INFORMATION MEMORANDUM DATED 3 FEBRUARY 2021

MDB Group Limited

(domiciled and incorporated with limited liability in Malta with registered number C 34111)

€11,000,000 Fixed Rate Reset Callable Subordinated Notes due 2031

Issue Price: 99.052 per cent.

The €11,000,000 Fixed Rate Reset Callable Subordinated Notes due 2031 (the "**Notes**") will be issued by MDB Group Limited (the "**Issuer**") on or about 10 February 2021 (the "**Issue Date**") and have the benefit of a fiscal agency agreement to be dated on or about 10 February 2021 (the "**Fiscal Agency Agreement**") between the Issuer and the Fiscal Agent (as defined in the section headed "*Terms and Conditions of the Notes*" (the "**Conditions**", and references herein to a numbered "**Condition**" shall be construed accordingly)).

The Notes will be direct, unsecured and unguaranteed obligations of the Issuer, ranking *pari passu* and without any preference amongst themselves, and will, in the event of a Winding-Up, be subordinated to the claims of all Senior Creditors (as defined in the Conditions) of the Issuer.

The Notes will bear interest on their outstanding principal amount from (and including) the Issue Date to (but excluding) 10 February 2026 at a fixed rate of 9.750 per cent. per annum and thereafter at a fixed rate of interest which will be reset on 10 February 2026 as provided in the Conditions. Interest will be payable annually in arrear on the Interest Payment Date falling on 10 February in each year (each an "**Interest Payment Date**"), commencing on 10 February 2022.

Unless previously redeemed or purchased and cancelled, the Notes will mature on 10 February 2031 (the "**Maturity Date**") and shall be redeemed on the Maturity Date at their principal amount, together with any accrued and unpaid interest. Holders of the Notes will have no right to require the Issuer to redeem or purchase the Notes at any time. The Issuer may, in its discretion but subject to the conditions described in Condition 6*(b)*, elect to (a) redeem all (but not some only) of the Notes before the Maturity Date (i) on the Reset Date or any Interest Payment Date thereafter or (ii) at any time upon the occurrence of a Tax Event or a Capital Disqualification Event (each as defined herein); or (b) repurchase the Notes at any time. The Issuer may, alternatively, following the occurrence of a Capital Disqualification Event or a Tax Event, but subject to the conditions described in Condition 6*(b)*, substitute the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities (as defined in the Conditions).

Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the Official List (the "**Official List**") of Euronext Dublin and to trading on the Global Exchange Market ("**GEM**") of Euronext Dublin. This Information Memorandum constitutes "Listing Particulars" for the purposes of the admission of the Notes to the Official List of Euronext Dublin and to trading on the GEM of Euronext Dublin and, for such purposes, does not constitute, and has not been approved, as a prospectus for the purposes of the Prospectus Regulation. Application has been made to Euronext Dublin for the approval of this document as "Listing Particulars". When used in this Information Memorandum, "**Prospectus Regulation**" means Regulation (EU) 2017/1129 and Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"). This Information Memorandum has been approved by Euronext Dublin. GEM is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU ("**MiFID II**") or Regulation (EU) 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA ("**UK MiFIR**"). This Information Memorandum is available for viewing on the website of Euronext Dublin. References in this Information Memorandum to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on GEM and have been admitted to the Official List of Euronext Dublin.

Payments in respect of the Notes by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Taxing Jurisdiction (as defined in the Conditions), unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made in respect of payments of interest (but not in respect of any payments of principal or any other amount), additional amounts may be payable by the Issuer, subject to certain exceptions, as more fully described in the Conditions.

The Notes will be issued in registered form in principal amounts of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented by a global certificate (the "**Global Certificate**") registered in the name of, and held by a nominee on behalf of, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") on or about the Issue Date. Individual certificates ("**Certificates**") evidencing holdings of Notes will be available only in certain limited circumstances as described under "*Summary of Provisions relating to the Notes whilst in Global Form*".

The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, to retail investors (as defined herein). Consequently, no key information document required by Regulation (EU) No 1286/2014 ("PRIIPs Regulation") or the PRIIPs Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA (the "UK PRIIPS Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area (the "EEA") or the United Kingdom (the "UK") has been prepared. Prospective investors are referred to the section headed "*Prohibition of sales to EEA retail investors*" and "*Prohibition of sales to UK retail investors*" of this Information Memorandum for further information. Potential investors should read the whole of this Information Memorandum, in particular the "*Risk Factors*" set out on pages 1 to 26. The Notes will not be rated on issue.

The Notes will be offered and sold in offshore transactions outside the United States in reliance on Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**").

THE NOTES HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE U.S. SECURITIES ACT, OR ANY STATE SECURITIES LAW, AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

Bookrunner

Deutsche Bank

The Issuer accepts responsibility for the information contained in this Information Memorandum. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

References herein to the "**Issuer**" are to MDB Group Limited, references to "**MeDirect Malta**" are to the Issuer's subsidiary, MeDirect Bank (Malta) plc and references to the "**Group**" are to the Issuer and its subsidiaries, including MeDirect Malta. MeDirect Malta operates the banking business of the Group.

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*").

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Fiscal Agent or Deutsche Bank Aktiengesellschaft (the "**Bookrunner**") or any of their respective affiliates. Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Notes made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or any member of the Group since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer or any member of the Group since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented.

Save for the Issuer, no other person has separately verified the information contained herein. To the fullest extent permitted by law, neither the Bookrunner nor the Fiscal Agent accepts any responsibility for the contents of this Information Memorandum or for any other statement made or purported to be made by the Fiscal Agent or the Bookrunner or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Fiscal Agent and the Bookrunner accordingly disclaims all and any liability to any investor whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement. Neither this Information Memorandum nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Fiscal Agent or the Bookrunner that any recipient of this Information Memorandum or any other information supplied in connection with the Notes should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum or any other information supplied in connection with the Notes and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Bookrunner nor the Fiscal Agent undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Bookrunner or the Fiscal Agent.

Prohibition of sales to EEA retail investors

The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of sales to UK retail investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II Product Governance / Professional investors and ECPs only target market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Restrictions on marketing and sales in the United States and elsewhere

The distribution of this Information Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer and the Bookrunner to inform themselves about and to observe any such restriction.

The Notes have not been and will not be registered under the U.S. Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. For a description of these and certain further restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see "*Subscription and Sale*".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence in the United States.

General restrictions on marketing and sales

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Bookrunner to subscribe for, or purchase, any Notes.

IMPORTANT INFORMATION

Cautionary note regarding forward-looking statements

This Information Memorandum includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Information Memorandum and include, but are not limited to, statements regarding the intentions of the Issuer and its consolidated subsidiaries, beliefs or current expectations concerning, among other things, the Group's business, results of operations, financial position, prospects, dividends, growth, strategies and the asset management business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance, and the actual results of the Group's operations, its financial position and the development of the markets and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward-looking statements contained in this Information Memorandum. In addition, even if the Group's results of operations and financial position and the development of the markets and the industries in which the Group operates are consistent with the forward-looking statements contained in this Information Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation:

- risks stemming from the economy and the performance of financial markets generally;
- changes in the legal and regulatory environment in which the Group operates;
- regulators intervening in the Group's business on industry wide issues or conducting thematic reviews;
- changes in regulatory capital requirements;
- changes in accounting standards or in actuarial assumptions, including views on longevity;
- risk management policies and procedures being ineffective;
- third party asset management firms that manage the Group's assets underperforming or difficulties arising from the Group's outsourcing relationships;
- the Group failing to maintain the availability of its systems and to safeguard the security of its data;
- legal and arbitration proceedings;
- the level of the Group's indebtedness;
- changes in taxation law, including future changes in the tax legislation affecting specific products offered by the Group and changes to the VAT rules; and
- other factors discussed in the section of this Information Memorandum headed "*Risk Factors*".

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Information Memorandum reflect the Group's current view with respect to future events and

are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial condition, prospects, growth and strategies. Investors should specifically consider the factors identified in this Information Memorandum, which could cause actual results to differ, before making an investment decision. Subject to the requirements of applicable law and regulation, the Issuer undertakes no obligation publicly to release the result of any revisions to any forward-looking statements in this Information Memorandum that may occur due to any change in the Issuer's and/or the Group's expectations or to reflect events or circumstances after the date of this Information Memorandum.

PRESENTATION OF FINANCIAL INFORMATION

Unless otherwise indicated, financial information for the Issuer and the Group in this Information Memorandum and the information incorporated by reference into this Information Memorandum is presented in euro and has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union.

By virtue of a board resolution dated 25 September 2019, the Issuer changed its accounting reference date from 31 March to 31 December. Accordingly, the latest audited financial information available covers the period from 1 April 2019 to 31 December 2019, presenting the statement of financial position as at 31 December 2019 and the statements of comprehensive income, changes in equity and cash flows for the nine-month period ended 31 December 2019. Comparative figures within these financial statements cover the twelve-month period from 1 April 2018 to 31 March 2019, presenting the statement of financial position as at 31 March 2019 and the statements of comprehensive income, changes in equity and cash flows for the twelve-month period ended 31 March 2019.

Financial information has been provided on an audited basis for the full financial periods ended 31 March 2018, 31 March 2019 and 31 December 2019.

Percentages and certain amounts in this Information Memorandum, including financial, statistical and operational information, have been rounded. As a result, the figures shown as totals may not be the precise sum of the figures that precede them.

Currencies

In this Information Memorandum and the information incorporated by reference into this Information Memorandum, references to "**Euro**", "**euro**" or "**€**" are to the euro, the European single currency which was introduced at the start of the third stage of the European Economic and Monetary Union, pursuant to the Treaty establishing the European Community (as amended from time to time), references to "**bn**" are to billions and references to "**m**" are to millions.

Currency exchange rate information

Unless otherwise indicated, the financial information contained in this Information Memorandum has been expressed in euro. The functional currency of the Issuer is euro, as is the reporting currency of the Group. Transactions not already measured in euro have been translated into euro in accordance with the relevant provisions of IAS21. These translations should not be construed as representations that the relevant currency could be converted into euro at the rate indicated, at any other rate or at all.

In addition to the convenience translations (the basis of which is described above), the basis of translation of foreign currency transactions and amounts contained in the audited and unaudited financial information included in this Information Memorandum is described therein and may be different to the convenience translations.

Notes may not be a suitable investment for all investors

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Information Memorandum or any applicable supplement; (b) have access to and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio; (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential

investor's currency; (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. An investment in the Notes may be considered by investors who are in a position to be able to satisfy themselves that the Notes would constitute an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

TABLE OF CONTENTS

Page

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Any of these risk factors, individually or in the aggregate, could have a material adverse effect on the Issuer and the impact that each risk could have on the Issuer is set out below.

Factors that the Issuer believes may be material to assessing the market risks associated with the Notes and which are inherent in investing in the Notes are also described below. The Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons, and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

Risks relating to the Business of the Group

The Group's business is exposed 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 Group's business. Credit risk involves the possibility that the Group's contractual counterparties may not fulfil their payment obligations or may require material forbearance activities as a result of various factors, including the borrower's loss of capacity to service and repay debt (due to, for instance, a lack of liquidity or insolvency) and/or the emergence of circumstances not specifically related to the economic/financial conditions of the debtor but to the general economic environment in which the debtor operates. The failure of debtors to meet their commitments as they fall due or require material forbearance activities may result in higher impairment charges or a negative impact on fair value in the Group's lending portfolio, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The financial assets of the Group primarily comprise five types of assets: (i) extensions of credit, primarily on a senior secured basis, to sub-investment grade international corporate borrowers, (ii) Dutch retail mortgages, (iii) investment grade treasury instruments, (iv) covered bonds, with exposure to government agencies, supranationals and EU financial institutions which issue this asset-type and (v) AAA- rated collateralised loan obligation ("**CLO**") notes.

The majority of MeDirect Malta's international corporate lending ("**ICL**") portfolio consists of internationally syndicated senior leveraged loans. As at 30 June 2020, approximately 31 per cent. of the Group's consolidated assets were related to MeDirect Malta's ICL portfolio. 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 its Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). The Group's ICL portfolio largely comprises exposures to non-investment grade or unrated borrowers. Non-investment grade credit ratings reflect a lower perceived ability of the borrower to repay the loan and such borrowers are more likely to default than more highly rated peers. This could affect the probability of default of each counterparty and increase the level of write-offs or provisions to which MeDirect Malta is potentially exposed. MeDirect Malta's non-performing loans have increased from 6.3 per cent. in December 2019 to 8.0 per cent. as at June 2020. As a result of the Covid-19 pandemic, assessments of lending portfolios were made on an ongoing basis throughout the second quarter of 2020, and impairments were revisited in light of the changed outlook.

In addition, the Group's ICL portfolio consists of both term loans and revolving credit facilities ("**RCFs**"). As of 30 June 2020, €232m of the exposure on the RCFs are committed unfunded lines that can be subject to drawdown in full at the request of individual obligors. An increase in the proportion of the Group's lending portfolio comprising unrated and non-investment grade assets may result in higher impairment charges or a negative impact on fair value in the Group's lending portfolio and the Group needing to increase provisioning in relation to defaults, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The uncertainty in the macro-economic environment has increased substantially as result of the Covid-19 outbreak. The Group has responded through its provisioning approach which is forward looking with a view of capturing current and future difficulties of borrowers. In addition, the Group carried out an intensive and comprehensive review of the resilience of its ICL portfolio under various economic scenarios, taking into consideration both direct and indirect risks. However, if further credit risk materialises this could lead to deterioration in the credit quality of the Group's borrowers and could require further increase in credit provisions.

The Group faces risks associated with non-compliance with applicable capital requirements, the raising of additional capital and the implementation of its capital strategy

The Group falls under the primary regulatory scope of the Single Supervisory Mechanism ("**SSM**"). The SSM refers to the system of banking supervision in Europe. It comprises the European Central Bank ("**ECB**") and the national supervisory authorities of the participating countries, that is for the Group, Malta and Belgium. Its main aims are to ensure the safety and soundness of the European banking system, increase financial integration and stability and ensure consistent supervision. The SSM has led to strengthening of the controls and corporate governance of the Group and the ECB frequently liaises with the Group regarding its capital position and capital fundraising requirements.

The Group is required to adhere to capital adequacy regulations which require that it maintains appropriate capital resources in terms of both quantity and quality. Given that the Group has been categorised by regulatory authorities as an "other systemically important institution" ("**O-SII**"), it must fulfil supplementary requirements concerning the amount of CET1 capital it must hold as a buffer. See "*Description of the Issuer and the Group – Regulatory Matters*". In addition, as a result of the Supervisory Review and Evaluation Process ("**SREP**") to which the Group is subject to once a year, further requirements as to capital (including a requirement to increase the level of the Group's capital) may be imposed. Strategic and operational decisions of the Group, such as, for example, the entry into new business lines or the nomination of rating agencies to provide ratings in respect of assets held in the Group's corporate lending portfolios, may affect the capital requirements imposed on the Group and the risk weighting of certain assets.

As at 30 June 2020, the Capital Adequacy Ratio of the Group stood at 15.7 per cent. (31 December 2019, 17.3 per cent.), whilst the Group's Liquidity Coverage Ratio as at 30 June 2020 stood at 569 per cent. (31 December 2019, 716 per cent.). As at 30 June 2020, it is estimated that the Group's leverage ratio stood at 6.8 per cent. compared with the minimum requirement for the Group (starting in 2021) of 3 per cent.

Non-compliance with applicable capital requirements may have a significant impact on the Group's operations and future sustainability. In particular, a perceived or actual shortage of capital held by the Group could result in actions by the ECB's Joint Supervisory Team (the "**JST**"), including public censure and/or the imposition of sanctions. This may also affect the Group's capacity to access funding, continue its business operations, generate a sufficient return on capital, pay variable remuneration to staff, pay future dividends or pursue strategic opportunities.

In particular, capital is key to the growth of the Group, and it will need to maintain a strong capital position as the Group grows to support its strategic goals. In addition, it is important that the Group is able to raise capital

in order to satisfy the ECB of its ability to maintain a satisfactory capital position under the SSM. In order to execute its balance sheet transformation and growth strategy, the Group intends either to raise additional capital or to free up capital to support the growth of the Group through de-risking transactions, including potentially a significant risk transfer transaction. The issue of the Notes is intended to reinforce the Group's Tier 2 capital base and support its strategy. Furthermore, despite the impact of the reported loss during the six month period to 30 June 2020 resulting primarily from the recent coronavirus ("**Covid-19**") pandemic, the Group, as of the date of this Information Memorandum, meets all applicable capital requirements.

Furthermore, similarly to what was experienced during the onset of the Covid-19 outbreak, any rapid increase in RCFs drawdowns (the total drawn portion of the Group's total RCF portfolio grew from 22 per cent. as at 31 December 2019 to a peak of 76 per cent. in mid-May 2019, later decreasing to 60 per cent. as at 30 June 2020) could result in an increase in risk weighted assets and have a negative impact on capital ratios. This could potentially lead to a breach of capital requirements.

There can be no guarantee, however, that the Issuer will be able to meet its upcoming targets for raising additional capital or freeing up capital through de-risking transactions, or other capital fundraising targets in the future, at attractive pricing levels or within the required or desired timeframes. If the Issuer is unable to raise capital at attractive prices in a timely manner, the Issuer may be required to curtail significantly its growth plans until such time as it is able to support its growth organically. The inability of the Issuer to implement its strategy due to insufficient capital would require it to re-evaluate its strategic plans, which could have a material adverse effect on its business, financial condition and results of operations.

The Group is exposed to liquidity risk in relation to the funding of its portfolios

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

The Group funds its portfolios principally through deposits and partly through the international wholesale financial markets. The availability of retail and commercial deposits, the Group's primary source of liquidity, may be adversely affected by increased competition from other deposit takers or factors that constrain the volume of liquidity in the market. Extreme market disruptions may result in a prolonged restriction on the Group's access to liquidity which in turn could have a material adverse effect on the Group's ability to meet its minimum regulatory liquidity requirements or to fulfil its financial and lending commitments.

Furthermore, similarly to what was experienced during the onset of the Covid-19 outbreak, any rapid increase in RCFs drawdowns could result in higher liquidity demand for the Group. This could potentially lead to weaker liquidity ratios for the Group and a breach of the Group's liquidity coverage ratio requirements. In addition, the Group operates in a number of jurisdictions and may experience regulatory constraints in relation to moving liquid assets between Group entities. As such, it is possible that an individual Group entity could suffer restricted liquidity even at a time when overall Group liquidity ratios are robust.

Whilst the Group does not intend to rely primarily on wholesale funding, if access to deposit funding were to be constrained, the Group 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 Group may be adversely affected and its ability to grow may be hampered. Such a deterioration of the Group's ability to raise funding at attractive levels may have a material adverse effect the Group's margins and profit, potentially materially affecting its business, financial condition, results of operations and prospects.

The Group is exposed to risks arising from macro-economic conditions, which will be affected by the Covid-19 pandemic

The Group's business, financial condition and results of operations depend significantly upon the macro-economic conditions, such as the Covid-19 pandemic. The Covid-19 pandemic and its effect on the global economy have affected the Group's customers and performance, and the future effects of the pandemic are uncertain. The outbreak necessitated governments to respond at unprecedented levels to protect public health, local economies and livelihoods. It has affected regions at different times and varying degrees as it has developed.

Government restrictions imposed around the world to limit the spread of Covid-19 resulted in a sharp contraction in global economic activity in the first half of 2020. At the same time governments also took steps designed to soften the extent of the damage to investment, trade and labour markets. Economic consensus forecasts have stabilised in recent months and monthly changes to the forecasts have become smaller. Strong recovery in economic activity in Europe in 2021 remains contingent on the successful containment of Covid-19, the evolution of the geo-political environment and the evolution of other global events. It also relies on the willingness and ability of households and businesses to return towards pre-Covid-19 spending levels. There is a material risk of a renewed drop in economic activity. The economic fallout from Covid-19 risks increases the likelihood of social unrest and other forms of social dislocation. After financial markets suffered a sharp fall in the early phases of the spread of Covid-19, they rebounded but remain volatile.

Governments and central banks in major economies have deployed extensive measures to support their local populations. Measures implemented by governments included income support to households and funding support to businesses. Central bank measures included cuts to policy rates, support to funding markets and asset purchases. Central banks are expected to maintain record-low interest rates for a considerable period of time and the debt burden of governments is expected to rise significantly.

Central bank and government actions and support measures taken in response to the Covid-19 outbreak and the Group's responses to those may affect the Group's capital requirements and policies. This may limit management's flexibility in managing the business of the Group and taking action in relation to capital distribution and capital allocation. For instance, the ECB and national central banks have announced a wide range of measures aimed at supporting the banking system and the macro-economy through the crisis. These include, on a temporary basis, allowing banks to operate below the level of capital defined by the ECB (and Pillar 2 Guidance where applicable), in addition to the reduction of the Countercyclical Buffer requirements. The ECB has brought forward less stringent rules on the capital that is required to cover Pillar 2 requirements (the "**P2R**"). Previously, only CET1 could be used to cover the P2R but, as of 8 April 2020, the ECB has allowed a portion of surplus additional Tier 1 and Tier 2 Capital towards covering the P2R. The ECB has stated that it expects banks under its supervision to use the positive effects coming from these measures to support the economy and not to increase dividend distributions or variable remuneration. On 28 July 2020, the ECB confirmed its commitment to allow banks to operate below the Pillar 2 Guidance and the combined buffer requirement until at least the end of 2022, and below the liquidity coverage ratio until at least the end of 2021, without automatically triggering supervisory actions.

