

**FIMBANK**  
G R O U P

# PROSPECTUS

dated 9 March 2009

**Issue of an aggregate of  
EUR15,000,000 Subordinated Bonds 2012-2019**  
(Subject to an Over-allotment Option of EUR15,000,000)

**In any one or a combination of the following issues:**

**7% EUR Bonds 2012-2019**  
of a nominal value of EUR100 per bond issued at par

**7% USD Bonds 2012-2019**  
of a nominal value of USD100 per bond issued at par

by

**FIMBank p.l.c.**

(a public limited liability company registered in Malta with registration number C 17003)

Offer Period: from 23 April 2009 to 30 April 2009 (both dates included)  
(subject to the right of the Issuer to close the Offer early in the event of over-subscription)

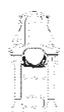
ISIN: MT0000181215 for the EUR Bonds

ISIN: MT0000181223 for the USD Bonds

*Sponsor*

**Rizzo, & Co.**  
ISTOCKBROKERS LTD

*Manager and Adviser*

  
**LOMBARD**  
Lombard Bank Malta p.l.c.

*Registrar*

  
MALTA STOCK EXCHANGE plc

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## Part I - Summary Note

### Important Information

This document constitutes a summary to the Prospectus dated 9 March 2009 and contains information on the issue by FIMBank p.l.c. (the "Issuer") of the equivalent of EUR15,000,000 7% Subordinated Bonds 2012-2019 in either or each of two issues denominated in Euro and United States Dollars respectively depending on the value of the Applications received for the Bonds. The Bonds denominated in Euro, having a nominal value of EUR100 each, will be issued at par and shall bear interest at the rate of 7% per annum (the "EUR Bonds"). The Bonds denominated in United States Dollars having a nominal value of USD100 each, will be issued at par and shall bear interest at the rate of 7% per annum (the "USD Bonds"). The EUR Bonds and the USD Bonds are jointly referred to as the "Bonds". In the event that during the Offer Period the Issuer receives applications for Bonds in excess of the equivalent of EUR15,000,000, the Issuer may increase the issue of Bonds by the equivalent of an additional EUR15,000,000 in either or a combination of the EUR Bonds and the USD Bonds (the "Over-allotment Option"). For the purpose of ascertaining the aggregate principal amount of the USD Bonds, reference will be made to the rate of exchange of EUR1: USD1.2628 (the "Rate of Exchange"). The Bonds will, unless previously purchased and cancelled, be redeemed on 30 April 2019. Interest on the Bonds will be payable semi-annually in arrears on 30 October and 30 April of each year, the first such payment to be made on 30 October 2009.

The Prospectus, of which this Summary forms part, also contains information about the Issuer and the Bonds in accordance with the requirements of the Listing Rules, the Companies Act and the Commission Regulation (EC) No.809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

Each and all of the Directors whose names appear under the heading "Directors of the Issuer" in paragraph 13 of the Registration Document of this Prospectus, are the persons responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

No broker, dealer, salesman or other person has been authorised by the Issuer or by its Directors to issue any advertisement or to give any information or to make any representations in connection with the Bonds Issue, other than those contained in this Prospectus and in documents referred to herein, and if given or made, such information and representations must not be relied upon as having been authorised by the Issuer or its Directors.

All the Advisers to the Issuer named in the Prospectus under the heading "Advisers to the Issuer" in paragraph 5 of the Registration Document are acting exclusively for the Issuer in relation to this Bonds Issue and will not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

The Prospectus, a copy of which has been registered with the Registrar of Companies in accordance with the Companies Act, has been published with the consent of the Registrar of Companies in terms of regulation 5(2) of the Companies Act (the Prospectus) Regulations (L.N. 389 of 2005 as amended by L.N. 212 of 2007).

A copy of the Prospectus has also been approved by the Listing Authority for its authorisation to admissibility of the Bonds for listing pursuant to the Listing Rules. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.**

Statements in the Prospectus are, except where otherwise stated, based on law and practice currently in force in Malta and are subject to changes therein.

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

**DURING THE ISSUE PERIOD, APPLICATIONS FOR SUBSCRIPTION TO THE BONDS MAY BE MADE THROUGH ANY OF THE AUTHORISED DISTRIBUTORS AS LISTED IN APPENDIX 1.**

### Selling Restrictions

The Prospectus does not constitute, and may not be used for purposes of an offer or invitation to subscribe to Bonds by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

It is the responsibility of any person in possession of the Prospectus and any person wishing to apply for Bonds to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective investors should inform themselves of the legal requirements of so applying and of any applicable exchange control requirements and taxation in the countries of their nationality, residence or domicile.

Save for the public offering in Malta, no action has been or will be taken by the Issuer that would permit a public offering of the Bonds or the distribution of the Prospectus (or any part thereof) in any country or jurisdiction where action for that purpose is required.

The Bonds have not been, nor will they be, registered under the United States Securities Act, 1933 as amended (the "1933 Act"), or under any Federal or State securities law and may not be offered, sold or otherwise transferred, directly or indirectly in the United States of America, its territories or possessions, or any area subject to its jurisdiction (the "United States") or to or for the benefit of, directly or indirectly, any United States person (as defined in Regulation "S" of the 1933 Act, as amended from time to time).

In relation to each Member State of the European Economic Area which has implemented the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "Prospectus Directive") or which, pending such implementation, applies article 3.2 of the Prospectus Directive, the Bonds can only be offered to "qualified investors" (as defined in the Prospectus Directive) as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to article 3 of the Prospectus Directive.

No person receiving a copy of the Prospectus or of an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he make use of such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such application could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to take advantage of the Bond Offer to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any required governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

### Warnings

This Summary Note has to be read as part of the Prospectus dated 9 March 2009 (the "Prospectus") which is composed of the following parts:

1. Summary Note;
2. Registration Document;
3. Securities Note.

Any decision to invest in the Bonds has to be based on an exhaustive analysis by the investor of the Prospectus as a whole.

The Directors have tabled this Summary and applied for its notification and assume responsibility for its content, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

**The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity. Prospective investors should carefully consider all the information contained in the Prospectus as a whole and should consult their own independent financial and other professional advisers before deciding to make an investment in the Bonds.**

## 1. DEFINITIONS

Words and expressions used in this Summary shall, except where the context otherwise requires, bear the same meaning as defined in the Registration Document.

## 2. DIRECTORS, MANAGEMENT, AUDITORS

### 2.1 Directors

As at the date of the Summary, the Board of Directors of the Issuer is composed of the following:

**Najeeb H.M. Al-Saleh, *Chairman***

Kuwaiti national. Director since November 1994. Graduate in Business Administration from USA in 1975. Chairman of Massaleh Investments K.S.C.C, (formerly known as Kuwaiti Interests for Financial Investments); Vice Chairman of Massaleh Real Estate ksc; Vice Chairman of Taameer Real Estate Investments ksc. He has also served as Director of Kuwait Foreign Trading Contracting and Investment Co. (Kuwait), Gulf Bank K.S.C. (Kuwait), Arab Spanish Bank (Spain) and United Bank of Kuwait, now Ahli United Bank (United Kingdom). He is also Chairman of the Issuer's Board of Directors and of the Compensation Sub-Committee.

**John C. Grech, *Vice-Chairman***

Maltese national. Director since May 2004. Graduated from the University of Malta in 1978, obtained a Ph.D. in International Economics from the Graduate Institute for International Studies of the University of Geneva. He served as Chairman of the Bank of Valletta Group, Middle Sea Valletta Life Assurance Limited, the Malta Tourism Authority and as President of the Mediterranean Bank Network. Currently he is Chairman of the Board of Mizzi Organisation, Chairman and Managing Director of EMCS Limited, Chairman of the MelitaUnipol Insurance Agency Limited, a member of the board of directors of Middlesea Insurance p.l.c. and also visiting professor at the University of Malta.

**Fouad M.T. Alghanim, *Director***

Kuwaiti national. Director since April 2002. Mr. Alghanim is Chairman of the Fouad Alghanim & Sons Group of Companies. He was the founding member of Kuwait Mobile Telecommunication Company (Zain) and continued as its Vice Chairman representing the private sector from 1983 until 1997. He was pivotal in transforming Mobile Telecommunication Company into one of the largest companies by market capitalization in Kuwait. He is presently a member of the World Economic Forum.

**Hamad M.B.M. Al Sayer, *Director***

Kuwaiti national. Director since April 2002. Mr. Al Sayer graduated from Seattle University, USA in 2007 and then obtained a Masters in General Management from the Kuwaiti Maastricht Business School. Currently he holds a number of positions, such as CEO for the Al-Dhow Enterprises Real Estate Company, Chairman of the Kuwait National Lube Oil Manufacturing Company and Director of the United Financial Brokerage Company in Egypt.

**Francis J. Vassallo, *Director***

Maltese national. Director since February 2003. He occupied managerial positions with Chase Manhattan Bank worldwide. Former Governor of the Central Bank of Malta and member of the Board of Governors of the International Monetary Fund, between 1993 and 1997. He has served as Chairman of the Malta Development Corporation and currently runs his own consultancy firm. He is also Chairman of the Issuer's Risk Committee and Assets and Liabilities Committee.

**Jacques Leblanc, *Director***

French national. Director since May 2004. He occupied senior positions with Banque Nationale de Paris (BNP), including that of Senior Vice President and Deputy Global Head Commodities Finance. He was also a board member for BNP - Switzerland and manager of Geneva Branch of KangQi Oil Trading Ltd. He has also worked at the World Bank as project economist. He is Chairman of the Issuer's Executive Committee.

**Mohammed I.H. Marafie, *Director***

Kuwaiti national. Director since November 1994. Mr Marafie has served on the board of directors of a number of Kuwaiti and international companies and he has served as Managing Director of Euro Kuwaiti Investment Co. (Kuwait), Chairman and Managing Director of Al Nour International Holding Co. (Kuwait), Director of the United Bank of Kuwait (United Kingdom) and Director of W.H. Ireland p.l.c. (United Kingdom).

**Tareq M. Al-Saleh, Director**

Kuwaiti national. Director since May 2004. Graduate in Bachelor of Economics from Boston University in 1994 and MBA from the F.W. Olin Graduate School of Business at Babson College in Wellesley, Massachusetts in 2000. He is currently the Vice Chairman and Managing Director of Massaleh Investments.

**John D. Freeman, Director**

American national. Director since April 2008. He has occupied various posts, including a directorship in Cooper Omnibus Global Fund LLC. He served for many years as President and Managing Director of Quabbin Capital Inc., a private equity investment firm as well as a board member of a number of its portfolio companies. Previously he held senior management positions in the international investment and commercial banking activities of Arab Banking Corp. and the Bank of Boston. He is Chairman of the Issuer's Audit Committee.

**Rogers D. LeBaron, Director**

American and British national. Director since December 2006 when the International Finance Corporation ("IFC"), one of the Issuer's qualifying shareholders, exercised its right to nominate and appoint a director pursuant to the subordinated convertible loan agreement dated 22 June 2005. He was a Director of Financial Institutions in the European Bank for Reconstruction and Development in London from 1996 until 2004. He currently holds the position of Principal Financial Advisor, Global Financial Markets Department within the IFC.

**Pierre-Olivier Fragnière, Director**

Swiss national. Director since April 2007. He held various positions within international banks. He currently occupies the position as Head of Global Commodity Finance with Banque Cantonale de Genève, Switzerland.

**Raffaella Bonadies, Company Secretary**

Italian national. Company Secretary since February 2006. Ms. Bonadies graduated from the Faculty of Laws of the University of Bari (LL.B.) and Southampton (LL.M.) respectively, and is a lawyer qualified both in England (Solicitor) and Italy (Avvocato). She has worked in the City of London for international commodities traders, namely ED&F Man Holdings and American Electric Power Energy Services Limited, before joining the Issuer in 2005. She presently also holds the position of Head of Legal and Compliance of the Issuer.

The Directors' interest in the share capital of the Issuer or in any related company as at the date of this Summary Note is as follows:

Name	No. of shares held in the Issuer directly in his name	Percentage of Issued Share Capital
Najeeb H.M. Al- Saleh	787,889	0.58%
John C. Grech	509,438	0.38%
Fouad M.T. Alghanim	7,152,412	5.30%
Mohammed I.H. Marafie	5,990,101	4.44%
John D. Freeman	nil	nil
Hamad M.B.M. Al-Sayer	nil	nil
Francis J. Vassallo	nil	nil
Tareq M. Al-Saleh	nil	nil
Jacques Leblanc	nil	nil
Rogers D. LeBaron	nil	nil
Pierre-Olivier Fragnière	nil	nil

Apart from these direct interests in the shareholding of the Issuer, Directors have indirect beneficial interests in shareholding of the Issuer as listed below:

- Najeeb H.M. Al-Saleh - in Massaleh Investments K.S.C.C.
- Hamad M.B.M. Al-Sayer - in Astrolabe General Trading and Contracting Co.
- John C. Grech - in EMCSI Holdings Limited, EMCS Investments Limited, Melitaunipol Brokers Limited and Melitaunipol Insurance Agency Limited.

To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no conflicts of interest of which the Bondholders should be aware.

## 2.2 Board Committees

The Board of Directors has established the following committees:

- Executive Committee;
- Audit Committee;
- Risk Committee;
- Assets-Liabilities Committee.

### **Executive Committee**

The Executive Committee acts as the highest delegated authority by the Board in overseeing the activities and management of the Group and approving limits beyond the powers of the other Committees. The Executive Committee's terms of reference are included in the Executive Committee Charter.

The members of the Executive Committee are:

Jacques Leblanc (*Chairman*), Najeeb H.M. Al-Saleh, Francis J. Vassallo, Tareq M. Al-Saleh, Pierre Olivier-Fragnière, Margrith Lütschg-Emmenegger, Marcel Cassar and Simon Lay.

### *Compensation Sub-Committee*

The members of the Compensation Sub-Committee are:

Najeeb H.M. Al-Saleh (*Chairman*), Jacques Leblanc, Francis J. Vassallo, Pierre Olivier-Fragnière, Tareq M. Al-Saleh and Margrith Lütschg-Emmenegger.

### *Audit Committee*

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities, according to detailed terms of reference as are included in the Audit Committee Charter and which reflect the requirements of the Listing Rules as well as current best practices and recommendations of good corporate governance. The terms of reference of the Audit Committee, as detailed in the Audit Committee Charter (a document on display), include the review of (a) the systems and procedures of internal control implemented by Management, (b) the financial statements, disclosures and adequacy of financial reporting, and (c) the external and internal audit processes. The Committee also considers the arm's length nature of related party transactions that the Issuer carries out. Both the Audit Committee's and the Head of Internal Audit's terms of reference clearly stipulate their independence from other Board Committees and Management, and such independence is also acknowledged by external regulatory verification. The Head of Internal Audit has direct access to the Audit Committee Chairman at all times, attends all meetings and acts as secretary to the Committee.

The members of the Audit Committee are:

John D. Freeman (*Chairman*), Hamad M.B.M. Al-Sayer and Tareq M. Al-Saleh.

### *Risk Committee*

The Risk Committee is responsible for overseeing the Group's credit policy and risk, for approving individual limits for banks and corporates within its delegated parameters of authority and also for recommending country limits for approval by the Executive Committee. The Risk Committee is also responsible for the oversight of operational and legal risk related to credit activity.

In June 2007 the Executive Committee resolved to establish a sub-committee of the Risk Committee to be known as Risk Sub-Committee. The function of the Risk Sub-Committee is to decide upon credit applications up to and including USD5 million. Credit applications exceeding USD5 million up to the Issuer's legal lending limit (currently USD30 million) will be decided by the Risk Committee. The Committees' terms of reference are included in the Risk Committee Charter.

The Risk Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lütschg-Emmenegger (*Vice-Chairman*), John C. Grech, Marcel Cassar and Armin Eckermann.

The Risk Sub-Committee members are:

Margrith Lütschg-Emmenegger (*Chairman*), Marcel Cassar (*Vice-Chairman*), Simon Lay, Renald Theuma and Carmelo Occhipinti.

The Head of Legal & Compliance has right of attendance at the Risk Committee and the Risk Sub-Committee meetings in an advisory role. The Head of Risk Management acts as secretary to the Risk Committee.

#### *Assets-Liabilities Committee*

The Assets-Liabilities Committee is responsible for establishing appropriate asset and liability management policies, monitoring their application and reviewing financial information on the basis of which investment and funding decisions are taken. The Committee's terms of reference are included in the Assets Liabilities Committee Charter.

The Assets-Liabilities Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lütschg-Emmenegger, Marcel Cassar, Nassif A. Chehab and Carmelo Occhipinti.

### **2.3 Executive Management**

As at the date of this Prospectus, the Executive Management of both the Issuer and the Group is composed of the following:

#### **Margrith Lütschg-Emmenegger, *President***

Swiss and British national. Educated in Switzerland, she has worked in trade finance with a special focus on factoring and forfaiting with Barclays Bank and Midland Bank Aval in London before joining West Merchant Bank (now WestLB A.G.) where she had global responsibility for forfaiting and factoring. Mrs. Lütschg joined the Issuer in April 2003 as Executive Vice President and was appointed President on 1 September 2004. Mrs. Lütschg sits on Board Committees as shown in paragraph 2.2 above.

#### **Armin Eckermann, *Deputy to the President and Head of Banking***

German national. Dr. Armin Eckermann holds a Ph.D. and a Masters of Science in Economics from the University of Illinois at Urbana-Champaign, USA. He joined the Issuer in November 2008 to head the Banking Business of the Group. In this function, he leads a team of international and local experts servicing corporate clients, institutional and financial clients as well as the pre-demolition finance and all core banking activities of the Group. Previously held positions with Standard Bank, London and WestLB in Düsseldorf, Germany and in South America. Dr. Eckermann sits on Board Committees as shown in paragraph 2.2 above.

#### **Marcel Cassar, *Executive Vice President and Chief Financial Officer***

Maltese national. Certified public accountant, fellow of the Malta Institute of Accountants, and holder of an MBA from the University of Wales, Bangor and Manchester Business School. He joined the Issuer in October 2004 and is responsible for Finance, Treasury, Legal and Compliance, and Risk Management. Previously held positions with Price Waterhouse, the MFSC and between 1996 and 2004 was General Manager at Lombard Bank Malta p.l.c. Mr. Cassar is a lecturer and examiner in bank financial management and regulation in the Faculty of Laws and FEMA, at the University of Malta. He sits on Board Committees as shown in paragraph 2.2 above.

#### **Silvio Mifsud, *Executive Vice President and Head of IT and Administration***

Maltese national. An Honours graduate of the University of Malta in Business Management, he holds directorships of two FIMBank subsidiaries, namely FIM Business Solutions Ltd. and FIM Property Investment Ltd. He joined the Issuer in April 1998 as Head of Information Technology ("IT") and is now responsible for the Group's IT and Administration departments covering all IT systems, communications, messaging, SWIFT, insurances, premises administration, procurement and security. Previously held positions with Bank of Valletta p.l.c. and headed the foreign department of Bank of Valletta International Limited.

#### **Simon Lay, *Managing Director, London Forfaiting Company Ltd.***

British national. Mr. Lay started his career in 1976 with the Midland Bank/HSBC Banking Group where he was responsible *inter alia* for Midland's forfaiting subsidiary Midland Bank Aval. He joined LFC in 1991 to expand its operations in the Americas and Middle East & Turkey. Mr. Lay was appointed as Managing Director of London Forfaiting Company Limited in January 2006 with global responsibility for the company including its branches and subsidiaries. Mr. Lay sits on Board Committees as shown in paragraph 2.2 above.

## 2.4 Remuneration of Directors and Executive Management

The Annual General Meeting of shareholders approves the maximum annual aggregate remuneration which the Directors may receive for the holding of their office. For the 2008 financial year the maximum aggregate emoluments of the Directors was fixed at USD350,000.

