located in Malta. Through a disbursement agreement with the Issuer (the "**Disbursement Agreement**"), MeDirect Bank S.A. has access to the infrastructure and processing capability of the Issuer's operating platform in Malta. Pursuant to the terms of the Disbursement Agreement, it was acknowledged and agreed that a number of goods and employee resources acquired by the Issuer and MeDirect Bank S.A. are commonly used by the parties thereto. The costs of such goods and employee resources shall be apportioned between them in a manner that reflects the portion actually used by each party to the Disbursement Agreement.

The principal customer-related activities of MeDirect Bank S.A. include the following, all of which are offered online at medirectbank.be:

- the receipt and acceptance of customers' monies for deposit in savings and fixed term deposit accounts principally in euro and also in US dollars and pounds sterling;
- the provision of online discretionary wealth management;
- the provision of model portfolios comprising mutual funds selected in cooperation with the investment research and investment management firm, Morningstar Inc.;
- the provision of e-brokerage services for the purchase and sale of mutual funds, equities, bonds and exchange traded funds; and
- the provision of online tools and information to support and guide clients in their investment decisions.

8. SELECTED FINANCIAL INFORMATION

The following are extracts from the Issuer's consolidated audited financial information for the financial years ended 31 March 2015, 2016 and 2017.

STATEMENTS OF COMPREHENSIVE INCOME	Mediterranean Bank PLC Group				
	Year ended 31 March 2017 €'000	Period from 1 April to 30 September 2016 €'000	Year ended 31 March 2016 €'000	Period from 1 April to 30 September 2015 €'000	Year ended 31 March 2015 €'000
Interest income	**89,863**	**44,857**	**77,240**	40,731	73,979
Interest expense	**(32,299)**	**(16,437)**	**(36,408)**	(18,495)	(40,492)
Net interest income	**57,564**	**28,420**	**40,832**	22,236	33,487
Fee and commission income	**4,393**	**2,109**	**3,119**	1,289	2,240
Fee and commission expense	**(1,652)**	**(747)**	**(1,777)**	(713)	(1,218)
Net fee and commission income	**2,741**	**1,362**	**1,342**	576	1,022
Net trading income	**2,178**	**991**	**2,224**	1,060	(1,778)
Net income from financial instruments at fair value through profit or loss	**-**	**-**	**1,108**	1,117	(1,623)
Gain on the initial accounting on acquisition of a subsidiary		**-**	**-**	-	22,414
Other operating income	**4,408**	**1,582**	**15,640**	11,674	21,593
Total operating income	**66,891**	**32,355**	**61,146**	36,663	75,115
Personnel expenses	**(17,426)**	**(8,785)**	**(17,228)**	(8,850)	(15,767)
Depreciation and amortisation	**(551)**	**(129)**	**(608)**	(316)	(914)
Administrative and other expenses	**(24,783)**	**(11,339)**	**(26,186)**	(11,896)	(19,716)
Operating expenses	**(42,760)**	**(20,253)**	**(44,022)**	(21,062)	(36,397)
Net operating income before impairment	**24,131**	**12,102**	**17,124**	15,601	38,718
Net impairment	**(5,607)**	**(2,802)**	**(3,747)**	773	(4,265)
Profit before income tax	**18,524**	**9,300**	**13,377**	16,374	34,453
Income tax expense	**(3,373)**	**(2,870)**	**(2,061)**	(4,081)	(4,414)
Profit for the period/year	**15,151**	**6,430**	**11,316**	12,293	30,039

STATEMENTS OF FINANCIAL POSITION	Mediterranean Bank plc		
	Group		Bank*
	As at 31 March 2016 €000	As at 31 March 2015 €000	As at 31 March 2014 €000
Assets			
Balances with Central Banks, treasury bills and cash	33,280	14,384	18,091
Derivative assets held for risk management	3,964	3,197	404
Derivative assets held for trading	-	-	404
Loans and advances to financial institutions	59,558	167,775	87,714
Loans and advances to customers	1,238,966	1,047,194	621,747
Investments	872,497	1,503,462	1,427,337
Investment in subsidiaries	-	-	1
Property and equipment	923	1,452	1,908
Intangible assets	27	63	128
Deferred tax asset	15,000	4,189	3,764
Current tax asset	5,633	-	-
Prepayments and accrued income	17,720	21,305	23,262
Other assets	26,733	20,542	18,888
Total assets	2,274,301	2,783,563	2,203,648
Equity			
Share capital	117,450	117,450	98,050
Share premium	13,464	13,464	13,464
Shareholders' contribution	60,803	2,103	9,750
Reserve for general banking risks	1,194	1,029	91
Fair value reserve	(7,580)	6,022	(5,691)
Retained earnings	18,348	29,197	19,496
Total equity	203,679	169,265	135,160
Liabilities			
Derivative liabilities held for risk management	7,337	5,200	2,973
Amounts owed to financial institutions	541,925	1,166,091	1,008,976
Amounts owed to customers	1,447,355	1,205,586	776,715
Debt securities in issue	-	157,137	230,127
Subordinated liabilities	47,380	47,777	22,385
Current tax liabilities	69	4,110	10,794
Deferred tax liabilities	-	1,901	-
Accruals and deferred income	23,321	24,600	15,409
Other liabilities	3,235	1,896	1,109
Total liabilities	2,070,622	2,614,298	2,068,488
Total equity and liabilities	2,274,301	2,783,563	2,203,648

* As at 31 March 2014. Mediterranean Bank plc did not have any material subsidiaries since MeDirect Bank SA was licensed as a Belgian credit institution and Mediterranean Corporate Bank Limited was acquired in 2015.

The Group recorded a profit after tax for the financial year ended 31 March 2017 of €15.2 million (2016: €11.3 million). Total operating income for the year ended 31 March 2017 was €66.9 million (2016: €61.1 million).

Profitability has mainly been driven through growth in attracting savings and term deposit products primarily in the Maltese and Belgian markets, deploying liquidity in the Group's international corporate lending activities, and efforts to maintain a low cost base.

The Group continues to fund its portfolios through deposits and the international wholesale financial markets. The growth of the Group's deposit base, both in Malta and in Belgium, has strengthened the Group's funding platform and rendered it more robust. Access to the Eurex repo platform also provided efficient funding for the Group. The Group's core deposit offering is a range of fixed-term and other savings products. As at 31 March 2017, the Group's deposit base reached €1.9 billion (2016: €1.4 billion). Growth of the Group's deposit base has also provided a potential customer base for investment and wealth management products.