The European Commission also published on 16 December 2020 details of its NPLs action plan intended to prevent a future build-up of non-performing loans ("**NPLs**") across the EU. The strategy aims to ensure that EU households and businesses continue to have access to the funding they need throughout the crisis. This will allow banks to move NPLs off their balance sheets, while ensuring further strengthened protection for debtors. The European Banking Authority ("**EBA**") welcomed the Commission's action plan which requests the EBA's support to improve data quality and comparability, enhance transparency and market discipline under Pillar 3 rules, and address regulatory impediments to NPL purchases.

The rapid introduction and varying nature of government support schemes, as well as customer expectations, can lead to risks as the Group implements large-scale changes in a short period of time. This has led to increased operational risks, including complex conduct considerations, increased reputational risk and increased risk of fraud. These risks are likely to be heightened further as and when those government support schemes are unwound.

Although as at 30 June 2020 the Group's liquidity remained robust, and capital ratios remained above Total Supervisory Review and Evaluation Process Capital Requirements ("**TSCR**")[1] throughout the Covid-19 crisis even as the Group accommodated unprecedented client demands for lending and other banking services, the Covid-19 outbreak may have material impacts on the Group's capital and liquidity. This may include downward customer credit rating migration, which could adversely affect the Group's risk-weighted assets and capital position, and potential liquidity stress due, amongst other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks have put in place to support funding and liquidity.

There remain significant uncertainties in assessing the duration of the Covid-19 outbreak and its impact, and how this will evolve. The actions taken by the various governments and central banks, in particular in Malta and Belgium, provide an indication of the potential severity of the downturn and post-recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. A prolonged period of significantly reduced economic activity as a result of the impact of the outbreak would have a materially adverse effect on the Group's financial condition, results of operations, prospects, liquidity, capital position and credit ratings.

In addition, the pace and timing of various central banks and governments to taper support initiatives may have a detrimental impact on the speed of economic recovery in the event that such support measures are withdrawn too hastily, which may have a further material adverse effect on the Group's financial condition, liquidity, capital position and credit prospects.

Based on the Group's detailed name by name portfolio analysis, provisions were taken on all borrowers whom have defaulted, material forbearance events, as well as all non-defaulted borrowers that showed potential future characteristics of unlikeliness to pay. The Group also amended its Stage 1 and Stage 2 provisions to reflect rating migrations and updates to the macroeconomic outlook. As a result of its conservative approach to impairments, the Group believes that it has accounted for all currently expected credit losses in 2020 and expects a normalisation of the situation in 2021 as a result of the expected economic recovery. Nevertheless, it is possible that further impairments could arise and these could have a material adverse effect on the Group's financial condition, liquidity, capital position and credit prospects.

The Group is exposed to risks arising from global events and government policy

The Group's business, financial condition and results of operations depend significantly upon global events and may be affected by government policy. Changes in laws, regulations and policies such as taxation policy and other tax measures adopted by the Maltese, Belgian, or other European governments, or by international organisations such as the European Union ("**EU**"), may have an adverse impact on economic activity generally, or on borrowers' ability to repay their loans which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

There is also a risk that the transition to a low carbon economy is either not effected quickly enough thereby exacerbating climate risks, or too quickly with the effect of inadvertently choking off parts of the economy and

[1] TSCR refers to the minimum total capital requirement for 2020 and 2021 of 8.0% (of which 6.0% must be Tier 1 capital) plus Pillar 2 Requirement of 3.0%. TSCR excludes the combined buffer requirement which for the Group was 3.01% as of 30 June 2020.

increasing levels of default and loss within certain economic sectors. This could have a material adverse effect on the Group's borrowers and the Group if this effect affects the ability of such borrowers to repay borrowed monies to the Group.

The level of uncertainty associated with the UK's relationship with the EU following the end of the 'transition period' on 31 December 2020 is also expected to have a negative effect on business and consumer sentiment and could have a material adverse effect on the Group's borrowers and the Group if this effect affects the ability of such borrowers to repay borrowed monies to the Group.

The impact of these events and other potential factors may vary significantly in the future and many of these factors are outside the control of the Group. While the Group is reactive to global events and changes in government policy, such events and changes can be unpredictable and could have a material adverse effect on the Group's financial condition and operations.

The Group is subject to substantial and changing prudential regulation

The Group, 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.

Whilst the Central Bank of Malta continues to regulate certain areas of the Group's business, including consumer protection in Malta, it is the ECB (with support from the joint supervisory teams of the Malta Financial Services Authority (the "**MFSA**") and National Bank of Belgium (the "**NBB**"), as well as the Central Bank of Malta and the Financial Services and Markets Authority in Belgium) that has primary responsibility for the prudential supervision of the Group. The Group 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 Group's borrowing costs and capital requirements could be adversely affected by these prudential regulatory developments, including amongst others: (A) the EU directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms of 15 May 2014, as amended, including by Directive 2019/879 of the European Parliament and of the Council of 20 May 2019 ("**BRRD**"); (B) the legislative package implementing the proposals of the Basel Committee (known as Basel III, as updated up to the final reform package issued in December 2017) in the EU and amending and supplementing the existing Capital Requirements Directive (2013/36/EU) ("**CRD IV**"), the Capital Requirements Directive V (Directive (EU) 2019/878) ("**CRD V**"), which includes amendments to CRD IV (as so amended, "**CRD**"), the Capital Requirements Regulation II (Regulation (EU) 2019/876) ("**CRR II**") which includes amendments to the Capital Requirements Regulation (Regulation (EU) No. 575/2013) (as so amended, the "**CRR**") and amendments which have been made to the BRRD. The agreed text was published in the Official Journal on 7 June 2019. Most of the provisions of CRD V and BRRD were required to be transposed into national law by 28 December 2020, with application immediately thereafter. CRR II will apply from 28 June 2021 (subject to certain earlier applications and exemptions, such as those relating to the transitional arrangements for IFRS 9 and the characteristics of new regulatory capital instruments). However, given the ECB's announcements in March 2020 in relation to temporary capital, liquidity and operational relief due to the Covid-19, some delay may be given to the timeframes for the implementation of these and other regulations, which may affect the Group's capital requirements.

CRD requirements adopted in Malta and Belgium may change, whether as a result of further changes to CRD agreed by EU legislators, binding regulatory technical standards to be developed by the EBA or changes to the way in which regulators interpret and apply these requirements to banks and bank holding companies. Such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the Group's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

In December 2017, the Basel Committee published the final version of the measures it is taking to improve consistency and comparability in bank capital ratios, and thereby to restore confidence in risk-weighted capital ratios. These measures include a revision to the standardised (non-modelled) approaches for calculating regulatory capital ratios that will also provide the basis for a capital floor. The main implementation date given by the Basel Committee is 1 January 2022, deferred by one year to 1 January 2023 as per the Basel Committee's press release of 27 March 2020. The final implementation of these final standards may increase the Group's capital requirements which may have a material adverse effect on the Group's capital structure, business, financial condition and results of operations.

For further information on the prudential and regulatory controls to which the Group is subject, see "*Description of the Issuer and the Group - Regulatory Matters*".

These changes and any future prudential regulatory developments could have a material adverse effect on the Group's business, results of operations and financial condition.

Failure by the Group to meet regulatory expectations, including in relation to governance, behaviour and culture, or repeated breaches of regulation could adversely affect regulatory confidence in how the Group conducts its business. Failure to engage appropriately with regulators risks damaging relations with such regulators, and could lead to increased regulatory oversight, intrusive supervision and/or restrictions in the Group's authorisations curtailing its ability to operate some of its business. These outcomes could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group is exposed to the movements in market prices or rates

The Group may face a number of market risks in the normal course of its business. Market risk refers to the adverse impact of movements in market prices or rates such as interest rates, credit spreads and foreign exchange rates. Market risk stems from all the positions included in the Group's investment portfolios, commodity and foreign exchange positions, interest income and the market value of assets and liabilities.

Interest rate risk arises from the mismatch between interest rate sensitive assets and liabilities. As is common to all banks, the Group runs a mismatch between its liabilities and assets. Fluctuations in interest rates are influenced by factors outside the Group'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 Group's economic value of equity and/or income.

Foreign exchange risk arises on monetary assets and liabilities not denominated in the base currency of the Group. The financial position of the Group may be affected by foreign exchange risk, which is the risk of adverse movements in the monetary value of assets and liabilities, and additionally of income and expenses, from the fluctuation of exchange rates in relation to the Euro, as the Group's base currency. The Group's FX risk hedging policy aims to ensure that any FX volatility on non-Euro assets and liabilities are appropriately hedged with very-low levels of residual FX risk exposure but this cannot eliminate foreign exchange risk entirely.

In the event that such market risks were to occur, the Group may experience significant losses in the value of its investment portfolio, declines in the level of interest income, and negative movements in the fair values of its assets and liabilities which would consequently have a material adverse effect on the operations and financial performance of the Group.

The Group is exposed to concentration risk in its lending portfolio

Concentration risk in the context of banking generally denotes the risk arising from (i) an uneven distribution of exposures (or loans) to borrowers; or (ii) an uneven distribution to particular sectors, industries, products or

regions. For the Group, the major concentration risk lies in its ICL portfolio which comprises approximately 31 per cent. of the total Group consolidated assets as at 30 June 2020.

The investments made by the Group are primarily denominated in Euro. The obligors of most of such investments are issued by EU entities. In addition, the deposit base of the Group primarily consists of customers located in Malta and other EU countries. The Group also holds a Treasury portfolio consisting of liquid assets including covered bonds, bonds issued by supranational organisations and sovereign bonds. The majority of the Group's securities portfolio consists of covered bonds which are secured on residential mortgages, primarily located in EU countries and securities issued by supranational organisations. The Group also holds a portfolio of AAA-rated CLO notes.

As a result of the composition of the Group's investment portfolio and deposit base which is exposed to the strength of the Euro currency and the strength of its EU-based counterparts, any negative economic trends affecting the EU may have a material adverse effect on the operations and financial performance of the Group.

The Group is exposed to systemic risk in the banking sector

Given the high level of interdependence between financial institutions, the Group 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 Group 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 Group's ability to raise new wholesale funding, which could affect its business, financial condition, results of operations, liquidity and/or prospects.

The Group is subject to risks related to the competitive nature of the banking industry

The financial services industry in Malta, Belgium and Europe generally, is a competitive one. Access to customer deposits is subject to competition and market factors that are outside of the Group's control, and accordingly it may need to increase the interest rates it offers to customers in order to attract deposits, which may result in increased interest expense, reduced net interest income and reduced net interest margin. The Group may not be able to obtain and maintain access to sufficient customer deposits, or other sources of funding at costs which are commercially acceptable, to finance its strategic objectives. Further, competitive pressure in certain markets such as the mortgage lending market in which the Group operates may have an impact on the amount of interest that the Group can charge to customers and accordingly it may need to decrease the interest rates it offers to customers in order to keep and attract new customers.

Competitive pressures could increase due to general developments in the market, regulatory changes, shifts in customer demand, shifts in competitors' strategies, technological enhancements, and other factors that are beyond the Group's control. Non-traditional financial service companies, particularly fintech companies and payment service providers, have penetrated the financial services industry at an unprecedented rate, further increasing competition on the market.

Further, as a consequence of the Group's incorporation in Malta and exposure to other European markets, any downgrade in the credit rating of one or more other significant Maltese or European banks or any downgrade

of Malta's or another European jurisdiction's sovereign credit could impair the Group's access to private sector funding and weaken its financial position.

If the Group is not able to respond adequately to any increases or changes in competitive pressures, for example by introducing innovative products and services, it may not succeed in developing its business or may lose market share. In turn, this could have a material adverse effect on the Group's financial performance and condition and prospects.

The Group faces risks associated with the implementation of its strategy

The Group's ability to implement its strategy and any future strategy successfully is subject to execution risks, including those relating to the management of its cost base and limitations in its management and operational capacity. The implementation of its strategy will require management to make complex judgments, including anticipating customer needs and customer behaviour across a wide range of banking products, and anticipating competitor activity, legal and regulatory changes and the likely direction of a number of macro-economic factors regarding the economy and the banking sector. In addition, the Group may fail to achieve management's guidance, targets or expectations in respect of the Group's financial or key performance indicators.

The risk that some or all of these targets and expectations may fail to be achieved may be a consequence of internal factors such as a failure to manage effectively its cost base. The risk may also be exacerbated or caused by a number of external factors, including a downturn in the European or global economy, increased competition in the European retail and small and medium-sized enterprises banking sector and/or significant or unexpected changes in the regulation of the financial services sector in Europe or in relation to the payment of dividends.

In the shorter-term, if the Group fails to launch its new products and services, or such launches are delayed, this could have a material adverse effect on the Group's results. A failure to manage successfully the implementation of its medium-term growth strategy for the foregoing could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group uses financial models and if these models prove to be inaccurate, or are used incorrectly then the Group's management of risk may be ineffective or compromised and/or the value of its financial assets and liabilities may be overestimated or underestimated

The Group uses financial models across many, though not all, of its activities including, but not limited to, capital management, credit grading, loan loss provisioning, valuations, liquidity, pricing and stress testing. The Group also uses financial models to determine the fair value of derivative financial instruments, financial instruments through profit or loss, certain hedged financial assets and financial liabilities and financial assets at fair value through other comprehensive income.

As a result of evolving regulatory requirements, the importance of models across the Group's business has been heightened and their importance may continue to increase, in particular because of reforms introduced by the Basel Committee on Banking Supervision. If the Group fails to identify a model or if the Group's models do not accurately estimate its exposure to various risks, it may experience unexpected losses. The Group may also incur losses, for example, as a result of decisions made based on inaccuracies in the build or implementation of these models, as a result of poor data quality or an incomplete understanding by users. Model risk levels may also rise as a result of a significantly changing environment, as models are built using historical data. Models are kept under regular review to ensure that they remain representative of the current environment. For example, a model factor selected at development may no longer be a key driver in the current environment.

If the Group's models are not effective in estimating its exposure to various risks or determining the fair value of its financial assets and liabilities or if its models prove to be inaccurate, there could be a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may be exposed to the failure of information technology and communication systems

The Group depends on its information technology systems to process transactions on an accurate and timely basis, and to store and process substantially all of the Group's business and operating data. The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between all of its entities, are critical to the Group's business and ability to compete effectively. The Group'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 Group's control including natural disasters, extended power outages and cyber security issues, ranging from computer viruses to third-party hacking (see "*The Group may suffer losses as a result of cyber-security breaches*" below). The proper functioning of the Group's information technology systems also depends on accurate and reliable data and other system input, which are subject to human errors. In addition, such errors may be repeated or compounded before they are discovered and rectified. Any failure or delay in recording or processing the Group's transaction data could subject it to claims for losses and regulatory fines and penalties.

During 2020 the Group revamped its online banking platform, making it a new innovative online banking portal to provide its clients with a modern internet banking experience and intelligent online self-service tools. The Group successfully launched a new mobile application in Malta in May 2020 and in Belgium in July 2020. The Group is also in the process of re-vamping its client on-boarding process by introducing facial verification capability. This facility is aimed to improve the customer on-boarding experience and at the same time enabling the Issuer to meet regulatory and compliance requirements in a more efficient and secure manner. These functionalities might not operate as intended and might suffer unexpected downtime. In addition, the Group intends to continue to build out its systems and improve its online functionalities. The implementation of such new systems and functionalities might result in operational losses.

Any disruption to the Group's information technology or communications systems may inflict losses on the Group which could have a material adverse effect on its business, financial condition, results of operations and prospects and could have a material adverse effect its reputation.

The Group may suffer losses as a result of cyber-security breaches

The activities of the Group are reliant on the continuous and proper functioning of its operating systems, including its information technology systems and other technological arrangements. The Group is susceptible to a variety of risks relating to the continuous and proper functioning of these systems, including, but not limited to, the risks of cyber-attacks (such as malware attacks, ransomware, phishing, hacking, denial of service attack or any other form or type of cyber-attack), data theft or other unauthorised use of data, errors, bugs, malfunctions, inadequate maintenance service levels, or other malicious interference with or disruptions to their information technology and other systems.

The Group may therefore be vulnerable to downtime in its operational systems, which could have an adverse knock-on effect on its ability to service its customers in a timely, proper and effective manner, to the requisite service levels. There can be no assurance that the maintenance and service level agreements and disaster recovery plans intended to ensure continuity and stability of these systems will prove effective in ensuring that the service or systems will not be disrupted.

Disruption to those technologies or systems and/or lack of resilience in operational availability could have a material adverse effect on the Group's operating results, financial condition and prospects. Further, any breach in security of the Group's systems, for example from increasingly sophisticated attacks by cyber-crime groups or fraudulent activity in connection with customer accounts, could result in the disclosure of confidential information, create significant financial and/or legal exposure and damage its reputation and/or brands, which

could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group may suffer disruption due to internet failures

Operations of the Group utilise and are intrinsically dependent on the internet. In particular, the Group offers to its customers, online banking, investment and wealth management services, with the result that this business segment is increasingly reliant on the proper functioning of its information technology systems. The Group's activities may become subject to an internet failure, disruption or other interruption. Such an event may arise as a result of various factors that may be out of the control of the Group as a result of and without limitation to, natural disasters, electricity outages and/or technical malfunctions (which could be malicious, due to negligence or force majeure).

If such failure, disruption or other interruption, even temporary, were to occur, the activities of the Group, could be interrupted during the period of time in which such event continues, and the resulting lack of access could have a material adverse effect on the Group's relations with customers, the results of its operations and its financial performance and financial condition.

The Group may be exposed to breaches of privacy or data protection failures and fraudulent activity

Whenever personal data is collected, processed and stored by the Group, the activity conducted is subject to the rules governing the processing of personal data in terms of the Data Protection Act (Cap. 586 of the laws of Malta) and subsidiary legislation issued thereunder (the "**DPA**") and the General Data Protection Regulation (Regulation (EU) 2016/679) (the "**GDPR**").

The Group is subject to a number of obligations concerning the processing of personal data, including but not limited to ensuring that: (i) personal data is processed fairly, lawfully and in a transparent manner; (ii) personal data is always processed in accordance with good practice; (iii) personal data is only collected for specific, explicitly stated and legitimate purposes and not further processed in a manner that is incompatible with those purposes; (iv) all reasonable measures are taken to complete, correct, restrict, block or erase personal data to the extent that such data is incomplete or incorrect, having regard to the purposes for which they are processed; (v) personal data collected is adequate, limited and relevant to what is necessary in relation to the purposes for which they are processed; (vi) personal data is not kept for a period longer than is necessary; and (vii) personal data is processed in a manner that ensures appropriate security of the personal data. Additionally, prior to processing personal data, the Group must ensure that the personal data undergoing processing is justified under at least one of the lawful bases stipulated within the GDPR. Where consent is deemed to be the appropriate legal basis, the Group must ensure that the person to whom the personal data relates has unambiguously, freely, specifically and informatively given his or her consent for such processing.

The Group has adapted its internal procedures to comply with the DPA and the GDPR. However, the Group remains exposed to the risk that personal data collected could be damaged or lost, disclosed or otherwise unlawfully processed for purposes other than as permitted in the DPA and the GDPR. The Group may also need to adapt to changes to the DPA and GDPR and new data protection legislation, which could incur compliance costs. The possible damage, loss, unauthorised processing or disclosure of personal data could lead to the imposition of regulatory sanctions including significant fines and could have a material adverse effect on the activities and reputation of the Group.

The Group is subject to financial crime compliance risk

Financial crime compliance risk arises from the financial costs and reputational damage associated with non-compliance with internal policies, procedures and code of business, as well as consequences from non-compliance with specific local or international rules, regulations, prescribed practices or ethical standards.

Market abuse risk also arises from certain behaviour, such as "insider dealing" and market manipulation, which are considered to be abusive and harmful to market behaviour and are therefore deemed to be unlawful. Market abuse is subject to the EU Market Abuse Regulation (Regulation (EU) No 596/2014) and firms are subject to various relevant obligations, such as the reporting of suspicious transactions through a "suspicious transaction and order reporting" regime.

The Group is subject to money laundering and sanctions risk which may arise from a number of sources, such as failure to detect and monitor politically exposed person relationships, inadequate customer due diligence processes both at on-boarding and during the lifetime of the relationship and lack of anti-money laundering awareness in staff leading to negligence or failure to escalate suspicious incidents internally or to the necessary regulatory bodies.

The Group is also subject to bribery and corruption risk, which may arise from the Group being used to process bribes or from Group officials being bribed into accepting illicit activity. The Group treats such acts seriously and has implemented policies and procedures to ensure that staff are abiding by applicable laws, regulations and internal policies established to manage this specific risk.

The Group is 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 EU and other jurisdictions, and applicable anti-corruption laws. The Group also offers wealth management services to customers, which are subject to strict regulation under Maltese, Belgian and European laws and regulations such as MiFID II. Banks are subject to close scrutiny from regulators in relation to such activities and recent years have seen an increase both in the number of cases referred to the regulatory authorities and general public awareness regarding the ability to challenge firms for alleged breaches in regulation and best practice. Investigating and dealing with proceedings, making redress in relation to any perceived shortcomings and the cost of any regulatory sanctions may involve significant expense for the Group.