None of the Directors is on a contract of service with the Issuer or the Group. No Director is entitled to profit sharing, share options or pension benefits from the Issuer or the Group. The members of the Executive Management are employed under an indefinite contract of service.

The aggregate remuneration and bonuses to the President and the Executive Management (as listed above) amounted to USD860,000 in 2008. This amount includes: (i) the remuneration of an Executive Vice President who resigned from the position with effect from 16 January 2008; (ii) the remuneration of an Executive Vice President appointed with effect from 1 March 2008, as well as (iii) the remuneration of a Senior Executive Vice President appointed with effect from 3 November 2008.

In addition to salaries and bonuses, the Issuer also provides non-cash benefits to the President and the Executive Vice-Presidents including health insurance, participation in executive share option schemes and participation in a private retirement plan established by the Issuer, which benefits are commensurate with the position occupied.

## 2.5 Auditors

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 respectively have been audited by KPMG, certified public accountants, holding a warrant to practise the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

## 3. ADVISERS TO THE ISSUER

### Legal Advisers

Group Legal and Compliance Department  
FIMBank p.l.c.  
7th Floor, The Plaza Commercial Centre  
Bisazza Street, Sliema SLM 1640  
Malta

### Sponsor

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.  
Airways House, 3rd Floor  
High Street, Sliema SLM 1549  
Malta

### Manager and Adviser

Lombard Bank Malta p.l.c.  
67, Republic Street, Valletta VLT 1117  
Malta

### Registrar

Malta Stock Exchange p.l.c.  
Garrison Chapel  
Castille Place, Valletta VLT 1063  
Malta

#### 4. OFFER STATISTICS

<b>Amount</b>	The equivalent of EUR15,000,000 aggregate principal amount, in either or each of the EUR Bonds and USD Bonds respectively depending on the value of the applications received for the Bonds, subject to the option to increase the Issue by the equivalent of an additional EUR15,000,000 up to a maximum combined aggregate principal amount of the equivalent of EUR30,000,000 in the event that, before the Offer Period in case of conditional subscription agreements and/or during the Offer Period, the Issuer receives applications for the Bonds in excess of the aggregate principal amount of the equivalent of EUR15,000,000.
<b>Bond Offer Price</b>	EUR100 for the EUR Bonds or USD100 for the USD Bonds, unless the application is from a Preferred Applicant.
<b>Denomination</b>	Euro for EUR Bonds and United States Dollars for USD Bonds.
<b>Designated Optional Redemption Date</b>	The Issuer has the option to redeem all or part of the Bonds at their nominal value on any day falling between 1 May 2012 and the Maturity Date by giving not less than thirty (30) days advance notice in writing to Bondholders.
<b>Form</b>	The Bonds will be issued in fully registered and dematerialized form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the Central Securities Depository of the Malta Stock Exchange.
<b>Interest</b>	The Bonds shall bear interest from and including 7 May 2009 at the rate of 7% per annum for the EUR Bond and 7% per annum for the USD Bond.
<b>Interest Payment Date</b>	30 October and 30 April of each year, between the year 2009 and the Maturity Date (both years inclusive). The first interest payment will be made on 30 October 2009.
<b>ISIN</b>	MT0000181215 for EUR Bonds; and MT0000181223 for USD Bonds.
<b>Issue</b>	Bonds denominated in Euro having a nominal value of EUR100 each, which will be issued at par and shall bear an interest rate of 7% per annum (the "EUR Bonds") and Bonds denominated in USD having a nominal value of USD100 each which will be issued at par and shall bear an interest rate of 7% per annum (the "USD Bonds").
<b>Issuer</b>	FIMBank p.l.c., a credit institution registered in Malta with registration number C 17003.
<b>Law &amp; Jurisdiction</b>	This Bond Issue is governed by and must be construed in accordance with the laws of Malta. The Maltese courts shall have exclusive jurisdiction to settle any disputes arising out of or in connection with the Bond.
<b>Listing</b>	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
<b>Manager</b>	Lombard Bank Malta p.l.c., a credit institution registered in Malta with registration number C 1607.
<b>Maturity Date</b>	30 April 2019 subject to the Designated Optional Redemption Date.

<b>Minimum Amount per Subscription</b>	Minimum EUR2,000 for EUR Bonds or USD2,000 for USD Bonds and integral multiples of EUR100 for EUR Bonds and USD100 for USD Bonds thereafter.
<b>Offer Period</b>	The period between 8.30 a.m. on 23 April 2009 and 12.30 p.m. on 30 April 2009 (both dates inclusive), or such earlier date as may be determined by the Issuer in the event of over-subscription, during which the Bonds are on offer for subscription.
<b>Over-allotment Option</b>	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding EUR15,000,000 may be issued at the Bond Offer Price and/or at the Preferred Applicant Bond Offer Price in the event of over-subscription.
<b>Payment of Interest</b>	In cash or shares at the Issuer's discretion.
<b>Preferred Applicant</b>	Any person, whether natural or legal, listed in: (a) the register of FIMBank's Shareholders at the Central Securities Depository of the Malta Stock Exchange, and (b) the Directors and/or the full-time employees of the FIMBank Group, in both instances as at the Record Date.
<b>Preferred Applicant Bond Offer Price</b>	EUR97 for the EUR Bonds or USD97 for the USD Bonds, representing a discount of 3% to par.
<b>Pre-placement Date and Time</b>	11.00 a.m. on 17 April 2009.
<b>Rate of Exchange</b>	EUR1: USD1.2628.
<b>Record Date</b>	24 March 2009.
<b>Redemption Value</b>	EUR100 for the EUR Bonds or USD100 for the USD Bonds.
<b>Registrar</b>	Malta Stock Exchange p.l.c.
<b>Sponsor</b>	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a financial intermediary licensed by the MFSA, and an Authorised Distributor, as specified in Appendix 1 of the Prospectus.
<b>Status of the Bonds</b>	The Bonds shall constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and shall thus rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future.

## 4.2 Expected Timetable

Application Forms Available	23 March 2009
Opening of Subscription List	23 April 2009
Closing of Subscription List	30 April 2009
Announcement of Basis of Acceptance	7 May 2009
Commencement of Interest on the Bonds	7 May 2009
Expected Dispatch of Allotment Advices	14 May 2009
Refund of Unallocated Monies	14 May 2009
Admission to Listing	18 May 2009

The Issuer reserves the right to close the Offer before Thursday 30 April 2009 in the event of over-subscription, in which case, the events set out in the timetable detailed above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

## 5. KEY INFORMATION

### Group Income Statements

	Year ended 31 Dec 2008 USD	Year ended 31 Dec 2007 USD	Year ended 31 Dec 2006 USD
Net interest income	14,194,228	10,481,362	9,183,434
Net fee and commission income	18,931,410	14,210,733	10,853,031
Net trading income	2,077,831	1,972,316	3,107,887
Net (loss) / income from other financial instruments carried at fair value	(8,578,025)	(68,468)	48,685
Dividend income	564	371	581,956
Profit on disposal of associated undertaking	33,626,234	-	-
Other operating income	77,405	165,738	103,431
Net impairment losses	(1,079,697)	(820,782)	(1,939,894)
Operating expenses	(26,624,050)	(20,917,312)	(19,813,582)
Operating Profit	32,625,900	5,023,958	2,124,948
Share of profit of equity accounted investees (net of tax)	1,743,495	4,632,878	2,550,770
Profit before taxation	34,369,395	9,656,836	4,675,718
Taxation	(9,598,495)	805,214	2,916,623
Profit from continuing operations	24,770,900	10,462,050	7,592,341
Discontinued operations	7,740	-	-
<b>Profit for the period</b>	<b>24,778,640</b>	<b>10,462,050</b>	<b>7,592,341</b>
Basic Earnings per share	18.60c	9.85c	8.83c
Diluted Earnings per share	17.85c	9.57c	8.60c
<b>Group Balance Sheets (Extracts) as at</b>	<b>31 Dec 2008 USD</b>	<b>31 Dec 2007 USD</b>	<b>31 Dec 2006 USD</b>
Total assets	624,414,532	571,321,580	463,496,609
Total liabilities	507,778,222	473,386,473	400,845,048
Total equity	116,636,310	97,935,107	62,651,561

## 6. REASONS FOR THE OFFER AND USE OF THE PROCEEDS

The net proceeds from the issue of the Bonds will be applied by the Issuer in supporting the general growth of the Group as well as implementing its investment strategy of expansion into new products, markets and undertakings. Amongst other things, the Group is considering widening its business ventures into complementary activities, including private banking.

This Bond Issue forms part of a wider and longer term capital development plan which may in future include other forms of equity. It is not to be expected that the proceeds of the Bond Issue will be the only source of capital to fund the business ventures in the foreseeable future. Furthermore, the proceeds of the Bond will not be used for the purchase of any land or any buildings that would house the Group's offices, whether in Malta or elsewhere. The Bonds will constitute Additional Own Funds (Tier II capital) forming part of the Issuer's Own Funds in terms of the Own Funds Rule (BR/03) "Own Funds of Credit Institutions Authorised under the Banking Act 1994".

## 7. RISK FACTORS

**This document contains forward-looking statements. No assurance can be given that future results of expectations covered by such forward-looking statements will be achieved. These statements by their nature involve substantial risks and uncertainties, certain of which are beyond the Issuer's control.**

**Prospective investors should carefully consider all the information contained in the Prospectus as a whole and should consult their own independent financial and other professional advisers before deciding to make an investment in the Bonds.**

The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

### 7.1 General

The Risk Factors associated with the banking industry are multiple and varied. Exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk arises in the normal course of the Issuer's and Group's business. As the Group's core business is that of a trade finance specialist, control over contingent liabilities and commitments is fundamental since the risks involved are the same as with on-balance sheet items.

In addition to the information contained in this Prospectus, prospective investors should carefully consider, with their own independent financial and other professional advisor, the risk factors listed in this paragraph together with other investment considerations, before deciding to make an investment in the Bonds.

### 7.2 Risks Relating to the Issuer

#### 7.2.1 *Strategic and Business Risk*

The Group is primarily active in international trade finance, providing services relating to commodities, across a wide geographical base and offering a diversity of products. When downturns in market cycles are prolonged these may lead to weakening economic fundamentals of corporates, banks and sovereigns, as well as to serious shocks and market crises and ensuing shortage of liquidity and credit availability. This can cause deterioration to trade flows and elevate strategic and business risk. In certain situations these risks can spread across borders and regions, creating a contagion effect.

#### 7.2.2 *Credit Risk*

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk is not only akin to loans but also to other on- and off-balance sheet exposures such as letters of credit, guarantees, acceptances and money market operations.

#### 7.2.3 *Country and Transfer Risk*

In addition to the counter-party credit risk inherent in lending, international lending also includes country risk, which refers to risks associated with the economic, social and political environment of the borrower's home country. A component of country risk is transfer risk which arises when a borrower's obligation is not denominated in his local currency.

#### 7.2.4 *Market Risk*

##### *General*

Market risk can be split into three types of risk: foreign exchange risk, interest rate risk and other price risk.

##### *Foreign Exchange Risk*

Foreign exchange risk arises in relation to those monetary assets and monetary liabilities of the Group that are not denominated in the functional currency of the Group. Transactional exposures give rise to foreign currency gains and losses that are recognised in the income statement.

Investors should also be aware that any investment in Bonds of the Issuer may bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the investors' currency of reference if different.

##### *Interest Rate Risk*

The Group's operations are subject to interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or at different amounts.

##### *Other Price Risk*

The Group's exposure to price risk is limited to its bonds and credit linked notes portfolios which are both measured by reference to their quoted market values in active markets.

#### 7.2.5 *Settlement Risk*

The Issuer faces settlement risk due to the fact that few financial transactions are settled simultaneously or on a same day basis. Consequently, the Issuer could suffer a loss if the counter-party fails to deliver on settlement date.

#### 7.2.6 *Concentration Risk*

Concentration risk denotes the risk arising from an uneven distribution of counterparties in credit or any other business relationship or from a concentration in business sectors or geographical regions which is capable of generating losses large enough to jeopardize an institution's solvency.

#### 7.2.7 *Liquidity Risk*

Liquidity risk is the risk that the Issuer may be unable to meet its obligations as they become due because of an inability to liquidate assets or obtain adequate funding or that it cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions.

#### 7.2.8 *Operational Risk*

Various operational risks must also be taken into consideration, for instance, failed internal or external processes or systems, human error, regulatory breaches, employee misconduct or external events such as fraud, other factors over which the Issuer has no control such as catastrophic events, terrorist attacks and other acts of war and hostility, changes in the law, taxation and regulations to which the Issuer is subject, including changes in the interpretation thereof;

#### 7.2.9 *Legal Risk*

Legal risks arise from the possibility that unenforceable contracts, lawsuits, or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the Issuer. The Group is particularly susceptible to legal risks when entering structured transactions in some of the emerging markets in which it is dealing and when its legal rights might be susceptible to non-enforcement.

#### 7.2.10 *Reputational Risk*

Reputational risk is the risk that negative publicity regarding the Issuer's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions. It might arise from failure to comply with relevant laws and regulations. The implications on the Issuer of non compliance with the applicable regulations can be substantial and can include formal enforcement actions, monetary penalties, informal enforcement actions, and enhanced supervisory monitoring.

#### 7.2.11 *Information Technology Risk*

Information technology risk may arise from inadequate information technology and processing, inappropriate IT strategy and policy or inadequate use of the Group's information technology. The Group is subject to various forms of threats which can impact any or all of its IT systems and operations.

#### 7.2.12 *Credit Rating Risk*

The Issuer relies on leading global rating agencies for its risk assessment purposes. These credit rating agencies publish their independent opinions on the creditworthiness of debt issuers, in terms of both their ability and

willingness to honour financial commitments. Any adverse change to the credit rating of the Issuer might adversely affect the trading price of the Bonds.

### 7.3 Risks relating to the Bonds

Each potential investor in the Bonds must determine the suitability of that investment in light of their own circumstances. Prospective investors should carefully consider all the information contained in the Prospectus as a whole and should consult their own independent financial and other professional advisers before deciding to make an investment in the Bonds.

#### 7.3.1 *Redemption prior to maturity (“Early Redemption”)*

The Issuer has the option to redeem the Bonds in whole or in part at any time during the Designated Optional Redemption Date (in accordance with the provisions of paragraph 5.8 of the Securities Note), together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.

#### 7.3.2 *Modification and waivers by Bondholders’ meetings*

The Issuer shall call meetings of Bondholders to consider matters affecting their interests generally in accordance with the provisions of paragraph 5.11 of the Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

#### 7.3.3 *Change of law*

The terms and conditions of this Bond Offer are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

#### 7.3.4 *Trading and Liquidity of the Bonds*

The liquidity of the market depends on, amongst others, factors beyond the Issuer’s control, such as the willingness or otherwise of potential buyers and sellers of the Bonds. The effect that investors’ decisions may have on the trading market could consequently affect the trading value of the Bonds. The Bonds will be new securities for which there currently is no established trading market. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to re-sell his Bonds at or above the Bond Offer Price or at all.

#### 7.3.5 *Foreign Exchange Risk*

Potential investors should also be aware that any investment in the Bonds will be denominated either in EUR or USD. Exchange rate fluctuations may affect the conversion value of the original investment and of the interest to be received made by those investors who calculate the value of investment in any currency other than the EUR or USD.

#### 7.3.6 *Interest Rate risk*

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

#### 7.3.7 *Prior ranking charges*

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

#### 7.3.8 *Issuer’s Credit Rating Risk*

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in the Issuer’s credit rating could adversely affect the trading price for the Bonds.

#### 7.3.9 *Subordination*

The Bonds shall constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and shall thus rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future, such as for example any of the Issuer’s obligations which might be secured by privileges, charges, hypothecs or any other cause of preference and/or security in accordance with the applicable law.

### 7.3.10 *Limited Recourse*

**Potential investors should note that their rights of enforcement against the Issuer with reference to the Bonds are subject to certain restrictions as set out in paragraph 5.17 of the Securities Note.**

## 8. INFORMATION ON THE ISSUER

### 8.1 History and Development

The Issuer is registered in Malta as a public limited liability company under registration number C 17003 and with registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM1640 Malta. It was incorporated on 8 November 1994 as First International Merchant Bank Limited for an unlimited duration under the Commercial Partnerships Ordinance, 1962 (Cap. 168, Laws of Malta), and with effect from 31 December 1997 complied with the Companies Act, 1995 under which it is currently regulated.

The status of the Issuer was changed from a private limited liability company to that of a public limited liability company (p.l.c.) on 28 April 2001. The Issuer's ordinary shares were then offered to the public and admitted to the Official List of the Malta Stock Exchange on 22 June 2001.

In late 2003, the Issuer increased its issued share capital by USD15,001,468 by means of a rights issue. The shares were offered (i) at USD0.75 per share and (ii) on a basis of a ratio of 10 new shares for every 23 shares held. The new shares issued amounted to 20,001,957.

The Issuer changed its name from First International Merchant Bank p.l.c. to FIMBank p.l.c. on 13 May 2005.

By means of a subsequent rights issue in November 2007, 22,894,699 new ordinary shares were offered at USD1.10 per share raising USD25 million and increasing the Issuer's share capital to over 90 million ordinary shares as at 31 December 2007. The shares were offered at the ratio of 5 new shares for every 19 shares held.

The Issuer may be contacted on telephone: +356 23280171 (Company Secretary), facsimile: +356 23280107, email: [company.secretary@fimbank.com](mailto:company.secretary@fimbank.com), and website: [www.fimbank.com](http://www.fimbank.com).

### 8.2 Credit Institution Licence

On 11 July 1994, the Issuer was granted a licence by the Ministry of Finance to carry on the business of banking as a 'financial institution' operating initially with non-residents subject to such conditions as may from time to time be imposed under Section 4(6)(c) of the Banking Act, 1970. In terms of this licence, the Issuer was authorised to conduct the activities of foreign trade and banking services, structured finance, and retail banking services for high net worth individuals, Islamic banking and investment and advisory services to its clients only. Furthermore, the Issuer was subject to all the conditions of the Banking Act, 1970 except for the specific exemptions outlined in the same licence.

Following the enactment of the Banking Act, 1994 the Central Bank of Malta became the competent authority responsible for the regulation and supervision of credit institutions.

On 15 November 1994, the Central Bank of Malta issued a new licence in terms of the Banking Act, 1994 replacing the original licence issued under the 1970 Act so that the Issuer would be designated as a credit institution. All terms and conditions of the Issuer's licence remained unchanged.

On 20 November 1995, at the Issuer's request, the Central Bank of Malta reviewed the Issuer's licence and extended it by authorising the Issuer to undertake business with both residents and non-residents of Malta in providing documentary trade finance, provided no financing is granted to the resident party. The condition that the Issuer transacts in foreign currency only was retained.

On 17 September 1997, the Central Bank of Malta further extended the Issuer's licence to enable it to conduct full banking activities in all currencies, except the Maltese Lira, with both residents and non-residents. Other terms and conditions of the original licence remained unchanged.

In July 2005, the terms of the licence were again changed and the Issuer was authorised to carry on its business in all currencies, including the Maltese Lira. Changes were also made to the Issuer's Memorandum and Articles and were approved by its members in Annual General Meeting on 6 April 2006.

Additional to the business of banking, the Issuer is now licensed to carry out the following additional activities listed in the Banking Act, 1994 (Schedule 2) namely:

- money transmission services;
- issuing and administering means of payment (credit cards, travellers' cheques and bankers' drafts and similar instruments);
- guarantees and commitments;
- trading for own account in:
  - (a) money market instruments;
  - (b) foreign exchange;
  - (c) financial futures and options;
  - (d) exchange and interest-rate instruments; and
  - (e) transferable securities;
- participation in securities issues and the provision of services related to such issues;
- advice to undertakings on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of undertakings;
- safekeeping and administration of securities; and
- credit reference services.