The Group's loans and advances to customers ("**Lending Portfolio**") largely consist of senior secured loans and revolving credit facilities to corporate borrowers domiciled in Western Europe. Substantially, all loans and revolving credit facilities comprising the Lending Portfolio are denominated in Euro or Pound Sterling and substantially all of the loans are floating rate instruments (some have interest rate floors embedded within the contracts) and would not be adversely affected by material decreases in interest rates.

In this respect, the Group's international and domestic Lending Portfolio stood at €1.5 billion (2016: €1.2 billion) as of 31 March 2017, net of collective impairment loss allowances of €5.1 million (2016: €4.4 million) and specific impairment loss allowances of €16.9 million (2016: €12.4 million). In addition the Group had commitments of €288.3 million under revolving credit facilities as at 31 March 2017 (2016: €144.1 million) and other undrawn credit facilities of €49.5 million (2016: €33.3 million).

The Group also holds a portfolio of liquid assets. As of 31 March 2017, the Group's treasury portfolio stood at €698.5 million (2016: €851.2 million) consisting of available-for-sale ("AFS") securities. The fair value of the AFS book is risk managed through interest rate derivatives such as interest rate swaps where the hedge accounting methodology under IAS 39 was adopted.

8.1 Capital Adequacy and Liquidity Ratios

The following provides the capital adequacy ratio and liquidity ratio with respect to the Issuer as at 31 March 2015, 2016 and 2017 (audited):

	Group		
	As at 31 March		
	2017	**2016**	**2015**
Capital Adequacy Ratio[1]	13.7%	15.6%	14.8%

	Issuer		
	As at 31 March		
	2017	**2016**	**2015**
Liquid-asset Ratio[2]	56.9%	58.0%	91.1%

[1] The minimum capital adequacy ratio imposed by CRR Article 92 ("Own Funds requirements") on credit institutions licensed under the Banking Act (Cap. 371 of the laws of Malta) is 8%. The Group and the Issuer were subject to additional buffers imposed by the MFSA and the JST under Pillar 2 as part of the Supervisory Review and Evaluation Process. In addition to the minimum capital requirements, the Issuer and the Group are, or may be, required (depending on the applicability of the buffer in question) to hold additional capital in order to conserve capital and provide additional loss-absorption capacity.

[2] The minimum liquid-asset ratio imposed by the MFSA on credit institutions licensed under the Banking Act (Cap. 371 of the laws of Malta) is 30%.

The following provides information calculated as of 31 March 2017:

Group	**As at 31 March 2017**
Common Equity Tier One Ratio[3]	11.7%
Capital Adequacy Ratio	13.7%
CRD IV Liquidity Coverage Requirement Ratio[4]	576.7%
Estimated CRD IV Net Stable Funding Ratio[5]	128.9%
Estimated Leverage Ratio[6]	7.29%

[3] The calculation of capital ratios is based upon transitional rules as determined by the CRR/CRDIV capital framework and any circulars issued by the MFSA in respect of such transitional provisions.

[4] The Liquidity Coverage Ratio ("LCR") aims to ensure that institutions are able to withstand a 30-day period of stress by virtue of having sufficient unencumbered High Quality Liquidity Assets ("HQLA"). HQLA consist of cash or assets that can be converted into cash at little or no loss of value in the markets. The LCR metric is designed to promote the short-term resilience of the Group's liquidity profile, and became a minimum regulatory standard from 1 October 2015, under European Commission ("EC") Delegated Regulation 2015/61. As at 31 March 2017, the regulatory minimum LCR ratio in accordance with the transitional provisions was 80% whereas the fully phased in regulatory minimum LCR ratio is 100%.

[5] The Net Stable Funding Ratio ("NSFR") looks at the relationship between long term assets and long term funding. The NSFR requires institutions to maintain sufficient stable funding relative to required stable funding, and reflects a bank's long term funding profile (funding with a term of more than a year). Although minimum standards for this ratio are not set out in the CRR, the Basel Committee has recommended a minimum level of 100% from 1 January 2018.

The European calibration of NSFR is pending following the European Commission's proposal in November 2016. As a result, the Regulatory Group calculates NSFR in line with Basel Committee on Banking Supervision Publication 295, pending its implementation in Europe. This calculation requires various interpretations of the text, and therefore the Group's NSFR may not be directly comparable with the ratios of other institutions.

[6] The CRR requires financial institutions to calculate a non-risk based leverage ratio, to supplement risk-based capital requirements. The leverage ratio measures the relationship between the capital resources of the organisation and its total assets. The leverage ratio is a regulatory supervisory tool for the Regulator, to constrain the build-up of excessive leverage – one of the drivers of the banking crisis – previously not captured within Basel II.

The leverage ratio is calculated by taking capital as a proportion of total exposures at the end of each quarter. Capital is defined as Tier 1 capital in line with Article 25 of the CRR, whilst total exposure relates to the total on and off-balance sheet exposures, less deductions applied to Tier 1 capital.

The initial implementation of the current leverage ratio regime is to be effected as a Pillar II measure. In 2016, the European Banking Authority published its report on the impact assessment and calibration of the leverage ratio, recommending the introduction of a leverage ratio minimum requirement in the EU to mitigate the risk of excessive leverage. The analysis suggests that the potential impact of introducing a Pillar I leverage ratio requirement of 3% on the provision of financing by credit institutions would be relatively moderate, while, overall, it should lead to more stable credit institutions. It is expected that the leverage ratio should be introduced as a binding measure as of 2018. The Group currently complies with the minimum 3% Tier 1 leverage ratio based on fully-transitioned Basel III standards.

9. TREND INFORMATION

The global economy has been relatively strong in 2017 despite significant levels of political uncertainty. Numerous high profile elections have taken place such as the United States, France, Italy and the Netherlands. In addition, the United Kingdom's decision in June 2016 to leave the European Union has provided an undercurrent of uncertainty to European economics. Encouragingly however, European Purchasing Marketing Indexes are at post-sovereign debt crisis highs, unemployment continues to trend lower and consumer confidence levels are back to levels last seen prior to 2008.

The continued impact of accommodative monetary and interest rate policies has had a demonstrable impact on the financial markets. Quantitative easing has resulted in excess banking reserves exceeding c. €1,600 billion and with the programme expected to continue to the conclusion of 2017, excess reserves will grow to beyond €2,000 billion. The negative interest rate environment that has enveloped Europe has put significant downward pressure on interbank borrowing rates and ultimately, deposit rates. The ultimate objective of such policies, which have been interspersed with other liquidity mechanisms such as Targeted Longer Term Refinancing Operations (**"TLTROs"**), has been to promote growth in lending to the wider economy. Over the course of the past year, many banking institutions have worked to clean up their balance sheets, disposing of Non-Performing Loans and streamlining their operations. This, combined with the establishment of a robust bank resolution framework and improving economic conditions, has been supportive of loan growth.