To the extent that the Group fails or is perceived to fail to comply with these and other applicable laws and regulations, its reputation could be materially damaged, with consequent material adverse effect 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 Group's business. In addition, future legislative, judicial and regulatory agency actions could have a material adverse effect on the Group's business. Furthermore, changes in the regulatory environment could ultimately place increased regulatory pressure on the Group 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 adversely affect the Group's service offerings. Moreover, there is a risk of non-compliance associated with the complexity of regulation. Failure to comply with current or future regulation could expose the Group's business to various sanctions, including fines or the withdrawal of authority to conduct certain lines of business and, consequently, could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group may fail to attract and/or retain key employees

The Group's success depends on the continued service and performance of its key employees, an organised plan of succession to ensure the Group's long-term stability and its ability to attract, retain and develop high calibre talent. The Group 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 a material

adverse effect on the Group's ability to recruit and/or retain key employees, which could, in turn, have a material adverse effect the Group's business, financial condition, results of operations and prospects.

The reputation of the Group and its brands may be damaged by numerous factors

The Group'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:

(i) failing to address appropriately potential conflicts of interest;

(ii) breaching or facing allegations of having breached legal and regulatory requirements (including, inter alia, money laundering, anti-terrorism financing and capital adequacy requirements);

(iii) acting or facing allegations of having acted unethically (including having adopted inappropriate sales and trading practices);

(iv) failing or facing allegations of having failed to maintain appropriate standards of customer privacy, customer service and record keeping;

(v) technology failures that adversely affect customer services and accounts;

(vi) failing to identify legal, reputational, credit, conduct, liquidity and market risks inherent in the products it offers;

(vii) generally poor company performance;

(viii) 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 Group. For instance, as a result of the publication of a report on Malta by the Committee of Experts on the Evaluation of Anti-Money Laundering Measures (MONEYVAL) in 2019, the Financial Action Task Force is considering whether to put Malta on its grey list of untrustworthy jurisdictions. Grey-listing could have far-reaching consequences for the economy, seriously impacting the Malta's attractiveness as a financial centre and adversely affects the banking sector in Malta; and

(ix) negative reporting and wide dissemination of issues relating to the Group and/or the countries in which it operates by the media, including via social media.

The Group's image may be damaged by the actions, behaviour or performance of its employees, affiliates, suppliers, counterparties, regulators, customers and/or other activists, or the financial services industry generally. The Group has significantly reduced its corporate services client base in Malta, but the Group's reputation could still be damaged by association with clients in controversial or higher risk industries such as gaming. A risk event, such as compliance breaches, cyber-security breach (see "*The Group may suffer losses as a result of cyber-security breaches*" above), or a significant operational or technology failure, or a fall in customer service levels, or demonstrations by customers and/or other activists, may cause business disruption or adversely affect the perceptions of the Group held by the public, shareholders, investors, customers, employees or regulators. A risk event itself may expose the Group to direct losses as a result of litigation, fines and penalties, remediation costs or loss of key personnel.

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 any entity of the Group, thereby having a material adverse effect on its business, financial condition, results of operations and/or prospects and/or damaging its relationships with its regulators.

The Group faces operational risks which could adversely affect the Group's business, results of operations, financial condition or prospects

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as: legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks originate from all of the Group's operations and are faced by all business entities.

Fraud risk may arise from a number of activities, carried out internally or externally. Internal fraud is a civil or criminal activity carried out by at least one internal party, such as an employee, which is often as a result of collusion, rogue trading, insider trading, financial reporting fraud, misappropriation of assets, or identity theft. External fraud is the civil or criminal activity carried out by customers, contractors or third parties (excluding cyber-attacks). Examples of such type of fraud include collusion, fraud, misuse of position, misappropriation of assets and identity. This also encompasses acts of theft which may be directly from the Group or from the Group's customers. Theft from the Group's customers could result in financial loss and compensation payments and may also result in regulatory sanction, should it be established that the theft was a result of the Group's inadequate internal controls. This could have a material adverse effect on the Group's results and on its ability to deliver appropriate customer outcomes or to achieve organisational objectives.

Outsourcing and other third-parties risk refers to the failure to establish and manage adequate outsourcing arrangements, transactions or other interactions to meet the expected or contracted quality of service with external parties such as independent brokers, fund managers insurers and other parties. This risk may also arise from internal parties, where the Group fails to establish and manage adequate outsourcing arrangements, transactions or other interactions with service providers within the Group, including failure to meet agreed quality of service levels, inadequate contracting, poor relationship governance, service provider failure. Regulatory oversight of outsourcing arrangements has become more important, particularly since the Group is viewed as systemically important. If the Group's contractual arrangements with any of these external or internal parties are terminated for any reason or any third-party service provider becomes otherwise unavailable or unreliable in providing the service to the required standard, the Group will be required to identify and implement alternative arrangements and it may not find an alternative third-party provider or supplier for the services, on a timely basis, on equivalent terms or without incurring a significant amount of additional costs or at all.

These factors could cause a material disruption in the Group's operations and ability to service customers and could have a material adverse financial or reputational impact on it. It may result in a higher risk premium being applied to the Group and adversely affect the cost of funding its operations, or its financial condition and could give rise to claims by customers for financial loss experienced and/or regulatory sanctions.

The regulated subsidiaries of the Issuer operate in a highly regulated sector and may face legal and regulatory proceedings

As regulated credit institutions, MeDirect Malta and MeDirect Belgium are subject to extensive and comprehensive regulation under the laws of the jurisdictions in which they do business. There has been an increased focus in recent years on regulation and procedures for the protection of customers and clients of financial services firms. This has resulted in increased willingness on the part of regulators to investigate past practices of financial services firms.

MeDirect Malta and MeDirect Belgium (and, indirectly, the Issuer) are exposed to many forms of risk relating to legal and regulatory proceedings, including that: (i) business may not be, or may not have been, conducted in accordance with applicable laws and financial and other penalties may result; (ii) contractual obligations may either not be enforceable as intended or may be enforced in a way adverse to the Issuer or its regulated subsidiaries; (iii) liability for damages may be incurred to third parties harmed by the conduct of the Issuer or

its regulated subsidiaries; and (iv) the reputation of the Issuer and its regulated subsidiaries may be damaged if they are involved in legal or regulatory proceedings relating to the conduct of their business.

For example, MeDirect Malta placed with non-institutional investors non-voting, non-participating and perpetual Class B shares issued by its indirect parent, Medifin Finance Limited (the "**B Shares**"), representing a total value of €21.2 million. MeDirect Malta is aware of potential shortcomings in the marketing of the B Shares that could result in certain investors bringing an action in respect of the B Shares or regulatory action against the Group.

Any proceedings or regulatory action in relation to the marketing of the B Shares or any other legal, regulatory or other enquiries, investigations or proceedings, including any legal, regulatory or other enquiries, investigations or proceedings arising out of any other allegations made against any Group company, is difficult to predict. However, MeDirect Malta (and, indirectly, the Issuer) may incur significant expense in connection with any legal, regulatory or other enquiries, investigations or proceedings, which could expose the Issuer to any of the following: substantial monetary damages and fines, other penalties and injunctive relief, potential for additional civil or private litigation, potential for criminal prosecution in certain circumstances, potential regulatory restrictions on the Issuer's business and/or a negative effect on the Issuer's reputation. Any of these risks, should they materialise, could have a material adverse effect on the Issuer's operations, financial results, condition and prospects, and the confidence of the Issuer's customers in the Issuer, as well as taking a significant amount of management time and resources away from the implementation of the Issuer's strategy.

The Group is subject to risks associated with the evaluation methods of the Group's assets and liabilities

The accounting framework used in preparing the consolidation of the Group's financial statements is IFRS as adopted by the EU. In conformity with the framework dictated by IFRS, the Group should formulate evaluations, estimates and policies regarding the amounts of assets, liabilities, costs and revenues reported in the financial statements (as well as information relating to contingent assets and liabilities). The evaluations, estimates and related policies are based on past experience and other factors considered reasonable in the specific circumstances and are adopted to assess the assets and liabilities whose book value cannot easily be deduced from other sources. The application of IFRSs by the Group reflects its interpretation, assessments and decisions made with regard to said standards, which may be applied or interpreted differently by other relevant stakeholders.

If the judgments, estimates, assessments and assumptions used by the Group in preparing its consolidated financial statements are subsequently found to be incorrect there could be a significant loss recognised beyond that anticipated or provided for or an adjustment to those consolidated financial statements, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Dutch Residential Mortgage Loan Business

Since September 2019, MeDirect Bank SA has invested in loan receivables relating to Dutch government guaranteed mortgage loans ("**NHG Mortgage**s") through HollandWoont, a Dutch mortgage lending platform established by the Blauwtrust Groep, a prominent Dutch servicer, portfolio manager, originator and intermediary franchise chain of Dutch mortgages.

In view of the Dutch government guarantee on such mortgages, the principal risk to the Group associated with such investments is the interest rate and liquidity-related market risk position. Interest rate risk derives from the fact that mortgage interest rates are fixed and typically re-set on a 10-, 20- or 30-year cycle, whereas the Group's liabilities (principally deposits) reset more frequently. Liquidity risk is associated with the need both to fund mortgage origination and to provide collateral to HollandWoont to support its mortgage lending pipeline. Part of the mortgage portfolio is financed through residential mortgage backed securities ("**RMBS**") securitisations, so the Group is exposed to some liquidity risk related to the refinancing of such securitisations in the future.

Credit losses are expected to be low, both as a result of historically low level of credit losses for Dutch residential mortgages (even during the housing crisis of 2008-2013) and the Dutch government guarantee. The NHG Mortgages scheme provides a Dutch government guarantee of up to 90 per cent. of the losses after a foreclosure of a loan (provided origination and servicing are executed according to the criteria set by the NHG). Securitisation of the NHG Mortgages portfolio is an important element in ensuring the long-term attractiveness of the returns on the NHG Mortgages business line. In May 2020, MeDirect Bank SA successfully launched the inaugural securitisation transaction under the Bastion programme (see "*Description of the Issuer and the Group - Description of the Issuer and Group*" below), and the second Bastion transaction is planned to close in early 2021. In addition, MeDirect Bank SA has set up a warehouse line with a third-party bank which can also be used to fund mortgage production. The Group may, in the future, also enter into mortgage businesses in new markets, and funding will be required to expand and maintain these lending activities. There can be no assurance that sufficient liquidity can be maintained at an attractive price in relation to the NHG Mortgages business, and a deficiency of liquidity in the business could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group faces risks associated with the implementation of new initiatives

The Group may from time to time consider opportunities to expand its operations further in Belgium, Malta or in other European Union jurisdictions, to make acquisitions, to invest in new asset classes or to offer new services to its customers. Amongst other things, the Group is considering and preparing for the following new initiatives: (a) setting up its own Lender of Record for NHG mortgages in Netherlands, (b) investing in Belgian near-prime retail mortgages, (c) originating and investing in Maltese retail mortgages, and (d) significantly growing in scope and size its retail wealth management customer proposition. If it were to decide to pursue one or more of these opportunities or any such future venture, such initiatives may prove not to be successful, either in terms of completion or integration, whether for commercial or other reasons, and this may result in a material adverse effect on the operations and performance of the Group.

The Issuer is a holding company

The Issuer is a holding company that currently has no significant assets other than its loans to, and investments in, its subsidiaries, such as MeDirect Malta, which means that if any such subsidiary is liquidated, the Issuer's right to participate in the assets of such subsidiary will depend upon the ranking of the Issuer's claims against such subsidiary according to the ordinary hierarchy of claims in insolvency. So, for example, insofar as the Issuer is a holder of ordinary shares in one of its subsidiaries, the Issuer's recovery in the liquidation of such subsidiary will be subject to the prior claims of such subsidiary's third-party creditors and preference shareholders (if any). To the extent the Issuer holds other claims against any of its subsidiaries that are recognised to rank *pari passu* with any third-party creditors' or preference shareholders' claims, such claims of the Issuer should in liquidation be treated *pari passu* with those third-party claims.

As well as the risk of losses in the event of a subsidiary's insolvency, the Issuer may suffer losses if any of its loans to, or investments in, such subsidiary are subject to write-down and conversion by statutory power or regulatory direction or if the subsidiary is otherwise subject to resolution proceedings. In general terms, the more junior in the capital structure the investments in, and loans made to, any Group subsidiary are, relative to third party investors, the greater the losses likely to be suffered by the Issuer in the event that any Group subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other liabilities. The Issuer has in the past made, and may continue to make, loans to, and investments in MeDirect Malta and its other subsidiaries. In particular, the Issuer intends to on-lend the net proceeds of issue of the Notes under a subordinated on-loan to MeDirect Malta which may also be subject to regulatory action in the same manner as the Notes (see "*The Recovery and Resolution Regulations (Subsidiary Legislation 330.09 of the laws of Malta) (the "R&R Regulations") confer substantial powers on the Board of Governors of the MFSA designed to enable them to take a range of actions in relation to Maltese deposit taking institutions which*

are considered to be at risk of failing"). Such loans to, or investments in, such subsidiary by the Issuer will generally be subordinated to depositors and other unsubordinated creditors and may be subordinated further to meet Regulatory Capital Requirements and furthermore may contain mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or such subsidiary, or upon regulatory direction, would result in a write-down or conversion into equity of such loans and investments.

The Issuer retains its absolute discretion to restructure such loans to, and any other investments in, any of its subsidiaries, at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to such subsidiary. A restructuring of a loan or investment made by the Issuer in a subsidiary could include changes to any or all features of such loan or investment, including its legal or regulatory form, how it would rank in the event of resolution and/or insolvency proceedings in relation to the relevant subsidiary, and the inclusion of a mechanism that provides for a write-down and/or conversion into equity upon specified triggers or regulatory direction. Any restructuring of the Issuer's loans to, and investments in, any of its subsidiaries may be implemented by the Issuer without prior notification to, or consent of, the Holders.

Furthermore, as a result of the structural subordination of the Notes issued by the Issuer, if any subsidiary were to be wound up, liquidated, dissolved or were subject to resolution proceedings (i) the holders of Notes would have no direct recourse against such subsidiary, and (ii) Holders themselves may also be exposed to losses pursuant to the exercise by the relevant resolution authority of the stabilisation powers.

Risks relating to the Notes

The obligations of the Issuer in respect of the Notes are unsecured and subordinated

The Notes constitute unsecured and subordinated obligations of the Issuer.

On a Winding-Up (as defined in the Conditions), all claims in respect of the Notes will rank junior to the claims of all Senior Creditors of the Issuer. If, on a liquidation of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of more senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes in full, Holders will lose some (which may be substantially all) of their investment in the Notes.

For the avoidance of doubt, the holders of the Notes shall, in a liquidation of the Issuer, have no claim in respect of the surplus assets (if any) of the Issuer remaining in any liquidation following payment of all amounts due in respect of the liabilities of the Issuer.

Although the Notes may pay a higher rate of interest than securities which are not subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should the Issuer become insolvent or subject to any Statutory Loss Absorption Powers.

As of 30 June 2020, the Group had total liabilities of €3.6 billion, all of which rank senior to the Notes. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in such Notes in a worst case scenario could lose their entire investment.

Holders are also subject to the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to any Notes.

The remedies available to Holders under the Notes are limited

Holders may not at any time demand repayment or redemption of their Notes, although in a Winding-Up, the Holders will have a claim for an amount equal to the principal amount of the Notes then outstanding plus any accrued interest.

The sole remedy in the event of any non-payment of principal or interest under the Notes, subject to certain conditions as described in Condition 8, is that a Holder may, institute proceedings for the winding-up of the Issuer and/or prove for any payment obligations of the Issuer arising under the Notes in any winding-up or other insolvency proceedings.

The remedies under the Notes are more limited than those typically available to the Issuer's unsubordinated creditors. For further details regarding the limited remedies of the Holders, see Condition 8.

There is no limit on the amount or type of further bonds or other indebtedness that the Issuer may issue, incur or guarantee

There is no restriction on the amount of notes, bonds or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such Notes or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders during a winding-up, administration or resolution of the Issuer and may limit the Issuer's ability to meet its obligations under the Notes. The Issuer may also issue, in the future, subordinated liabilities which rank senior to the Notes.

The Recovery and Resolution Regulations (Subsidiary Legislation 330.09 of the laws of Malta as amended) (the "R&R Regulations") confer substantial powers on the Board of Governors of the MFSA in relation to inter alios Maltese deposit taking institutions which are considered to be at risk of failing

The Board of Governors of the MFSA acts as the Resolution Authority in respect of the Issuer 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. Where the Resolution Committee considers that all applicable criteria are met, it has, *inter alia,* the following tools available at its disposal:

(i) the sale of business tool: enabling the Resolution Committee to effect a sale of the whole or part of the business;

(ii) the bridge institution tool: providing for a new institution to continue to provide essential services to clients of the institution under resolution;

(iii) the asset separation tool: enabling the transfer of 'bad' assets to a separate asset management vehicle; and

(iv) 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 relevant capital instruments, such as the Notes, and eligible liabilities may also be exercised by the Resolution Committee independently of or in combination with a resolution action. The Resolution Committee is required to exercise the write down and conversion power where one or more of specified circumstances apply (such as when a determination has been made that conditions for resolution have been met but before resolution action is taken; or when a determination has been made that unless the power is exercised the entity will no longer be viable, or that the group will no longer be viable, etc.) as set out more fully in the R&R Regulations.

The bail-in tool includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another. The exercise of such powers may result in the cancellation of all, or a portion,

of the principal amount of, interest on, or any other amounts payable on, the Notes and/or the conversion of all or a portion of the principal amount of, interest on, or any other amounts payable on, the Notes into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the Notes. The taking of any such actions could materially adversely affect the rights of Holders, and such actions (or the perception that the taking of such actions may be imminent) could materially adversely affect the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The Resolution Committee may exercise the bail-in tool to recapitalise a relevant entity in resolution by allocating losses to its shareholders and unsecured creditors (which include Holders) in a manner that (i) ought to respect the hierarchy of claims in an ordinary insolvency and (ii) is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the "no creditor worse off" safeguard). In addition, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Holders in the resolution and there can be no assurance that Holders would recover such compensation promptly.

The Resolution Committee has very wide powers as necessary to apply the resolution tools, including but not limited to the following general powers:

(i) 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;

(ii) the power to transfer shares or other instruments of ownership issued by an institution under resolution;

(iii) the power to transfer to another entity, rights, assets or liabilities of an institution under resolution;

(iv) the power to reduce, including to zero, the principal amount of or outstanding amount due in respect of bail-inable liabilities of an institution under resolution;

(v) the power to convert bail-inable liabilities of an institution under resolution into ordinary shares or other instruments of ownership;

(vi) the power to cancel debt instruments issued by an institution under resolution;

(vii) 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 others instruments of ownership;

(viii) in respect of debt instruments and other bail-inable liabilities issued by an institution under resolution, the power to amend or alter the maturity or amend the amount of interest payable or amend the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(ix) the power to close out and terminate financial contracts or derivative contracts.

When exercising a resolution power, the Resolution Committee also has ancillary powers including the power to cancel or modify the terms of a contract to which an institution under resolution is a party or substitute a recipient as a party. Other important powers of the Resolution Committee are:

(i) the power to suspend payment or delivery obligations under any contract to which an institution under resolution is a party;

(ii) the power to restrict secured creditors of an institution under resolution from enforcing security interests in relation to any assets of that institution under resolution; and

(iii) the power to temporarily suspend the termination rights of any party to a contract with an institution under resolution.

Although the R&R Regulations provide for conditions to the exercise of any resolution powers and the EBA guidelines set out the objective elements for determining whether an institution is failing or likely to fail, it is uncertain how the Resolution Committee would assess such conditions in any particular situation. The Resolution Committee is also not required to provide any advance notice to Holders of their decision to exercise any resolution power. Therefore, Holders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer or the Notes. The taking of any such actions could materially adversely affect the rights of Holders, and such actions (or the perception that the taking of such actions may be imminent) could materially adversely affect the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The Notes are not protected under the Depositor Compensation Scheme

Under the Depositor Compensation Scheme Regulations (Subsidiary legislation 371.09), transposing the relevant provisions of Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes into Maltese law, the MFSA operates a statutory depositor compensation scheme (the "**Depositor Compensation Scheme**"). Holders of the Notes will not qualify under the Depositor Compensation Scheme.

Holders may not require the redemption or purchase of the Notes prior to their maturity

The Notes mature on 10 February 2031. The Issuer is under no obligation to redeem the Notes at any time prior thereto and the Holders have no right to require the Issuer to redeem or purchase any Notes at any time. Any redemption of the Notes and any purchase of any Notes by the Issuer will be subject always to the prior approval of the Competent Authority (as defined in the Conditions) and to compliance with prevailing Regulatory Capital Requirements (as defined in the Conditions), and the Holders may not be able to sell their Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Notes. Accordingly, investors in the Notes should be prepared to hold their Notes for a significant period of time.

The Notes are subject to early redemption at the option of the Issuer and upon the occurrence of certain tax and regulatory events

Subject to the prior approval of the Competent Authority, the conditions set out in Condition 6*(b)* and the compliance with prevailing Regulatory Capital Requirements, the Issuer may, at its option, redeem all (but not some only) of the Notes at their principal amount plus interest accrued and unpaid from and including the immediately preceding Interest Payment Date up to but excluding the relevant redemption date on the relevant Interest Payment Date or, upon the occurrence of a Tax Event or a Capital Disqualification Event, at any time.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Further, during periods when there is an increased likelihood, or perceived increased likelihood, that the Notes will be redeemed early, the market value of the Notes may be adversely affected.

If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in the latter case, Holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should also consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect to redeem the Notes, and if so whether the Issuer will satisfy the conditions, or elect, to

redeem the Notes. The Issuer may, subject to the conditions set out in Condition 6*(b)* be more likely to exercise its option to redeem the Notes on the Reset Date or any subsequent Interest Payment Date if the Issuer's funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If the Notes are so redeemed, there can be no assurance that Holders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

The Issuer may not be liable to pay certain taxes

All payments by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Taxing Jurisdiction (as defined in the Conditions), unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will (subject to certain customary exceptions) pay such additional amounts as may be necessary in order that the net amounts received by the Holders in respect of payments of interest after the withholding or deduction shall equal the amounts which would have been receivable in respect of interest on the Notes in the absence of such withholding or deduction.