The Issuer has applied to the MFSA to obtain the revival of its Investment Services Licence in terms of Article 5 of the Investment Services Act, 1994 (originally granted to the Issuer on 6 May 2003 as a Category 2 licence) in order to tender professional investment advice to professional clients and eligible counterparties.

### 8.3 Special Taxation Status of the Issuer

The taxation regime regulating the Issuer is governed by the Exemption Order granted by the Minister of Finance to the Issuer on 16 June 1999, in terms of Article 12(2) of the Income Tax Act (Cap.123 of the Laws of Malta).

The Exemption Order regulates the taxation of the Issuer with effect from year of assessment 1996 up to year of assessment 2010. The arrangements of the Exemption Order are to have effect so long as the Issuer is carrying on the business of banking as a credit institution in terms of the Banking Act. Following the termination of the period covered by the Order, the Issuer will be subject to income tax in Malta under the applicable regime of laws and regulations.

In terms of the Exemption Order the Issuer's taxable profit arising from business conducted wholly outside Malta (that is to say profits arising from income derived from non-residents and interest on amounts held with all banks) is calculated as a percentage (0.25%) of the foreign gross assets as at the end of the relevant year. The taxable profit thus calculated is then subject to tax at the higher of 35% or the company rate of tax in force as at the end of applicable year.

The Exemption Order is subject to the following conditions:

- (a) the profits arising from that part of the Issuer's business which is not conducted wholly outside Malta is accounted for separately and taxed in the normal manner provided by the Income Tax Act. The said profits are arrived at after deducting those costs and allowances (including capital allowances) which are exclusively related to the business not conducted wholly outside Malta as well as a portion of those costs and other allowances (including capital allowances) common to the two different sources of business. Common costs and allowances are apportioned by reference to the percentage which the gross income from business conducted in Malta bears to the total gross income derived by the Issuer for the applicable year; and
- (b) the allocation of distributable profits to the Issuer's tax accounts is to be made as follows:
  - i. The taxable profits of the Issuer computed as set out in the Exemption Order shall be allocated to the Maltese Taxed Account;
  - ii. The difference between the total distributable profits and the amount allocated to the Maltese Taxed Account is allocated to the Untaxed Account;

provided that dividends paid to non-Maltese residents from profits arising from that part of the Issuer's business which is conducted wholly outside Malta will be paid without any deduction of tax.

## 8.4 Credit Rating

In January 2009, Fitch affirmed its long-term rating for FIMBank p.l.c. at BB and short-term rating at B, both with a Stable Outlook. This affirmation, which contrasts the recent numerous downgrade rating actions by Fitch, confirms the Issuer's solid performance and resilience to the current economic downturn. FIMBank's ratings are underpinned by good management, acceptable asset quality, resilient and satisfactory core profitability, adequate liquidity and capitalization. The Issuer's satisfactory profitability reflected the favourable trade finance markets and strong business development, with international flows expected to further support income throughout 2009. The Issuer's adequate asset quality reflected an acceptable level of impaired loans and more than full loan loss reserve coverage. The Issuer's focus on developing trade finance business with a number of developing and emerging economies heightened the Issuer's country risk, albeit this is mitigated by the short-term and self-liquidating nature of trade finance. Short-term inter-bank market funding, together with the increasingly important client deposit base, forms the bulk of the Issuer's funding base.

## 8.5 Investments in Subsidiaries and Associates

### 8.5.1 Subsidiaries

#### 8.5.1.1 London Forfaiting Company Limited

On 3 October 2003 the Issuer acquired the full equity of London Forfaiting Company p.l.c. ("LFC"), a company incorporated in England and Wales in 1984 to provide trade finance and forfaiting services through a world-wide network of offices. In the years following its acquisition by the Issuer, LFC expanded its operations and grew rapidly. LFC now counts a global network of strategically located offices, namely in United Kingdom, United States, Brazil, Turkey, Russia and Singapore.

#### 8.5.1.2 FIM Business Solutions Limited

The Issuer owns 100% of the issued share capital of FIM Business Solutions Limited.

FIM Business Solutions Limited was incorporated in Malta on 15 June 2005 and has as its primary purpose the provision of information technology services and support to Group as well as to third parties.

#### 8.5.1.3 FIMFactors B.V.

The Issuer incorporated FIMFactors B.V. as a wholly-owned subsidiary under the laws of the Netherlands on 25 November 2005.

FIMFactors B.V. serves as a corporate vehicle for the Issuer's holdings of factoring joint ventures and associated companies. It currently holds the entire shareholding of MENAFACTORS Limited, DIFC, Dubai and is scheduled to acquire FIMBank's shareholding in Egypt Factors Limited in 2009.

#### 8.5.1.4 FIM Property Investment Limited

FIM Property Investment Limited is registered in Malta and was established on 23 April 2008 as a fully owned subsidiary with the primary objective to plan, construct and complete the Issuer's head office in Malta. FIM Property Investment Limited will also be responsible for the day-to-day management of the purposely built office block and leasing, if any, of space for commercial purposes.

#### 8.5.1.5 MENAFACTORS Limited

The Issuer incorporated MENAFACTORS Limited in the Dubai International Financial Centre on 10 May 2007 as a joint venture together with Emirates National Bank of Dubai. Each shareholder held 50% of the issued share capital of the company.

MENAFACTORS Limited was licensed by the Dubai Financial Services Authority in September 2007, to provide international factoring and forfaiting services.

As part of the overall Group's strategy, the Issuer transferred its holding in MENAFACTORS Limited to FIMFactors B.V. on 29 May 2008. Moreover, on 3 March 2009, MENAFACTORS Limited acquired 25% of LCI Factors S.A.L., a factoring company incorporated in Beirut, Lebanon. The other major shareholder (73.86%) in LCI Factors S.A.L. is the Lebanese Credit Insurer S.A.L., a joint venture between ATRADIUS Re (the second largest insurer in the world) and a group of local and regional insurance companies and investors.

### 8.5.2 *Associates*

The Issuer also holds investments in the following associates:

#### 8.5.2.1 *The Egyptian Company for Factoring S.A.E.*

The Issuer incorporated The Egyptian Company for Factoring S.A.E., (“Egypt Factors”) in Egypt’s Public Free Zone Nasr City on 13 November 2006 together with Commercial International Bank (“CIB”) and the International Finance Corporation (“IFC”). Classified as a non-banking financial institution, Egypt Factors is under the supervision and control of the Ministry of Investment or more precisely of the General Authority for Investment and Free Zones (“GAFI”), which is the primary governmental authority concerned with regulating and facilitating investment in Egypt. Egypt Factors has been granted a licence from GAFI at the time of its incorporation to operate factoring services from the free zone.

The Issuer holds a 40% shareholding, with CIB and IFC holding 40% and 20% respectively. Egypt Factors is active in providing international factoring and forfaiting services to Egyptian and other Middle Eastern exporting companies.

#### 8.5.2.2 *LB Factors Limited*

The Issuer incorporated LB Factors Limited in Malta together with LB Financial Holdings Limited, a subsidiary of the Lasselsberger GmbH Group, on 17 April 2001.

The ownership interest and voting rights of the Issuer in LB Factors Limited is 0.59%, with the right to appoint a member to the board of directors of LB Factors Limited.

The investment of the Issuer in LB Factors Limited amounts to USD22,195. This investment is held with a view to subsequent disposal.

#### 8.5.2.3 *Eastern Prospekt B.V.*

On 5 December 2000 the Issuer acquired a minority shareholding in Eastern Prospekt B.V., a private limited liability company incorporated in the Netherlands on 9 February 1999.

The Issuer’s holding in Eastern Prospekt B.V. amounts to 13.1%, the other shareholders being Makland Sarl (40.15%), Eastern Future B.V. (31.01%) and Ducrein Finance B.V. (14.96%), respectively. The investment of the Issuer in Eastern Prospekt B.V. amounts to USD22,448 as equity. Eastern Prospekt B.V. is in the process of being wound up.

### 8.5.3 *Recent changes to Issuer’s investments in Associates*

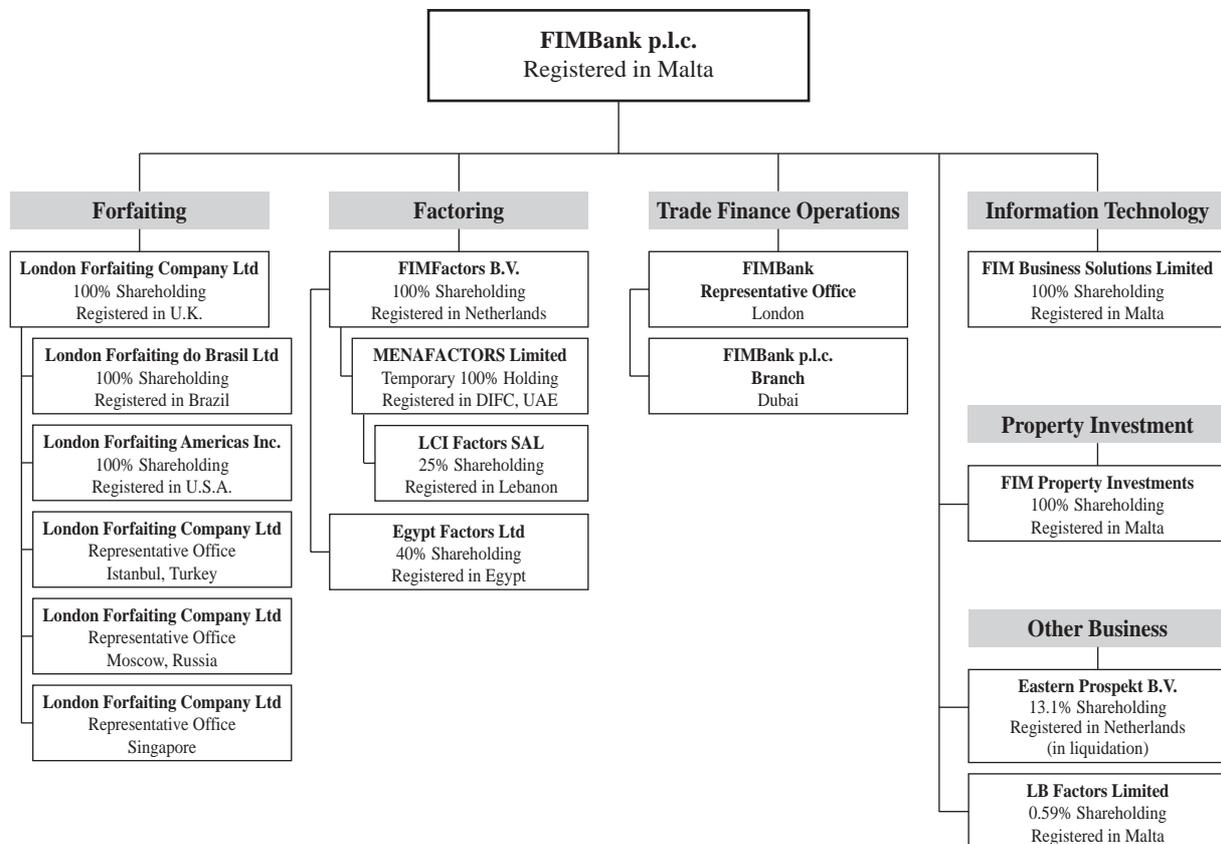
#### *Sale of the Issuer’s holding in Global Trade Finance Limited*

On 28 March 2008, the Issuer sold its investment in Global Trade Finance Limited (“GTF”) to State Bank of India. The sale of the Issuer’s 29.7 million ordinary shares in GTF was executed for a total consideration of INR2,168,100,000, or equivalent to USD54,128,074 as at the date of the transaction. Detailed information of this transaction is disclosed in the 2008 Audited Financial Statements.

The Issuer had acquired 38.5% in GTF on 24 December 2004. GTF is an entity incorporated and based in Mumbai, India and primarily engages in providing factoring services.

## 8.6 Organisational Structure

The diagram below indicates the structure of the Group as at the date of this Summary Note:



## 9. BUSINESS OVERVIEW

### *Principal Activities*

#### *Principal activities of the Issuer*

The Issuer is licensed by the MFSA under the Banking Act as a credit institution and is authorised to provide full banking services in all currencies.

The Bank principally provides international trade finance and acts as an intermediary to other financial institutions for international settlements, forfaiting, factoring and loan syndications. The Issuer is a specialist in documentary credit related operations including but not limited to the opening and negotiating of documentary letters of credit, the issue of performance bonds and bank guarantees and discounting of bills of exchange.

The Issuer established an international factoring department in 2006 designed to serve customers in Malta and in the Mediterranean region as well as to provide back office operations to the Issuer's factoring joint ventures. A specialised technology platform for factoring services was successfully customised and implemented in Malta and is being used by the Issuer's factoring joint ventures.

Specialist services relating to shipping finance, and in particular to pre-demolition ship finance, are provided from the Issuer's London and Dubai offices respectively.

The Issuer is actively pursuing its strategy to increase its factoring joint-venture network in Latin America, Russia and China, with a view to further diversify its trade finance products in emerging markets. To complement its mainline trade finance activities, the Issuer intends to diversify its offering into private banking services.

## 10. TREND INFORMATION

In 2008 the Group registered a strong operating performance coming from solid business fundamentals, market and product expertise. This was reflected in significant growth in the main interest and fee-based operating sources of income, particularly in the first three quarters of the year. This trend was reversed during the last quarter when weakening economic conditions, financial market turbulence and deteriorating confidence caused scarcity in liquidity and a slowdown in business. Against a landscape of difficult and weakening cycles in the major economies and markets (including emerging markets where the Issuer and the Group are particularly strong), the strategy of product and market diversification, the specialization in the finance of the international trade, goods and commodities which tends to be resilient even in stressful circumstances, as well as the exposure to regions that inherently feel less the effects of the crises, continue to provide opportunities for profit, at all levels of the Group. Furthermore, the Issuer remains confident that unrealized mark-downs in assets will be clawed back in time as these are not supported by any foreseeable substantive deterioration in credit quality.

The first months of the 2009 financial year witnessed a continuation of extreme nervousness and volatility in the international financial markets, as Governments around the world took exceptional measures to stabilize the global financial system and, at the same time, to try to nurse their economies through weakening economic conditions and, in many cases, deepening recessions. Although the concerted actions being taken by Governments, such as the massive re-capitalisation of major international banks and infusion of liquidity, demonstrate a certain determination to secure cross-border stability soonest, serious concerns about the extent and depth of the crises are accentuating the prevailing lack of confidence. As the markets continue to re-price risk and liquidity remains scarce, prospects of a pick-up in credit and economic activity remain modest. Against this background, a prolonged shortage of liquidity coupled with the threat of potential credit issues make business sentiment cautious, and prospects of growing the business more challenging.

The Directors consider that the trend demonstrated by the challenging circumstances of the last quarter of 2008 will continue to apply for the foreseeable future in 2009. They look forward to develop the business prudently in a challenging environment whilst maintaining the flexibility to take advantage of any opportunity that may come about, as risk premia in promising markets, ventures and undertakings, respectively, price more realistically.

No material adverse change has occurred for the Issuer since its last Audited Financial Statements.

## 11. FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

The Group recorded a profit before tax of USD34.4 million for the year ended 31 December 2008. Profit after tax attributable to shareholders was USD24.8 million, an increase of more than twice the USD10.5 million earned during 2007.

There was an increase in group net interest income of 35% on 2007 to USD14.2 million as well as an increase in net fee and commission income of 33% to USD18.9 million. Net trading income booked by the Group for the period under review increased by 5% to USD2.1 million when compared to 2007. Unrealised fair-value mark-downs amounted to USD8.6 million in 2008.

Total assets reached USD624 million as at 31 December 2008 compared with USD571 million as at the end of 31 December 2007.

The Group's basic earnings per share for the year ended 31 December 2008 were of US cents 18.6 (for the year ended 31 December 2007: US cents 9.85).

The 2008 financial statements have been approved by the Board on 9 March 2009 and are pending the statutory approval of the Company in the Annual General Meeting convened for 23 April 2009.

Financial performance and trend information regarding the Group and the Issuer for the financial years ending 31 December 2006, 31 December 2007 and 31 December 2008 respectively can be viewed in the financial statements on the Issuer's website [www.fimbank.com](http://www.fimbank.com).

## 12. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### 12.1 Interest of Major Shareholders

At the date of this Prospectus, the shareholders holding five (5%) or more of the issued share capital of the Issuer as listed on the Malta Stock Exchange are the following:

	<i>Ordinary Shares</i>	<i>%</i>
Massaleh Investments K.S.C.C.	59,685,970	44.26
International Finance Corporation	7,876,711	5.84
Astrolabe General Trading and Contracting Company	7,829,384	5.81
Fouad M. T. Alghanim	7,152,412	5.30

### 12.2 Related Party Transactions

Full details of related party transactions during the financial year ended 31 December 2008 may be viewed in the audited financial statements of the Issuer available for public inspection at the Issuer's address and on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## 13. FINANCIAL INFORMATION

### 13.1 Historical financial information

The Issuer's and the Group's audited financial statements for the financial years ending 31 December 2006, 31 December 2007 and 31 December 2008 respectively are available for public inspection on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

### 13.2 Financial statements

An auditors' report included the audited statutory financial statements for the Issuer and the Group for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 respectively are set out in the Annual Report and Accounts of the Issuer, available for public inspection.

Selected financial information for the three financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 respectively may be found in paragraph 5 of this Summary.

### 13.3 Auditing of historical annual financial information

The annual financial statements of the Issuer and the Group for the financial years ended 31 December 2006, 31 December 2007, and 31 December 2008 respectively have been audited by Messrs KPMG, Certified Public Accountants, Malta.

### 13.4 Age of latest financial information

The latest audited financial information available in respect of the Issuer relates to the financial year ended 31 December 2008 as approved for issuance by the Board of Directors on 9 March 2009. These financial statements are pending the statutory approval of the Company in the Annual General Meeting convened for 23 April 2009.

### 13.5 Significant changes in the Issuer's financial or trading position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 31 December 2008.

## 14. DETAILS OF THE OFFER

### 14.1 Admission to Trading and Markets

The Listing Authority has authorised the Bonds to be admitted to Listing.

Application has been made to the Malta Stock Exchange for the Bonds to be issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

## 14.2 Distribution

During the Bond Offer Period, applications for subscription to the Bonds may be made through any of the Authorised Distributors listed at Appendix 1 of this Prospectus.

## 14.3 Estimated expenses and proceeds of the Offer

The Offer will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, placement fees and a selling commission of 1% of the amounts of the Applications received and other miscellaneous costs incurred in connection with this Offer. Such expenses are estimated not to exceed EUR500,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Bondholder who subscribes for the Bonds. The amount of the expenses will be deducted from the proceeds of the Offer, which accordingly will bring the estimated net proceeds from the Bond Issue to EUR29,500,000 if the Over-allotment Option is exercised in full.

## 14.4 Public Offer

### *Public Offer*

14.4.1 The Bonds shall be offered and issued to the general public and the Preferred Applicants during the Offer Period. Authorised Distributors subscribing for the Bonds may do so for their own account or for the account of their customers (whether Preferred Applicants or not) and shall in addition be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

14.4.2 A list of Authorised Distributors is contained at Appendix 1 of the Prospectus.

### *Placing Arrangements*

#### *General*

14.4.3 The Issuer hereby reserves the right to enter into conditional subscription agreements (the "Subscription Agreement/s") prior to the commencement of the Offer Period up to an amount not exceeding 66% of the maximum combined aggregate amount of the equivalent of EUR30,000,000, i.e. EUR20,000,000 (the "Placed Portion") with a number of Authorised Distributors for the subscription of the Bonds by Preferred Applicants and other investors. Applications in a single name for an aggregate investment amount of less than EUR10,000 or USD10,000 shall not be eligible for the Placed Portion and shall not be accepted. Upon completion and submission of the Subscription Agreements, the Issuer will be conditionally bound to issue, and each Authorised Distributor will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on both the Issuer and the Authorised Distributor upon delivery, subject to the Issuer having received all subscription proceeds in clear funds on delivery of the Subscription Agreement.