In respect of Malta, economic activity was robust in 2016 as real GDP grew by 5.1% in comparison to 1.7% for the Euro Area. This growth was supported by strong exports and labour market conditions. The Maltese banking system continues to operate with strong levels of capital adequacy; MeDirect Group's CET1 ratio for the financial year ending 31 March 2017 was 11.7%. Belgian GDP growth in 2016 was slightly lower than the Euro Area at 1.2%. In spite of this, key underlying economic indicators remain robust and Belgian banks are amongst the best capitalised in Europe with an average CET1 ratio of c. 15%. MeDirect Bank's CET1 ratio for the financial year ending 31 March 2017 was 18.9%.

The trends described above have been supportive of the Issuer's business. The general improvement in economic conditions coupled with ongoing accommodative monetary policy has supported both the asset and liability side of the Issuer's balance sheet. In addition, these developments have increased the number of wealth management customers and the size of the aggregate assets under custody of the Issuer and MeDirect Bank S.A. Though the economic environment is not anticipated to change materially in the remaining months of 2017, the Issuer is confident that it possesses an adequately dynamic business model to respond to any prospective shift in trends.

10. BUSINESS STRATEGY

The Issuer's primary strategic objective is to be a leading provider of savings, investment and wealth management products to the mass affluent market, both in Malta and in other European Union countries.

The Issuer's ongoing business strategy is based on:

a) providing innovative, cost efficient wealth management services to its growing mass affluent customer base;
b) continuing to develop its deposit product offering to attract customers and produce cross-selling opportunities;
c) expanding internationally through implementation of the Issuer's scalable online retail platform, further broadening the customer base;
d) developing its corporate banking business;
e) growing interest income and non-interest income streams to support business profitability; and
f) leveraging its low cost Maltese operational infrastructure to support each of the Issuer's business lines.

The Issuer has made significant investments in technology that have allowed it to introduce new online banking and investment services for its customers, together with systems to support such services. Investment services include online execution of brokerage transactions in respect of equities, bonds and funds as well as foreign exchange execution capabilities. The Issuer also offers online retirement and investment planning capabilities, analytical tools to enable customers to analyse portfolio and investment alternatives and a broad range of research and market data resources.

The Issuer's aim in building its online banking, investment and wealth management systems has been, and remains, to create a seamless, easy to use platform that delivers cost efficient and transparent execution capabilities for the Issuer's customers. The Issuer aims to create systems and processes that are scalable and can be deployed to new markets and products at relatively low incremental cost. The Issuer bases the bulk of its operations, including, amongst other things, back office, middle office, call centres, information technology and treasury operations, in Malta, a relatively low cost EU jurisdiction.

The Issuer is also diversifying its customer base internationally, initially through the establishment of its first international branch in Belgium and later through the conversion of that branch into MeDirect Bank S.A., a fully-licenced Belgian credit institution. Expansion of the Issuer's operations to international markets has broadened the Group's customer base and enabled the Group to offer its products and services, particularly investment services, to a larger pool of potential customers. This strategy is also intended to allow the Group to deliver competitive investment solutions to a larger number of customers and to take advantage of the Issuer's relatively cost efficient existing back office and systems infrastructure in Malta.

The vast majority of the Group's growth has been targeted at its Belgian subsidiary. With access to such a broad deposit market, MeDirect Bank S.A.'s balance sheet has grown to €805 million since commencement of operations in June 2015. MeDirect Bank S.A. has a well-diversified corporate lending portfolio and is currently an online provider of savings and investment products. Through its online platform for savings, e-brokerage and e-wealth management, it provides its Belgian client base with the following services, amongst others: online discretionary wealth management; model portfolios consisting of selected mutual funds, low cost trade execution for mutual funds, stocks, bonds and exchange traded funds; access to online investment analysis and tools and competitive savings rates.

In Malta, the Issuer continues to develop its customer base. Since setting up its first local branch in Sliema in August 2010, the Issuer has established a further six branch offices throughout Malta and Gozo. Further, the Group intends to centralise its operations in a new headquarters building which is currently being developed in Tigne Point, Sliema, completion of which is targeted towards the end of 2017.

The Issuer is also building its corporate banking business by expanding the range of payment, custody and foreign exchange services that it offers to its corporate customers. Through its recent acquisition of Mediterranean Corporate Bank Limited (previously Volksbank Malta), the Issuer intends to develop the corporate banking platform of the Mediterranean Bank group in Malta and to broaden and deepen it relationships with corporate customers in the Maltese market.