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the Holders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, except as provided for in Condition 9.

In particular, the Notes do not provide for payments of principal to be grossed up in the event withholding tax of the Taxing Jurisdiction is imposed on repayments of principal. As such, the Issuer would not be required to pay any Additional Amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Holders may receive less than the full amount due under the Notes and the market value of the Notes may be adversely affected.

Future discontinuance of EURIBOR or the occurrence of a Benchmark Event may adversely affect the value of the Notes

Future discontinuance of EURIBOR and benchmark reforms

EURIBOR is deemed to be a "benchmark" and is the subject of ongoing national and international regulatory discussions and proposals for reform. Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**"), published in the Official Journal of the European Union on 29 June 2016 and applicable from 1 January 2018, could impact how the Reset Rate of Interest is calculated and have a material impact on the Notes. In particular, if the methodology or other terms of EURIBOR are changed in order to comply with the terms of the Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level of the benchmark.

Following the implementation of any potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the EURIBOR benchmark, or changes in the manner of its administration, could require or result in an adjustment to the manner in which the Reset Rate of Interest is calculated pursuant to the Conditions. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to EURIBOR may adversely affect such benchmark during the term of the Notes, the return on the Notes and the trading market for the Notes.

Potential for a fixed rate return

Investors should be aware that, if EURIBOR were discontinued or otherwise unavailable, the Reset Rate of Interest which applies to the Notes from (and including) the Reset Date, which is based on a reset mid-swap rate, may be affected. If EURIBOR is not available, the Reset Rate of Interest will be determined by the fall-back provisions applicable to the Notes, as provided in the Conditions. This may in certain circumstances result in the effective application of a fixed rate based on the rate which was last observed on the Screen Page.

In addition, any changes to the administration of the applicable annualised mid-swap rate for swap transactions in euro with a term of five years as referred to in the Conditions or the emergence of alternatives to such mid-swap rate as a result of these potential reforms, may cause such rate to perform differently than in the past or to be discontinued, or there could be other consequences which cannot be predicted. The potential discontinuation of such rate or changes to its administration could require changes to the way in which the Reset Rate of Interest is calculated on the Notes from (and including) the Reset Date. Uncertainty as to the nature of alternative reference rates and as to potential changes to the relevant mid-swap rate may adversely affect the Reset Rate of Interest, the return on the Notes and the trading market for Notes (such as the Notes) based on the same mid-swap rate. The development of alternatives to the relevant mid-swap rate may result in the Notes performing differently than would otherwise have been the case if such alternatives to the relevant mid-swap rate had not developed. Any such consequence could have a material adverse effect on the value of, and return on, the Notes.

Benchmark Event

The Conditions also provide for certain fall-back arrangements in the event that the Issuer determines that a Benchmark Event (as defined in Condition 5(i)(vii)) occurs. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Issuer, the Conditions provide that the Issuer may, following consultation with the Independent Advisor, vary the Conditions and/or the Fiscal Agency Agreement, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Holders.

If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread will be determined by the Issuer, in consultation with the Independent Advisor, and applied to such Successor Rate or Alternative Rate. The application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser in which case the Issuer may determine the Successor Rate or the Alternative Rate and the Adjustment Spread. The Issuer may not be able to determine a Successor Rate or Alternative Rate in accordance with Conditions of the Notes. Where the Issuer is unable to appoint an Independent Adviser, or fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with Condition 5(i)(i) prior to the date which is 10 business days prior to the relevant Interest Payment Date, the Reset Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Initial Fixed Interest Rate.

Applying the Initial Fixed Interest Rate is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Reset Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of the relevant mid-swap rate could adversely affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

The interest rate on the Notes will be reset on the Reset Date, which may affect the market value of the Notes

The Notes will initially accrue interest at a fixed rate of interest to, but excluding, the Reset Date. From, and including, the Reset Date, however, the interest rate will be reset to the Reset Rate of Interest (as described in Condition 5). This reset rate could be less than the initial rate of interest, which could affect the amount of any interest payments under the Notes and the market value of the Notes.

The terms of the Notes may be modified, or the Notes may be substituted, by the Issuer without the consent of the Holders in certain circumstances, subject to certain restrictions

Following the occurrence of a Tax Event or a Capital Disqualification Event, the Issuer may (subject to certain conditions including the conditions set out at Condition 6*(b)*) at any time substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable), Qualifying Tier 2 Securities (as defined in the Conditions), without the consent of the Holders.

Qualifying Tier 2 Securities must have terms (other than in the case of any Extended First Call Date in the circumstances described in the Conditions) not materially less favourable to an investor than the terms of the Notes, as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing. However, there can be no assurance that, due to the particular circumstances of a holder of Notes, such Qualifying Tier 2 Securities will be as favourable to each investor in all respects or that, if it were entitled to do so, a particular investor would make the same determination as the Issuer as to whether the terms of the Qualifying Tier 2 Securities are not materially less favourable to holders than the terms of the Notes.

Because the Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

The Notes will, upon issue, be represented by a Global Certificate that will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Certificate. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the payment obligations of the Issuer under the Notes will be discharged upon such payments being made by or on behalf of the Issuer to or to the order of the nominee for the common depositary. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the Notes. The Issuer does not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Notes in integral multiples of less than €100,000 may be illiquid and difficult to trade

The denomination of the Notes will be €100,000 and integral multiples of €1,000 in excess thereof. Accordingly, it is possible that the Notes may be traded in the clearing systems in amounts in excess of €100,000 that are not integral multiples of €100,000. Should individual certificates be required to be issued, they will be issued in

principal amounts of €100,000 and higher integral multiples of €1,000 but will in no circumstances be issued to Holders who hold Notes in the relevant clearing system in amounts that are less than €100,000. Accordingly, any Holder who holds an amount which is less than €100,000 in principal amount of the Notes in his account with the relevant clearing system at the relevant time may not receive an individual certificate (should individual certificates be printed) in respect of such holding. Such a Holder would need to purchase a principal amount of Notes such that its holding amounts to €100,000 in order to receive an individual certificate.

If individual certificates are issued, Holders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

The Conditions contain certain provisions relating to the meetings of Holders and modification of the Conditions

The Conditions of the Notes will contain provisions for calling meetings of Holders and passing resolutions in writing or electronically, each to consider matters affecting the interests of Holders generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and/or vote in relation to the relevant resolution and Holders who voted in a manner contrary to the majority.

Changes in law may affect investors' rights

The Conditions of the Notes will be governed by the laws of England, save that the provisions of Conditions 4 and 16(*d*) are governed by, and shall be construed in accordance with the laws of the Relevant Jurisdiction (being Malta, as at the date of this Information Memorandum). No assurance can be given as to the impact of any possible judicial decision or change to the laws of England and/or the Relevant Jurisdiction or administrative practice after the date of this Information Memorandum.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

A Holder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), Holders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any

additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Risks relating to the Market Generally

There can be no assurance about the development or performance of a secondary trading market for the Notes

No secondary trading market currently exists for the Notes and there can be no assurance that one will develop. If a market does develop, it may not be very liquid.

Although an application has been made to admit the Notes to trading on the GEM of Euronext Dublin, the Notes have no established trading market and one may never develop. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Notes, such volatility may be increased in an illiquid market including in circumstances where a significant proportion of the Notes are held by a limited number of initial investors. Publicly traded bonds from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition of the Issuer deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable to pay interest on the Notes in full, or of the Notes being subject to loss absorption under an applicable statutory loss absorption regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control.

Any or all of such events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them.

Moreover, although the Issuer and any subsidiary of the Issuer can (subject to Supervisory Permission and compliance with prevailing Regulatory Capital Requirements) purchase Notes at any time, they have no obligation to do so. Purchases made by the Issuer (or on behalf of) the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

There are exchange rate risks and exchange control risks associated with the Notes

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or euro may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

There are interest rate risks associated with the Notes

An investment in the Notes, which bear interest at a fixed rate (reset after five years), involves the risk that subsequent changes in market interest rates may adversely affect their value. The rate of interest will be reset after five years, and as such the reset rate is not pre-defined at the date of issue of the Notes; it may be different from the initial rate of interest and may adversely affect the yield of the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum should be read and construed in conjunction with the following:

(1) the audited consolidated financial statements of the Issuer for the year ended 31 December 2019 (together with the audit report prepared in connection therewith), which appear on pages 28 to 147 of the Issuer's Annual Report for the year ended 31 December 2019 (the "**Annual Report 31 December 2019**"), which can be found on the Issuer's website via the following link: https://content-medirect.azureedge.net/docs/default-source/investor-relations/medfin-holiding/mdb-group-limited-annual-report-31-december-2019831d81f7e2c76ec9a8aaff2800f0a287.pdf?sfvrsn=7cdbefb9_10;

(2) the audited consolidated financial statements of the Issuer for the year ended 31 March 2019 (together with the audit report prepared in connection therewith), which appear on pages 22 to 127 of the Issuer's Annual Report for the year ended 31 March 2019 (the "**Annual Report 31 March 2019**"), which can be found on the Issuer's website via the following link: https://content-medirect.azureedge.net/docs/default-source/investor-relations/medfin-holiding/mdb-group-limited-annual-report-31-march-2019.pdf?sfvrsn=f80c13b9_16;

(3) the audited consolidated financial statements of the Issuer for the year ended 31 March 2018 (together with the audit report prepared in connection therewith), which appear on pages 39 to 162 of the Issuer's Annual Report for the year ended 31 March 2018 (the "**Annual Report 31 March 2018**"), which can be found on the Issuer's website via the following link: https://content-medirect.azureedge.net/docs/default-source/investor-relations/medfin-holiding/mdb-group-limited-annual-report-31-march-2018.pdf?sfvrsn=6c8b1ab9_10;

(4) the condensed consolidated interim financial statements of the Issuer for the six-month period ended 30 June 2020 (the "**Interim Financial Statements 30 June 2020**"), which can be found on the Issuer's website via the following link: https://content-medirect.azureedge.net/docs/default-source/investor-relations/medfin-holding-interim/mdb-group-june-2020-interim-report-(final).pdf?sfvrsn=6135eeb9_6;

(5) the Pillar 3 disclosures report 2020 of the Issuer for the period ended 30 June 2020 (the "**Pillar 3 Disclosures Report 30 June 2020**"), which can be found on the Issuer's website via the following link: https://content-medirect.azureedge.net/docs/default-source/investor-relations/pillar-3-disclosures/mdb-group-limited---pillar-3-disclosures---june-2020.pdf?sfvrsn=7ad2efb9_6.

Such documents shall be incorporated in and form part of this Information Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Information Memorandum.

Those parts of the documents incorporated by reference in this Information Memorandum which are not specifically incorporated by reference in this Information Memorandum are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Information Memorandum. The documents incorporated by reference in this Information Memorandum have been filed with Euronext Dublin.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are incorporated herein by reference. Written requests for such documents should be directed to the Issuer at its registered office set out at the end of this Information Memorandum.

OVERVIEW

The following overview provides an overview of certain of the principal features of the Notes and is qualified by the more detailed information contained elsewhere in this Information Memorandum. Capitalised terms which are defined in "Terms and Conditions of the Notes" have the same respective meanings when used in this overview. References to numbered Conditions are as set out under "Terms and Conditions of the Notes".

Issuer	MDB Group Limited
Bookrunner	Deutsche Bank Aktiengesellschaft
Fiscal Agent	BNP Paribas Securities Services, Luxembourg Branch
Registrar	BNP Paribas Securities Services, Luxembourg Branch
Issue Price	99.052 per cent. of the principal amount of the Notes
Notes	€11,000,000 Fixed Rate Reset Callable Subordinated Notes due 2031
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes and certain risks relating to the structure of the Notes. These are set out under "*Risk Factors*".
Status of the Notes	The Notes will constitute direct, unsecured and unguaranteed obligations of the Issuer and will rank *pari passu* and without any preference among themselves. The rights and claims of Holders in respect of, or arising under, their Notes are subordinated as described in Condition 4.
Rights on a Winding-Up	The rights and claims of Holders in the event of a Winding-Up are described in Condition 4.
Interest	The Notes will bear interest on their outstanding principal amount: (i) from (and including) the Issue Date to (but excluding) 10 February 2026 at a fixed rate of 9.750 per cent. per annum; and (ii) thereafter, at the Reset Rate of Interest (as described in Condition 5). Interest will be payable annually in arrear on each Interest Payment Date, as provided in Condition 5.
Interest Payment Dates	10 February in each year commencing on 10 February 2022.
Maturity	Unless previously redeemed, purchased, cancelled or substituted, the Notes will mature on 10 February 2031. The Notes may only be redeemed, repurchased or substituted by the Issuer in the circumstances described below (as more fully described in Condition 6).
Optional redemption	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to Early Redemption, Substitution, Variation and Purchase*" below and upon notice to the Holders, elect to redeem all (but not some only), of the Notes on the Reset Date or any Interest Payment Date thereafter at their principal

	amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption, as described in Condition 6*(c)*.
Redemption following a Capital Disqualification Event or a Tax Event	The Issuer may, in its sole discretion but subject to the conditions set out under "*Conditions to Early Redemption, Substitution, Variation and Purchase*" below and upon notice to the Holders, at any time elect to redeem in accordance with the Conditions all (but not some only), of the Notes at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption, if a Tax Event or a Capital Disqualification Event has occurred. A "**Tax Event**" is deemed to have occurred if, as a result of a Tax Law Change: (a) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or (b) the Issuer is no longer entitled to claim a deduction in respect of any payments in respect of the Notes in computing its taxation liabilities or the amount of such deduction is materially reduced; or (c) the Issuer is not able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be so grouped for applicable tax purposes of the Taxing Jurisdiction (whether under the group relief system current as at the date of issue of the Notes or any similar system or systems having like effect as may from time to time exist), and, in any such case, the Issuer could not avoid the foregoing by taking measures reasonably available to it. A "**Capital Disqualification Event**" is deemed to have occurred if there is a change (which has occurred or which the Competent Authority considers to be sufficiently certain) in the regulatory classification of the Notes which becomes effective after the Reference Date and that results, or would be likely to result, in some of or the entire principal amount of the Notes being excluded from the Tier 2 Capital of the Group and, for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the CRD Regulation shall not comprise a Capital Disqualification Event.
Substitution and Variation following a Capital Disqualification Event or a Tax Event	The Issuer may, subject to the conditions set out under "Conditions to Early Redemption, Substitution, Variation and Purchase" below and upon notice to the Holders, the Fiscal Agent and the Registrar, at any time, elect to substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become Qualifying Tier 2 Securities and may make any required consequential amendments to the Deed of Covenant and

	the Fiscal Agency Agreement if a Tax Event or Capital Disqualification Event has occurred.
Conditions to Early Redemption, Substitution, Variation and Purchase	Any redemption or purchase of the Notes prior to the Maturity Date or any substitution or variation of the Notes will be subject to obtaining Supervisory Permission and in the case of any redemption or purchase (to the extent required by prevailing Regulatory Capital Requirements) to either: (a) the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (b) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any capital buffer requirements) by a margin that the Competent Authority considers necessary at such time, as further described in Condition 6*(b)*. If, at the time of such redemption, purchase, substitution or variation, the prevailing Regulatory Capital Requirements permit the redemption (or purchase, substitution or variation) after compliance with one or more alternative or additional pre-conditions to those set out in paragraphs (a) and (b) above or under "Redemption following a Capital Disqualification Event or a Tax Event" above, the Issuer shall instead comply with such other pre-condition(s).
Purchase of the Notes	The Issuer may, at its option but subject to the conditions set out under "*Conditions to Early Redemption, Substitution, Variation and Purchase*" above, purchase (or otherwise acquire), or procure others to purchase (or otherwise acquire) beneficially for its account, Notes in any manner and at any price, in accordance with the then prevailing Regulatory Capital Requirements. All Notes purchased by or on behalf of the Issuer may, subject to obtaining any Supervisory Permission therefor, be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation.
Withholding tax and Additional Amounts	All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders of such amounts as would have been received by them in respect of payments of interest had no such withholding

	or deduction been required, subject to some exceptions, as described in Condition 9.
Enforcement	If the Issuer shall not make payment in respect of the Notes (in the case of payment of principal) for a period of seven days or more or (in the case of any other amount in respect of the Notes) shall not make payment for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default under the Notes and a Holder may, notwithstanding the provisions of Condition 8(*b*), institute proceedings for the winding-up of the Issuer. In the event of a Winding-Up, a Holder may prove and/or claim in such Winding-Up, such claim being as contemplated in Condition 4(*a*). A Holder may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Notes (other than any payment obligation of the Issuer under or arising from the Notes, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to the Conditions. See Condition 8 for further information.
Modification	The Fiscal Agency Agreement will contain provisions for convening meetings of Holders to consider any matter affecting their interests, pursuant to which defined majorities of the Holders may consent to the modification or abrogation of any of the Conditions or any of the provisions of the Fiscal Agency Agreement, and any such modification or abrogation shall be binding on all Holders. The Fiscal Agency Agreement also provides that a resolution may be passed in writing (and where the Notes are held in global form by way of electronic consent) (see the section entitled *"Summary of Provisions Relating to the Notes whilst in Global Form – Electronic Consent and Written Resolution"* for further details).
Form	The Notes will be issued in registered form and represented upon issue by a registered global certificate which will be registered in the name of a nominee for a Common Depositary for Clearstream Banking S.A. and Euroclear Bank SA/NV on the Issue Date. Save in limited circumstances, Notes in definitive form will not be issued in exchange for interests in the registered global certificate.
Denomination	The Notes will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof.
Clearing systems	Euroclear and Clearstream, Luxembourg.
Ratings	The Notes will not be rated.

Listing	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and to trading on the GEM of Euronext Dublin. The GEM is not a regulated market for the purposes of MiFID II or UK MiFIR.
Governing Law	The Fiscal Agency Agreement, the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions of Conditions 4 and 16(*d*) are governed by, and shall be construed in accordance with, the laws of the Relevant Jurisdiction (being Malta, as at the date of this Information Memorandum).
Selling Restrictions	The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes may be sold in other jurisdictions only in compliance with applicable laws and regulations. See "*Subscription and Sale*" below.
ISIN	XS2296173540
Common Code	229617354

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and completion, are the terms and conditions of the Notes which will be endorsed on each Certificate in definitive form (if issued).

The issue of the €11,000,000 Fixed Rate Reset Callable Subordinated Notes due 2031 (the "**Notes**") of MDB Group Limited (the "**Issuer**") was authorised by a resolution of the Board of Directors of the Issuer passed on 18 January 2021. A fiscal agency agreement dated 10 February 2021 (the "**Fiscal Agency Agreement**") has been entered into in relation to the Notes between the Issuer, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and agent bank, BNP Paribas Securities Services, Luxembourg Branch as registrar and the other agents named in it. The Notes have the benefit of a deed of covenant (the "**Deed of Covenant**") dated 10 February 2021 executed by the Issuer relating to the Notes. The fiscal agent, the agent bank, the registrar and any transfer agent for the time being are referred to below respectively as the "**Fiscal Agent**", the "**Agent Bank**", the "**Registrar**" and the "**Transfer Agents**". "**Agents**" means the Fiscal Agent, the Agent Bank, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Notes. The Fiscal Agency Agreement includes the form of the Notes. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified offices of the Fiscal Agent, the Registrar and any Transfer Agents. The Holders of the Notes are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are serially numbered in the denomination of €100,000 and integral multiples of €1,000 in excess thereof.

The Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2*(a)*, each Certificate shall represent the entire holding of Notes by the same Holder.

The Notes on issue will be represented by a global certificate registered in the name of, and held by a nominee on behalf of, a common depositary for Euroclear Bank SA/NV and/or Clearstream Banking S.A.

(b) Title

Title to the Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Fiscal Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the Holder.

In these Conditions, "**Holder**" means the person in whose name a Note is registered.

2 Transfers of Notes

(a) Transfer

A holding of Notes may, subject to Condition 2*(d)*, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Notes to be transferred, together with the form of transfer endorsed on such Certificate(s), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one Certificate, a new

Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Notes to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries in the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Fiscal Agent. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

(b) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2*(a)* shall be available for delivery within three business days of receipt of a duly completed and executed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer and Certificate(s) shall have been made or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificate to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2*(b)*, "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(c) Transfer Free of Charge

Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to such transfer (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(d) Closed Periods

No Holder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6*(c)*, (iii) after the Notes have been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status

The Notes constitute direct, unsecured and unguaranteed obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of Holders in respect of, or arising under, their Notes (including any damages awarded for breach of obligations in respect thereof) are subordinated as described in Condition 4.

4 Subordination and Waiver of Set-off

(a) Winding-Up

If a Winding-Up occurs, the rights and claims of the Holders against the Issuer in respect of, or arising under, each Note shall be for (in lieu of any other payment by the Issuer) an amount equal to the principal amount of the relevant Note, together with, to the extent not otherwise included within the foregoing,

any other amounts attributable to such Note, including any accrued and unpaid interest thereon and any damages awarded for breach of any obligations in respect of such Note, provided however that such rights and claims shall be subordinated as provided in this Condition 4*(a)* to the claims of all Senior Creditors but shall rank (i) subject as provided in (ii) below, at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital for so long as the Notes themselves constitute Tier 2 Capital and (ii) in priority to (A) the claims of holders of all undated or perpetual subordinated obligations of the Issuer, (B) obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital, (C) all obligations which rank, or are expressed to rank, *pari passu* with such obligations described in (A) and (B), and (D) the claims of holders of all classes of share capital of the Issuer.

