

COMPANY ANNOUNCEMENT

Mediterranean Bank plc

The following is a company announcement issued by Mediterranean Bank plc pursuant to the Malta Financial Services Authority Listing Rules:

Quote

Mediterranean Bank plc (“Mediterranean Bank”) announces that it has entered into an agreement with VB-Holding Aktiengesellschaft and Mithra Holding Gesellschaft m.b.H. to acquire 100% of the share capital of Volksbank Malta Limited (“Volksbank Malta”) for cash consideration of €35,300,000. Mediterranean Bank has also agreed to refinance existing debt of Volksbank Malta to Österreichischen Volksbanken AG (“Voksbank Austria”) as of the closing date.

Volksbank Malta has operated as a fully licensed Maltese Bank since 2002 and has provided banking services to the Maltese retail and corporate sectors. After taking into account the carve-out last year of its international business, Volksbank Malta has total assets of approximately €150 million and equity of approximately €56 million. Pro forma after tax profits of Volksbank Malta for the period ended 31 December 2012, after taking into account the carve-out of Volksbank Malta’s international business, were approximately €605,000.

Mediterranean Bank expects that the purchase of Volksbank Malta will consolidate and expedite its Maltese growth strategy through Volksbank Malta’s portfolio of Maltese clients which is complementary to Mediterranean Bank’s existing customer base and aligned with its future growth strategies.

The purchase is expected to be completed in the coming weeks, subject to receipt of required approvals from relevant governmental and regulatory authorities.

Unquote



Edward Jaccarini
Company Secretary
11 April 2014