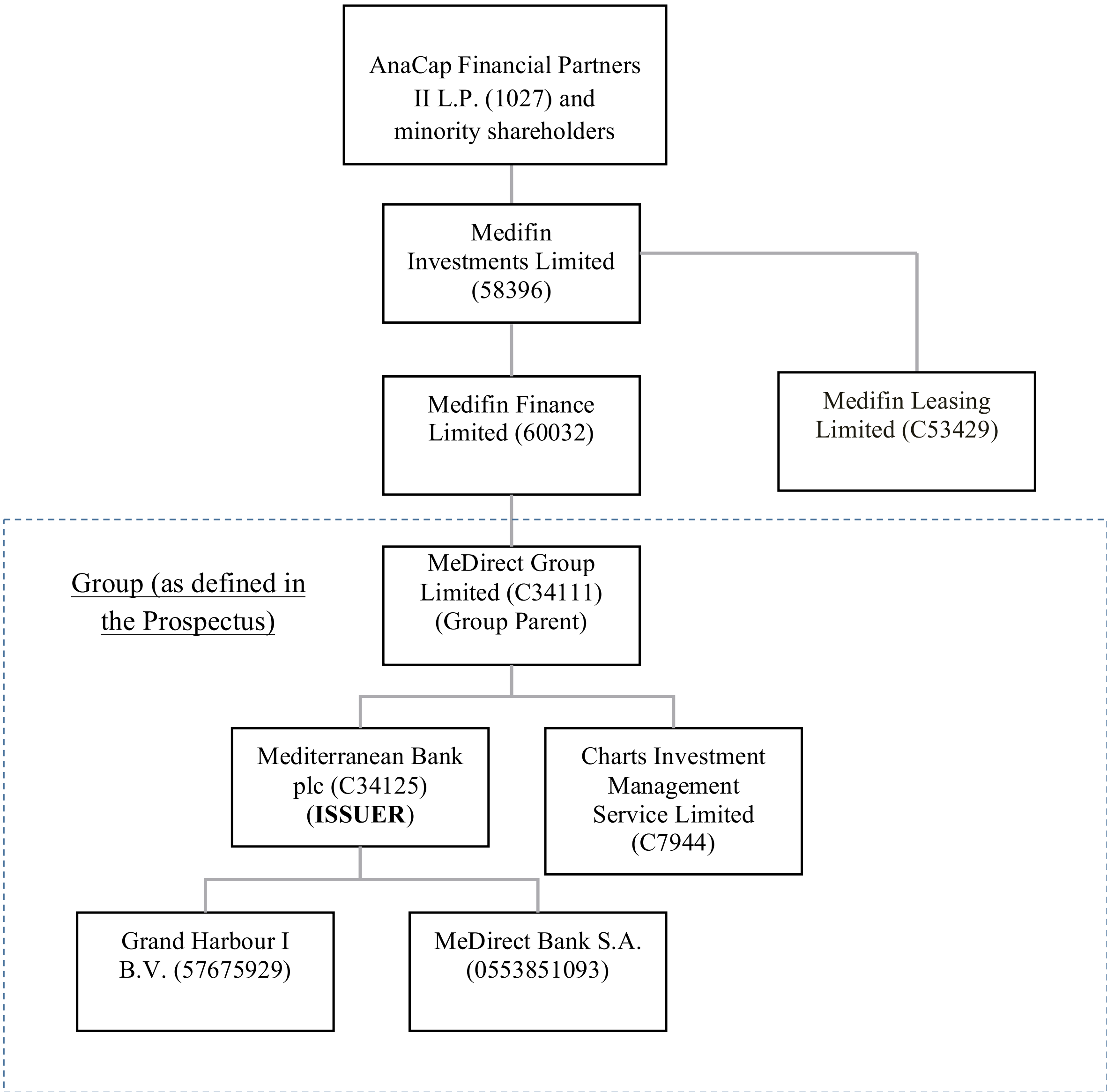
The Issuer also continues to diversify its range of funding alternatives in the international wholesale funding markets through bilateral repo lines, access to the Eurex repo platform and a secured three-year term funding facility with an international counterparty.

In respect of its investment activities, the Issuer has maintained and intends to continue its strategy of building a portfolio of senior secured loans to and bonds issued by European corporate issuers through its corporate credit platform. In addition, it has continued its policy of investing its treasury portfolio in highly-rated investment securities.

During the past financial year and over the medium-term, the Issuer has grown its corporate credit business as a percentage of its overall asset base. As corporate credit assets typically attract higher risk weightings than the highly-rated investment securities in which the Issuer has historically invested, the Issuer's capital adequacy ratio has decreased during the past two financial years. Notwithstanding the foregoing, the Issuer intends to continue to operate with a capital adequacy ratio in excess of the minimum capital requirements provided by the CRR and also any other guidance issued by the JST.

11. ORGANISATIONAL STRUCTURE

The Issuer forms part of a group of companies, the parent of which is AnaCap Financial Partners II L.P.



- AnaCap Financial Partners II L.P. - a specialist private equity firm focused on making investments in the financial services sector across Europe. AnaCap Financial Partners II L.P. is a limited liability partnership incorporated under the laws of Guernsey with company number 1027 and is managed by AnaCap Financial Partners LLP, a limited liability partnership incorporated under the laws of the United Kingdom with company registration number OC 314005.
- Medifin Investments Limited – a holding company organised under the laws of Guernsey with company number 58396. The majority of the issued share capital of Medifin Investments Limited (approximately 97.1% in terms of voting rights) is subscribed to by AnaCap.
- Medifin Leasing Limited – a company incorporated under the laws of Malta with company number C 53429. Medifin Leasing Limited was set up with the object of acquiring immovable or movable property and any rights or licenses relating to its business, including in particular software solutions and hardware. It is a 99.9% owned subsidiary of Medifin Investments Limited.
- Medifin Finance Limited – a holding company organised under the laws of Guernsey with company number 60032. It is a fully owned subsidiary of Medifin Investments Limited.
- MeDirect Group Limited – a holding company registered under the laws of Malta as a private limited liability company with company registration number C 34111. It is a fully owned subsidiary of Medifin Finance Limited, and the parent of the Group.

- Charts Investment Management Service Limited – a company licensed under the Investment Services Act (Cap. 370 of the laws of Malta) to provide investment services, to hold and control clients' money and assets, and to deal for its own account or underwrite. Charts Investment Management Service Limited is a private limited liability company registered under the laws of Malta with company registration number C 7944. It is a fully owned subsidiary of MeDirect Group Limited.
- Grand Harbour I B.V. – a limited liability company registered under the laws of the Netherlands with trade register number 57675929. It is a fully owned subsidiary of the Issuer.
- MeDirect Bank S.A. – a company licensed under Belgian law bearing Belgian company registration number 0553851093. The majority of the issued share capital of MeDirect Bank S.A. (99.9%) is held by the Issuer, with the remaining one share being held by the Parent.

The organisational structure set out above does not include Medifin Estates, a subsidiary of the Issuer which, as at the date of this Prospectus, does not constitute a material part of the Issuer's business. Medifin Estates is a partnership *en nom collectif* registered under the laws of Malta with partnership number P 1408, set up for the purpose of acquiring by way of lease, emphyteusis or other title immovable property for the purpose of investment, commercial speculation, development or sublease. It is a 97% owned subsidiary of the Issuer and it is included in the Issuer's consolidated financial statements.

12. BOARD OF DIRECTORS AND BOARD COMMITTEES

12.1 Board of Directors

The Board of Directors of the Issuer is to consist of a minimum of two (2) and a maximum of eleven (11) members. Presently there are seven (7) directors. The Board meets regularly to establish and review the policies and strategies of the Issuer and to monitor the implementation thereof and the overall performance of the Issuer.

As at the date of this Prospectus, the Board of Directors of the Issuer is composed of the following persons:

Michael Adrian Bussey
Chairman & Non-Executive Director

Michael Bussey joined HSBC in 1980 as an international executive and spent over twenty years as an expatriate in a variety of senior roles. During that period he lived and worked in Asia, the Middle East, Africa, North America and the UK. His last role with HSBC was CEO HSBC Private Banking EMEA. From 2001, Michael decided to remain in UK and specialise in Private Banking and Wealth Management. After a short period with Schroders, he was appointed CEO Private Banking and Trust at NM Rothschild. His last executive role was as CEO of Arbuthnot Latham & Co. In 2011 Michael began his "portfolio" career by chairing UK Wealth Management which was a Leeds based IFA owned by Duke Street Capital. A successful exit was achieved in 2014 by way of a trade sale. He is chairman of Gentoo Genie Ltd, an award winning FCA regulated business which has created a new financing structure for first time home buyers, and a chairman and non-executive director of Credit Suisse (UK) Ltd, where he also chairs the Remuneration and Nominations Committee.