(b) Waiver of Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Holder shall, by virtue of his holding of any Note, be deemed, to the extent permitted under applicable law, to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

(c) No Security/Guarantee: No Enhancement of Seniority

The Notes are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

5 Interest Payments

(a) Interest Rate

The Notes bear interest at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 5.

Interest shall be payable on the Notes annually in arrear on each Interest Payment Date, as provided in this Condition 5.

Where it is necessary to compute an amount of interest in respect of any Note for a period which is less than a complete Interest Period, the relevant day-count fraction shall be determined on the basis of the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the actual number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

(b) Interest Accrual

The Notes will cease to bear interest from (and including) the due date for redemption thereof pursuant to Condition 6*(a)*, *(c), (d)*, *(e)* or (*f*) or the date of substitution thereof pursuant to Condition 6*(f)*, as the case may be, unless, upon surrender of the Certificate representing any Note, payment of all amounts due in respect of such Note is not properly and duly made, in which event interest shall continue to

accrue on the Notes, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date. Interest in respect of any Note shall be calculated per Calculation Amount and the amount of interest per Calculation Amount shall be equal to the product of the Calculation Amount, the relevant Interest Rate and the day-count fraction as described in Condition 5*(a)* for the relevant period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards). Where the denomination of a Note is more than the Calculation Amount, the amount of interest payable in respect of each Note shall be the aggregate of the amounts (calculated as aforesaid) for each Calculation Amount comprising the denomination of the Note.

(c) Initial Fixed Interest Rate

For the Initial Fixed Rate Interest Period, the Notes bear interest at the rate of 9.750 per cent. per annum (the "**Initial Fixed Interest Rate**").

(d) Reset Rate of Interest

The Interest Rate will be reset (the "**Reset Rate of Interest**") in accordance with this Condition 5 on the Reset Date. The Reset Rate of Interest will be determined by the Agent Bank on the Reset Determination Date as the sum of the Reset Reference Rate and the Margin.

(e) Determination of Reset Rate of Interest

The Agent Bank will, as soon as practicable after 11 a.m. (Central European time) on the Reset Determination Date, determine the Reset Rate of Interest in respect of the Reset Period. The determination of the Reset Rate of Interest by the Agent Bank shall (in the absence of manifest error) be final and binding upon all parties.

(f) Publication of Reset Rate of Interest

The Agent Bank shall cause notice of the Reset Rate of Interest determined in accordance with this Condition 5 in respect of the Reset Period to be given to the Fiscal Agent, the Registrar, each of the Transfer Agents and, in accordance with Condition 13, the Holders, in each case as soon as practicable after its determination but in any event not later than the fifth Business Day thereafter.

If the Notes become due and payable pursuant to Condition 8*(a)*, the accrued interest per Calculation Amount and the Reset Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Agent Bank in accordance with this Condition 5 but no publication of the Reset Rate of Interest need be made.

(g) Agent Bank and Reset Reference Banks

Whenever a function expressed in these Conditions to be performed by the Agent Bank and Reset Reference Banks falls to be performed, the Issuer will maintain an Agent Bank and the number of Reset Reference Banks provided below. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may from time to time replace the Agent Bank or any Reset Reference Bank with another leading investment, merchant or commercial bank or financial institution in the eurozone. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Reset Rate of Interest in respect of the Reset Period as provided in Condition 5*(d)*, the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in the eurozone to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Agent Bank, shall (in the absence of manifest error) be binding on the Issuer, the Agent Bank, the Fiscal Agent, the Registrar, the Transfer Agents and all Holders and (in the absence of wilful default or gross negligence) no liability to the Holders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) Benchmark Discontinuation

(i) Independent Adviser

(A) If a Benchmark Event occurs in relation to an Original Reference Rate when the Reset Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to advise the Issuer in determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(*i*)(ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(*i*)(iv)). In making such determination, the Issuer shall act in good faith as an expert. In the absence of bad faith or fraud, the Issuer and the Independent Adviser shall have no liability whatsoever to any Agent or the Holders for any determination made by the Issuer or, in the case of the Independent Adviser, for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(*i*).

(B) If :

(i) the Issuer is unable to appoint an Independent Adviser; or

(ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(*i*)(i) prior to the date which is 10 business days prior to the relevant Interest Payment Date,

the Reset Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Initial Fixed Interest Rate. For the avoidance of doubt, this Condition 5(*i*)(i)(B) shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, Condition 5(*i*)(i)(A).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser, determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(*i*)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Reset Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(*i*)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(*i*) and the Issuer, following consultation with the Independent Adviser, determines (i) that amendments to these Conditions and/or the Fiscal Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(*i*)(v), without any requirement for the consent or approval of Holders, vary these Conditions and/or the Fiscal Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 5(*i*), the Agent Bank or the Fiscal Agent is not obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 5(*i*) which, in the sole opinion of the Agent Bank or the Fiscal Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent Bank or the Fiscal Agent (as applicable) in the Fiscal Agency Agreement and/or these Conditions.

Notwithstanding any other provision of this Condition 5(*i*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5(*i*) will be notified at least 10 business days prior to the relevant Interest Payment Date by the Issuer to the Fiscal Agent, the Agent Bank and, in accordance with Condition 13, the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Holders of the same, the Issuer shall deliver to the Fiscal Agent and the Agent Bank a certificate signed by an Authorised Signatory of the Issuer:

(a) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(*i*); and

(b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Fiscal Agent shall display such certificate at its offices, for inspection by the Holders at all reasonable times during normal business hours.

Each of the Fiscal Agent and the Agent Bank shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate, the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Fiscal Agent's or the Agent Bank's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Fiscal Agent, the Agent Bank and the Holders.

Notwithstanding any other provision of this Condition 5(*i*), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Agent Bank's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5(*i*), the Agent Bank shall promptly notify the Issuer thereof and the Issuer shall direct the Agent Bank in writing as to which alternative course of action to adopt. If the Agent Bank is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Agent Bank shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability for not doing so.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 5(*i*)(i), (ii), (iii) and (iv), the Original Reference Rate will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions:

As used in this Condition 5(*i*):

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer, following consultation with the Independent Adviser, determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Independent Adviser determines that no such spread is customarily applied) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer following consultation with the Independent Adviser determines in accordance with Condition 5(*i*)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in euro.

"**Benchmark Amendments**" has the meaning given to it in Condition 5(*i*)(iv).

"**Benchmark Event**" means:

(1) the Original Reference Rate ceasing to be published for a period of at least 5 business days or ceasing to exist; or

(2) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(3) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally or in respect of the Notes; or

(5) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that, with effect from a date after 31 December 2021, the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(6) it has become unlawful for the Fiscal Agent, the Agent Bank, the Issuer or other party to calculate any payments due to be made to any Holder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (2) and (3) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (4) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (5) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent and the Agent Bank. For the avoidance of doubt, neither the Fiscal Agent nor the Agent Bank shall have any responsibility for making such determination.

"**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Agent Bank.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5(*i*)(i).

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Reset Rate of Interest (or any component part thereof) on the Notes, which is expected to be stated on the relevant Screen Page.

"**Relevant Nominating Body**" means, in respect of the Screen Page:

(i) the European Central Bank, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Screen Page; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the European Central Bank, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the Screen Page, (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

6 Redemption, Substitution, Variation and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled or (pursuant to Condition 6*(f)*) substituted, the Notes will be redeemed at their principal amount, together with accrued and unpaid interest, on 10 February 2031. The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) Conditions to Early Redemption, Substitution, Variation and Purchase

Any redemption, substitution, variation or purchase of the Notes in accordance with Conditions 6*(c)*, *(d), (e)*, *(f)* or *(g)* is subject, as applicable, to:

(i) the Issuer obtaining prior Supervisory Permission therefor and, in the case of any redemption or purchase, either: (A) the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) (save in the case of Condition 6*(b)(iv)(A)* below), the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds and eligible liabilities of the Issuer and the Group would, following such redemption or purchase, exceed its minimum applicable capital requirements (including any applicable buffer requirements) by a margin (calculated in accordance with prevailing Regulatory Capital Requirements) that the Competent Authority considers necessary at such time;

(ii) in the case of any redemption prior to the fifth anniversary of the Reference Date, upon the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Reference Date;

(iii) in the case of any redemption prior to the fifth anniversary of the Reference Date upon the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Competent Authority that the relevant change in the regulatory classification of the Notes was not reasonably foreseeable as at the Reference Date; and

(iv) in the case of any purchase prior to the fifth anniversary of the Reference Date pursuant to Condition 6*(g)*, either (A) the Issuer having, before or at the same time as such purchase, replaced the Notes with

own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances, or (B) the relevant Notes being purchased for market-making purposes in accordance with applicable Regulatory Capital Requirements.

Any refusal by the Competent Authority to give its Supervisory Permission as contemplated above shall not constitute a default for any purpose.

Notwithstanding the above conditions, if, at the time of any redemption, substitution, variation or purchase of the Notes, the prevailing Regulatory Capital Requirements permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 6*(b)*, the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 6 (other than redemption pursuant to Condition 6*(c)*), the Issuer shall deliver to the Fiscal Agent to make available at its registered office to the Holders a copy of (i) a certificate signed by an Authorised Signatory stating that the relevant requirements or circumstances giving rise to the right to redeem, substitute or, as appropriate, vary are satisfied and, in the case of a substitution or variation, that the terms of the relevant Qualifying Tier 2 Securities comply with the definition thereof in Condition 18, and (ii) in the case of a redemption pursuant to Condition *6(d)* only, an opinion from a nationally recognised law firm or other tax adviser in the Taxing Jurisdiction experienced in such matters to the effect that the relevant requirement or circumstance referred to in any of paragraphs (a) to (c) (inclusive) of the definition of "Tax Event" applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it).

(c) Issuer's Call Option

Subject to Condition 6*(b)*, the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 13, the Registrar and the Fiscal Agent (which notice shall be irrevocable), elect to redeem all, but not some only, of the Notes on the Reset Date or any Interest Payment Date thereafter at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(d) Redemption Due to Tax Event

If, prior to the giving of the notice referred to below in this Condition 6*(d)*, a Tax Event has occurred, then the Issuer may at any time, subject to Condition 6*(b)* and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 13, the Registrar, the Fiscal Agent (which notice shall be irrevocable and shall specify the date for redemption), elect to redeem in accordance with these Conditions all, but not some only, of the Notes at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(e) Redemption Due to Capital Disqualification Event

If, prior to the giving of the notice referred to below in this Condition 6*(e)*, a Capital Disqualification Event has occurred, then the Issuer may at any time, subject to Condition 6*(b)* and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 13, the Registrar and the Fiscal Agent (which notice shall be irrevocable and shall specify the date for redemption), elect to

redeem in accordance with these Conditions all, but not some only, of the Notes at their principal amount, together with any accrued and unpaid interest thereon to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Notes.

(f) Substitution or Variation

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 6*(b)* and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 13, the Registrar and the Fiscal Agent (which notice shall be irrevocable and shall specify the date for substitution or, as the case may be, variation of the Notes) but without any requirement for the consent or approval of the Holders, at any time (whether before or following the Reset Date) either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities; and, in connection therewith, the Issuer may make any required consequential amendments to the Deed of Covenant and the Fiscal Agency Agreement. Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute (as the case may be) the Notes in accordance with this Condition 6*(f)*, and shall make any required consequential amendments to the Deed of Covenant and the Fiscal Agency Agreement.

(g) Purchases

The Issuer may, subject to Condition 6*(b)*, at any time purchase (or otherwise acquire), or procure others to purchase (or otherwise acquire) beneficially for its account, Notes in any manner and at any price. The Notes so purchased (or acquired), while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders.

(h) Cancellation

All Notes redeemed or substituted by the Issuer pursuant to this Condition 6 will forthwith be cancelled. All Notes purchased by or on behalf of the Issuer may, subject to obtaining any Supervisory Permission therefor, be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Registrar. Notes so surrendered shall be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments

(a) Method of Payment

(i) Payments of principal shall be made in euro (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Notes represented by such Certificates) in like manner as is provided for payments of interest in paragraph (ii) below.

(ii) Interest on each Note shall be paid to the person shown in the Register at the close of business on the business day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Note shall be made in euro by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(b) Payments Subject to Laws

Save as provided in Condition 9, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or regulations to which the Issuer or its Agents agree to be subject and the Issuer will not be liable for any taxes or duties of whatever

nature imposed or levied by such laws, regulations, directives or agreements. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Payment Initiation

Payment instructions (for value the due date), or, if that date is not a business day, for value the first following day which is a business day, will be initiated on the last day on which the Fiscal Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Fiscal Agent is open for business and on which the relevant Certificate is surrendered.

(d) Delay in Payment

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day or if the Holder is late in surrendering or cannot surrender its Certificate (if required to do so).

(e) Non-Business Days

If any date for payment in respect of any Note is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified offices of the Registrar and Fiscal Agent are located and which is a TARGET Business Day.

8 Enforcement

(a) Default

If the Issuer shall not make payment in respect of the Notes (in the case of payment of principal) for a period of seven days or more, or (in the case of any other amount in respect of the Notes) shall not make payment for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default under the Notes and a Holder may, notwithstanding the provisions of Condition 8*(b)*, institute proceedings for the winding-up of the Issuer.

In the event of a Winding-Up, a Holder may prove and/or claim in such Winding-Up, such claim being as contemplated in Condition 4*(a)*.

(b) Enforcement

Without prejudice to Condition 8*(a)*, a Holder may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Notes (other than any payment obligation of the Issuer under or arising from the Notes, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions. Nothing in this Condition 8*(b)* shall, however, prevent a Holder instituting proceedings for the winding-up of the Issuer and/or proving and/or claiming in any Winding-Up in respect of any payment obligations of the Issuer arising from the Notes (including any damages awarded for breach of any obligations) in the circumstances provided in Conditions 4*(a)* and 8*(a)*.

(c) Extent of Holders' Remedy

No remedy against the Issuer, other than as referred to in this Condition 8, shall be available to the Holders, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes.

9 Taxation

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the Taxing Jurisdiction, unless such withholding or deduction is required by law. In that event, in respect of payments of interest (but not principal or any other amount), the Issuer will pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders of such amounts as would have been received by them in respect of payments of interest had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note:

(a) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Taxing Jurisdiction other than a mere holding of such Note including, but not limited to any Note being held by or on behalf of a Holder who is:

  (i) tax resident in the Taxing Jurisdiction or carries on any trade or business in the Taxing Jurisdiction through a permanent establishment in the Taxing Jurisdiction; or

  (ii) owned and controlled by, directly or indirectly, or acts on behalf of, an individual or individuals who are ordinarily resident and domiciled in the Taxing Jurisdiction;

(b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the Certificate representing the Note is presented for payment; or

(c) in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

References in these Conditions to interest shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 9.

Notwithstanding any other provisions of these Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer shall be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

10 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest or other amounts) from the appropriate Relevant Date in respect of them.

11 Meetings of Holders and Modification

(a) Meetings of Holders

The Fiscal Agency Agreement contains provisions for convening meetings of Holders (including by way of conference call) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Conditions (including, *inter alia*, the provisions regarding subordination referred to in Conditions 3 and 4, the terms concerning currency and due dates for payment of principal or interest payments in respect of the Notes and reducing or cancelling the principal amount of, or interest on, any Notes or the Interest Rate or varying the method of calculating the Interest Rate) and certain other provisions of the Fiscal Agency Agreement, the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes for the time being outstanding.

The agreement or approval of the Holders shall not be required in the case of any variation of these Conditions required to be made in the circumstances described in Condition 6*(f)* in connection with the variation of the terms of the Notes so that they become, Qualifying Tier 2 Securities. Further, the agreement or approval of the Holders shall not be required in the case of amendments to the Conditions pursuant to Condition 5(*i*) to vary the method or basis of calculating the Reset Rate of Interest in respect of the Notes or for any other variation of these Conditions and/or the Fiscal Agency Agreement required to be made in the circumstances described in Condition 5(*i*), where the Issuer has delivered to the Fiscal Agent a notice pursuant to Condition 5(*i*)(v).

An Extraordinary Resolution passed at any meeting of Holders will be binding on all Holders, whether or not they are present at the meeting.

The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of the Holders of not less than two-thirds of the principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

The Fiscal Agency Agreement also provides that consents given by way of electronic consents through the relevant clearing system(s) by or on behalf of Holder(s) representing not less than two-thirds of the principal amount of the outstanding Notes shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held.

(b) Modification

Save as provided in these Conditions, the Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement (excluding, for the avoidance of doubt, the Conditions), if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

No modification to these Conditions or any other provisions of the Fiscal Agency Agreement shall become effective unless (if and to the extent required at the relevant time by the Competent Authority) the Issuer shall have given at least 30 days' prior written notice thereof to, and received Supervisory Permission therefor from, the Competent Authority (or such other period of notice as the Competent Authority may from time to time require or accept and, in any event, provided that there is a requirement to give such notice and obtain such Supervisory Permission).

(c) Notices

Any such modification, waiver or authorisation shall be binding on all Holders and shall be notified to the Holders in accordance with Condition 13 as soon as practicable thereafter.

12 Replacement of the Notes

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and, regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13 Notices

Notices required to be given to the Holders pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the second weekday (being a day other than a Saturday or Sunday) after the date of mailing.

*For so long as the Notes are represented by a Global Certificate registered in the name of, and held by a nominee on behalf of, a common depository for Euroclear Bank SA/NV ("**Euroclea**r") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") notices required to be given to Noteholders pursuant to the Conditions shall also be given by the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg as the case may be. Any such notice shall be deemed to have been given on the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg.*

14 Further Issues

The Issuer may from time to time without the consent of the Holders, but subject to any Supervisory Permission required, create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

15 Agents

The initial Fiscal Agent, the Registrar, the Agent Bank and the Transfer Agents and their initial specified offices are listed below. They act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the Registrar, the Agent Bank and the Transfer Agents and to appoint replacement Agents, provided that it will:

(a) at all times maintain a Fiscal Agent, a Registrar and a Transfer Agent; and

(b) whenever a function expressed in these Conditions to be performed by the Agent Bank falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank.

Notice of any such termination or appointment and of any change in the specified offices of the Agents will be given to the Holders in accordance with Condition 13. If any of the Agent Bank, Registrar or the Fiscal Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Fiscal Agency Agreement (as the case may be), the Issuer shall appoint an independent financial institution of international repute to act as such in its place. All calculations and determinations made by the Agent Bank, the Registrar or the Fiscal Agent in relation to the Notes shall (save in the case of manifest error) be final and binding on the Issuer, the Agent Bank, the Registrar, the Fiscal Agent and the Holders.

16 Governing Law and Jurisdiction

(a) Governing Law

The Fiscal Agency Agreement, the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England, save that the provisions of Conditions 4 and 16(*d*) are governed by, and shall be construed in accordance with, the laws of the Relevant Jurisdiction.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes (other than Condition 4, in respect of which the courts of the Relevant Jurisdiction shall have jurisdiction) and accordingly any legal action or proceedings arising out of or in connection with any Notes (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England in respect of any such Proceedings (other than in respect of Condition 4) and to the jurisdiction of the courts of the Relevant Jurisdiction in respect of any Proceedings relating to Condition 4.

(c) Service of Process

The Issuer irrevocably appoints MeDirect Strategy as its agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment in accordance with Condition 13. Nothing herein shall affect the right of the Holders to serve process in any other manner permitted by law.

(d) Acknowledgement of Statutory Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Holder (which, for the purposes of this Condition 16*(d)*, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Holder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(i) the effect of the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(C) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(D) the amendment or alteration of the maturity or tenor of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority.

No repayment or payment of amounts otherwise due on the Notes will become due and payable or be paid after the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of the amounts otherwise due on the Notes, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, the suspension of payments under the Notes for a temporary period by the Relevant Resolution Authority nor the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes will be a default or an event of default for any purpose.

Upon the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to any Notes, the Issuer shall promptly give notice to the Holders in accordance with Condition 13, the Registrar and the Fiscal Agent. Any delay or failure by the Issuer in delivering any such notice shall not affect the validity and enforceability of the use of the Statutory Loss Absorption Powers.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999.