14.4.4 The Placed Portion will be subject to the following limits:

- (i) Preferred Applicants shall be entitled to subscribe up to a maximum combined aggregate amount of EUR10,000,000. Applications received from Preferred Applicants shall be met in full for the first EUR10,000 or USD10,000 for each Preferred Applicant; and
- (ii) the maximum combined aggregate amount available for Authorised Distributors shall be of EUR10,000,000.

The above limits are in place, always provided that:

- (a) any amount not taken up by Preferred Applicants under 14.4.4 (i) shall be available for subscription by the Authorised Distributors;
- (b) any amount not taken up by Authorised Distributors under 14.4.4 (ii) shall be available for subscription by the Preferred Applicants; and
- (c) any amount not taken up by either of the Authorised Distributors or Preferred Applicants will be available for subscription during the Offer Period.

### *Plan of Distribution and Allotment*

14.4.5 The Issuer will determine and announce the allocation policy for the Bonds within five (5) business days of the closing of the Offer Period. It is expected that allotment advices will be dispatched to Bondholders by the Central Securities Depository within five (5) business days of the date of the announcement of the Allocation Policy.

- 14.4.6 Subject to the event of oversubscription, the Bonds will be listed on the Official List of the Malta Stock Exchange on 18 May 2009 and such date shall constitute the date of issue, allotment as well as Listing of the Bonds. Dealing shall commence on the following trading day.

## 15. ADDITIONAL INFORMATION

### 15.1 Share capital

The Issuer's authorised share capital as at the date of this Registration Document is USD200 million divided into 400 million ordinary shares of USD0.50 each.

The Issuer's issued share capital as at the date of this Registration Document is USD67,428,196 divided into 134,856,392 fully paid up ordinary shares of USD0.50 each listed on the Malta Stock Exchange.

All of the Issuer's shares rank *pari passu* in all respects, including with respect to voting rights, right to dividend and assets of the Issuer on a winding up. However in respect of a number of reserved matters, the Issuer needs to obtain the prior written consent of the IFC.

### 15.2 Memorandum and Articles of Association

The Issuer is a company registered pursuant to the provisions of the Companies Act in Malta with registration number C 17003.

### 15.3 Information Concerning the Payment of Interest by New Ordinary Shares

Payment of Interest for the EUR Bonds and the USD Bonds may be done in either cash or shares, at the Issuer's sole discretion. Therefore the Issuer might issue and allot New Ordinary Shares to the Bondholder, who shall have the sole right to positively elect to receive cash or shares as consideration for the interest payment. Any such New Ordinary Shares shall have a nominal value of USD0.50, determined according to an attribution price as the Issuer may announce during the period of thirty (30) calendar days prior to the Interest Payment Date. Full details of such entitlement will be communicated to the eligible Bondholder by means of letter or circular with appropriate due notice being given. The New Ordinary Shares will be of the same class as the Issuer's ordinary shares currently in issue. Currently, the Issuer does not have any preference shares in issue and therefore the New Ordinary Shares will rank *pari passu* with the existing Ordinary Shares.

## 16. MATERIAL CONTRACTS

Save for the promise of sale for the purchase of land for the building of the Issuer's head office as detailed below, the Issuer has not entered into contracts of a material nature which were not in the ordinary course of its business and which could impact the Issuer's ability to meet its obligations to Bondholders.

### 16.1 Promise of Sale

On the 3 September 2008, the Issuer entered into a promise of sale agreement (*konvenju*) for the purchase of a plot of land in Pendergardens, in Saint Julians. The *konvenju*, signed with the proposed seller Pender Ville Limited, was executed through FIM Property Investment Limited by means of a public deed. The plot of land will be developed in a building block where the Issuer intends to house its head office. The price to be paid by the Issuer for the land is EUR4,612,000 and is staggered in installments upon the reaching of certain milestones (such as the issuance of the excavation permits and the completion of the excavation works) within stipulated timelines. The *konvenju* expires on 31 March 2009.

## 17. DOCUMENTS ON DISPLAY

For the life of this Summary, the following documents (or copies thereof), where applicable, may be inspected at the registered office of the Issuer at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM 1640 Malta:

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group (including its subsidiaries) for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 (for the latter, subject to the approval of the Company in Annual General Meeting which has been convened for 23 April 2009) respectively;
- The Promise of Sale Public Deed dated 3 September 2008;
- The Pledge Agreement dated 24 December 2007; and
- The Audit Committee Charter.

The Audited Financial Statements of the Issuer may also be inspected on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## Part II - Registration Document

This document is a Registration Document prepared in accordance with (i) the provisions of Chapter 6 of the Listing Rules issued by the Listing Authority and (ii) the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 203/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This Registration Document is issued pursuant to the requirements of Listing Rules 6.1 *et seq.* and contains information about FIMBank p.l.c. (the “Issuer”) as the issuer of debt securities for which application has been made for admission to listing and trading on the Malta Stock Exchange. This Registration Document should be read in conjunction with the Securities Note which contains the details of the debt securities to which it relates.

This document is dated 9 March 2009.

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## 1. DEFINITIONS

In this Prospectus the following words and expressions shall have the following meanings except where the context otherwise requires:

<b>Advisers</b>	The Advisers to the Issuer whose name and addresses are set out under the heading “Advisers to the Issuer” at paragraph 5 of this Registration Document.
<b>Applicant</b>	A person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form.
<b>Application</b>	The application to subscribe for Bonds made by an Applicant by completing an Application Form and delivering it to the Registrar or to any of the Authorised Distributors.
<b>Application Form</b>	The form of Application of subscription for the Bonds, a specimen of which is set out in Appendix 2 of this Prospectus.
<b>Authorised Distributors</b>	The financial institutions, financial intermediaries and other persons listed in Appendix 1 of this Prospectus.
<b>Banking Act</b>	The Banking Act, 1994 (Cap. 371, of the Laws of Malta).
<b>Board Committees or Committees</b>	Executive Committee, Risk Committee, Assets Liabilities Committee and Audit Committee respectively.
<b>Bond Issue</b>	The Issue of EUR 15,000,000 subject to the Over-allotment Option.
<b>Bond Offer Price</b>	EUR100 for the EUR Bonds or USD100 for the USD Bonds unless a Preferred Applicant Bond Offer Price applies.
<b>Bond/s</b>	A maximum of EUR15,000,000 7% Bonds redeemable on 30 April 2019 at par, or in case of the Over-allotment Option, up to an aggregate amount of EUR30,000,000 issued pursuant to this Prospectus.
<b>Bondholders</b>	The holders of the Bonds.
<b>Business Day</b>	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business.
<b>Central Securities Depository</b>	The Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws.
<b>Companies Act</b>	The Companies Act, 1995 (Cap. 386 of the Laws of Malta).
<b>Company, Bank, FIMBank, Issuer</b>	FIMBank p.l.c., a credit institution registered in Malta with registration number C 17003 and registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema SLM1640, Malta and authorised to conduct banking and other financial services business by the Malta Financial Services Authority.
<b>Designated Optional Redemption Date</b>	Any date between 1 May 2012 and 30 April 2019 (both dates inclusive) as the Issuer may determine on giving not less than thirty days notice when the Issuer may at its option redeem all or any of the Bonds then outstanding.

<b>Director(s) or Board of Directors or Board</b>	The Directors of the Issuer whose name and addresses are set out under the heading “Directors of the Issuer” in paragraph 13 of this Registration Document.
<b>EUR Bonds</b>	The 7% Bonds due 2012-2019 denominated in Euro having a nominal value of EUR100 each, which will be issued at par and shall bear interest at the rate of 7%, the aggregate principal amount of which will be determined by the Issuer depending on the value of the Applications received for the Bonds, provided that the combined aggregate principal amount of EUR Bonds and USD Bonds is the equivalent of EUR15,000,000 except in the event of exercise of the Over-allotment Option.
<b>Euro or EUR</b>	The lawful currency of the Republic of Malta and recognised as legal tender by the Member Countries of the European Monetary Union.
<b>Group</b>	FIMBank p.l.c. together with its wholly owned subsidiaries, London Forfeiting Company Limited (UK), FIMFactors B.V, FIM Property Investment Limited, FIM Business Solutions Limited, MENAFACORS Limited (Dubai International Financial Centre, United Arab Emirates); and its associates The Egyptian Company for Factoring S.A.E. (Egypt), and LB Factors Limited (Malta).
<b>Interest Payment Date</b>	30 October and 30 April of each year between 2009 and the Maturity Date (both years included). The first interest payment will be made on 30 October 2009.
<b>Listing Authority</b>	The MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act, 1990 (Cap.345, of the Laws of Malta) by virtue of L.N. 1 of 2003.
<b>Listing Rules</b>	The Listing Rules of the Listing Authority.
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c. established by the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta).
<b>Manager &amp; Adviser</b>	Lombard Bank Malta p.l.c., 67 Republic Street, Valletta VLT 1117.
<b>Maturity Date</b>	30 April 2019 subject to the Designated Optional Redemption Date.
<b>MFSA</b>	The Malta Financial Services Authority established in terms of the Malta Financial Services Authority Act, 1988 (Cap.330, Laws of Malta).
<b>New Ordinary Shares</b>	New Ordinary Shares to be issued pursuant to the Payment of Interest, at the Issuer’s discretion.
<b>Offer</b>	The invitation to subscribe for Bonds contained in this Prospectus.
<b>Offer Period</b>	The period between 8.30 a.m. on 23 April 2009 and 12.30 p.m. on 30 April 2009 (both dates inclusive), or such earlier date as may be determined by the Issuer in the event of over-subscription, during which the Bonds are on offer for subscription.
<b>Ordinary Shares</b>	The ordinary shares of nominal value of USD0.50 each in the capital of the Issuer.
<b>Over-allotment Option</b>	The option of the Issuer to offer for subscription additional Bonds not exceeding EUR15,000,000 in either or a combination of the EUR Bonds and the USD Bonds up to a maximum combined aggregate

	principal amount of the equivalent of EUR30,000,000 in the event that during the Offer Period the Issuer receives applications for Bonds in excess of the combined aggregate principal amount of the equivalent of EUR15,000,000.
<b>Payment of Interest</b>	In cash or New Ordinary Shares at the Issuer's discretion.
<b>Placing Arrangements/ Subscription Agreements</b>	The conditional subscription agreements, if any, between the Issuer and the Authorised Distributors.
<b>Preferred Applicant</b>	Any person whether natural or legal, listed in: a) the register of FIMBank Shareholders at the Central Securities Depository of the Malta Stock Exchange; and b) the Directors and/or the full-time employees of the FIMBank Group; in both instances as at the Record Date.
<b>Preferred Applicant Bond Offer Price</b>	EUR97 for the EUR Bonds or USD97 for the USD Bonds, representing a discount of 3% to par.
<b>Prospectus</b>	This document in its entirety and including the Registration Document, the Securities Note and the Summary Note.
<b>Record Date</b>	24 March 2009.
<b>Redemption Value</b>	EUR100 for the EUR Bond and USD100 for the USD Bond.
<b>Registrar</b>	Malta Stock Exchange p.l.c.
<b>Registration Document</b>	The document set out as Part II of this Prospectus.
<b>Securities</b>	Has the meaning ascribed to it by the Listing Rules.
<b>Securities Note</b>	The document set out as Part III of this Prospectus.
<b>Sponsor</b>	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a financial intermediary licensed by the MFSA, and an Authorised Distributor, as specified in Appendix 1 of the Prospectus.
<b>Summary Note</b>	The document set out as Part I of this Prospectus.
<b>USD</b>	United States Dollars being the lawful currency of the United States of America.
<b>USD Bonds</b>	The 7% bonds due 2012-2019 denominated in United States Dollars having a nominal value of USD100 each, which will be issued at par and shall bear interest at the rate of 7%, the aggregate principal amount of which will be determined by the Issuer depending on the value of the Applications received for the Bonds, provided that the combined aggregate principal amount of EUR Bonds and USD Bonds is the equivalent of EUR15,000,000 except in the event of exercise of the Over-allotment Option.

All references in this Prospectus to **Malta** are to the **Republic of Malta**.

Unless it appears otherwise from the context:

- (a) words importing the singular shall include the plural and vice-versa;
- (b) words importing the masculine gender shall include the feminine gender and vice versa;
- (c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

## 2. RISK FACTORS

### 2.1 Introduction

This document contains forward-looking statements. No assurance can be given that future results of expectations covered by such forward-looking statements will be achieved. These statements by their nature involve substantial risks and uncertainties, certain of which are beyond the Issuer's control.

An investment in the Bonds involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisers the following risk factors and other investment considerations as well as all the other information contained in this Prospectus before deciding to make an investment in the Bonds. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds and may also adversely affect their market value. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

#### Risks relating to the Issuer

### 2.2 General

Exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk arises in the normal course of the Issuer's and Group's banking business. As the Group is mainly engaged in unfunded trade finance business, control over contingent liabilities and commitments is fundamental since the risks involved are the same as with on-balance sheet items. The Board is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the business of the Group and for ensuring that proper systems of internal controls are in place. The Board has delegated Executive Management with the task of creating an effective controlled environment to the highest possible standards.

### 2.3 Strategic and Business Risk

Strategic risk is the risk associated with the Issuer's future business plans and strategies. This risk category includes (a) the general economic landscape in the products and markets where the Issuer operates, (b) plans for entering new business lines and markets, (c) plans for expanding existing products and services through acquisitions and/or joint-ventures, (d) competitive, regulatory and reputation issues, as well as (e) plans for enhancing its operating infrastructure (e.g. new technology, etc.). Improper strategic choices or implementation of strategic decisions, and lack of responsiveness to changes in the economic environment, are all examples of how strategic risk can have a serious and significant impact on prospective profit and capital results. Closely linked with the above, business risk is the risk associated with the particular business and operating circumstances of the Issuer, and which may be more within the control of decisions taken by Executive Management but which nevertheless can have a significant impact on operating and business results.

The Group is primarily active in international trade finance, providing services relating to commodities, across a wide geographical base and offering a diversity of products. All these should be regarded as important deflators for both strategic and business risk in the Group's mainline activities, since it is usually considered that whilst weakening economic conditions, political strife and other factors may cause temporary disruption to trade in general, the supply of commodities (such as foodstuffs, textiles and fuels) and the resulting settlement thereof through banks such as the Issuer, are normally given priority over all other imports. However, when downturns in market cycles are prolonged these may lead to weakening economic fundamentals of corporates, banks and sovereigns, as well as to serious shocks and market crises and ensuing shortage of liquidity and credit availability. This can cause deterioration to trade flows and elevate strategic and business risk. In certain situations these risks can spread across borders and regions, creating a contagion effect.

### 2.4 Credit Risk

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation and cause the other party to incur a financial loss. The Issuer finances international trade in many countries world-wide, especially emerging markets, which in turn entails an exposure to sovereign, bank and corporate credit risk respectively. Credit risk is not only akin to loans but also to other on- and off-balance sheet exposures such as letters of credit, guarantees, acceptances and money market operations.

## 2.5 Country and Transfer Risk

In addition to the counter-party credit risk inherent in lending, international lending also includes country risk, which refers to risks associated with the economic, social and political environment of the borrower's home country. A component of country risk is transfer risk which arises when a borrower's obligation is not denominated in his local currency. The currency of the obligation may become unavailable to the borrower regardless of his particular condition.

As the Group carries out activities with counter-parties in emerging markets, there are certain risk factors which are peculiar to such activities and which require careful consideration by prospective investors since they are not usually associated with activities in more developed markets. Such exposure relates to the risks of major political and economic changes including but not limited to, higher price volatility, the effect of exchange control regulations and the risks of expropriation, nationalisation and/or confiscation of assets. The ineffectiveness of the legal and judicial systems in some of the emerging markets, including those in which the Issuer may be carrying out activities, may pose difficulties for the Group in preserving its legal rights.

## 2.6 Market Risk

### *General*

Market risk can be split into three types of risk: foreign exchange risk, interest rate risk and other price risk.

### *Foreign Exchange Risk*

Foreign exchange risk arises in relation to those monetary assets and monetary liabilities of the Group that are not denominated in the functional currency of the Group. Transactional exposures give rise to foreign currency gains and losses that are recognised in the income statement. Currency risk is mitigated by a closely monitored currency position policy and is managed through matching within the foreign currency portfolio. Mismatches, which are allowed temporarily and for small amounts, are continuously monitored and regularised immediately. The Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate.

Investors should also be aware that any investment in Bonds of the Issuer may bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the investors' currency of reference if different.

### *Interest Rate Risk*

Interest rate risk refers to the exposure of the Issuer's and Group's financial instruments to movements in interest rates. The risk impacts the earnings of the Group as a result of changes in the economic value of its assets, liabilities and off-balance sheet instruments. The Group's operations are subject to interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or at different amounts. Accordingly, interest rate risk is managed through the matching of the interest resetting dates on assets and liabilities.

### *Other Price Risk*

Other price risk arises out of changes in market values not related to changes in interest rates or foreign currency. The Group's exposure to price risk is limited to its bonds and credit linked notes portfolios which are both measured by reference to their quoted market values in active markets. Price risk is deemed to be less relevant for the forfaiting activities but in any event, the Group endeavours to mitigate any price risk by building a diversified forfaiting portfolio with an ultimately different geographical exposure.

## 2.7 Settlement Risk

The Issuer faces settlement risk due to the fact that few financial transactions are settled simultaneously or on a same day basis. Consequently, the Issuer could suffer a loss if the counter-party fails to deliver on settlement date.

## 2.8 Concentration Risk

Concentration risk arises from: (i) large individual exposures which may be connected through, for example, common ownership/management/guarantors; and (ii) significant exposures to groups of counterparties whose likelihood of default is driven by common underlying factors, such as the economic sector, the geographical locations, the currency and the credit risk mitigation measures (including risks associated with large indirect credit exposures to a single collateral issuer).

## 2.9 Liquidity Risk

Liquidity risk is the risk that the Issuer may be unable to meet its obligations as they become due because of an inability to liquidate assets or obtain adequate funding or that it cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions.

Liquidity risk includes both the risk of being unable to fund assets at appropriate maturities and rates as well as the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame. The Group raises funds from deposits, other financial institutions (by means of loans and money market placements), by issuing promissory notes and similar paper and through increases in share capital.

## 2.10 Operational Risk

Operational risk events can be broadly categorised as (a) losses arising from internal and external frauds, as well as human errors and omissions; (b) losses arising from a defective transaction or a claim being made; (c) losses arising from loss of key personnel; (d) losses arising from breaches of fiduciary duty by employees, misuse of confidential customer information, money laundering activities and other improper conducts by employees; (e) losses arising from technological failures, telecommunication problems and utility outages; and (f) losses arising from insurance arrangements not adequately addressing the risk these are intended to cover.

## 2.11 Legal Risk

The Group is subject to various forms of legal risk. Legal risks arise from the possibility that unenforceable contracts, lawsuits, or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the Issuer. The Group carries on business in various parts of the world and under different legal systems. The Group is particularly susceptible to legal risks when entering structured transactions in some of the emerging markets in which it is dealing and when its legal rights might be susceptible to non-enforcement.

The Group has identified two broad categories of legal risks within its operations, namely (a) claims against it and (b) defective documentation. As far as the first category is concerned, the Group is aware of the differences of the legal systems and to this purpose it commissions legal opinions from the jurisdictions in which it intends to operate in order to ascertain its potential liabilities when doing business there, including the extent to which an adverse judgment might result in excessive or punitive damages. With reference to the defective documentation, the Group endeavours to ensure that for each transaction a detailed due diligence is carried out and that the documentation is always tailored to the legal requirements of the jurisdiction in which the transaction takes place.