John Zarb
Non-Executive Director

Mr. Zarb has wide ranging experience in the financial services sector and is a Fellow Member of the Association of Chartered Certified Accountants in Scotland and a Fellow Member of the Malta Institute of Accountants. He is presently the Chairman of PG p.l.c., a board member and Chairman of the Audit Committee of Tumas Investments p.l.c. and a director of Foster Clarks Products Limited. He was previously also a director of Sorcery Shipping Limited, a limited liability company registered in Malta. He was a Partner of Pricewaterhouse Coopers in Malta since 1988, before his retirement in 2014. Mr. Zarb was elected to the Council of the Malta Institute of Accountants in 1984 and served as an official of the Institute for a period of 10 years. He was appointed as a member of the Accountancy Board in 1997 and served continually on the board until his retirement. Mr. Zarb was an external lecturer in auditing at the University of Malta from 1983 until 2014.

Michael Walker
Non-Executive Director

Michael Walker has held a variety of both executive and non-executive directorships since 1985 and has provided specialist advice and training to the UK's Financial Conduct Authority and Prudential Regulation Authority, and the European Securities and Markets Authority. He is presently an executive director of Acuity 4 Limited and Sky Blue Management Limited and is a non-executive director of Peel Hunt LLP. He has held the position of chairman of both the UK Asset & Liability Management Association and the London Discount Market Association, requiring him to liaise between UK clearing banks, major building societies and Bank of England officials. Mr Walker is currently chairman of Peel Hunt LLP's Risk and Audit Committees and a member of the Remuneration committee. His chairmanship of the London Discount Markets Association saw him meeting weekly for one-to-one briefing sessions with the Governor of the Bank of England. In addition to these roles, Mr Walker is a Fellow of both the Chartered Institute of Bankers and the Royal Society of Arts and a past member of the British Bankers Association Council and various Bank of England standing committees. He has also held the chairmanship of the Prudential-Bache International Corporate Social Responsibility Committee, with overall responsibility for community affairs initiatives and the development of social enterprises in the Prudential-Bache Group in London.

Benjamin Hollowood
Non-Executive Director

Benjamin Hollowood is an investment director at AnaCap Financial Partners LLP, a European private equity firm specialising in financial services, where he is part of the Business Services team responsible for the development of AnaCap Financial Partners LLP's portfolio company investments. Prior to joining AnaCap Financial Partners LLP, Benjamin worked as a principal at Bain Company where he led a broad range of assignments across the financial services sector, where he advised senior management teams across Europe, US, and Africa on strategy, Mergers &Acquisitions, operational and organisational issues. Benjamin holds a MA in Neuroscience from the University of Cambridge.

Dominic Wallace
Non-Executive Director

Mr Wallace has more than 25 years' experience in the financial sector, gained at a number of international institutions, including 13 years at Citigroup and its predecessor companies. There Mr Wallace held a number of senior Risk Management positions: most recently he was global head of interest rate, liquidity, currency and equity risk for Citigroup's institutional business. His previous roles included responsibility for pricing risk and for new product approval. Mr Wallace has an MA from Cambridge University and a DPhil from Oxford University, both in theoretical physics. Mr. Wallace retired from his executive role as Chief Risk Officer and terminated his employment with the Group on 30 June 2016 but will continue to serve as a non-executive director of the Issuer. He has also served as Acting Chief Executive Officer in Mr Watson's absence.

Mark A. Watson
Executive Director – Chief Executive Officer

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

Joaquin Vicent
Executive Director - Director of Treasury & Investments

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

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

12.1.1 Conflicts of Interest

The Issuer's Articles of Association provide that any director who is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the Issuer must (i) declare to the other directors the nature of such interest and ensure such declaration be minuted; (ii) not participate in or be present for any discussion relative to any such transaction or proposed transaction, and (iii) not vote in respect of any such transaction or proposed transaction.

On joining the Board and regularly thereafter, Directors are informed and reminded of their obligations in respect of dealing in securities of the Issuer within the parameters of law and the Listing Rules.

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

In the event that, as a result of the shareholding structure and resultant rights described above, potential conflicts were to arise at the level of the Issuer, through its Audit Committee and independent non-executive directors the Issuer considers that it has the necessary measures in place to ensure the appropriate management and resolution of such conflicts in the best interests of the Issuer. Furthermore, in terms of the M&As, in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith.

12.2 Board and Management Committees

The Board of Directors has established the following Committees:

12.2.1 Board Committees

12.2.1.1 Audit Committee

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

- reviews accounting policies;
- monitors the Group's financial and other disclosures, ensuring compliance with legal and regulatory requirements;
- reviews the qualifications, performance and independence of the external auditor;
- reviews and approves Internal Audit's plans;
- assesses the effectiveness of Internal Audit, including the adequacy and competence of its staff; and
- assesses the quality of the Group's internal controls.

The members of the Audit Committee as of the date hereof are:

John Zarb	Committee Chairman and Non-Executive Director
Michael Adrian Bussey	Member and Non-Executive Director
Michael Walker	Member and Non-Executive Director

Mr John Zarb was appointed by the Board as an independent director who is competent in accounting and/or auditing in terms of listing rules 5.117 and 5.118. Mr Zarb is deemed (i) independent because he is free from any business, family or other relationship with the Issuer or its management that may create a conflict of interest such as to impair his judgment and (ii) is competent in accounting and/or auditing in view of his experience in those areas.

During the financial year ended 31 March 2017, eight meetings of the Issuer's Audit Committee were held.

12.2.1.2 Nomination and Remuneration Committee

The primary purpose of the Nomination and Remuneration Committee (**"NRC"**) is to oversee the Group's remuneration system and the composition of its management body.

In respect of nominations matters, the NRC is responsible for making recommendations to the Board in respect of key appointments including:

- Board appointments, including re-elections and succession planning, particularly in respect of Executive Directors;
- Membership of board committees;
- Endorsement of senior executive appointments.

It is also responsible for monitoring the performance of directors and ensuring that their professional development is appropriately facilitated.