18 Definitions

In these Conditions:

"**Additional Amounts**" has the meaning given to it in Condition 9;

"**Agent Bank**" has the meaning given to it in the preamble to these Conditions;

"**Agents**" has the meaning given to it in the preamble to these Conditions;

"**Authorised Signatory**" means any Director or the company secretary of the Issuer;

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as the same may be amended or replaced from time to time (including, without limitation, by Directive (EU) 2017/2399 and by Directive (EU) 2019/879);

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in Valetta (or, if Valetta is not the principal financial centre of the Relevant Jurisdiction, the principal financial centre of the Relevant Jurisdiction);

"**Calculation Amount**" means €1,000 in principal amount;

"**Capital Disqualification Event**" is deemed to have occurred if there is a change (which has occurred or which the Competent Authority considers to be sufficiently certain) in the regulatory classification of the Notes which becomes effective after the Reference Date and that results, or would be likely to result, in some of or the entire principal amount of the Notes being excluded from the Tier 2 Capital of the Group and, for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the CRD Regulation shall not comprise a Capital Disqualification Event;

"**Competent Authority**" means the European Central Bank or such other authority or authorities having primary supervisory authority with respect to prudential matters concerning the Issuer and/or the Group (which, in the case of the Group, may be a national regulator of a subsidiary of the Issuer);

"**Conditions**" means these terms and conditions of the Notes, as amended from time to time;

"**CRD Regulation**" means Regulation (EU No. 575/2013) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876);

"**Deed of Covenant**" has the meaning given to it in the preamble to these Conditions;

"**Director**" means a director of the Issuer;

"**€**" or "**euro**" means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty of Rome establishing the European Communities, as amended;

"**Extraordinary Resolution**" has the meaning given to it in the Fiscal Agency Agreement;

"**Fiscal Agency Agreement**" has the meaning given to it in the preamble to these Conditions;

"**Fiscal Agent**" has the meaning given to it in the preamble to these Conditions;

"**Group**" means the Issuer and its subsidiaries;

"**Holder**" has the meaning given to it in Condition 1;

"**Initial Fixed Interest Rate**" has the meaning given to it in Condition 5*(c)*;

"**Initial Fixed Rate Interest Period**" means the period from (and including) the Issue Date to (but excluding) the Reset Date;

"**Interest Payment Date**" means 10 February in each year, provided that if any Interest Payment Date would otherwise fall on a day which is not a TARGET Business Day, it shall be postponed to the next day which is a

TARGET Business Day, unless it would thereby fall in the next calendar month, in which event it shall be brought forward to the immediately preceding TARGET Business Day;

"**Interest Period**" means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Rate**" means the Initial Fixed Interest Rate and/or the Reset Rate of Interest, as the case may be;

"**Issue Date**" means 10 February 2021, being the date of the initial issue of the Notes;

"**Issuer**" means MDB Group Limited;

"**Margin**" means 10.44 per cent.;

"**Notes**" has the meaning given to it in the preamble to these Conditions;

"**Qualifying Tier 2 Securities**" means securities issued directly by the Issuer that have terms which (other than in the case of any Extended First Call Date in the circumstances described below) are not materially less favourable to an investor than the terms of the Notes (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer) prior to the issue or, as appropriate, variation of the relevant securities), and, subject thereto, which:

(a) contain terms which comply with the then current requirements of the Competent Authority in relation to Tier 2 Capital;

(b) provide for the same Interest Rate and Interest Payment Dates from time to time applying to the Notes;

(c) rank senior to, or *pari passu* with, the ranking of the Notes;

(d) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption provided that the first optional redemption date may if (but only to the extent) so required in order for the securities to continue to qualify as Tier 2 Capital of the Group, be later than the Reset Date provided that such date shall be the earliest date permitted by the then applicable Regulatory Capital Requirements (the "**Extended First Call Date**");

(e) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid;

(f) do not contain terms which provide for interest cancellation or deferral;

(g) shall not preclude the inclusion of any provision analogous to Condition 16(*d*); and

(h) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares;

"**Record Date"** has the meaning given to it in Condition 7(*a*);

"**Reference Date**" means the later of (i) the Issue Date and (ii) the latest date (if any) on which any further Notes have been issued pursuant to Condition 14;

"**Register**" has the meaning given to it in Condition 1(*b*);

"**Registrar**" has the meaning given to it in the preamble to these Conditions;

"**Regulatory Capital Requirements**" means, at any time, any requirement contained in the laws, regulations, requirements, guidelines and policies of the Competent Authority (whether or not having the force of law), the

European Union, the Relevant Jurisdiction, any member state of the European Union in which any member of the Group is incorporated or of the European Parliament and Council then in effect relating to capital adequacy and prudential (including resolution) supervision and applicable to the Issuer and/or the Group;

"**Relevant Amounts**" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and Additional Amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority;

"**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further surrender of the Certificate representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender, and (ii) in respect of a sum to be paid by the Issuer in a Winding-Up, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

"**Relevant Jurisdiction**" means the jurisdiction in which the Issuer is incorporated;

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Statutory Loss Absorption Powers in relation to the Issuer;

"**Reset Date**" means 10 February 2026;

"**Reset Determination Date**" means, in respect of the Reset Period, the day falling two TARGET Business Days prior to the first day of the Reset Period;

"**Reset Period**" means the period from and including the Reset Date to but excluding 10 February 2031;

"**Reset Rate of Interest**" has the meaning given to it in Condition 5*(d)*;

"**Reset Reference Banks**" means five leading swap dealers in the principal interbank market relating to euro selected by the Issuer in its discretion after consultation with the Agent Bank;

"**Reset Reference Rate**" means in respect of the Reset Period, (i) the applicable annualised mid-swap rate for swap transactions in euro (with a maturity equal to five years) as displayed on the Screen Page at 11.00 a.m. (Central European time) on the Reset Determination Date or (ii) if such rate is not displayed on the Screen Page at such time and date, the Reset Reference Bank Rate on the Reset Determination Date;

Where:

"**Mid-Swap Quotations**" means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (a) has a term commencing on the Reset Date which is equal to five years; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

"**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Agent Bank at the request of the Issuer at or around 11:00 a.m. (Central European time) on the Reset Determination Date and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded

arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be an amount equal to the Initial Fixed Interest Rate less the Margin;

"**Screen Page**" means Reuters screen page "ICESWAP2", or such other screen page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Thomson Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates;

"**Senior Creditors**" means (a) creditors of the Issuer who are unsubordinated creditors of the Issuer; and (b) creditors of the Issuer whose claims are or are expressed to be subordinated to the claims of other creditors of the Issuer (other than those whose claims are in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital or Tier 2 Capital or whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of Holders in respect of the Notes);

"**Statutory Loss Absorption Powers**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the European Union and/or the Relevant Jurisdiction, relating to (i) the transposition of the BRRD as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"**Supervisory Permission**" means, in relation to any action, such notice, supervisory permission (and/or, as appropriate, consent, approval or waiver) as is required therefor under prevailing Regulatory Capital Requirements (if any);

"**TARGET Business Day**" means a day on which the TARGET System is operating;

"**TARGET System**" means the Trans European Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

"**Tax Event**" is deemed to have occurred if, as a result of a Tax Law Change:

(a) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts; or

(b) the Issuer is no longer entitled to claim a deduction in respect of any payments in respect of the Notes in computing its taxation liabilities or the amount of such deduction is materially reduced; or

(c) the Issuer is not able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which it is or would otherwise be so grouped for applicable tax purposes of the Taxing Jurisdiction (whether under the group relief system current as at the date of issue of the Notes or any similar system or systems having like effect as may from time to time exist),

and, in any such case, the Issuer could not avoid the foregoing by taking measures reasonably available to it;

"**Tax Law Change**" means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of a Taxing Jurisdiction, including any treaty to which such Taxing Jurisdiction is a party,

or any change in the application of official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by a tax authority regarding the anticipated tax treatment of the Notes, which change or amendment (a) (subject to (b)) becomes, or would become, effective on or after the Reference Date, or (b) in the case of a change or proposed change in law, if such change is enacted (or, in the case of a proposed change, is expected to be enacted), on or after the Reference Date;

"**Taxing Jurisdiction**" means Malta or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and/or interest on the Notes;

"**Tier 1 Capital**" has the meaning given to it from time to time by the Competent Authority or the applicable prudential rules;

"**Tier 2 Capital**" has the meaning given to it from time to time by the Competent Authority or the applicable prudential rules;

"**Transfer Agents**" has the meaning given to it in the preamble to these Conditions; and

"**Winding-Up**" means:

(a) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by an Extraordinary Resolution and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions);

(b) following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend; or

(c) liquidation or dissolution of the Issuer or any procedure similar to that described in paragraph (a) or (b) of this definition is commenced in respect of the Issuer, including any bank insolvency procedure or bank administration procedure pursuant to applicable law in the Relevant Jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILST IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Fiscal Agency Agreement and in the Global Certificate which will apply to, and in some cases modify the effect of the Conditions while the Notes are represented by the Global Certificate.

1 Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the "**Registered Holder**") for a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") and may be delivered on or prior to the original issue date of the Notes.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit to the securities account in Euroclear or (as the case may be) Clearstream, Luxembourg of each subscriber (or its direct participant in Euroclear or Clearstream, Luxembourg through which it will hold its Notes) interests in the Notes in a principal amount equal to the principal amount of Notes for which it has subscribed and paid.

2 Relationship of Accountholders with Clearing Systems

Each person (other than Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**")) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System as the holder of a particular principal amount of the Notes (each an "**Accountholder**") represented by the Global Certificate (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or any Alternative Clearing System as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent, the Registrar and the Transfer Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer, solely in the registered holder of the Global Certificate in accordance with and subject to the terms of the Global Certificate and the Fiscal Agency Agreement.

3 Exchange of the Global Certificate

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or any Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(*a*) may only be made in part:

(i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Certificate in definitive form; or

(iii) upon a default pursuant to Condition 8(a),

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the holder of the Notes represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer. Where the holding of Notes represented by the Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificate unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

4 Cancellation

Cancellation of any Note following its redemption or purchase by the Issuer or any of the subsidiaries of the Issuer will be effected by reduction in the aggregate principal amount of the Notes in the register of Holders and shall be duly endorsed (for information purposes only) on the schedule to the Global Certificate, and the records of Euroclear, Clearstream, Luxembourg and any other relevant Alternative Clearing System will be updated accordingly.

5 Payments

Payments of principal, premium and interest in respect of the Notes represented by the Global Certificate will be made to the registered holder (subject to surrender of this Global Certificate to or to the order of the Fiscal Agent if no further payment falls to be made in respect such Notes). A record of each payment made will be entered into by or on behalf of the Registrar in the Register and shall be prima facie evidence that payment has been made.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant clearing system's rules and procedures.

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Certificate details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the Register. Upon any such redemption, payment of an instalment or purchase and cancellation of the principal amount of the Global Certificate and the Notes held by the registered holder hereof shall be reduced by the principal amount of such Notes so redeemed or purchased and cancelled. The principal amount of the Global Certificate and of the Notes held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the principal amount most recently entered in the register.

6 Meetings

The registered holder of the Global Certificate shall be treated as having one vote in respect of each integral multiple of €1,000 principal amount of Notes represented by the Global Certificate. No person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Holders or join with others in requiring the convening of a meeting unless he is an Eligible Person (as defined in the Fiscal Agency Agreement).

7 Notices

So long as all of the Notes are represented by the Global Certificate and it is held by or on behalf of one or more clearing systems, notices to Holders will be given by delivery of the relevant notice to such clearing system(s) for communication by such clearing system(s) to entitled accountholders, in substitution for notification as

required by the Conditions. A notice will be deemed to have been given to accountholders on the first Business Day following the day on which such notice is sent to the relevant clearing system(s) for delivery to entitle accountholders.

8 Prescription

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Transfer

Notes represented by the Global Certificate will be transferable only in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (as the case may be) and the detailed regulations concerning transfers of Notes scheduled to the Fiscal Agency Agreement.

10 Euroclear and Clearstream, Luxembourg

References in the Global Certificate and this summary to Euroclear and Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved for the purposes of the Notes by the Fiscal Agent and the Registrar.

USE OF PROCEEDS

The Issuer intends to on-lend the net proceeds of issue of the Notes under a subordinated loan to MeDirect Malta. The net proceeds of such loan will be used by MeDirect Malta for general corporate purposes, including to strengthen and optimise its capital and to support the execution of its business strategy.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Group

The Issuer (formerly MeDirect Group Limited and, before that, Medifin Holding Limited), is a private limited liability company which was registered in Malta on 10 June 2004 with company registration number C 34111 and having its registered office at The Centre, Tigné Point, Sliema TPO 0001, Malta.

The Issuer and its subsidiaries, that comprise MeDirect Malta, MeDirect Bank SA ("**MeDirect Belgium**") and Medifin Leasing Limited, are together referred to as the "**Group**".

The Group is regulated under the SSM. The SSM is the system of banking supervision in Europe, the main aim of which is to ensure the safety and soundness of the European banking system and to increase financial integration, stability and consistency of supervision. Under the SSM, the Group is regulated by a Joint Supervisory Team comprising the ECB, the NBB and the MFSA. The Group is classified as an "Other Systemically Important Institution", and MeDirect Malta is considered a core domestic bank by the Central Bank of Malta.

In 2019, the Group began to implement its new business strategy as approved by the Board of Directors of the Issuer (the "**Board**") based on the proposals of the new management team that joined in September 2019. The new business strategy defined a plan to build a more diversified, pan-European, client-centric retail digital challenger bank to serve as the basis for future growth. The new management team brings years of experience in the retail digital banking sector building retail banking platforms. For further details, see "*Business Strategy*" below.

History and Development of the Group

MeDirect Malta was registered under the laws of Malta on 11 June 2004. It was issued a licence in terms of the Banking Act (Cap. 371 of the laws of Malta) from the MFSA on 14 July 2005 and has been in operation as a credit institution since that date. MeDirect Malta commenced operations as Mediterranean Bank in June 2004, becoming a fully licensed Maltese credit institution in 2005.

In 2010, MeDirect Malta acquired a majority stake in Charts Investment Management Service Limited, a Maltese stockbroking, wealth management and corporate advisory firm, completing its takeover of a 100 per cent. interest in 2015, and then fully incorporating the "Charts" investment services license in 2018 by virtue of a merger. This enabled MeDirect Malta to offer investment advisory services, as well as corporate broking services to local and international companies.

On 1 September 2013, the Group established a branch in Belgium, through which the Group sought to access a broader market for savings and investment clients.

On 25 September 2014, MeDirect Malta acquired Volksbank Malta Limited which it operated as a subsidiary, Mediterranean Corporate Bank Limited, until 22 June 2017 when it was merged into MeDirect Malta.

Following approval by the NBB on 1 June 2015 the Group transferred the business of its Belgian branch to MeDirect Belgium, a direct separately capitalised subsidiary of MeDirect Malta. MeDirect Belgium operates as a fully authorised Belgian bank.

On 4 January 2021, MeDirect Malta acquired from its indirect parent company, Medifin Investments Limited, substantially all the equity of Medifin Leasing Limited, with the intention of consolidating the entity within the Group. Medifin Leasing Limited was set up with the object of acquiring immovable or movable property and

rights and licences, including in particular software solutions and hardware, which such entity leases to MeDirect Malta and MeDirect Belgium.

MeDirect Malta is Malta's third largest bank based on total assets as at 31 December 2020.

Recent Developments

The Group is executing its transformation strategy with the aim of delivering long-term profitable growth as a pan-European, retail-centric digital bank. The Group is implementing new digital solutions to provide customers with straightforward services and a seamless banking experience. See "*Business Strategy – New Technology Initiatives*" below for further information.

The Group's strategic transformation is on track and continues to be implemented despite the challenges posed by the effects of the Covid-19 pandemic. Throughout 2020, the Group continued to grow its client base, deposits, assets under custody and total credit portfolio whilst continuing to build its digital platform. The Group has continued to invest in the transformation of its retail client offering into a wealth-focused value proposition. The goal of the Group is to become a retail-focused digital bank offering highly attractive products to a growing client base through an easy to use and highly accessible multi-channel platform.

The Group's Dutch mortgage business, which was successfully launched by MeDirect Belgium in September 2019, continued to grow at a strong pace in 2020, in line with the Group's plans, despite the challenges and uncertainties resulting from the Covid-19 pandemic.

In accordance with its plan to downsize progressively its ICL portfolio, the Group plans to accelerate its asset diversification strategy, with the objective of making its Dutch government-guaranteed mortgage portfolio the largest asset class on balance sheet in 2021. The Group is also exploring possibilities for further expansion into other mortgage products in The Netherlands, Belgium and Malta.

The Group continues to respond to challenges faced as a result of the Covid-19 pandemic. The Group was one of the first banks to implement efficiently full remote working capabilities to address the operational challenges of Covid-19. The Group has focused on keeping its employees and customers safe and has followed all guidelines and recommendations issued by the relevant authorities. A Group-wide contingency plan was executed as circumstances evolved, and the Group successfully altered its day-to-day operations to enable all employees to work remotely. Various measures were taken to ensure business continuity and to safeguard the welfare of employees working remotely. All processes continued as normal without any adverse impact on the Group's operations and services, as the digital banking platform allowed customers to continue all banking, investment and wealth transactions from the safety of their homes.

The following developments have taken place since 30 June 2020, the date of the Group's Interim Financial Statements 30 June 2020[2]:

(a) the Group continued to expand its NHG Mortgage business and met its target of building a portfolio in excess of €1 billion by the end of 2020. The outstanding balances on the NHG Mortgage book at 31 December 2020 amounted to €1.1 billion, compared to €596 million at 30 June 2020;

(b) balances outstanding on RCFs decreased from €355 million at 30 June 2020 to €134 million at 31 December 2020. Furthermore, as at the date of this Information Memorandum, the total outstanding aggregate RCF commitments (including both drawn and undrawn commitments) had reduced by €123 million since 30 June 2020. The Group experienced large drawdowns on RCFs across its client base at the start of the Covid-19 pandemic as companies sought to maximise their liquidity in a climate of great

[2] The above changes are extracted from the group's management accounts as at 31 December 2020, which are subject to statutory audit verification and to Audit Committee and Board approval.

uncertainty. The situation gradually returned to normal in the second half of the year, and the balances withdrawn at 31 December 2020 are more representative of the expected utilisation of outstanding facilities. Regardless of the volatility experienced in RCF drawdowns during the start of the Covid-19 pandemic, had all RCF commitments drawn down by 100 per cent. as at 30 June 2020, the Group would have still maintained both capital and liquidity ratios in excess of all requirements;

(c) balances outstanding on the Group's ICL portfolio decreased from €921 million at 30 June 2020 to €770 million at 31 December 2020. This reflected the combined impact of repayments received and of loans divested, in line with the Group's de-risking strategy (See "*Risks relating to the Business of the Group - The Group faces risks associated with non-compliance with applicable capital requirements, the raising of additional capital and the implementation of its capital strategy*");

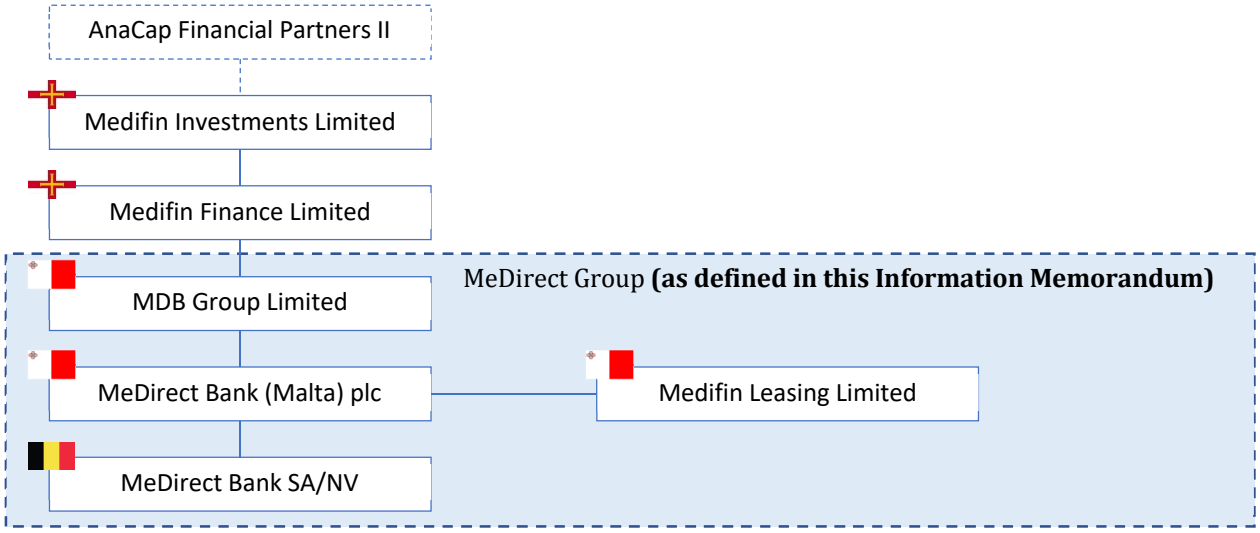
(d) further loan impairment losses provided for in the second half of 2020 amounted to €10 million, compared with €56 million recognised during the six months ended 30 June 2020. The Covid-19 pandemic continued to affect adversely a number of the Group's clients. This was exacerbated by the second wave of Covid-19 experienced towards the end of the year, which resulted in severe lock downs in a number of countries during the peak Christmas season. In spite of this, additional losses incurred were very contained in the context of the overall loan book and gave additional comfort to the Group's board as to the robustness of the impairment losses already recognised, on a forward looking basis, in the first half of the year;

(e) in January 2021, the Board completed its assessment of the deferred income tax assets that resulted in the recognition of net deferred tax assets amounting to €26.8 million, compared to €35.0 million as at 30 June 2020, in its accounting records, in accordance with IFRS, taking into consideration the Group's business strategy, which will see a further reduction in the ICL business managed by the Group in Malta, and the Group's increased emphasis on existing and new businesses in the Benelux countries; and

(f) taking into consideration the recent developments set out above, at the date of this Information Memorandum, the Group's liquidity remains robust and all capital ratios have improved since 30 June 2020, remaining well above TSCR. As a result, if the Group's current RCF commitments all drew down by 100 per cent., at the date of this Information Memorandum, the Group would have capital and liquidity ratios in significant excess of all requirements.