## 2.12 Reputational Risk

Reputational risk is the risk that negative publicity regarding the Issuer's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions. It arises from operational failures, failure to comply with relevant laws and regulations, including those arising from international obligations and treaties, such as UN or EU sanctions, and particularly in the areas of Anti-Money Laundering (AML) and Anti-Terrorism Financing (ATF) regulations, or from other sources, including acts or omissions of misconduct on the part of its Directors and/or officers and/or representatives overseas, even in matters which are unrelated to their mandate or position within the Group.

The implications on the Issuer of non compliance with the applicable regulations can be substantial and can include formal enforcement actions, monetary penalties, informal enforcement actions and enhanced supervisory monitoring.

### 2.13 Information Technology Risk

Information technology risk may arise from inadequate information technology and processing, inappropriate IT strategy and policy or inadequate use of the Group's information technology. The Group is subject to various forms of threats which can impact any or all of its IT systems and operations. The common threat sources can be natural, human or environmental.

### 2.14 Credit Rating Risk

The Issuer relies on leading global rating agencies for its risk assessment purposes. These credit rating agencies publish their independent opinions on the creditworthiness of debt issuers, in terms of both their ability and willingness to honour financial commitments. Given its substantial foreign denominated business transactions, the Issuer focuses primarily on the assigned Issuer's long-term foreign currency rating – which indicates the probability of the Issuer's capability of repaying debt obligations in foreign currency – and mainly avails itself of bank, sovereign, insurance and corporate issuer credit ratings.

## 3. PERSONS RESPONSIBLE

This Registration Document is prepared in accordance with the Listing Rules for the purpose of providing information about the Issuer. Each and all of the Directors whose names appear in paragraph 13, accept responsibility for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors hereby accept responsibility accordingly.

## 4. STATUTORY AUDITORS

KPMG  
Portico Building  
Marina Street  
Pieta PTA 9044  
Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 respectively have been audited by KPMG, a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

## 5. ADVISERS TO THE ISSUER

### Legal Advisers

Group Legal and Compliance Department  
FIMBank p.l.c.  
7th Floor, The Plaza Commercial Centre  
Bisazza Street, Sliema SLM 1640, Malta

### Sponsor

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.  
Airways House, 3rd Floor, High Street, Sliema SLM 1549, Malta

### Manager & Adviser

Lombard Bank Malta p.l.c.  
67 Republic Street, Valletta VLT 1117, Malta

### Registrar

Malta Stock Exchange p.l.c.  
Garrison Chapel, Castille Place, Valletta VLT 1063, Malta

## 6. SELECTED FINANCIAL INFORMATION

The Issuer's and the Group's audited financial statements for the financial years ending 31 December 2006, 31 December 2007 and 31 December 2008 respectively can be consulted on the Issuer's website at: [www.fimbank.com](http://www.fimbank.com) (the 2008 financials statements have been approved by the Board of Directors on 9 March 2009 and are pending the statutory approval of the Company in Annual General Meeting convened for 23 April 2009). Reference throughout the Prospectus to more detailed financial information about the Issuer and any of the periods referred to above, including information required to be disclosed in terms of the Listing Rules, shall be taken to extend to information contained in the said audited financial statements, and shall be construed accordingly.

In any event, the key figures summarising the Group financial condition are as follows:

### Group Income Statements

	Year ended 31 Dec 2008 USD	Year ended 31 Dec 2007 USD	Year ended 31 Dec 2006 USD
Net interest income	14,194,228	10,481,362	9,183,434
Net fee and commission income	18,931,410	14,210,733	10,853,031
Net trading income	2,077,831	1,972,316	3,107,887
Net (loss) / income from other financial instruments carried at fair value	(8,578,025)	(68,468)	48,685
Dividend income	564	371	581,956
Profit on disposal of associated undertaking	33,626,234	-	-
Other operating income	77,405	165,738	103,431
Net impairment losses	(1,079,697)	(820,782)	(1,939,894)
Operating expenses	(26,624,050)	(20,917,312)	(19,813,582)
Operating Profit	32,625,900	5,023,958	2,124,948
Share of profit of equity accounted investees (net of tax)	1,743,495	4,632,878	2,550,770
Profit before taxation	34,369,395	9,656,836	4,675,718
Taxation	(9,598,495)	805,214	2,916,623
Profit from continuing operations	24,770,900	10,462,050	7,592,341
Discontinued operations	7,740	-	-
<b>Profit for the period</b>	<b>24,778,640</b>	<b>10,462,050</b>	<b>7,592,341</b>
Basic Earnings per share	18.60c	9.85c	8.83c
Diluted Earnings per share	17.85c	9.57c	8.60c

### Group Balance Sheets (Extracts) as at

	31 Dec 2008 USD	31 Dec 2007 USD	31 Dec 2006 USD
<b>Total assets</b>	<b>624,414,532</b>	571,321,580	463,496,609
<b>Total liabilities</b>	<b>507,778,222</b>	473,386,473	400,845,048
<b>Total equity</b>	<b>116,636,310</b>	97,935,107	62,651,561

## 7. INFORMATION ABOUT THE ISSUER

### 7.1 History and development of the Issuer

The Issuer is registered in Malta as a public limited liability company under registration number C 17003 and with registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM1640 Malta. It was incorporated on 8 November 1994 as First International Merchant Bank Limited for an unlimited duration under the Commercial Partnerships Ordinance, 1962 (Cap. 168, Laws of Malta), and with effect from 31 December 1997 complied with the Companies Act, 1995 under which it is currently regulated.

The status of the Issuer was changed from a private limited liability company to that of a public limited liability company (p.l.c.) on 28 April 2001. The Issuer's ordinary shares were then offered to the public and admitted to the Official List of the Malta Stock Exchange on 22 June 2001.

In late 2003, the Issuer increased its issued share capital by USD15,001,468 by means of a rights issue. The shares were offered (i) at USD0.75 per share and (ii) on a basis of a ratio of 10 new shares for every 23 shares held. The new shares issued amounted to 20,001,957.

The Issuer changed its name from First International Merchant Bank p.l.c. to FIMBank p.l.c. on 13 May 2005.

By means of a subsequent rights issue in November 2007, 22,894,699 new ordinary shares were offered at USD1.10 per share raising USD25 million and increasing the Issuer's share capital to over 90 million ordinary shares as at 31 December 2007. The shares were offered at the ratio of 5 new shares for every 19 shares held.

The Issuer may be contacted on telephone: +356 23280171 (Company Secretary), facsimile: +356 23280107 and website: [www.fimbank.com](http://www.fimbank.com).

### 7.2 Credit Institution Licence

On 11 July 1994, the Issuer was granted a licence by the Ministry of Finance to carry on the business of banking as a 'financial institution' operating initially with non-residents subject to such conditions as may from time to time be imposed under Section 4(6)(c) of the Banking Act, 1970. In terms of this licence, the Issuer was authorised to conduct the activities of foreign trade and banking services, structured finance, and retail banking services for high net worth individuals, Islamic banking and investment and advisory services to its clients only. Furthermore, the Issuer was subject to all the conditions of the Banking Act, 1970 except for the specific exemptions outlined in the same licence.

Following the enactment of the Banking Act, 1994, the Central Bank of Malta became the competent authority responsible for the regulation and supervision of credit institutions.

On 15 November 1994, the Central Bank of Malta issued a new licence in terms of the Banking Act, 1994 replacing the original licence issued under the 1970 Act so that the Issuer would be designated as a credit institution. All terms and conditions of the Issuer's licence remained unchanged.

On 20 November 1995, at the Issuer's request, the Central Bank of Malta reviewed the Issuer's licence and extended it by authorising the Issuer to undertake business with both residents and non-residents of Malta in providing documentary trade finance, provided no financing is granted to the resident party. The condition that the Issuer transacts in foreign currency only was retained.

On 17 September 1997, the Central Bank of Malta further extended the Issuer's licence to enable it to conduct full banking activities in all currencies, except the Maltese Lira, with both residents and non-residents. Other terms and conditions of the original licence remained unchanged.

In July 2005, the terms of the licence were again changed and the Issuer was authorised to carry on its business in all currencies, including the Maltese Lira. Changes were also made to the Issuer's Memorandum and Articles and were approved by its members in Annual General Meeting on 6 April 2006.

Additional to the business of banking, the Issuer is now licensed to carry out the following additional activities listed in the Banking Act, 1994 (Schedule 2) namely:

- money transmission services;
- issuing and administering means of payment (credit cards, travellers' cheques and bankers' drafts and similar instruments);

- guarantees and commitments;
- trading for own account in:
  - (a) money market instruments;
  - (b) foreign exchange;
  - (c) financial futures and options;
  - (d) exchange and interest-rate instruments; and
  - (e) transferable securities;
- participation in securities issues and the provision of services related to such issues;
- advice to undertakings on capital structure, industrial strategy and related questions and advice as well as services relating to mergers and the purchase of undertakings;
- safekeeping and administration of securities; and
- credit reference services.

The Issuer has applied to the MFSA to obtain the revival of its Investment Services Licence in terms of Article 5 of the Investment Services Act 1994 (originally granted to the Issuer on 6 May 2003 as a Category 2 licence) in order to tender professional investment advice to professional clients and eligible counterparties.

### 7.3 Special Taxation Status of the Issuer

The taxation regime regulating the Issuer is governed by the Exemption Order granted by the Minister of Finance to the Issuer on 16 June 1999, in terms of Article 12(2) of the Income Tax Act (Cap.123 of the Laws of Malta).

The Exemption Order regulates the taxation of the Issuer with effect from year of assessment 1996 up to year of assessment 2010. The arrangements of the Exemption Order are to have effect so long as the Issuer is carrying on the business of banking as a credit institution in terms of the Banking Act. Following the termination of the period covered by the Order, the Issuer will be subject to income tax in Malta under the applicable regime of laws and regulations.

In terms of the Exemption Order the Issuer's taxable profit arising from business conducted wholly outside Malta (that is to say profits arising from income derived from non-residents and interest on amounts held with all banks) is calculated as a percentage (0.25%) of the foreign gross assets as at the end of the relevant year. The taxable profit thus calculated is then subject to tax at the higher of 35% or the company rate of tax in force as at the end of applicable year.

The Exemption Order is subject to the following conditions:

- (a) the profits arising from that part of the Issuer's business which is not conducted wholly outside Malta is accounted for separately and taxed in the normal manner provided by the Income Tax Act. The said profits are arrived at after deducting those costs and allowances (including capital allowances) which are exclusively related to the business not conducted wholly outside Malta as well as a portion of those costs and other allowances (including capital allowances) common to the two different sources of business. Common costs and allowances are apportioned by reference to the percentage which the gross income from business conducted in Malta bears to the total gross income derived by the Issuer for the applicable year; and
- (b) the allocation of distributable profits to the Issuer's tax accounts is to be made as follows:
  - i. The taxable profits of the Issuer computed as set out in the Exemption Order shall be allocated to the Maltese Taxed Account;
  - ii. The difference between the total distributable profits and the amount allocated to the Maltese Taxed Account is allocated to the Untaxed Account;

provided that dividends paid to non-Maltese residents from profits arising from that part of the Issuer's business which is conducted wholly outside Malta will be paid without any deduction of tax.

### 7.4 Credit Rating

In January 2009, Fitch affirmed its long-term rating for FIMBank p.l.c. at BB and short-term rating at B, both with a Stable Outlook. This affirmation, which contrasts the recent numerous downgrade rating actions by Fitch, confirms the Issuer's solid performance and resilience to the current economic downturn. FIMBank's ratings are underpinned by good management, acceptable asset quality, resilient and satisfactory core profitability, adequate liquidity and capitalization. The Issuer's satisfactory profitability reflected the favourable trade finance markets and strong business development with international trade flows expected to further support income throughout 2009. The Issuer's adequate asset quality reflected an acceptable level of impaired loans and more than full loan loss reserve coverage. The Issuer's focus on

developing trade finance business with a number of developing and emerging economies heightened the Issuer's country risk, albeit this is mitigated by the short-term and self-liquidating nature of trade finance. Short-term inter-bank market funding, together with the increasingly important client deposit base, forms the bulk of the Issuer's funding base.

## **8. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES**

### **8.1 Subsidiaries**

#### **8.1.1 *London Forfaiting Company Limited***

On 3 October 2003 the Issuer acquired the full equity of London Forfaiting Company p.l.c. ("LFC"), a company incorporated in England and Wales in 1984 to provide trade finance and forfaiting services through a world-wide network of offices. It is now recognised as an established participant in the global forfaiting market and its main activities are purchasing bills of exchange, promissory notes, deferred payment letters of credit and transferable financial loans from exporters or their banks and subsequently selling them to investing institutions.

In the years following its acquisition by the Issuer, LFC expanded its operations and grew rapidly. LFC now counts a global network of strategically located offices, namely in United Kingdom, United States, Brazil, Turkey, Russia and Singapore.

The investment of the Issuer in LFC amounts to USD37,366,435 as equity. A loan facility up to USD200,000,000 is also made available by the Issuer to LFC. The terms of this facility are at arm's length, and reviewed at least annually by the Group's Risk Committee. The facility currently in place expires on 31 December 2009.

#### **8.1.2 *FIM Business Solutions Limited***

The Issuer owns 100% of the issued share capital of FIM Business Solutions Limited.

FIM Business Solutions Limited was incorporated in Malta on 15 June 2005 and has as its primary purpose the provision of information technology services and support to Group as well as to third parties.

The investment of the Issuer in FIM Business Solutions Limited amounts to USD5,000 as equity and a loan facility of USD1,000,000. The terms of this facility are at arm's length, and reviewed at least annually by the Group's Risk Committee. The facility currently in place expires on 31 December 2010.

#### **8.1.3 *FIMFactors B.V.***

The Issuer incorporated FIMFactors B.V. as a wholly-owned subsidiary under the laws of the Netherlands on 25 November 2005.

FIMFactors B.V. serves as a corporate vehicle for the Issuer's holdings of factoring joint ventures and associated companies. It currently holds the entire shareholding of MENAFACTORS Limited, DIFC, Dubai and is scheduled to acquire FIMBank's shareholding in Egypt Factors Limited in 2009.

The investment of the Issuer in FIMFactors B.V. amounts to USD12,021,231 as equity.

#### **8.1.4 *FIM Property Investment Limited***

FIM Property Investment Limited is registered in Malta and was established on 23 April 2008 as a fully owned subsidiary with the primary objective to plan, construct and complete the Issuer's head office in Malta. FIM Property Investment Limited will also be responsible for the day-to-day management of the purposely built office block and leasing, if any, of space for commercial purposes.

The investment of the Issuer in FIM Property Investment Limited amounts to USD2,000. Additionally, the Issuer also makes available an overdraft facility of USD1,604,109 to FIM Property Investment Limited. The terms of this facility are at arm's length, and reviewed at least annually by the Group's Risk Committee. The facility is repayable on demand.

#### **8.1.5 *MENAFACTORS Limited***

The Issuer incorporated MENAFACTORS Limited in the Dubai International Financial Centre on 10 May 2007 as a joint venture together with Emirates National Bank of Dubai. Each shareholder held 50% of the issued share capital of the company.

MENAFACTORS Limited was licensed by the Dubai Financial Services Authority in September 2007, to provide international factoring and forfaiting services.

During 2008, the Issuer made a further investment of USD1,725,000 in MENAFACTORS Limited, following which the Issuer acquired the remaining 50% held by the Emirates National Bank of Dubai for a consideration of USD5,275,000. As a result of this transaction, MENAFACTORS Limited became a 100% owned subsidiary with a total investment of USD12,000,000.

As part of the overall Group's strategy, the Issuer transferred its holding in MENAFACTORS Limited to FIMFactors B.V. on 29 May 2008. Moreover, on 3 March 2009, MENAFACTORS Limited acquired 25% of LCI Factors S.A.L., a factoring company incorporated in Beirut, Lebanon. The other major shareholder (73.86%) in LCI Factors S.A.L. is the Lebanese Credit Insurer S.A.L., a joint venture between ATRADIUS Re (the second largest insurer in the world), and a group of local and regional insurance companies and investors.

## **8.2 Associates**

The Issuer also holds investments in the following associates:

### **8.2.1 *The Egyptian Company for Factoring S.A.E.***

The Issuer incorporated The Egyptian Company for Factoring S.A.E., ("Egypt Factors") in Egypt's Public Free Zone Nasr City on 13 November 2006 together with Commercial International Bank ("CIB") and the International Finance Corporation ("IFC"). Classified as a non-banking financial institution, Egypt Factors is under the supervision and control of the Ministry of Investment or more precisely of the General Authority for Investment and Free Zones ("GAFI"), which is the primary governmental authority concerned with regulating and facilitating investment in Egypt. Egypt Factors has been granted a licence from GAFI at the time of its incorporation to operate factoring services from the free zone.

The Issuer holds a 40% shareholding, with CIB and IFC holding 40% and 20%, respectively. Egypt Factors is active in providing international factoring and forfaiting services to Egyptian and other Middle Eastern exporting companies.

Following a capital injection of USD1,300,000 by the Issuer in 2008, the investment of the Issuer in Egypt Factors now amounts to USD2,013,425 as equity.

### **8.2.2 *LB Factors Limited***

The Issuer incorporated LB Factors Limited in Malta together with LB Financial Holdings Limited, a subsidiary of the Lasselsberger GmbH Group, on 17 April 2001.

The ownership interest and voting rights of the Issuer in LB Factors Limited is 0.59%, with the right to appoint a member to the board of directors of LB Factors Limited.

The investment of the Issuer in LB Factors Limited amounts to USD22,195. This investment is held with a view to subsequent disposal.

### **8.2.3 *Eastern Prospekt B.V.***

On 5 December 2000 the Issuer acquired a minority shareholding in Eastern Prospekt B.V., a private limited liability company incorporated in the Netherlands on 9 February 1999.

The Issuer's holding in Eastern Prospekt B.V. amounts to 13.1%, the other shareholders being Makland Sarl (40.15%), Eastern Future B.V. (31.01%) and Ducrein Finance B.V. (14.96%), respectively. The investment of the Issuer in Eastern Prospekt B.V. amounts to USD22,448 as equity. Eastern Prospekt B.V. is in the process of being wound up.

### **8.2.4 *Recent changes to Issuer's investments in Associates***

#### *Sale of the Issuer's holding in Global Trade Finance Limited*

On 28 March 2008, the Issuer sold its investment in Global Trade Finance Limited ("GTF") to State Bank of India. The sale of the Issuer's 29.7 million ordinary shares in GTF was executed for a total consideration of INR2,168,100,000, or equivalent to USD54,128,074 as at the date of the transaction. Detailed information of this transaction is disclosed in the 2008 Audited Financial Statements.

The Issuer had acquired 38.5% in GTF on 24 December 2004. GTF is an entity incorporated and based in Mumbai, India and primarily engages in providing factoring services.

## 9. BUSINESS OVERVIEW

### 9.1 Principal activities

#### *Principal activities of the Issuer*

The Issuer is licensed by the MFSA under the Banking Act as a credit institution and is authorised to provide full banking services in all currencies.

The Issuer principally provides international trade finance and acts as an intermediary to other financial institutions for international settlements, forfaiting, factoring and loan syndications. The Issuer is a specialist in documentary credit related operations including but not limited to the opening and negotiating of documentary letters of credit, the issue of performance bonds and bank guarantees and discounting of bills of exchange.

The Issuer established an international factoring department in 2006 designed to serve customers in Malta and in the Mediterranean region as well as to provide back office operations to the Issuer's factoring joint ventures. A specialised technology platform for factoring services was successfully customised and implemented in Malta and is being used by the Issuer's factoring joint ventures.

Specialist services relating to shipping finance, and in particular to pre-demolition ship finance, are provided from the Issuer's London and Dubai offices respectively.

The Issuer is actively pursuing its strategy to increase its factoring joint-venture network in Latin America, Russia and China, with a view to further diversify its trade finance products in emerging markets. To complement its mainline trade finance activities, the Issuer intends to diversify its offering into private banking services.