In respect of remuneration matters, the NRC reviews the setting of remuneration levels (fixed and variable), as well as the structure and levels of variable remuneration, for senior executives (including Executive Directors) and risk-takers within the Group as defined in the Group's Remuneration Policy. In this regard it receives recommendations from the executive management of the Group for its consideration and approval.

In addition, the Committee is responsible for ensuring that the Group's Remuneration Policy itself, as well as the structure and levels of remuneration, are in accordance with prevailing laws and regulatory guidance, as well as with best practice, and are consistent with the long-term sound and prudent management of the Group.

The members of the NRC are:

Michael Adrian Bussey	Committee Chairman and Non-Executive Director
Michael Walker	Non-Executive Director
Benjamin Hollowood	Non-Executive Director

During the financial year ended 31 March 2017, one meeting of the Issuer's Nomination and Remuneration Committee was held.

12.2.1.3 Risk Committee

The Risk Committee represents the principal forum for overseeing all the risks of the Issuer. In addition, it is responsible for recommending the Issuer's risk appetite to the Board, and deciding risk-related policies and recommendations.

The members of the Risk Committee are:

Michael Walker	Committee Chairman and Independent Non-Executive Director
Benjamin Hollowood	Member and Non-Executive Director
Dominic Wallace	Member and Non-Executive Director

The Risk Committee is responsible for reviewing the Group's risks in sufficient detail that it can assess whether they are consistent with the Group's risk appetite, and for reviewing management's proposed courses of action if not. It may then approve these plans or require them to be altered, as appropriate.

It is also responsible for assessing the Group's high-level controls, limits, and risk aggregation and reporting framework to ensure that these are sufficient to maintain its level of risk (including, but of course not limited to, operational risk) within its appetite.

The Chairman of the Risk Committee reports on all matters to the Board after each meeting and notifies the Board of decisions made. The Committee makes whatever recommendations to the main Board that it deems necessary.

During the financial year ended 31 March 2017, six meetings of the Issuer's Risk Committee were held.

12.2.2 Principal Management Committees

12.2.2.1 Executive Management Committee ("EXCO")

The EXCO takes day-to-day responsibility for the efficient operation of the Issuer. In addition, the EXCO is responsible for the formulation and implementation of Board-approved strategies and plans and for ensuring that the Issuer's business is operated in accordance with such strategies and plans. The members of EXCO are the senior management of the Issuer and the Group of which it forms part. EXCO is divided into two sub-committees:

(1) *Strategy EXCO*
Strategy EXCO meets bi-weekly and focuses on strategic matters.

(2) *Management EXCO*
Management EXCO meets bi-weekly and focuses on group matters

12.2.2.2 Management Credit Committee

The Management Credit Committee is responsible for approving credit and investment recommendations and making other credit and investment decisions within its authority as delegated by the Board through its approval of the Group's applicable policies, including approving or rejecting investment and credit recommendations presented by the Treasury and Investments department; taking decisions on individual credits; reviewing and recommending credit and large exposures to the Board; considering credit hedging strategies, and recommending concentration limits for Board approval.

The members of the Management Credit Committee include the Issuer's Chief Risk Officer (Committee Chairman), the Issuer's Chief Executive Officer, and Director of Treasury and Investments. The Management Credit Committee meets regularly on an *ad hoc* basis. During the financial year ended 31 March 2017, the Management Credit Committee meetings were typically held at least once a week.

12.2.2.3 Asset and Liability Committee ("ALCO")

ALCO sets and reviews the Group's overall policies and objectives for asset and liability management, and analyses and reviews the liquidity position of the Group, working to manage and optimise the Group's asset liability mix by a number of means including product definition and pricing. The Committee also oversees the Group's market risk position.

The members of ALCO include the Issuer's Director of Treasury and Investments (Committee Chairman), Chief Executive Officer, Head of Treasury, Head of Operations, Chief Financial Officer, Deputy Chief Financial Officer and Chief Risk Officer and MeDirect Bank's Chief Financial Officer. ALCO has scheduled meetings monthly but also holds additional *ad hoc* meetings. During the financial year ended 31 March 2017, 14 meetings of the ALCO were held.

12.2.2.5 New Products and Services Committee

The New Products and Services Committee ("**NPSC**") has been established to analyse potential new products and services that the Group proposes to offer to its customers or to undertake on its own account. Its primary mandate is to ensure that these products and services are not implemented or offered to customers unless the Group is adequately prepared, both legally and operationally.

The members of the NPSC are the Chief Risk Officer (Committee Chairman), Head of Operational Risk, Head of Operations, Head of Client Service Group, Chief Technology Officer, Director of Commercial Strategy and Head of Legal, Chief Financial Officer, Deputy Chief Financial Officer, Head of Information Technology, Risk Architecture Manager, Head of Middle Office Operations, Head of Treasury.

During the financial year ended 31 March 2017, three meetings of the NPSC were held.