Structure of the Group

The Issuer forms part of a group of companies, the ultimate parent of which is AnaCap Financial Partners II L.P. All of the share capital of the Issuer except for one non-voting share is owned by Medifin Finance Limited. The diagram below sets out the structure of the Group:



A description of each entity in the structure chart is set out below:

- **AnaCap Financial Partners II L.P.** is a specialist private equity fund focused on investments in the financial services sector across Europe. AnaCap Financial Partners II L.P. is a limited partnership incorporated under the laws of Guernsey with company number 1027 and is managed by AnaCap Investment Manager Limited, a non-cellular limited liability company incorporated in Guernsey with registered number 60338, which is in turn advised by AnaCap Financial Partners Limited, a private limited company incorporated under the laws of the United Kingdom with company registration number 12149493.

- **Medifin Investments Limited** is 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 per cent. in terms of voting rights) is owned by AnaCap Financial Partners II L.P with the remaining issued share capital being owned by individuals who held or still hold managerial positions in the Group.

- **Medifin Finance Limited** is a holding company organised under the laws of Guernsey with company number 60032. Medifin Investments Limited owns the Class 'A' voting shares of Medifin Finance Limited. Medifin Finance Limited has also issued Class 'B' non-voting shares to a diverse range of institutional and high net worth investors.

- **MeDirect Bank (Malta) plc** is a public limited liability company registered in Malta with company number C 34125 having its registered office at The Centre, Tigné Point, Sliema TPO 0001, Malta. The Issuer holds all of the issued share capital of MeDirect Malta save for one non-voting share.

- **Medifin Leasing Limited** is 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. All of the share capital of Medifin Leasing Limited except for one non-voting share is owned by MeDirect Malta following the entity's acquisition from Medifin Investments Limited which became effective on 4 January 2021.

- **MeDirect Bank SA** is a company licensed and organised under Belgian law bearing Belgian company registration number 0553851093. The majority of the issued share capital of MeDirect Bank SA (99.9 per cent.) is held by MeDirect Malta, with one share being held by the Issuer.

Business Overview

Principal Activities and Markets

The principal activities of the Group have historically comprised international lending predominantly to EU corporate borrowers, to which the Group continues to provide working capital facilities and other loans. These loans finance companies that employ thousands of people across a wide range of sectors. Additionally, the Group provides retail banking services primarily to individual clients in Belgium and Malta. Such retail services are offered through easy-to-use online and mobile digital platforms, focusing on deposit savings and wealth management products. The Group also offers corporate lending services in Malta.

Following a series of transformational initiatives to de-risk and diversify the Group's asset base from its historic core focus on ICL, the gross carrying amount of that portfolio decreased from €1.8 billion as at 31 March 2019 to €1.2 billion as at 30 June 2020. Since September 2019, the Group has made significant investments in the Dutch government-guaranteed retail mortgage market.

The Group also completed its inaugural RMBS transaction of Dutch government-guaranteed mortgages and placed the senior tranche with a third-party investor in May 2020. The Group will continue to acquire mortgages financed through RMBS transactions. In September 2020, MeDirect Belgium established a warehouse funding facility provided by a major Dutch Bank through a special-purpose vehicle established in The Netherlands. The warehouse facility provides bridge financing enabling MeDirect Belgium to build up a mortgage portfolio securitised through RMBS transactions.

MeDirect Malta

The Issuer is the holding company of MeDirect Malta which is licensed by the MFSA in terms of the Maltese Banking Act (Cap. 371 of the laws of Malta) amongst other things, to 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. MeDirect Malta also holds a Category 2 licence and a Category 4A licence issued by the MFSA which authorise MeDirect Malta to provide investment services, to hold or control customers' money and to act as trustee or custodian of collective investment schemes.

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

(i) the provision of senior secured loans and revolving credit facilities to foreign companies;

(ii) the provision of loans and overdraft facilities to local companies;

(iii) the receipt and acceptance of customers' monies for deposit in savings and fixed term deposit accounts denominated in euro and other major currencies;

(iv) the provision of wealth management products to retail customers including brokerage services, advisory services and the provision of model portfolios comprising mutual funds selected in cooperation with an established investment research and investment management firm;

(v) trading for account of customers in foreign exchange;

(vi) the provision of money transmission services; and

(vii) the provision of safe custody services with a wide range of custom-tailored solutions as well as administration and safekeeping of securities;

MeDirect Malta also provides a full range of banking services to corporate clients in Malta, including corporate lending, deposit taking, foreign exchange services and payment services.

In January 2021, FIL Investment Management Limited ("**Fidelity**") was granted delegated authority to manage the Grand Harbour 2019-1 CLO ("**GH 2019-1**"), a €400 million European CLO, effective from 1 March 2021. The transfer forms part of MeDirect Malta's aim to downsize progressively its ICL portfolio and to accelerate its asset diversification strategy.

As part of this transfer, Mr Michael Curtis, as well as other members of the MeDirect Malta ICL team will leave MeDirect Malta to join Fidelity, effective 1 March 2021. MeDirect Malta has hired a new Head of Corporate Credit, Jan Petersen, to oversee the management of the ICL portfolio going forward and to ensure necessary expertise and in-house capacity.

MeDirect Belgium

In 2013, the Group established a branch in Belgium. Through the Belgian branch, the Group has broadened the range of markets in which it operates and competes. International expansion of the Group's operations enables the Group to offer its products and services to a larger number of customers and to take advantage of back office and systems infrastructure in Malta. Following approval by the NBB of MeDirect Malta's application to convert its Belgian branch to a subsidiary, MeDirect Malta transferred the business of its Belgian branch to MeDirect Belgium (with registered number 0553851093) effective 1 June 2015.

Using the infrastructure created by the Group and supported by the Group's Maltese processing capability, MeDirect Belgium operates an investment services and wealth management offering directed toward the mass affluent audience. As at 30 June 2020, MeDirect Belgium had over 48,000 clients, more than €1.8 billion in deposits and €500 million in investment and wealth management.

MeDirect Belgium has its office in Brussels. It operates with a local team and is supported by operational functions located mostly in Malta. Through intra-group contractual arrangements, MeDirect Belgium has access to the infrastructure and processing capability of the Group's operating platform in Malta.

MeDirect Belgium provides a highly competitive online offering for the Belgian market and its operations are based on:

(i) competitive and cost-effective savings and wealth management products offered to the Belgian retail market through online client delivery;

(ii) the provision of senior secured loans to foreign companies and a senior loan facility to Grand Harbour I B.V.; and

(iii) the financing of Dutch government guaranteed mortgages.

The Group has an investment portfolio comprising a treasury book consisting of high quality, liquid securities, including primarily bank covered bonds, bonds issued by supra-national organisations and public sector bonds. Furthermore, the Group also has a securitisation investment portfolio consisting of its investments in CLO transactions.

The principal customer-related activities of MeDirect Belgium include the following, all of which are offered online at medirect.be.:

(i) the receipt and acceptance of customers' monies for deposit in savings (including regulated savings accounts) and fixed term deposit accounts which may be denominated in euro and other major currencies;

(ii) trading for account of customers in foreign exchange;

(iii) the provision of money transmission services;

(iv) provision of safe custody services for securities;

(v) the provision of online discretionary wealth management;

(vi) the provision of model portfolios comprising mutual funds selected in cooperation with the investment research and investment management firm, Morningstar Inc.;

(vii) the provision of e-brokerage services for the purchase and sale of mutual funds, equities, bonds and exchange traded funds; and

(viii) the provision of online tools and information to support and guide clients in their investment decisions.

Grand Harbour I B.V.

Grand Harbour I B.V. ("**Grand Harbour I**"), is a Dutch special purpose vehicle which is bankruptcy remote and is utilised as part of the Group's funding strategy. Grand Harbour I holds euro and sterling-denominated corporate loans, and is financed through a senior loan provided by MeDirect Belgium and a junior loan provided by MeDirect Malta. The Group has agreed that no new assets will be purchased by Grand Harbour I and that repayments of principal on the collateral pool will be applied first to the repayment of the senior loan provided by MeDirect Belgium and second to the repayment of the junior loan provided by MeDirect Malta. Grand Harbour I is fully consolidated in the financial statements of the Issuer.

Bastion Programme

Bastion 2020-1 NHG B.V. ("**Bastion 2020-1**") is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law on 4 March 2020. The corporate seat (*statutaire zetel*) of Bastion 2020-1 is in Amsterdam, The Netherlands, and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

Bastion 2021-1 NHG B.V. ("**Bastion 2021-1**") is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law on 25 September 2020. The corporate seat (*statutaire zetel*) of Bastion 2021-1 is in Amsterdam, The Netherlands, and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

Bastion 2020-1 and Bastion 2021-1 are static cash securitisations of Dutch government-guaranteed residential mortgage loans extended to borrowers located in The Netherlands. The Class A notes of both mortgage-backed securitisations are rated AAA/Aaa by DBRS and Moody's (provisional rating in case of Bastion 2021-1 as of 11 January 2021). The Bastion 2020-1 transaction completed in May 2020 with the issue of €350.1 million externally placed Class A notes, and the Bastion 2021-1 transaction has been announced but not yet completed.

MeDirect Belgium assures compliance with article 6 of Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") through retention of its Class B and C notes. Compliance with STS requirements under Securitisation Regulation and article 243(2) under the CRR assessed by PCS (EU).

Cavalier Programme

Cavalier 2020 B.V ("**Cavalier**") is a private limited liability company, existing and organised under the laws of The Netherlands, with registered office at Prins Bernhardplein 200, 1097 JB, Amsterdam and registered with the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 80248012 being subject, as an unregulated securitisation undertaking, to the Securitisation Act.

Cavalier is revolving securitisation warehouse collateralised by portfolio of Dutch government-guaranteed residential mortgage loans extended to borrowers located in the Netherlands. Cavalier is funded by MeDirect Belgium (junior lender) and third-party bank (senior lender).

Cavalier is bankruptcy remote entity with authorised share capital of €1.00. All shares are held by Stichting Holding Cavalier 2020.

Funding of the Group

The Group funds its activities primarily through retail deposits, securitisations, warehouse facilities, repurchase agreement transactions and subordinated bonds. The following outstanding capital markets debt has been issued by members of the Group:

Issue year	Description	Currency & ISIN	Amount issued (EUR equivalent)
2017	5% Subordinated Unsecured Bonds 2022-2027	EUR MT0000551284 GBP MT0000551292	20,000,000
2019	4% Subordinated Unsecured Bonds 2024-2029	EUR MT0000551300 GBP MT0000551318	35,000,000
2020	Bastion 2020-1 NHG BV NHG FRN 23/04/2057	EUR XS2159026926	350,100,000

Regulatory Matters

The Group is subject to prudential regulation and capital adequacy rules. The following is a summary of the principal prudential regulation to which the Group is subject:

CRD and CRR (the "CRD IV Package")

The Group's regulator, the JST which includes representatives of the ECB, the MFSA and the NBB, sets and monitors capital requirements for the Group.

The Group is subject to the Capital Requirements Regulation II (Regulation (EU) 2019/876) ("**CRR II**") which includes amendments to the Capital Requirements Regulation (Regulation (EU) No. 575/2013) (as so amended, the "**CRR**") and the Capital Requirements Directive IV (Directive 2013/36/EU) ("**CRD IV**"), the Capital Requirements Directive V (Directive (EU) 2019/878) ("**CRD V**"), which includes amendments to CRD IV (as so amended, "**CRD**"), which reflects the Basel III rules on capital measures and capital solutions. 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 EU 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. Such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Group's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

The Group complies with the provisions of the CRD IV Package in respect of its regulatory capital and it applies the standardised approach for credit risk. For regulatory purposes, the Group's capital base is divided in two main categories, namely Common Equity Tier 1 Capital and Tier 2 Capital:

(i) Common Equity Tier 1 Capital includes ordinary share capital, share premium, shareholders' contributions, retained earnings, fair value reserve and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes including deductions relating to Reserve for Depositor Compensation Scheme ('Other reserves') and certain other regulatory items; and

(ii) Tier 2 Capital consists of unrealised gains included within the fair value reserve and subordinated liabilities in issue, which rank after the claims of all depositors (including financial institutions) and all other creditors.

As at 30 June 2020, the Capital Adequacy Ratio of the Group stood at 15.7 per cent. (31 December 2019, 17.3 per cent.), whilst the Group's Liquidity Coverage Ratio stood at 569.4 per cent. (31 December 2019, 716 per cent.).

As at 30 June 2020, the Group had a total capital position of €310.6 million (31 December 2019, €342.0 million) that was well above the TSCR of €217.9 million as well as the overall capital requirement[3] of €277.5 million (31 December 2019, €217.0 million and €277.0 million respectively).

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 Group'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.

BRRD

On 6 May 2014, the Council of the European Union adopted the Banking Recovery and Resolution Directive (Directive 2014/59/EU as amended by way of Directive (EU) 2019/879 ("**BRRD II**") (as so amended, the "**BRRD**")). The BRRD was published in the Official Journal of the European Union on 12 June 2014 and the Single Resolution Mechanism ("**SRM**") became fully operational on 1 January 2016. The SRM implements the EU-wide BRRD in the euro area.

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

The R&R Regulations transposed into Maltese law the provisions of the BRRD. It is the duty of the resolution committee (the "**Resolution Committee**") to carry out the functions and duties assigned to it by *inter alia* the R&R Regulations. The Resolution Committee is empowered to apply resolution tools and exercise resolution powers.

Where the applicable conditions for resolution are met, the Resolution Committee has the following tools available at its disposal:

(i) the sale of business tool: enabling the Resolution Committee to effect a sale of the whole or part of the business;

(ii) the bridge institution tool: providing for a new institution to continue to provide essential services to clients of the institution under resolution;

(iii) the asset separation tool: enabling the transfer of 'bad' assets to a separate asset management vehicle; and

(iv) 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.

[3] Overall capital requirement (or 'OCR') comprises the TSCR plus the combined buffer requirement.

The Resolution Committee has very wide powers to apply the aforementioned resolution tools, including but not limited to:

(i) 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;

(ii) the power to transfer shares or other instruments of ownership issued by an institution under resolution;

(iii) the power to transfer to another entity, rights, assets or liabilities of an institution under resolution; and

(iv) 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 Group. 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 MeDirect Malta 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.

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 Group is subject to regulation under the SSM through a 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.

The regulation of the Group by the ECB introduces uncertainty. For example, the ECB announced an extension of its dividend recommendation until 30 September 2021 (Recommendation ECB/2020/62). The ECB considers that there is an ongoing need in this environment of exceptional systemic uncertainty and stressed economic conditions for prudent capital planning, which includes preserving credit institutions' capital position by postponing or cancelling distributions.

Business Strategy

Ongoing Business Strategy

The Group's business strategy is based on four main pillars:

- *Sound financial and regulatory base* – The Group operates with sound capital ratios, a diversified funding base and robust liquidity. The Group also continues to meet appropriate standards in relation to compliance and anti-money laundering matters.

- *Scaling up the digital wealth platform* – The Group continues to develop a wealth-focused value proposition by operating as an agile digital bank with fintech capabilities. The Group is building a scalable IT platform with modular banking architecture and innovative functionalities.

- *Diversified credit portfolio* – The Group is building an increasingly diversified credit portfolio with strong risk management. ICL has been the Group's historical focus from a credit perspective, but the Group has recently diversified its asset portfolio by entering the Dutch government-guaranteed mortgage market and is considering expansion into other retail mortgage products.

- *Efficient operational centre in Malta* – The Group operates a high-quality IT development platform in Malta. The bulk of the Group's staff is located in Malta, including IT, operations and many of the Group's support and control functions. This Malta-based service centre supports the operational efficiency of the Group as a whole.

Outlook and future business developments

The banking industry is facing unprecedented challenges as a result of the repercussions of the Covid-19 pandemic that has affected both financial markets and consumer behaviour. From a global macro-economic perspective, the outbreak of the pandemic has had enormous negative impact on global economic growth.

The Group will continue to follow the ongoing global economic developments and to monitor and assess the potential economic implications for the countries and sectors in which the Group has its exposures in order to identify possible mitigating actions.

Despite the reported loss after tax of €50.1 million for the six months ended 30 June 2020, the Group continued to improve its capital position from 30 June 2020 and remains well above all capital requirements, buffers and regulatory guidance. The Group's strong capital base has enabled it to absorb such losses without detrimental impact to the Group's banking services, customers or regulatory obligations. Through the execution of the current business plan, the Group expects to revert to sustainable profitability in the financial year 2022, driven by franchise growth and establishment as a digital challenger bank.

Ongoing capital ratios with an appropriate margin over minimum capital requirements and the robustness of the Group's liquidity and funding position provide a stable foundation from which to build sustainable returns. Management is focusing its efforts on the implementation of its transformational business plan and on capturing the growth opportunities that are expected to result.

In line with the Group's asset diversification strategy, the Group intends to continue to reduce the size of its ICL portfolio gradually and to focus on retail mortgage lending. The Dutch government-guaranteed mortgage business is expected to continue to increase both in terms of volume and returns. Net returns will continue to be enhanced as a result of increased use of wholesale funding generated through securitisations which reduce the cost of funding of Dutch government-guaranteed mortgage portfolios.

The Group is also exploring the possibility of optimising and strengthening its capital structure through the issuance of additional capital instruments and/or a significant risk transfer transaction.

Management is confident that the Group will then be able to progress rapidly toward achieving its medium-term ambitions. In management's view, the current business transformation plan is the right response to the major changes and challenges faced by the financial services industry. With the current strategy, the Group looks forward with guarded optimism. The Group has a talented and dedicated team in place with demonstrated ability to execute its business plan successfully and to deliver sustainable profits over the medium term.

New Technological Initiatives

The digital transformation strategy is a critical piece in the execution of the Group's strategic transformation, allowing the Group to continue to develop and support fast, scalable and cost-efficient platforms. Technology is a fundamental pillar for the Group, which is investing heavily in research and development to build state of the art systems to allow the Group to operate efficiently and to provide the best customer experience to its clients.

The successful launch of the Group's new mobile application in Malta in early May 2020 and in Belgium in July 2020 were key milestones in the transformation of the Group's technology platform. The Group rolled out new features for the mobile application and also revamped its online banking platform, making it a new

innovative online banking portal to provide its clients with a modern internet banking experience and intelligent online self-service tools.

The Group is also focused on improving its ability to manage and utilise effectively its data. A new CRM system is being introduced across all customer facing applications analysing real-time dataflows. The new CRM system will allow the Group to support highly personalised customer interactions, cross selling and improved customer retention.

Growth of Dutch residential mortgage portfolio

The Dutch mortgage business, which was successfully launched by MeDirect Belgium in September 2019, continued to grow at a strong pace in 2020, in line with the Group's plans, despite the challenges and uncertainties resulting from the Covid-19 pandemic.

In accordance with its plan to downsize progressively its ICL portfolio, the Group will accelerate its asset diversification strategy, with the objective of having the Dutch government-guaranteed mortgage portfolio become the largest asset class on balance sheet in 2021. The Group is also exploring possibilities for further expansion into other mortgage products.

Board of Directors and Board Committees

Board of Directors of the Issuer

As at the date of this Information Memorandum, the business address of the Directors of the Issuer is The Centre, Tigné Point, Sliema TPO 0001, Malta and the Board is composed of the following persons:

Michael A. Bussey
Group Chairman and Non-Executive Director

Mike 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 United Kingdom. His last role with HSBC was CEO HSBC Private Banking EMEA. From 2001, Mike decided to remain in the United Kingdom 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, Mike 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 served as chairman of Gentoo Genie Ltd, an award winning FCA regulated business which has created a new financing structure for first time home buyers. He also acted as non-executive chairman of Credit Suisse (UK) Ltd from 2011 until January 2020. In February 2020 Mike was appointed non-executive Chairman of DB UK Bank Ltd and of Deutsche Bank Investments (GB) Ltd, which are wholly owned UK subsidiaries of Deutsche Bank AG.

Benjamin Hollowood
Group Non-Executive Director

Ben Hollowood is an investment director at AnaCap Financial Partners Limited, 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 Limited's portfolio company investments. Prior to joining AnaCap Financial Partners Limited, Ben worked as a principal at Bain Company where he led a broad range of assignments across the financial services sector and advised senior management teams across Europe, US, and Africa on strategy, Mergers & Acquisitions, operational and organisational issues. Ben holds a MA in Neuroscience from the University of Cambridge.

Dominic Wallace

Group Non-Executive Director

Dominic Wallace has more than 30 years' experience in the financial sector, initially at a number of major international institutions including Andersen Consulting (now Accenture), JP Morgan and Citigroup, where he spent 13 years and was a Managing Director from 2003 until he left in 2010. There he held a number of senior Risk Management positions, including Global Head of interest rate, liquidity, currency and equity risk for Citigroup's institutional business, as well as earlier roles that included responsibility for pricing risk and for new product approval. More recently he was Chief Risk Officer for the Group from 2012 until he retired from the executive in 2016. He has a MA from Cambridge University and a DPhil from Oxford University, both in theoretical physics.

John Zarb

Group Non-Executive Director

John Zarb has wide ranging experience in the financial services sector and is a Fellow Member of the Association of Chartered Certified Accountants in the United Kingdom 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 a partner of PricewaterhouseCoopers in Malta since 1988, before his retirement in 2014. John 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 in 2014. He also served as Malta's representative on the EU Accounting Regulatory Committee. John was an external lecturer in auditing at the University of Malta from 1983 until 2014.