### 9.2 Principal Markets

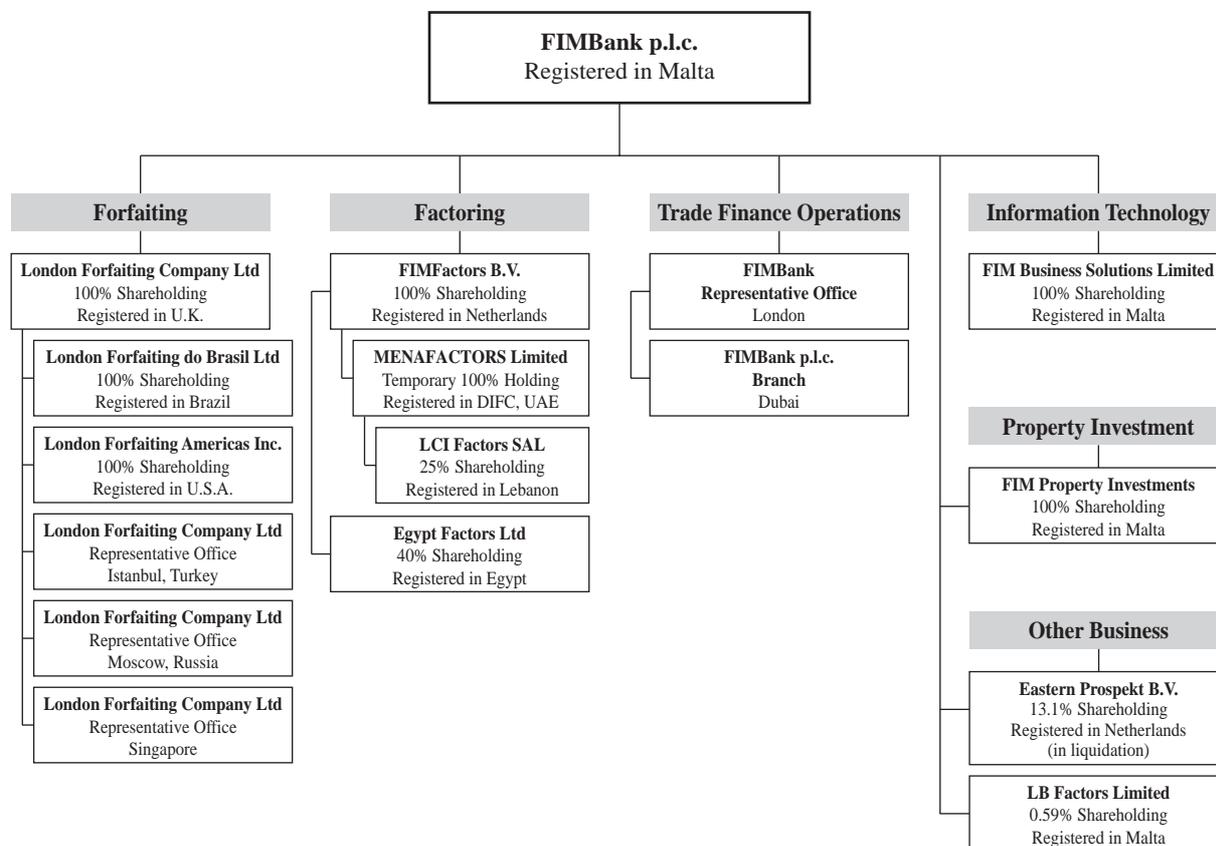
Further to the Group's policy of developing a strategic mix of trade-finance related products and services, as well as achieving geographical diversification, the following business segments can be identified: trade finance, forfaiting, factoring and IT.

Business segments	Geographical						Total 2008	Total 2007	Total 2006
	Malta 2008	Malta 2007	Malta 2006	Other Countries 2008	Other Countries 2007	Other Countries 2006			
All in USD ' 000									
<b>Interest receivable and similar income originated from:</b>									
Trade finance	1,406	1,004	465	19,492	15,339	12,092	20,898	16,343	
Forfaiting activities	-	-	-	11,514	11,931	9,782	11,514	11,931	12,557
Factoring activities	118	18	-	285	126	-	403	144	9,782
<b>Fees and commissions receivable originated from:</b>									
Trade finance	2,002	1,798	1,171	13,525	10,531	9,155	15,527	12,328	10,326
Forfaiting activities	-	-	-	4,231	3,455	1,729	4,232	3,456	1,729
Factoring activities	206	9	-	342	84	-	547	92	
IT activities	35	35	-	217	245	-	252	281	
<b>Trading income originated from:</b>									
Trade finance	-	-	-	(5,091)	1,099	1,222	(5,091)	1,099	1,221
Forfaiting activities	-	-	-	(1,410)	805	1,935	(1,410)	805	1,935
Gross income	3,767	2,864	1,636	43,105	43,615	35,915	46,872	46,479	37,550

	Geographical						Total 2008	Total 2007	Total 2006
	Malta 2008	Malta 2007	Malta 2006	Other Countries 2008	Other Countries 2007	Other Countries 2006			
<b>Business segments</b>									
All in USD ' 000									
<b>Interest payable originated from:</b>									
Trade finance	(3,950)	(1,876)	(880)	(13,647)	(14,979)	(7,604)	(17,596)	(16,855)	(8,484)
Forfaiting activities	-	-	-	(1,025)	(1,082)	(5,874)	(1,025)	(1,082)	(5,874)
<b>Fees and commissions payable originated from:</b>									
Trade finance	(53)	(52)	-	(746)	(592)	-	(799)	(644)	-
Forfaiting activities	-	-	-	(657)	(1,204)	-	(658)	(1,204)	-
Factoring activities	-	-	-	(96)	(57)	-	(96)	(57)	-
IT activities	-	(1)	-	(73)	(40)	-	(73)	(40)	-
	(4,003)	(1,929)	(880)	(16,244)	(17,954)	(13,478)	(20,247)	(19,883)	(14,358)
<b>Segmental profit:</b>									
Trade finance	(595)	874	756	13,533	11,398	14,865	12,939	12,271	15,620
Forfaiting activities	-	-	-	12,653	13,905	7,572	12,653	13,905	7,572
Factoring activities	324	27	-	531	153	-	854	179	-
IT activities	35	34	-	144	205	-	179	240	-
	(236)	935	756	26,861	25,661	22,437	26,625	26,596	23,192
<b>Share of profits from equity accounted investees (net of tax):</b>									
Factoring activities							1,743	4,633	2,551
<b>Other operating income</b>							78	166	685
Common costs:									
Trade finance							(19,291)	(13,247)	(11,310)
Forfaiting activities							(5,923)	(5,525)	(4,775)
Factoring activities							(1,106)	(779)	(133)
IT activities							(304)	(237)	(30)
Profit on disposal of investment in associate undertaking							33,626	-	-
Adjustment to goodwill							-	(1,130)	(142)
Loss from discontinued operations							8	-	(3,424)
Profit on ordinary activities before tax and net impairment losses							35,456	10,477	6,614

## 10. ORGANISATIONAL STRUCTURE

The diagram below indicates the structure of the Group as at the date of this Registration Document:



## 11. OPERATING AND FINANCIAL REVIEW

Details of the Operating and Financial Review of the Issuer and the Group have been published in the audited financial statements for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 respectively. These can be viewed on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## 12. TREND INFORMATION

In 2008 the Group registered a strong operating performance coming from solid business fundamentals, market and product expertise. This was reflected in significant growth in the main interest and fee-based operating sources of income, particularly in the first three quarters of the year. This trend was reversed during the last quarter when weakening economic conditions, financial market turbulence and deteriorating confidence caused scarcity in liquidity and a slowdown in business. Against a landscape of difficult and weakening cycles in the major economies and markets (including emerging markets where the Issuer and the Group are particularly strong), the strategy of product and market diversification, the specialization in the finance of the international trade, goods and commodities which tends to be resilient even in stressful circumstances, as well as the exposure to regions that inherently feel less the effects of the crises, continue to provide opportunities for profit, at all levels of the Group. Furthermore, the Issuer remains confident that unrealized mark-downs in assets will be clawed back in time as these are not supported by any foreseeable substantive deterioration in credit quality.

The first months of the 2009 financial year witnessed a continuation of extreme nervousness and volatility in the international financial markets, as Governments around the world took exceptional measures to stabilize the global financial system and at the same time to try to nurse their economies through weakening economic conditions and, in

many cases, deepening recessions. Although the concerted actions being taken by Governments, such as the massive re-capitalisation of major international banks and infusion of liquidity, demonstrate a certain determination to secure cross-border stability soonest, serious concerns about the extent and depth of the crises are accentuating the prevailing lack of confidence. As the markets continue to re-price risk and liquidity remains scarce, prospects of a pick-up in credit and economic activity remain modest. Against this background, a prolonged shortage of liquidity coupled with the threat of potential credit issues make business sentiment cautious, and prospects of growing the business more challenging.

The Directors consider that the trend demonstrated by the challenging circumstances of the last quarter of 2008 will continue to apply for the foreseeable future in 2009. They look forward to develop the business prudently in a challenging environment whilst maintaining the flexibility to take advantage of any opportunity that may come about, as risk premia in promising markets, ventures and undertakings, respectively, price more realistically.

No material adverse change has occurred for the Issuer since its last Audited Financial Statements.

### 13. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Issuer's Articles of Association (the "Articles") contain detailed provisions (in Articles 93 to 114) as to the manner of appointment and retirement of Directors. Directors hold office from the Annual General Meeting at which they are appointed until the date of the following Annual General Meeting, when they become eligible for re-election. Currently the Board of the Issuer is composed of the maximum number of 11 Directors, of whom one is appointed/ removed by the IFC by simple notification to the Company Secretary in terms of the Memorandum of Association. The Articles also provide that the Chairman and Vice-Chairman are to be appointed by the Directors from amongst their number and shall hold office for a period of one year, unless otherwise decided by a simple majority of the Board. Any member may nominate an individual by means of a letter addressed to the Company Secretary, provided that such nomination is seconded by a member or members who in the aggregate hold at least twenty thousand (20,000) shares. The participation of Directors on Board Committees, as provided for by the Articles, is decided upon by the Board. It has been practice that all such Board Committees include at least one Director.

#### 13.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors of the Issuer is composed of the persons detailed below. Their business address is that of the Issuer. Except for their involvement in any Board Committee as may be described later in this document, all Directors hold office in a non-executive capacity.

**Najeeb H.M. Al-Saleh, *Chairman***

Kuwaiti national. Director since November 1994. Graduate in Business Administration from USA in 1975. Chairman of Massaleh Investments K.S.C.C, (formerly known as Kuwaiti Interests for Financial Investments); Vice Chairman of Massaleh Real Estate ksc; Vice Chairman of Taameer Real Estate Investments ksc. He has also served as Director of Kuwait Foreign Trading Contracting and Investment Co. (Kuwait), Gulf Bank K.S.C. (Kuwait), Arab Spanish Bank (Spain) and United Bank of Kuwait, now Ahli United Bank (United Kingdom). He is also Chairman of the Issuer's Board of Directors and of the Compensation Sub-Committee.

**John C. Grech, *Vice-Chairman***

Maltese national. Director since May 2004. Graduated from the University of Malta in 1978, obtained a Ph.D. in International Economics from the Graduate Institute for International Studies of the University of Geneva. He served as Chairman of the Bank of Valletta Group, Middle Sea Valletta Life Assurance Limited, the Malta Tourism Authority and as President of the Mediterranean Bank Network. Currently he is Chairman of the Board of Mizzi Organisation, Chairman and Managing Director of EMCS Limited, Chairman of the Melitaunipol Insurance Agency Limited, a member of the board of directors of Middlesea Insurance p.l.c. and also visiting professor at the University of Malta.

**Fouad M.T. Alghanim, *Director***

Kuwaiti national. Director since April 2002. Mr. Alghanim is Chairman of the Fouad Alghanim & Sons Group of Companies. He was the founding member of Kuwait Mobile Telecommunication Company (Zain) and continued as its Vice Chairman representing the private sector from 1983 until 1997. He was pivotal in transforming Mobile Telecommunication Company into one of the largest companies by market capitalization in Kuwait. He is presently a member of the World Economic Forum.

**Hamad M.B.M. Al Sayer, *Director***

Kuwaiti national. Director since April 2002. Mr. Al Sayer graduated from Seattle University, USA in 2007 and then obtained a Masters in General Management from the Kuwaiti Maastricht Business School. Currently he holds a number of positions, such as CEO for the Al-Dhow Enterprises Real Estate Company, Chairman of the Kuwait National Lube

Oil Manufacturing Company and Director of the United Financial Brokerage Company in Egypt.

**Francis J. Vassallo, Director**

Maltese national. Director since February 2003. He occupied managerial positions with Chase Manhattan Bank worldwide. Former Governor of the Central Bank of Malta and member of the Board of Governors of the International Monetary Fund, between 1993 and 1997. He has served as Chairman of the Malta Development Corporation and currently runs his own consultancy firm. He is also Chairman of the Issuer's Risk Committee and Assets and Liabilities Committee.

**Jacques Leblanc, Director**

French national. Director since May 2004. He occupied senior positions with Banque Nationale de Paris (BNP), including that of Senior Vice President and Deputy Global Head Commodities Finance. He was also a board member for BNP - Switzerland and manager of Geneva Branch of KangQi Oil Trading Ltd. He has also worked at the World Bank as project economist. He is Chairman of the Issuer's Executive Committee.

**Mohammed I.H. Marafie, Director**

Kuwaiti national. Director since November 1994. Mr Marafie has served on the board of directors of a number of Kuwaiti and international companies and he has served as Managing Director of Euro Kuwait Investment Co. (Kuwait), Chairman and Managing Director of Al Nour International Holding Co. (Kuwait), Director of the United Bank of Kuwait (United Kingdom) and Director of W.H. Ireland p.l.c. (United Kingdom).

**Tareq M. Al-Saleh, Director**

Kuwaiti national. Director since May 2004. Graduate in Bachelor of Economics from Boston University in 1994 and MBA from the F.W. Olin Graduate School of Business at Babson College in Wellesley, Massachusetts in 2000. He is currently the Vice Chairman and Managing Director of Massaleh Investments.

**John D. Freeman, Director**

American national. Director since April 2008. He has occupied various posts, including a directorship in Cooper Omnibus Global Fund LLC. He served for many years as President and Managing Director of Quabbin Capital Inc., a private equity investment firm as well as a board member of a number of its portfolio companies. Previously he held senior management positions in the international investment and commercial banking activities of Arab Banking Corp. and the Bank of Boston. He is Chairman of the Issuer's Audit Committee.

**Rogers D. LeBaron, Director**

American and British national. Director since December 2006 when the IFC, one of the Issuer's qualifying shareholders, exercised its right to nominate and appoint a director pursuant to the subordinated convertible loan agreement dated 22 June 2005. He was a Director of Financial Institutions in the European Bank for Reconstruction and Development in London from 1996 until 2004. He currently holds the position of Principal Financial Advisor, Global Financial Markets Department within the IFC.

**Pierre-Olivier Fragnière, Director**

Swiss national. Director since April 2007. He held various positions within international banks. He currently also occupies the position as Head of Global Commodity Finance with Banque Cantonale de Genève, Switzerland.

**Raffaella Bonadies, Company Secretary**

Italian national. Company Secretary since February 2006. Ms Bonadies graduated from the Faculty of Laws of the University of Bari (LL.B.) and Southampton (LL.M.) respectively, and is a lawyer qualified both in England (Solicitor) and Italy (Avvocato). She has worked in the City of London for international commodities traders, namely ED&F Man Holdings and American Electric Power Energy Services Limited, before joining the Issuer in 2005. She presently also holds the position of Head of Legal and Compliance of the Issuer.

## 13.2 Executive Management

As at the date of this Registration Document, the Executive Management of both the Issuer and the Group is composed of the following:

**Margrith Lütschg-Emmenegger, President**

Swiss and British national. Educated in Switzerland, she has worked in trade finance with a special focus on factoring and forfaiting with Barclays Bank and Midland Bank Aval in London before joining West Merchant Bank (now WestLB A.G.) where she had global responsibility for forfaiting and factoring. Mrs. Lütschg joined the Issuer in April 2003 as Executive Vice President and was appointed President on 1 September 2004. Mrs. Lütschg sits on Board Committees as shown in paragraph 15.2 hereunder.

**Armin Eckermann, Deputy to the President and Head of Banking**

German national. Dr. Armin Eckermann holds a Ph.D. and a Masters of Science in Economics from the University of Illinois at Urbana-Champaign, USA. He joined the Issuer in November 2008 to head the Banking Business of the Group. In this function, he leads a team of international and local experts servicing corporate clients, institutional and financial clients as well as the pre-demolition finance and all core banking activities of the Group. Previously held positions with Standard Bank, London and WestLB in Düsseldorf, Germany and in South America. Dr. Eckermann sits on Board Committees as shown in paragraph 15.2 hereunder.

**Marcel Cassar, Executive Vice President and Chief Financial Officer**

Maltese national. Certified public accountant, fellow of the Malta Institute of Accountants, and holder of an MBA from the University of Wales, Bangor and Manchester Business School. He joined the Issuer in October 2004 and is responsible for Finance, Treasury, Legal and Compliance, and Risk Management. Previously held positions with Price Waterhouse, the MFSC and between 1996 and 2004 was General Manager at Lombard Bank Malta p.l.c. Mr. Cassar is a lecturer and examiner in bank financial management and regulation in the Faculty of Laws and FEMA, at the University of Malta. He sits on Board Committees as shown in paragraph 15.2 hereunder.

**Silvio Mifsud, Executive Vice President and Head of IT and Administration**

Maltese national. An Honours graduate of the University of Malta in Business Management, he holds directorships in two FIMBank subsidiaries, namely FIM Business Solutions Ltd. and FIM Property Investment Ltd. He joined the Issuer in April 1998 as Head of Information Technology ("IT") and is now responsible for the Group's IT and Administration departments covering all IT systems, communications, messaging, SWIFT, insurances, premises administration, procurement and security. Previously held positions with Bank of Valletta p.l.c. and headed the foreign department of Bank of Valletta International Limited.

**Simon Lay, Managing Director, London Forfaiting Company Ltd**

British national. Mr. Lay started his career in 1976 with the Midland Bank/HSBC Banking Group where he was responsible *inter alia* for Midland's forfaiting subsidiary, Midland Bank Aval. He joined LFC in 1991 to expand its operations in the Americas and Middle East & Turkey. Mr. Lay was appointed as Managing Director of LFC in January 2006 with global responsibility for the company including its branches and subsidiaries. Mr. Lay sits on Board Committees as shown in paragraph 15.2 hereunder.

The business address of the Executive Management is that of the Issuer.

None of the Directors or members of the Executive Management has ever been convicted of fraudulent offences or has been associated with the bankruptcy, receivership or liquidation of a company in which he/she held an administrative, management or supervisory position or is under any disqualification from acting as a member of an administrative, management or supervisory body.

For at least the 5 year period preceding the date of this Prospectus, none of the above Directors or members of Executive Management has ever been convicted of fraudulent offences or has been associated with the bankruptcy, receivership or liquidation of a company in which he held an administrative, management or supervisory position or is under any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), or has been disqualified by a court from acting as a member of an administrative, management or supervisory body.

Additionally, the following are individuals holding management positions as Senior Vice Presidents at the business address of the Issuer:

Raffaella Bonadies - *Head of Legal & Compliance*

Bruno Cassar - *Head of Human Resources*

Nassif A. Chehab - *Head of Financial Institutions*

Ivan Fsadni - *Head of Internal Audit*

Nigel Harris - *Head of FIMBank DIFC Branch, Dubai*

Carmelo Occhipinti - *Head of Risk Management*

Richard Scerri - *Head of Finance*

Renald Theuma - *Head of Corporate Clients*

Charles Wallbank - *Head of Operations*

None of the above members of the management has ever been convicted of fraudulent offences or has been associated with the bankruptcy, receivership or liquidation of a company in which he/she held an administrative, management or supervisory position or is under any disqualification from acting as a member of an administrative, management or supervisory body.