12.3 Compliance with Corporate Governance Requirements

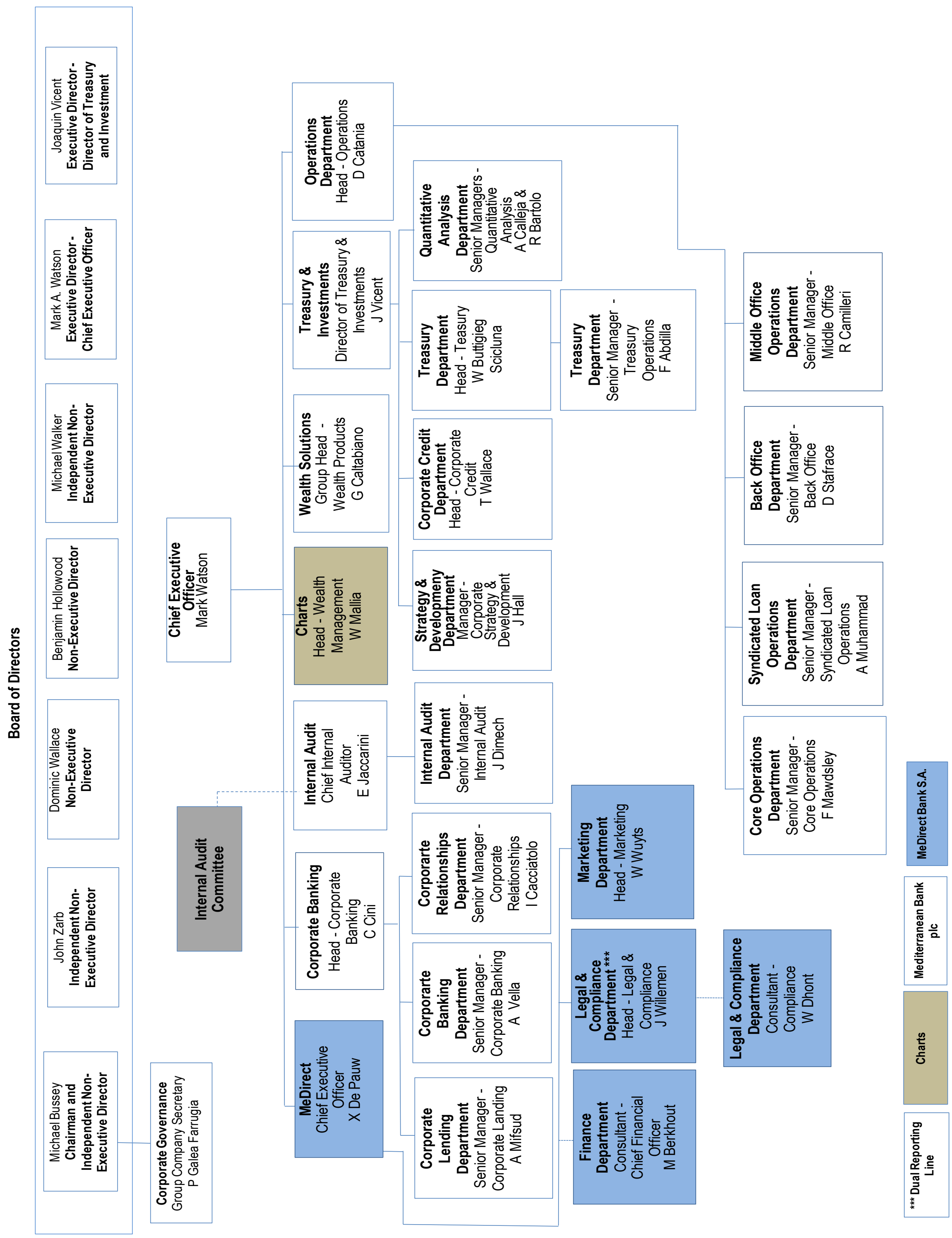
The Directors believe that the current organisational structures put in place by the Issuer are adequate and shall continue to build the organisation's structure at this level on the same model adopted so far. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

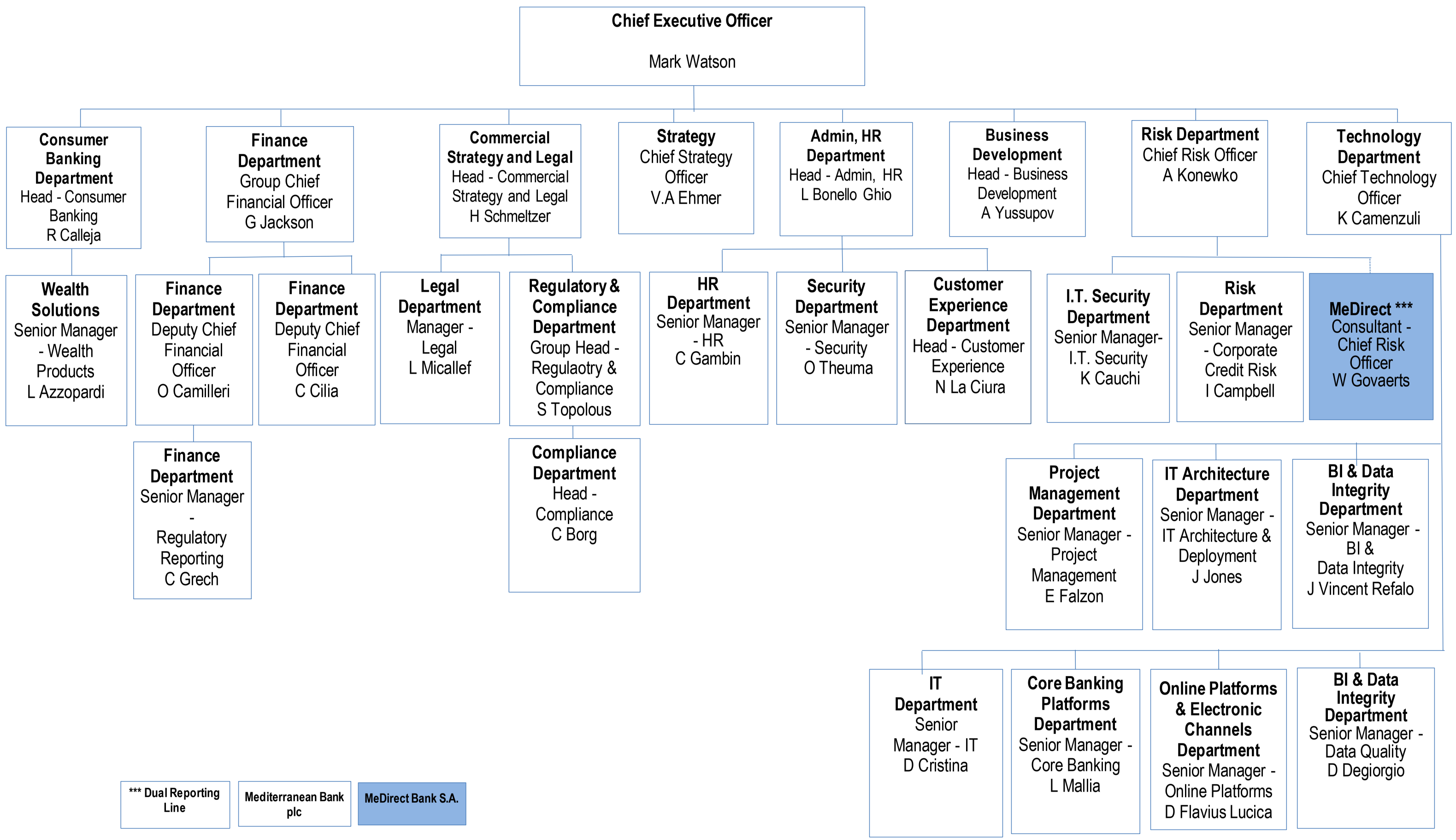
The statement of compliance with the Code of Principles of Good Corporate Governance (the **"Code")**, which indicates the extent to which the Issuer has complied with the Code, is set out in its entirety in the Issuer's annual report for the financial year ended 31 March 2017 under the heading "Statement of Compliance with the Principles of Good Corporate Governance".