Arnaud Denis

Group CEO and Executive Director

Before joining the Group as CEO in October 2019, Arnaud Denis held numerous senior roles within Société Générale Group in the areas of internal audit, capital markets and, over the last 12 years, retail financial services, where he successfully initiated and led digital transformations of large banking subsidiaries. More recently, he served as First Deputy CEO of Rosbank Group in Russia, considered by the Central Bank of Russia as a systemic bank. In that role, Arnaud managed and transformed the Russian retail business line of Rosbank in the areas of retail banking, consumer finance and mortgages, serving over 3 million individual and professional clients. Prior to working at Rosbank, Arnaud was CEO of Eurobank in Poland, regulated by the Polish FSA and also part of Société Générale Group. Under his leadership, Eurobank was nominated in 2014 as the second-best bank in Poland in the category "Small to Medium", delivering attractive digital solutions to clients and shareholder profitability. Arnaud has also held a number of non-executive Supervisory Board mandates within Société Générale Group, including membership or chair of Audit and Risk Committees. Arnaud holds a Masters in Strategic Management from HEC and an MBA from EM Lyon Business School in France.

Radoslaw Ksiezopolski

Group Chief Financial Officer and Executive Director

Radoslaw Ksiezopolski, has served in senior financial, strategic and operational roles with the Polish banking affiliates of several major European financial institutions, including Société Générale, Crédit Agricole and Unicredit Group. Before joining MeDirect Malta, for five years he served as Chief Financial Officer of Eurobank SA, a subsidiary of Société Générale. Before that he served as CFO of Credit Agricole Bank Polska. Radoslaw also worked as a consultant at McKinsey and Company, focusing on banking-related projects. He holds a Ph.D in bank management science from The University of Economics, Wroclaw, Poland and an MA in management and marketing from the same institution.

Alex Konewko

Group Chief Risk Officer and Executive Director

Alex Konewko has been working in the financial services industry since 2002, joining HSBC Bank in the UK as an Executive Management Trainee, gaining management experience across consumer, corporate and wholesale banking. Since 2009, Alex held a number of senior risk management positions with HSBC Bank across both Retail and Wholesale Risk at a regional level covering Europe, the Middle East and Africa, specialising in credit risk management, risk governance, operational risk, regulatory reporting and compliance. Alex is an Associate of the Institute of Financial Services, he holds a BSc in Financial Services from the University of Manchester and successfully completed the HSBC Aspiring Chief Risk Officer programme at Cambridge University Judge Business School in 2015.

Alex joined the Group as CRO in April 2016 and was elected to the Board as an Executive Director during 2019. He specialises in credit risk management, risk governance, operational risk, regulatory and compliance.

Company Secretary of the Issuer

The Company Secretary of the Issuer is Henry Schmeltzer. Henry began his career an attorney in New York, leaving the law firm Brown & Wood as a partner. He holds an MBA (Finance) from the New York University, a JD from the University of Chicago and an AB (*magna cum laude*) from the Woodrow Wilson School of Public and International Affairs of Princeton University. He was awarded CFA designation and is a member of the bar of the State of New York. Henry founded and managed the European ABS and Illiquid Credit structuring and execution businesses at UBS, including development of the synthetic ABS and ABS derivatives businesses, non-recourse senior funding structures and asset origination strategies and structures. Before joining UBS, he ran credit structuring and origination businesses at Swiss Re London, Merrill Lynch London and Lehman Brothers London and New York. He is also the Group's Director of Commercial Strategy and Head of Legal.

The business address of the Company Secretary is as follows: The Centre, Tigné Point, Sliema TPO 0001, Malta.

Conflicts of Interest

The Issuer is not aware of any potential conflicts of interest between any duties owed by the Directors to the Issuer and their private interests or other duties.

Board and Management Committees

The Board has established the following committees:

- The Audit Committee;
- The Nominations and Remuneration Committee; and
- The Risk Committee.

Audit Committee

The purpose of the Audit Committee is to oversee the quality and integrity of the Group's financial reports, particularly the key financial judgments made within them and reviews the accounting policies. The Audit Committee also assesses the effectiveness of the Internal Audit function of the Group. The Group's internal audit function reports independently to the Audit Committee on the effectiveness of risk management policies, regulatory compliance, procedures and internal controls.

The Audit Committee is also 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:

(i) reviews and approves the annual internal audit plan and subsequent revisions and monitors progress against the annual audit plan;

(ii) ensures that the scope of work performed in accordance with the audit plan was adequate and appropriate;

(iii) reviews work performed on all internal audit engagements; and

(iv) reviews and interacts with external auditors on the annual statutory audit to obtain feedback on the internal control framework and financial reporting of the Issuer.

The members of the Audit Committee as at the date of this Information Memorandum are:

John Zarb	Committee Chairman and Independent Non-Executive Director
Michael A. Bussey	Member and Independent Non-Executive Chairman
Dominic Wallace	Member and Independent Non-Executive Director

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 of the Maltese Listing Rules issued in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) (the "**Listing Rules**"). John 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 year ended 31 December 2020, seven meetings of the Issuer's Audit Committee were held.

*Nominations and Remuneration Committee ("**NRC**")*

The primary purpose of the NRC of the Group is to review remuneration levels in the Group and to consider whether to approve performance-related and retention bonus awards that may be delivered in cash or share linked instruments.

The NRC is charged with aligning the Group's remuneration policy, approved by the Board, and in particular performance-related elements of remuneration, with the Group's business strategy and risk tolerance, objectives, values and long-term interests.

One of the primary functions of the NRC is to ensure that the Group is able to attract and retain suitable employees at all levels at an acceptable cost. It may request market-related information from time to time, to verify the recommendations made by management. On an annual basis, the NRC reviews the budgets allocated to the fixed salary increases for the forthcoming year and the variable remuneration pools for the previous financial year, and review the individual remuneration of senior management and staff members who are employed in control functions such as Risk and Compliance, as well as that of staff with total remuneration above a threshold fixed by the relevant NRC.

As at the date of this Information Memorandum, the members of the NRC are:

Michael A. Bussey	Committee Chairman and Independent Non-Executive Board Chairman
Benjamin Hollowood	Non-Executive Director

During the financial year ended 31 December 2020, the Group's NRC met on twelve occasions.

Risk Committee

The primary purpose of the Board Risk Committee is to advise and support the Board by performing in depth and detailed oversight of the Group's risk management and compliance policies and practices and monitoring of its actual performance against the risk appetite as approved by the Board. As from April 2020, the Compliance function is now reporting to the Board Risk Committee.

Amongst the primary responsibilities of the Risk Committee are:

(i) to ensure that the Group's risk strategy and Risk Appetite Framework (including its Risk Appetite Statement and associated thresholds for escalation and related controls) are comprehensive and consistent with the Group's business strategy, objectives, corporate culture and values; and

(ii) to assess, and at least annually report on, the effectiveness of the Group's Risk Management Function, the Compliance Function and the Money Laundering Reporting Officer, including the adequacy of staffing levels and expertise as well as the completeness of the function's coverage.

As at the date of this Information Memorandum, the members of the Risk Committee are:

Dominic Wallace	Committee Chairman and Independent Non-Executive Director
Benjamin Hollowood	Member and Non-Executive Director
John Zarb	Independent Non-Executive Director

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

During the financial year ended 31 December 2020, seven meetings of the Risk Committee were held.

Principal Management Committees

*Group Steering Committee ("**Group Steerco**")*

The Group Steerco provides a forum for the three executive directors of the Group and the three executive directors of MeDirect Belgium to discuss key strategic issues and initiatives affecting the Group as a whole. It draws on a wide range of experience to ensure that the strategic objectives of the Group are delivered in accordance with the Group's Strategic Business Plans, as approved by the Boards of Directors of the Group and MeDirect Belgium. The main purpose of Group Steerco is to foster unified culture and promote a holistic approach towards discussions on strategy across the various jurisdictions in which the Group operates.

*Executive Management Committees ("**EXCOs**")*

The Board delegates the execution of the strategy to the Group's EXCO. This committee serves as a management forum in order to enhance the execution of the Group's business priorities and reinforce the governance of its principal activities. It focuses on the Group's broader growth strategies and new initiatives and monitors the Group's ability to respond to new regulatory developments. It meets on a weekly basis and is thus responsible for the formulation and implementation of Board-approved strategies and plans and for ensuring that the Group's business is operated in accordance with such strategies and plans.

The Management EXCO is chaired by the Group Chief Executive Officer and includes the Group Chief Risk Officer, the Group Chief Investment Officer, the Group Chief Financial Officer, the Group Head of Treasury, the Group Head of Human Resources and Administration, the Group Head of Compliance, the Group Head of Commercial Strategy and Head of Legal, the Group Head of Channels and Customer Experience, the Group Head of Technology and the MeDirect Belgium Chief Executive Officer, the Chief Financial Officer and the

Chief Risk Officer. The Chief Internal Audit Officer and the Group Company Secretary are standing invitees to the Management EXCO.

*Management Credit Committee ("**MCC**")*

The Group MCC 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 teams; taking decisions on individual credits; reviewing and recommending credit and large exposures to the Board; overseeing the credit classification and staging processes; reviewing non-performing exposures and recommending impairments; considering credit hedging strategies, and recommending credit risk appetite limits for Board approval.

The Group MCC covers all asset classes of the Group, including all loan portfolios, securitised transactions and Treasury investments.

The MCC is chaired by the Group Chief Risk Officer who carries the casting vote and a right of veto in all Management Credit Committees. Members of the MCC include at least two other members, with representation from the respective credit teams or treasury function, and a member from the risk function.

The MCC meets from time to time as required for the proper fulfilment of its duties. It will meet at least quarterly to review the Group's respective lending portfolios and to make decisions on internal credit ratings and recommendations on any impairments to be taken.

*Management Risk Committee ("**MRC**")*

The MRC is a sub-committee of the Group EXCO. Its purpose is to provide executive risk management oversight and steering within the Group. The MRC oversees, monitors, assesses and drives risk management activities across the Group under the oversight of Board of Directors, with a functional reporting line to the Board Risk Committee, which monitors risk appetite, approves the risk management strategy, internal controls framework and associated policies. The MRC ensures the Group and its subsidiaries remain adequately capitalised and funded while ensuring a strong risk culture is embedded across the organisation.

The main responsibilities of the MRC are to:

(i) Oversee risk assessments and internal controls across all legal entities within the Group and across the risk taxonomy of the Group, as defined in the Risk Management Framework;

(ii) Monitor and oversee compliance with risk appetite limits and risk strategy;

(iii) Maintain clear escalation channels for risk issues and act as the executive point of escalation for all portfolio and process risk related decisions;

(iv) Manage scenario development and stress testing as a strategic tool to inform business and risk decisions and meet regulatory requirements;

(v) Maintain, drive development and embed the Group's recovery plan;

(vi) Assess the impact of regulatory developments on the risk management framework and risk policies, recommending changes to the Board Risk Committee as necessary;

(vii) Steer the development and implementation of risk frameworks, projects and strategic initiatives;

(viii) Drive and oversee major deliverables such as ICAAP/ ILAAP and the Recovery Plan;

(ix) Oversee risk related action plans, regulatory and audit findings; and

(x) Promote risk awareness and a strong risk culture within the organisation.

The membership of this committee consists of the Group Chief Risk Officer (Chair), Chief Risk Officer MeDirect Belgium, Head of Operational Risk & IT Security, Senior Manager – Risk Analytics, Senior Manager – Corporate Credit Risk and Senior Manager – Regulatory Affairs & Corporate Governance.

Asset and Liability Committee ("ALCO")

The Group ALCO ensures that the Group has in place, and operates effectively, appropriate and robust strategies and policies to manage and optimise the Group's asset-liability mix and oversee the Group's capital, liquidity, funding, interest rate risk and foreign exchange risk position. Group ALCO cascades Group strategies down across each business line and legal entities and across risk types and products. Group ALCO oversees and, where necessary, approves Group policies and objectives for assets and liability management, capital and funding management and allocation, market risk position and hedging activity, liquidity monitoring, capital usage and efficiency, product-pricing, fund transfer pricing, dealing and trading activities according to the risk appetite statement set by the Board.

The members of ALCO include the Group Head of Treasury (Committee Chairman), Group Chief Risk Officer, Group Chief Financial Officer, the MeDirect Bank SA – Chief Financial Officer and Chief Investment Officer. ALCO convenes meetings monthly but also holds additional ad hoc meetings.

Operations Committee

The purpose of the Group Operations Committee is to ensure that the Group has in place, and operates effectively, appropriate and robust change management, project management, outsourcing and vendor management processes and procedures as well as an oversight of the information and communication technology ("**ICT**") strategy implementation, monitoring if the complex ICT changes, budget spending related to change management, status of the operational and cyber security risks, arrangements related to Business Continuity and Disaster Recovery. The Group Operations Committee is a sub-committee of the Group Executive Management Committee and is the decision-making body for issues relating to change management, project management, outsourcing and vendor management, under the delegated authority from the Group's Executive Management Committee.

The Committee's terms of reference are to oversee and take any necessary decisions in the following areas:

(i) Feasibility of the business and regulatory change requests;

(ii) Operational feasibility of the new products and services;

(iii) Governance of the key third party vendors on-boarding and monitoring;

(iv) Governance of the arrangements related to budget spending on change initiatives, business continuity and disaster recovery and data retention and archiving; and

(v) Awareness and oversight of the arrangements related to ICT strategy and its implementation, operational risk and cyber security and organisational design of the Group from the point of view of efficiency and change sustainability.

The members of this committee include the Group Head of Technology (Chairman), Group Head of Channels and Customer Experience, Group Chief Risk Officer, Chief Risk Officer – MeDirect Belgium, Group Chief Financial Officer, Chief Financial Officer – MeDirect Belgium, Head of Commercial Strategy and Legal and the Supply and Procurement Senior Manager.

Compliance and Client Acceptance Committee ("CCAC")

The purpose of the Compliance and Client Acceptance Committee is to (i) evaluate and either accept or reject new clients proposed by business lines, (ii) review periodically existing clients, in each case from a reputational and compliance perspective (iii) accept or reject the termination of an existing relationship with Corporate Banking and Retail Clients and (iv) oversee and, if appropriate, recommend approval of compliance-related policies, action plans, risk assessments and methodologies. The CCAC operates within the authority delegated from the Board and is comprised of representatives of key departments within the Group.

The permanent voting members of the CCAC are the Group Head of Legal (Committee Chairman), Group Head of Compliance (Deputy Chairman), a representative appointed by the Chief Financial Officer and the Head of Operational and IT Risk or a representative.

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 set out in the Listing Rules (the "**Code**"), which indicates the extent to which MeDirect Malta has complied with the Code, is set out in its entirety in the Annual Report 31 December 2019 under the heading "*Statement of Compliance with the Principles of Good Corporate Governance*".

Material Litigation and Material Contracts

No material litigation or material proceeding before any arbitrator or judicial authority is pending or, to the knowledge of the Issuer, likely to be commenced within a reasonable time period against the Issuer or any of its subsidiaries which would reasonably be expected to have a material adverse effect.

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 Noteholders.

TAXATION

The following is a general description of certain Maltese tax considerations relating to the Notes, as well as a description of FATCA. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in Malta or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This overview is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date, even with retroactive effect.

Malta

Income Tax

All payments of interest by or on behalf of the Issuer in respect of the Notes may be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Malta as long as the Holder is:

(a) not tax resident in Malta;

(b) does not carry on any trade or business in Malta through a permanent establishment in Malta; and

(c) as beneficial owner of the interest, is not owned and controlled by, directly or indirectly nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta.

No taxes or other deductions of Maltese tax are applicable in Malta in respect of any repayment of principal to be made or which may be made by the Issuer pursuant to the terms of the Notes or this Information Memorandum.

Duty on Documents and Transfers

No Maltese duty on documents and transfers (stamp duty) is payable in respect of the issue, transfer or redemption of the Notes.

FATCA Withholding

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as ("**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Malta) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be

required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Bookrunner has entered into a Subscription Agreement dated 3 February 2021 (the "**Subscription Agreement**") in respect of the Notes. Pursuant to the Subscription Agreement, subject to the satisfaction of certain conditions, the Bookrunner will subscribe for the Notes at a price equal to 99.052 per cent. of their principal amount. In addition, the Issuer has agreed to pay certain commissions to the Bookrunner and to reimburse the Bookrunner for certain of its expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Bookrunner to terminate it in certain circumstances prior to payment being made to the Issuer.

United States

The Notes have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Belgium

The Bookrunner has represented, warranted and agreed that it has not made and will not make an offer of the Notes to the public as defined in Article 4, 2° of the Belgian law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to the trading on a regulated market, as amended (the "**Belgian Prospectus Law**"), in Belgium, save in those circumstances set forth in Article 7, §1 and 10, §2-5 of the Belgian Prospectus Law, provided that no such offer of the Notes shall require the Issuer or the Bookrunner to publish a prospectus or supplement thereto pursuant to Articles 7, §2 and 8 of the Belgian Prospectus Law or an information note (*informatienota/note d'information*) pursuant to Articles 10, §1 and 11 of the Belgian Prospectus Law.

The offering of the Notes is conducted exclusively under applicable private placement exemptions and it has therefore not been and will not be notified to, and the Information Memorandum and any marketing materials or other documents relating to the Notes have not been and will not be provided to, nor approved by, the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten/Autorité des services et marchés financiers*).

This Information Memorandum has been issued to the intended recipients for personal use only and exclusively for the purpose of the offering of the Notes. It may therefore not be used for any other purpose, nor disclosed to any other person, in Belgium.

UK

The Bookrunner has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

Prohibition of Sales to EEA Retail Investors

The Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Prohibition of Sales to UK Retail Investors

The Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

General

No action has been taken by the Issuer or the Bookrunner that would, or is intended to, permit a public offer of the Notes or possession or distribution of this Information Memorandum or any other offering or publicity material relating to the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Bookrunner has undertaken that it will not, directly or indirectly, offer or sell any Notes or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance in all material respects with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

GENERAL INFORMATION

General

1. It is expected that listing of the Notes on the Official List of Euronext Dublin and admission of the Notes to trading on the GEM will be granted on or around 10 February 2021, subject only to the issue of the Global Certificate. Transactions will normally be effected for delivery on the second working day after the day of the transaction.

2. The Issuer has obtained all necessary consents, approvals and authorisations, in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board passed on 18 January 2021.

3. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 229617354 . The International Securities Identification Number (ISIN) for the Notes is XS2296173540.

4. The indicative yield to (but excluding) the Reset Date of the Notes is 10 per cent. per annum. The yield is calculated at the Issue Date and is not an indication of future yield.

5. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

6. The legal entity identifier of the Issuer is 213800TC9PZRBHMJW403.

7. There are no material contracts entered into other than in the ordinary course of the Issuer's business 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 Holders in respect of the Notes.

8. The Issuer does not intend to provide any post-issuance information in relation to the Notes.

9. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the GEM.

No Significant Change and No Material Adverse Change

10. Save as disclosed in the section of this Information Memorandum titled "*Description of the Issuer and the Group – Recent Developments*", since 30 June 2020, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries.

11. Save as disclosed in the Interim Financial Statements 30 June 2020 and the section of this Information Memorandum titled "*Description of the Issuer and the Group – Recent Developments*", since 31 December 2019, there has been no material adverse change in the prospects of the Issuer and its subsidiaries.

Documents available for Inspection

12. For so long as the Notes are listed on the Official List of Euronext Dublin and admitted to trading on the GEM, electronic copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:

    (a) the Fiscal Agency Agreement (which includes the form of the Global Certificate);

    (b) the Memorandum and Articles of Association of the Issuer;

(c) the Annual Report 31 December 2019, the Annual Report 31 March 2019 and the Annual Report 31 March 2018;

(d) the Interim Financial Statements 30 June 2020;

(e) the Pillar 3 Disclosures Report 30 June 2020; and,

(f) a copy of this Information Memorandum.

13. This Information Memorandum will also be available on the website of Euronext Dublin at www.ise.ie.

Auditor

14. PricewaterhouseCoopers, Certified Public Accountants, of 78, Zone 5, Central Business District, Mill Street, Qormi, CBD 5090 which 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), has audited, and rendered an unqualified audit report on, in accordance with International Standards on Auditing and IFRS as adopted by the European Union, the financial statements of the Issuer and the Group for the years ended 31 March 2018, 31 March 2019 and 31 December 2019. PricewaterhouseCoopers has no material interest in the Issuer or the Group. PricewaterhouseCoopers is registered as an audit firm with the Accountancy Board in terms of the Accountancy Profession Act.

Litigation

15. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 month period preceding the date of this Information Memorandum which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

The Bookrunner's transactions with the Issuer and the Group

16. The Bookrunner and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, the Group and affiliates thereof in the ordinary course of business. In addition, in the ordinary course of their business activities, the Bookrunner and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Group or affiliates thereof. The Bookrunner or its affiliates may have a lending relationship with the Issuer, the Group or affiliates thereof and routinely hedge their credit exposure to the Issuer, the Group or affiliates thereof consistent with their customary risk management policies. Typically, the Bookrunner and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Bookrunner and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

MDB Group Limited
The Centre, Tigné Point
Sliema, TPO 0001
Malta

BOOKRUNNER

Deutsche Bank Aktiengesellschaft
Mainzer Landstr. 11-17
60329 Frankfurt am Main
Federal Republic of Germany

FISCAL AGENT

BNP Paribas Securities Services, Luxembourg Branch
60 Avenue J.F. Kennedy
L-1855 Luxembourg

REGISTRAR

BNP Paribas Securities Services, Luxembourg Branch
60 Avenue J.F. Kennedy
L-1855 Luxembourg

AUDITOR OF THE ISSUER

PricewaterhouseCoopers LLP
78, Zone 5, Central Business District,
Mill Street
Qormi
CBD 5090

LEGAL ADVISERS

To the Issuer

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

To the Bookrunner

Simmons & Simmons LLP
Citypoint, 1 Ropemaker Street
London EC2Y 9SS
United Kingdom

LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2
Ireland