### 13.3 Administrative, Management, Supervisory Bodies and Conflicts of Interests

The Directors' direct interest in the share capital of the Issuer or in any related company as at the date of this Registration Document is as follows:

Name	No. of shares held in the Issuer directly in his name	Percentage of Issued Share Capital
Najeeb H.M. Al- Saleh	787,889	0.58%
John C. Grech	509,438	0.38%
Fouad M.T. Alghanim	7,152,412	5.30%
Mohammed I.H. Marafie	5,990,101	4.44%
John D. Freeman	nil	nil
Hamad M.B.M. Al-Sayer	nil	nil
Francis J. Vassallo	nil	nil
Tareq M. Al-Saleh	nil	nil
Jacques Leblanc	nil	nil
Rogers D. LeBaron	nil	nil
Pierre-Olivier Fragnière	nil	nil

Apart from these direct interests in the shareholding of the Issuer, Directors have indirect beneficial interests in shareholding of the Issuer as listed below:

- Najeeb H.M. Al-Saleh - in Massaleh Investments K.S.C.C.
- Hamad M.B.M. Al-Sayer - in Astrolabe General Trading and Contracting Co.
- John C. Grech - in EMCSI Holdings Limited, EMCS Investments Limited, Melitaunipol Brokers Limited and Melitaunipol Insurance Agency Limited.

To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no conflicts of interest of which the Bondholders should be aware.

## 14. REMUNERATION AND BENEFITS

The Annual General Meeting of shareholders approves the maximum annual aggregate remuneration which the Directors may receive for the holding of their office. For the 2008 financial year the maximum aggregate emoluments of the Directors were fixed at USD350,000.

The Board then decides and approves how individual remuneration is to be allocated amongst Directors for the roles that they carry out, such as participation at Committees and acting as Chairman of the Board and of Committees. None of the Directors is on a contract of service with the Issuer or the Group. No Director is entitled to profit sharing, share options or pension benefits from the Issuer or the Group.

The review, approval and monitoring of the overall Group remuneration policy, as well as the implementation of the executive share option schemes, are delegated by the Board to the Executive Committee which, in 2007, in turn established a Compensation Sub-Committee from amongst its members to oversee this responsibility. The Sub-Committee's terms of reference establish its responsibility for the determination of the remuneration, bonuses as well as the allocation of share options of all members of staff within the parameters approved by the Board.

Individual terms and remuneration of the President are determined and approved by the Board of Directors. The aggregate remuneration and bonuses to the President and the Executive Management amounted to USD860,000 in 2008. This amount includes: (i) the remuneration of an Executive Vice President who resigned from the position with effect from 16 January 2008; (ii) the remuneration of an Executive Vice President appointed with effect from 1 March 2008, as well as (iii) the remuneration of a Senior Executive Vice President appointed with effect from 3 November 2008.

In addition to salaries and bonuses, the Issuer also provides non-cash benefits to the President and the Executive Management including health insurance, participation in share option schemes and participation in a private retirement plan established by the Issuer, which benefits are commensurate with the position occupied.

No benefits upon termination of employment are provided for any of the Directors, Executive Management and other members of Management by the Issuer.

The Members of Executive Management are employed under an indefinite contract of services. Both Executives and Senior Management are remunerated by way of salary and are, in addition, entitled to bonuses linked to individual performance and overall performance of the Group.

## **15. BOARD PRACTICES**

### **15.1 Corporate Governance**

The Board of Directors is committed to sound corporate governance and to the best practice in this regard as guided by international codes. The Listing Rules contain at Chapter 8, Appendix 8.1, the Code of Principles of Good Corporate Governance (the "Principles"), which at the date of this Prospectus are not yet mandatory. The Board strongly believes that the Principles are in the best interest of the shareholders because they commit the Directors, Management and the employees of the Bank to internationally recognised high standards of corporate governance. Ultimate responsibility for good corporate governance is of the Directors who therefore resolved to adopt the Principles and endorse them accordingly, except for those instances where there exist particular circumstances that warrant non-adherence thereto, or at least postponement for the time being.

### **15.2 Board Committees**

Pursuant to the Issuer's Articles, the Directors may delegate certain powers, authorities and discretions to any person and/or Committee appointed by them. The Board has established the following Committees:

- Executive Committee;
- Audit Committee;
- Risk Committee;
- Assets-Liabilities Committee.

#### ***Executive Committee***

The Executive Committee acts as the highest delegated authority by the Board in overseeing the activities and management of the Group and approving limits beyond the powers of the other Committees. The Executive Committee's terms of reference are included in the Executive Committee Charter.

The members of the Executive Committee are as follows:

Jacques Leblanc (*Chairman*), Najeeb H.M. Al-Saleh, Francis J. Vassallo, Tareq M. Al-Saleh, Pierre Olivier-Fragnière, Margrith Lütschg-Emmenegger, Marcel Cassar and Simon Lay.

#### ***Compensation Sub-Committee***

The members of the Compensation Sub-Committee are:

Najeeb H.M. Al-Saleh (*Chairman*), Jacques Leblanc, Francis J. Vassallo, Pierre Olivier-Fragnière, Tareq M. Al-Saleh and Margrith Lütschg-Emmenegger.

### ***Audit Committee***

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities, according to detailed terms of reference as are included in the Audit Committee Charter and which reflect the requirements of the Listing Rules as well as current best practices and recommendations of good corporate governance. The terms of reference of the Audit Committee, as detailed in the Audit Committee Charter (a document on display), include the review of (a) the systems and procedures of internal control implemented by Management, (b) the financial statements, disclosures and adequacy of financial reporting, and (c) the external and internal audit processes. The Committee also considers the arm's length nature of related party transactions that the Issuer carries out. Both the Audit Committee's and the Head of Internal Audit's terms of reference clearly stipulate their independence from other Board Committees and Management, and such independence is also acknowledged by external regulatory verification. The Head of Internal Audit has direct access to the Audit Committee Chairman at all times, attends all meetings and acts as secretary to the Committee.

The members of the Audit Committee are:

John D. Freeman (*Chairman*), Hamad M.B.M. Al-Sayer and Tareq M. Al-Saleh.

### ***Risk Committee***

The Risk Committee is responsible for overseeing the Group's credit policy and risk, for approving individual limits for banks and corporates within its delegated parameters of authority and also for recommending country limits for approval by the Executive Committee. The Risk Committee is also responsible for the oversight of operational and legal risk related to credit activity.

In June 2007 the Executive Committee resolved to allow the Risk Committee a delegation of certain limits to a sub-committee to be known as 'Risk Sub-Committee'. The function of the Risk Sub-Committee is to decide upon credit applications up to and including USD5 million. Credit applications exceeding USD5 million and up to the Issuer's legal lending limit (currently USD30 million) will be decided by the Risk Committee. The Committees' terms of reference are included in the Risk Committee Charter.

The Risk Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lütischg-Emmenegger (*Vice-Chairman*), John C. Grech, Armin Eckermann and Marcel Cassar.

The Risk Sub-Committee members are:

Margrith Lütischg-Emmenegger (*Chairman*), Marcel Cassar (*Vice-Chairman*), Simon Lay, Carmelo Occhipinti and Renald Theuma.

The Head of Legal & Compliance has right of attendance at the Risk Committee and the Risk Sub-Committee meetings in an advisory role. The Head of Risk Management acts as secretary to the Risk Committee.

### ***Assets-Liabilities Committee***

The Assets-Liabilities Committee is responsible for establishing appropriate asset and liability management policies, monitoring their application and reviewing financial information on the basis of which investment and funding decisions are taken. The Committee's terms of reference are included in the Assets Liabilities Committee Charter.

The Assets-Liabilities Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lütischg-Emmenegger, Marcel Cassar, Nassif A. Chehab and Carmelo Occhipinti.

## 16. MAJOR SHAREHOLDERS

### 16.1 Interest of Major Shareholders

At the date of this Prospectus, the shareholders holding five (5%) or more of the issued share capital of the Issuer as listed on the Malta Stock Exchange are the following:

	<i>Ordinary Shares</i>	<i>%</i>
Massaleh Investments K.S.C.C.	59,685,970	44.26
International Finance Corporation	7,876,711	5.84
Astrolabe General Trading and Contracting Company	7,829,384	5.81
Fouad M. T. Alghanim	7,152,412	5.30

### 16.2 Information on Major Shareholders

#### 16.2.1 *Massaleh Investments K.S.C.C.*

Massaleh Investments K.S.C.C. (“Massaleh”) is a wholly-owned subsidiary of Kuwaiti Interests for Development Holding K.S.C. (“K.I.D.H.”). The shareholders of KIDH are members of the Musaad Al-Saleh family.

Massaleh was incorporated in Kuwait on 19 May 1982 as Kuwaiti Interests for Financial Investments (“KIFFI”) and was operating under that name when, in 1994, together with an affiliated company by the name of Global Financial Holding N.V. and other investors, it founded the Issuer. In October 2007, the economic interests of Global Financial Holding N.V. and the former KIFFI were merged into Massaleh.

As an investment company incorporated pursuant to the laws of Kuwait, Massaleh is under the direct supervision of the Central Bank of Kuwait. The annual audited financial statements have to be approved by the Central Bank of Kuwait prior to the same being sent to the Ministry of Commerce and Industry.

Massaleh holds 44.26% of the issued share capital of the Company.

#### 16.2.2 *International Finance Corporation*

In June 2005, the Issuer entered into a subordinated convertible loan agreement with the IFC for the amount of USD 10 million. The loan agreement gave the option to IFC to convert the whole or part of the loan into fully paid up ordinary shares in the Issuer. Such option is exercisable between the dates of the disbursement of the loan and the fifth anniversary of disbursement date.

On 27 October 2005 IFC exercised its option to convert USD4 million into shares of the Issuer and on 28 November 2005, 5,107,930, ordinary shares were issued to IFC. The conversion price had been obtained pursuant to a formula set out in the loan agreement. The said conversion price was set at the book value per share multiplied by a coefficient which reflects a close approximation of the market price during the period of negotiation of the agreement, provided that the conversion price could not be less than the nominal value of the Issuer’s shares. The procedure for conversion requires a written notice from the IFC to the Issuer’s Company Secretary stating the amount of the loan to be converted and the conversion price.

IFC may still exercise its right to convert the remaining loan balance of USD6 million into the shares of the Issuer by June 2010.

At 31 December 2008, the loan incurred interest at 5.12% and the balance is repayable by 22 June 2013 unless earlier converted into fully paid up ordinary shares as detailed above.

#### 16.2.3 *Astrolabe General Trading and Contracting Company*

Astrolabe General Trading and Contracting Company (“Astrolabe”) owns 5.81% of the Issuer’s Share Capital. Astrolabe is incorporated in Kuwait and is an investment vehicle of the Al-Sayer family led by Mr. Sayer Bader Mohammed Al-Sayer, an Executive Director of Al Sayer Group of Companies. Astrolabe General Trading & Contracting is a Kuwaiti Limited Liability Company and member of Al Sayer Group of Companies, it holds investments in different industrial sectors and geographical regions. Its diversified investment portfolio includes major stakes in investment companies, retail and manufacturing entities in Kuwait and the GCC region, besides other direct investment and private equities. Total Assets of the Company amounted to USD100 million as at 31 December 2008. The following are some of its

major investments: Al-Dhow Investments, Al Sayer International Group, Jiblah Holding Company, Northern Gulf Trading Company, Arabian Coffee Company "Caribou ME", Arcapita.

#### **16.2.4 Fouad M.T. Alghanim**

Mr. Fouad M.T. Alghanim is Chairman of the Fouad Alghanim & Sons Group of Companies, a multi operational body of companies consisting of a number of fully independent divisions as well as fully and partly owned subsidiary companies based in the U.S., Europe, Africa and the Middle East. Further details about Mr. Fouad M.T. Alghanim can be found in paragraph 13 of this Registration Document.

#### **16.2.5 Measures regulating abuse of control**

As disclosed in this Registration Document, the Board of Directors of the Issuer has adopted policies and measures to ensure effective governance at all levels and areas of activity of the Issuer. These measures take into account, amongst other things, compliance with the requirements of the Listing Rules and, in particular, the Code of Principles of Good Corporate Governance ("the Principles"), published as Appendix 8.1 to the Listing Rules. It is also an integral part of the Audit Committee's terms of reference to provide oversight on related party transactions.

The Board strongly believes that the Principles are in the best interest of the shareholders because they commit the Directors, the Shareholders, the Management and employees of the Bank to internationally recognised high standards of corporate governance and provide adequate measures of control. More detailed information on the measures implemented by the Board in order to prevent any possible abuse of control can be found in the Annual Report and, in particular, in the Statement of Compliance with the Principles of Good Corporate Governance, for each of the relevant financial year.

### **16.3 Arrangements that may result in a Change in Control of the Issuer**

#### **16.3.1 Subordinated convertible loan of IFC to the Issuer**

Reference is made to information regarding IFC at paragraph 16.2.2 of this Registration Document.

#### **16.3.2 Put Option in the Issuer**

A put option and share retention agreement (the "Put Option Agreement") with respect to the shares in the Issuer was entered into on 13 September 2005 between the Issuer, the IFC, Global Financial Holding N.V. ("Global") and KIFFI (now merged into Massaleh). The Put Option Agreement obliges Massaleh and Global, jointly and severally, to buy the shares held by IFC if IFC decides to sell all or any its shares. The period during which IFC may exercise its right to oblige Massaleh and Global to buy its shares commenced on 30 November 2005 and expires on the earlier of:

- (i) 29 September 2013; and
- (ii) the first date when the required liquidity exists.

The required liquidity relates to the aggregate volume of shares traded in the Issuer and according to the Put Option Agreement exists when for a period of 90 consecutive trading days the aggregate volume of traded shares exceeds the higher of (i) 50% of the total number of shares held by IFC and (ii) 10% of the total issued share capital of the Issuer.

The put price has been set at the higher of (i) the average market price per share over 30 calendar days period before the exercise date; and (ii) the average price paid by IFC for its shares.

In terms of the Put Option Agreement Massaleh and Global may not, without obtaining the prior written and express consent of the IFC, transfer sell or in any manner dispose of or grant or permit to exist any lien over, all or any portion of the shares held in the Issuer if this will result in the aggregate holding of Massaleh and Global in the Issuer to fall below 30%.

Further to the transfer and sale of Global Financial Holding N.V. shareholding in the Issuer to Massaleh, the Put Option Agreement has been amended to refer only to Massaleh with effect from 23 August 2007.

#### **16.3.3 Massaleh Investments Shares Pledge Agreement**

By means of a pledge of shares agreement dated 24 December 2007 (the "Pledge"), Massaleh Investments K.S.C.C. pledged 35,000,000 ordinary shares (out of the 59,685,970 held by them at the date of this Prospectus) of the Issuer to Burgan Bank S.A.K. (registration number 24067) a credit institution incorporated under the laws of Kuwait having its

registered office situated at Burgan Tower, P.O. Box 5389, Safat 12170, Kuwait as security for the repayment of a facility granted on to them. Pursuant to the terms of the Pledge, voting and dividends rights are retained by Massaleh Investments K.S.C.C. The Pledge will be released upon full repayment of the facility (Kuwait Dinars 24,000,000) due to be repaid by 15 December 2011.

## **17. RELATED PARTY TRANSACTIONS**

Full details of related party transactions during the financial year ended 31 December 2008 may be viewed in the audited financial statements of the Issuer available for Public inspection at the Issuer's address and on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## **18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES.**

### **18.1 Historic Financial Information**

The Issuer's and the Group's audited financial statements for the financial years ending 31st December 2006, 31 December 2007 and 31 December 2008 respectively are available for public inspection on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

### **18.2 Auditing of historical annual financial information**

The annual financial statements of the Issuer and the Group for the financial years ended 31 December 2006, 31 December 2007, and 31 December 2008 respectively have been audited by Messrs KPMG, certified public accountants, Malta.

### **18.3 Age of latest financial information**

The latest audited financial information available in respect of the Issuer relates to the financial year ended 31 December 2008 as approved for issuance by the Board of Directors on 9 March 2009. These financial statements are pending the statutory approval of the Company in the Annual General Meeting convened for 23 April 2009.

### **18.4 Dividend policy**

The Issuer's policy on dividend distributions has been one aimed at balancing payouts from cash profits with prudent retentions. Since 2005 the policy also reflects certain provisions contained in the IFC loan agreement. In particular, unless otherwise agreed by the IFC, the proposed payment of dividends shall not exceed thirty percent (30%) of the Issuer's net profit after tax during any financial year. Where a proposal was made to exceed this percentage, the agreement of IFC has to date invariably been forthcoming.

Since 2006 the Issuer has maintained a policy of paying dividends by way of scrip, which have been invariably approved by shareholders at successive Annual General Meetings.

### **18.5 Legal and arbitration proceedings**

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve months prior to the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or the Group.

In July 2008, a judgement was delivered by a foreign court of first instance in respect of proceedings initiated against the Bank for the payment of USD1,733,104 (inclusive of interest and court fees) under a documentary credit. On the basis of legal advice and the merits of the case, the Bank has appealed this judgement.

### **18.6 Significant change in the Issuer's financial or trading position**

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 31 December 2008.

## 19. ADDITIONAL INFORMATION

### 19.1 Authorised and issued share capital

The Issuer's authorised share capital as at the date of this Registration Document is USD200 million divided into 400 million ordinary shares of USD0.50 each.

The Issuer's issued share capital as at the date of this Registration Document is USD67,428,196 divided into 134,856,392 fully paid up ordinary shares of USD0.50 each listed on the Malta Stock Exchange.

All of the Issuer's shares rank *pari passu* in all respects, including with respect to voting rights, right to dividend and assets of the Issuer on a winding up. However in respect of a number of reserved matters, the Issuer needs to obtain the prior written consent of the IFC.

### 19.2 Memorandum and Articles of Association

The Issuer is a company registered pursuant to the provisions of the Companies Act in Malta with registration number C 17003.

#### 19.2.1 Issuer's objects and purposes

The principal objects of the Issuer's activities are set out in Article 4 of the Memorandum of Association and include, but are not limited to, the carrying on of the business of banking from Malta and executing, all kinds of financial and banking operations including the taking of deposits, the carrying out of trade, export and project finance.

### 19.3 Egypt Factors - Put Option

The Issuer entered into a put option agreement (the "Put Option Agreement") with CIB and IFC. The Put Option Agreement gives the right to IFC, by sending a notice of exercise to CIB and/or FIMBank, at any time during the exercise period, to sell to CIB and/or FIMBank, jointly and severally, all or part of IFC's shareholding in Egypt Factors at the exercise price.

The exercise period is defined as the period commencing on the fifth anniversary from the receipt of the licence by Egypt Factors from the local regulator (i.e. from 26 April 2007) and terminating on the tenth anniversary of such date, unless an event of default (as defined in the Put Option Agreement) has occurred before such fifth anniversary, in which case the exercise period commences on the date of that event of default.

The put price has been fixed at the higher of:

- (i) the coefficient multiplied by the number of shares subject to the put option; and
- (ii) the investment costs per share (i.e. the total investment by IFC from time to time in Egypt Factors until the date of notice of exercise) divided by the total number of shares subject to the put option.

### 19.4 Information Concerning the Payment of Interest by New Ordinary Shares

Payment of Interest for the EUR Bonds and the USD Bonds may be done in either cash or shares, at the Issuer's sole discretion. Therefore the Issuer might issue and allot New Ordinary Shares to the Bondholder, who shall have the sole right to positively elect to receive cash or shares as consideration for the interest payment. Any such New Ordinary Shares shall have a nominal value of USD0.50, determined according to an attribution price as the Issuer may announce during the period of thirty (30) calendar days prior to the Interest Payment Date. Full details of such entitlement will be communicated to the eligible Bondholder by means of letter or circular with appropriate due notice being given. The New Ordinary Shares will be of the same class as the Issuer's ordinary shares currently in issue. Currently, the Issuer does not have any preference shares in issue and therefore the New Ordinary Shares will rank *pari passu* with the existing Ordinary Shares.