The Issuer considers that it is fully compliant with the provisions of the Code of Principles of Good Corporate Governance.

12.4 Management Team

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




Chief Executive Officer
Mark Watson
Consumer Banking Department
Head - Consumer Banking
R Calleja
Finance Department
Group Chief Financial Officer
G Jackson
Commercial Strategy and Legal
Head - Commercial Strategy and Legal
H Schmeltzer
Strategy
Chief Strategy Officer
V.A Ehmer
Admin, HR Department
Head - Admin, HR
L Bonello Ghio
Business Development
Head - Business Development
A Yussupov
Risk Department
Chief Risk Officer
A Konewko
Technology Department
Chief Technology Officer
K Camenzuli
Wealth Solutions
Senior Manager - Wealth Products
L Azzopardi
Finance Department
Deputy Chief Financial Officer
O Camilleri
Finance Department
Deputy Chief Financial Officer
C Cilia
Finance Department
Senior Manager - Regulatory Reporting
C Grech
Legal Department
Manager - Legal
L Micallef
Regulatory & Compliance Department
Group Head - Regulaotry & Compliance
S Topolous
Compliance Department
Head - Compliance
C Borg
HR Department
Senior Manager - HR
C Gambin
Security Department
Senior Manager - Security
O Theuma
Customer Experience Department
Head - Customer Experience
N La Ciura
I.T. Security Department
Senior Manager- I.T. Security
K Cauchi
Risk Department
Senior Manager - Corporate Credit Risk
I Campbell
MeDirect ***
Consultant - Chief Risk Officer
W Govaerts
Project Management Department
Senior Manager - Project Management
E Falzon
IT Architecture Department
Senior Manager - IT Architecture & Deployment
J Jones
BI & Data Integrity Department
Senior Manager - BI & Data Integrity
J Vincent Refalo
IT Department
Senior Manager - IT
D Cristina
Core Banking Platforms Department
Senior Manager - Core Banking
L Mallia
Online Platforms & Electronic Channels Department
Senior Manager - Online Platforms
D Flavius Lucica
BI & Data Integrity Department
Senior Manager - Data Quality
D Degiorgio
*** Dual Reporting Line
Mediterranean Bank plc
MeDirect Bank S.A.

13. MAJOR SHAREHOLDERS

13.1 Shareholding of the Issuer

As at the date of this Prospectus, MeDirect Group Limited holds all of the issued share capital of the Issuer save for one share held by FJV Management Limited.

13.2 Shareholding of MeDirect Group Limited

As at the date of this Prospectus, Medifin Finance Limited holds all the issued share capital of MeDirect Group Limited save for one share held by Mark Watson Holdings Limited. Medifin Finance Limited holds 56,406,546 ordinary 'A' shares in the issued share capital of MeDirect Group Limited and Mark Watson Holdings Limited holds one ordinary 'B' share in the issued share capital of said company. Both ordinary 'A' and ordinary 'B' shares have a nominal value of one Euro each.

Pursuant to the memorandum and articles of MeDirect Group Limited, holders of the ordinary 'A' shares and of the ordinary 'B' shares are entitled to the right to receive notice of all general meetings. The right to vote at said meetings, the right to receive a dividend and the entitlement to surplus assets of the company on a winding up are restricted to the holders of the ordinary 'A' shares.

13.3 Shareholding of Medifin Finance Limited

The issued share capital of Medifin Finance Limited is held as follows:
- Medifin Investments Limited (a limited liability company registered under the laws of Guernsey with registration number 58396) holds 162,758,547 ordinary 'A' shares;
- There are also a number of shareholders holding class B non-voting shares.

13.4 Shareholding of Medifin Investments Limited

The issued share capital of Medifin Investments Limited is held as follows:
- AnaCap Financial Partners II L.P. (a limited partnership registered under the laws of Guernsey with registration number 1027) holds 40,188,556 ordinary 'A' shares and 15,000,000 ordinary 'D' shares;
- Mark Watson Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1570918) holds 627,855 ordinary 'B' shares and 1,200,000 ordinary 'C' shares;
- HCS Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1568277) holds 224,233 ordinary 'B' shares and 450,000 ordinary 'C' shares;
- JVP Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1570979) holds 362,903 ordinary 'B' shares and 870,000 ordinary 'C' shares;
- XDP Holdings Limited (a limited liability company registered under the laws of the British Virgin Islands with registration number 1673054) holds 180,000 ordinary 'C' shares; and
- Overseas Pensions and Benefits Limited holds 300,000 ordinary 'C' shares.

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

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

The Issuer is currently indirectly owned by a holding company, Medifin Investments Limited, which in turn is majority owned and controlled by AnaCap (a European private equity fund which specialises in investments in the financial services sector). As a private equity investor, AnaCap regularly undertakes strategic reviews of its investments, including its investment in Medifin Investments Limited, in order to assess its future options. In addition, AnaCap does, from time to time, receive approaches and/or expressions of interest from third parties that are interested in investing in, or acquiring, Medifin Investments Limited and/or the Issuer. It is therefore possible that during the term of the Bonds, one or more of these approaches and/or expressions of interest could ultimately lead to a change in control of Medifin Investments Limited and/or the Issuer as a result of a transfer/s of AnaCap's majority shareholding in Medifin Investments Limited to third parties. At present, however, the Issuer is not aware of any existing arrangements between Medifin Investments Limited and any potential acquirer which may result in a change of control.

14. FINANCIAL INFORMATION

14.1 Historical Financial Information

Full historical financial information are set out in the consolidated financial statements of the Issuer for the financial year ended 31 March 2015 (audited by KMPG) and financial years 31 March 2016 and 2017 (audited by PWC) , and are available for public inspection.

The latest audited financial information available in respect of the Issuer may be found in the consolidated financial statements of the Issuer for the year ended on 31 March 2017, which have been audited by PricewaterhouseCoopers, and are available for public inspection.

14.2 Legal and Arbitration Proceedings

There have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Registration Document which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

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

There have been no significant changes in the financial or trading position of the Issuer or the Group which has occurred since 31 March 2017.

15. MATERIAL CONTRACTS

The Issuer has not entered into any material contracts which are not in the ordinary course of business and which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note forming part of the Prospectus.

16. DOCUMENTS ON DISPLAY

For the life of the Registration Document, the following documents or copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer:

i. The M&As;
ii. The consolidated audited financial statements of the Issuer for the financial years ended 31 March 2015, 2016 and 2017, including the respective auditor's reports.

The above-mentioned documents are also available for inspection in electronic form on the Issuer's website at www.medbank.com.mt.