## 20. MATERIAL CONTRACTS

Save for the promise of sale for the purchase of land for the building of the Issuer's head office as detailed below, the Issuer has not entered into contracts of a material nature which were not in the ordinary course of its business and which could impact the Issuer's ability to meet its obligations to Bondholders.

## 20.1 Promise of Sale

On the 3 September 2008, the Issuer entered into a promise of sale agreement (*konvenju*) for the purchase of a plot of land in Pendergardens, in Saint Julians. The *konvenju*, signed with the proposed seller Pender Ville Limited, was executed through FIM Property Investment Limited by means of a public deed. The plot of land will be developed in a building block where the Issuer intends to house its head office. The price to be paid by the Issuer for the land is EUR4,612,000 and is staggered in installments upon the reaching of certain milestones (such as the issuance of the excavation permits and the completion of the excavation works) within stipulated timelines. The *konvenju* expires on 31 March 2009.

## 21. STATEMENT BY EXPERTS

This Registration Document does not contain any statement or report attributed to any person or expert.

## 22. DOCUMENTS ON DISPLAY

For the life of this Registration Document, the following documents (or copies thereof), where applicable, may be inspected at the registered office of the Issuer at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM 1640 Malta:

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group (including its subsidiaries) for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 (for the latter, subject to the approval of the Company in Annual General Meeting which has been convened for 23 April 2009) respectively;
- The Promise of Sale Public Deed dated 3 September 2008;
- The Pledge Agreement dated 24 December 2007; and
- The Audit Committee Charter.

The Audited Financial Statements of the Issuer may also be inspected on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## Part III - Securities Note

This document is a Securities Note (the “Securities Note”) prepared in accordance with (i) the provisions of Chapter 6 of the Listing Rules issued by the Listing Authority and (ii) the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of information.

This Securities Note is issued pursuant to the requirements of Listing Rule 6.4.3 and contains information about the Bonds being offered by the Issuer as described in this document. Application has been made to the Listing Authority and to the Malta Stock Exchange for the Bonds to be admitted to the Official List and to trading on the Malta Stock Exchange. This Securities Note shall be read in conjunction with the Registration Document issued by the Issuer.

**This document is dated 9 March 2009**

The Bonds shall constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and shall thus rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future.

ISIN: MT0000181215 for the EUR Bonds

ISIN: MT0000181223 for the USD Bonds

Neither this Securities Note, nor any other part of the Prospectus or any other information supplied in connection with the Bonds:

- i. is intended to provide the basis of any credit or other evaluation; or
- ii. should be considered as a recommendation by the Issuer or the Sponsor that any recipient of this Prospectus or any other information supplied in connection with this Prospectus should purchase any Bond.

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## 1. DEFINITIONS

Unless specifically stated below and except where the context otherwise requires, words and expressions used in this Securities Note shall bear the same meaning as defined under “Definitions” in paragraph 1 of the Registration Document.

## 2. RISK FACTORS

This document contains forward-looking statements. No assurance can be given that future results of expectations covered by such forward-looking statements will be achieved. These statements by their nature involve substantial risks and uncertainties, certain of which are beyond the Issuer’s control.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity. An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisers (including tax, accounting, credit, legal and regulatory advisers) the following risk factors and other investment considerations as well as all the other information contained in this Prospectus before deciding to make an investment in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

### 2.1 General

Each potential investor in the Bonds must determine the suitability of that investment in light of their own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iii) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (iv) 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.

Prospective investors should carefully consider all the information contained in the Prospectus as a whole and should consult their own independent financial and other professional advisers before deciding to make an investment in the Bonds.

### 2.2 Redemption Prior To Maturity (“Early Redemption”)

The Issuer has the option to redeem the Bonds in whole or in part at any time during the Designated Optional Redemption Date (in accordance with the provisions of paragraph 5.8 of this Securities Note), together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.

### 2.3 Modification and Waivers by Bondholders’ Meetings

The Issuer shall call meetings of Bondholders to consider matters affecting their interests generally in accordance with the provisions of paragraph 5.11 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

### 2.4 Change of Law

The terms and conditions of this Bond Offer are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

## 2.5 Trading and Liquidity of the Bonds

The liquidity of the market depends on, amongst others, factors beyond the Issuer's control, such as the willingness or otherwise of potential buyers and sellers of the Bonds. The effect that investors' decisions may have on the trading market could consequently affect the trading value of the Bonds. The Bonds will be new securities for which there is currently no established trading market. Other factors over which the Issuer has no control include the level and direction of interest rates generally, especially in weakening economic cycles and volatile market conditions.

There can be no assurance that an active secondary market for the Bonds will develop, or, if it does, that it will continue. There can be no assurance, also, that an investor will be able to re-sell his Bonds at or above the Bond Offer Price or at all.

## 2.6 Foreign Exchange Risk

Potential investors should also be aware that any investment in the Bonds will be denominated either in EUR or USD. This involves certain risks on the part of the investor, in particular exchange rate fluctuations that may affect the realisation of the original investment of the investor who may use a different currency to calculate the value of his investments as well as the payment of interest. Exchange rate fluctuations may affect the conversion value of the original investment and of the interest to be received made by those investors who calculate the value of investment in any currency other than the EUR or USD.

## 2.7 Interest Rate Risk

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

## 2.8 Prior Ranking Charges

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

## 2.9 Issuer's Credit Rating Risk

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in the Issuer's credit rating could adversely affect the trading price for the Bonds.

## 2.10 Subordination

The Bonds shall constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and shall thus rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future, such as for example any of the Issuer's obligations which might be secured by privileges, charges, hypothecs or any other cause of preference and/or security in accordance with the applicable law.

## 2.11 Limited Recourse

Potential investors should note that their rights of enforcement against the Issuer with reference to the Bonds are subject to certain restrictions as set out in paragraph 5.17 below.

## 3. PERSONS RESPONSIBLE

This document includes information compiled in compliance with the Listing Rules for the purpose of providing Bondholders with information about the Bonds. Each and all of the Directors whose names appear in paragraph 13.1 of the Registration Document accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors hereby accept responsibility accordingly.

## 4. KEY INFORMATION

### 4.1 Offer Statistics

<b>Amount</b>	The equivalent of EUR15,000,000 aggregate principal amount, in either or each of the EUR Bonds and USD Bonds respectively depending on the value of the Applications received for the Bonds, subject to the option to increase the Issue by the equivalent of an additional EUR15,000,000 up to a maximum combined aggregate principal amount of the equivalent of EUR30,000,000 in the event that, before the Offer Period in case of conditional subscription agreements and/or during the Offer period, the Issuer receives Applications for the Bonds in excess of the aggregate principal amount of the equivalent of EUR15,000,000.
<b>Bond Offer Price</b>	EUR100 for the EUR Bonds or USD100 for the USD Bonds, unless the Application is from a Preferred Applicant.
<b>Denomination</b>	Euro for EUR Bonds and United States Dollars for USD Bonds.
<b>Designated Optional Redemption Date</b>	The Issuer has the option to redeem all or part of the Bonds at their nominal value on any day falling between 1 May 2012 and the Maturity Date by giving not less than thirty (30) days advance notice in writing to Bondholders.
<b>Form</b>	The Bonds will be issued in fully registered and dematerialized form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the Central Securities Depository of the Malta Stock Exchange.
<b>Interest</b>	The Bonds shall bear interest from and including 7 May 2009 at the rate of 7% per annum for the EUR Bond and 7% per annum for the USD Bond.
<b>Interest Payment Date</b>	30 October and 30 April of each year, between the year 2009 and the Maturity Date (both years inclusive). The first interest payment will be made on 30 October 2009.
<b>ISIN</b>	MT0000181215 for EUR Bonds; and MT0000181223 for USD Bonds.
<b>Issue</b>	Bonds denominated in Euro having a nominal value of EUR100 each, which will be issued at par and shall bear an interest rate of 7% per annum (the "EUR Bonds") and Bonds denominated in US Dollars having a nominal value of USD100 each which will be issued at par and shall bear an interest rate of 7% per annum (the "USD Bonds").
<b>Issuer</b>	FIMBank p.l.c., a credit institution registered in Malta with registration number C 17003.
<b>Law &amp; Jurisdiction</b>	This Bond Issue is governed by and must be construed in accordance with the laws of Malta. The Maltese courts shall have exclusive jurisdiction to settle any disputes arising out of or in connection with the Bond.
<b>Listing</b>	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.

<b>Manager</b>	Lombard Bank Malta p.l.c., a credit institution registered in Malta with registration number C 1607.
<b>Maturity Date</b>	30 April, 2019 subject to the Designated Optional Redemption Date.
<b>Minimum Amount per Subscription</b>	Minimum EUR2,000 for EUR Bonds or USD2,000 for USD Bonds and integral multiples of EUR100 for EUR Bonds and USD100 for USD Bonds thereafter.
<b>Offer Period</b>	The period between 8.30 a.m. on 23 April 2009 and 12.30 p.m. on 30 April, 2009 (both dates inclusive), or such earlier date as may be determined by the Issuer in the event of over-subscription, during which the Bonds are on offer for subscription.
<b>Over - allotment Option</b>	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding EUR15,000,000 may be issued at the Bond Offer Price and/or Preferred Applicant Bond Offer Price in the event of over-subscription.
<b>Payment of Interest</b>	In cash or New Ordinary Shares at the Issuer's discretion.
<b>Preferred Applicant</b>	Any person, whether natural or legal, listed in: (a) the register of FIMBank's Shareholders at the Central Securities Depository of the Malta Stock Exchange, and (b) the Directors and/or the full-time employees of the FIMBank Group, in both instances as at the Record Date.
<b>Preferred Applicant Bond Offer Price</b>	EUR97 for the EUR Bonds or USD97 for the USD Bonds, representing a discount of 3% to par.
<b>Pre-placement Date and Time</b>	11.00 a.m. on 17 April 2009.
<b>Rate of Exchange</b>	EUR 1: USD1.2628.
<b>Record Date</b>	24 March 2009.
<b>Redemption Value</b>	EUR100 for the EUR Bonds or USD100 for the USD Bonds.
<b>Registrar</b>	Malta Stock Exchange p.l.c.
<b>Sponsor</b>	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a financial intermediary licensed by the MFSA, and an Authorised Distributor, as specified in Appendix 1 of the Prospectus.
<b>Status of the Bonds</b>	The Bonds shall constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and shall thus rank after other outstanding, unsubordinated and unsecured obligations of the Issuer, present and future.

## 4.2 Expected Timetable

<b>Application Forms Available</b>	<b>23 March 2009</b>
<b>Opening of Subscription List</b>	<b>23 April 2009</b>
<b>Closing of Subscription List</b>	<b>30 April 2009</b>
<b>Announcement of Basis of Acceptance</b>	<b>7 May 2009</b>
<b>Commencement of Interest on the Bonds</b>	<b>7 May 2009</b>
<b>Expected Dispatch of Allotment Advices</b>	<b>14 May 2009</b>
<b>Refund of Unallocated Monies</b>	<b>14 May 2009</b>
<b>Admission to Listing</b>	<b>18 May 2009</b>

The Issuer reserves the right to close the Offer before Thursday 30 April 2009 in the event of over-subscription, in which case, the events set out in the timetable detailed above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

## 4.3 Interest of natural and legal persons involved in the Offer

Information on the interest of any natural and legal person involved in the Offer has been disclosed in paragraph 13 of the Registration Document.

To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no conflicts of interest of which the Bondholders should be aware.

## 4.4 Reasons for the Offer and use of the proceeds

The net proceeds from the issue of the Bonds will be applied by the Issuer in supporting the general growth of the Group as well as implementing its investment strategy of expansion into new products, markets and undertakings. Amongst other things, the Group is considering widening its business ventures into complementary activities, including private banking.

This Bond Issue forms part of a wider and longer term capital development plan which may in future include other forms of equity. It is not to be expected that the proceeds of the Bond Issue will be the only source of capital to fund the business ventures in the foreseeable future. Furthermore, the proceeds of the Bond will not be used for the purchase of any land or any buildings that would house the Group's offices, whether in Malta or elsewhere. The Bonds will constitute Additional Own Funds (Tier II capital) forming part of the Issuer's Own Funds in terms of the Own Funds Rule (BR/03) "Own Funds of Credit Institutions Authorised under the Banking Act 1994".

## 4.5 Estimated expenses and proceeds of the Offer

The Offer will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, placement fees and a selling commission of 1% of the amounts of the Applications received and other miscellaneous costs incurred in connection with this Offer. Such expenses are estimated not to exceed EUR500,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Bondholder who subscribes for the Bonds. The amount of the expenses will be deducted from the proceeds of the Offer, which accordingly will bring the estimated net proceeds from the Bond Issue to EUR29,500,000 if the Over-allotment Option is exercised in full.

## 5. INFORMATION CONCERNING THE BONDS

### 5.1 General

5.1.1 The equivalent of EUR15,000,000 aggregate principal amount of Bonds are being offered and made available by the Issuer in any one or any combination of the two currencies. The actual amount of EUR Bonds and USD Bonds will depend on the value of the Applications received for the Bonds. As a consequence, the Issuer may issue up to a maximum of:

- (i) EUR15,000,000 EUR Bonds of a nominal value of EUR100 each Bond, issued at par (subject to the special terms applicable to Preferred Applicants), and redeemable on the Maturity Date at EUR100 each Bond, unless the Issuer exercises its option to redeem all or any part of the Bonds during the Designated Optional Redemption Date; or

- (ii) USD18,942,000 USD Bonds (calculated on the basis of the Rate of Exchange) of a nominal value of USD100 each Bond, issued at par (subject to the special terms applicable to Preferred Applicants), and redeemable on the Maturity Date at USD100 each Bond or unless the Issuer exercises its option to redeem all or any part of the Bonds during the Designated Optional Redemption Date; or
  - (iii) any combination of the above, provided that the aggregate principal amount of the Bonds issued shall not exceed the total value of EUR15,000,000 subject to the exercise of the Over-allotment Option as described below.
- 5.1.2 The Issuer may issue Bonds pursuant to the Over-allotment Option up to an amount of EUR15,000,000 so that the maximum combined aggregate principal amount of the Bonds shall never exceed, at any time, EUR30,000,000.
- 5.1.3 The Bond Issue is not underwritten.
- 5.1.4 Subject to admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned the following ISIN:

ISIN: MT0000181215 for the EUR Bonds  
ISIN: MT0000181223 for the USD Bonds

#### ***Public Offer***

- 5.1.5 The Bonds shall be offered and issued to the general public and the Preferred Applicants during the Offer Period. Authorised Distributors subscribing for the Bonds may do so for their own account or for the account of their customers (whether Preferred Applicants or not) and shall in addition be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.
- 5.1.6 A list of Authorised Distributors is contained at Appendix 1 of the Prospectus.

#### ***Placing Arrangements***

##### ***General***

- 5.1.7 The Issuer hereby reserves the right to enter into conditional subscription agreements (the “Subscription Agreement/s”) prior to the commencement of the Offer Period up to an amount not exceeding 66% of the maximum combined aggregate amount of the equivalent of EUR30,000,000, i.e. EUR20,000,000 (the “Placed Portion”) with a number of Authorised Distributors for the subscription of the Bonds by Preferred Applicants and other investors. Applications in a single name for an aggregate investment amount of less than EUR10,000 or USD10,000 shall not be eligible for the Placed Portion and shall not be accepted. Upon completion and submission of the Subscription Agreements, the Issuer will be conditionally bound to issue, and each Authorised Distributor will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on both the Issuer and the Authorised Distributor upon delivery, subject to the Issuer having received all subscription proceeds in clear funds on delivery of the Subscription Agreement.
- 5.1.8 The Placed Portion will be subject to the following limits:
- (i) Preferred Applicants shall be entitled to subscribe up to a maximum combined aggregate amount of EUR10,000,000. Applications received from Preferred Applicants shall be met in full for the first EUR10,000 or USD10,000 for each Preferred Applicant; and
  - (ii) the maximum combined aggregate amount available for Authorised Distributors shall be of EUR10,000,000.

The above limits are in place always provided that:

- (a) any amount not taken up by Preferred Applicants under 5.1.8 (i) shall be available for subscription by the Authorised Distributors;
- (b) any amount not taken up by Authorised Distributors under 5.1.8 (ii) shall be available for subscription by the Preferred Applicants; and
- (c) any amount not taken up by either of the Authorised Distributors or Preferred Applicants will be available for subscription during the Offer Period.

### ***Plan of Distribution and Allotment***

- 5.1.9 The Issuer will determine and announce the allocation policy for the Bonds within five (5) business days of the closing of the Offer Period. It is expected that allotment advices will be dispatched to Bondholders by the Central Securities Depository within five (5) business days of the date of the announcement of the allocation policy.
- 5.1.10 Subject to the event of oversubscription, the Bonds will be listed on the Official List of the Malta Stock Exchange on 18 May 2009 and such date shall constitute the date of issue, allotment as well as Listing of the Bonds. Dealing shall commence on the following trading day.

### ***Refunds***

- 5.1.11 Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by the Issuer net of any bank charges incurred and without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form. The Issuer will not be responsible for any loss or delays in transmission of the refunds.

## **5.2 Applicable Laws**

The Bonds are issued in accordance with the requirements of the Listing Rules, the Banking Act, the Companies Act and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council.

## **5.3 Registration, Denomination, Form and Title**

- 5.3.1 The Issuer will not issue certificates representing the Bonds to the Bondholders since the Bonds will be represented in uncertificated form by the appropriate entry in the Issuer's electronic register of Bondholders maintained on behalf of the Issuer at the Central Securities Depository (CSD) of the Malta Stock Exchange. There will be entered into such electronic register the names, addresses, ID Card number (in the case of natural persons), Registration Numbers (in the case of companies), MSE A/C numbers of the Bondholders and the number of Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be available for inspection by the Bondholders at the registered office of the Issuer. The CSD will issue upon request by the Bondholder a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.
- 5.3.2 Any person in whose name the Bonds are registered may (to the fullest extent permitted by the applicable laws) be deemed and treated at all times and for all purposes as the owner of the Bonds. Title to the Bonds is transferred in accordance with the provisions of paragraph 5.13 of this Securities Note.
- 5.3.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of integral multiples of USD100 and EUR100 provided that, on subscription, the Bonds will be issued for a minimum of USD2,000 and EUR2,000 respectively.

## **5.4 Currency of the Bonds**

The currency of the Bonds is Euro for the EUR denominated Bonds and United States Dollars for the USD denominated Bonds.

## **5.5 Status of the Bonds**

The Bonds shall constitute the general, direct, unconditional, subordinated and unsecured obligations of the Issuer, present and future. The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues (including uncalled capital).

## **5.6 Rights attached to the Bonds**

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest (as detailed below) and in accordance with the ranking specified at paragraph 5.5 above.

## 5.7 Interest

- 5.7.1 The Bonds shall bear interest from and including 7 May 2009 at the rate of 7% per annum for the EUR Bond and 7% per annum for the USD Bond. Interest shall be calculated on the nominal value of the Bonds and shall be paid semi-annually in arrears on 30 April and 30 October of each year (the “Interest Payment Date”), provided that any payment date which falls on a day other than a Business Day, will be carried over to the next day which is a Business Day.

The first interest payment will be made on 30 October 2009.

- 5.7.2 When interest is required to be calculated for any period of less than a year such interest shall be calculated on the basis of the actual number of days in such period divided by the actual number of days (30 days in a month or 360 days in a year) in the respective year.

## 5.8 Maturity and Redemption

- 5.8.1 Save as provided at paragraph 5.8.3 below, the Bonds shall become due for final redemption (together with the payment of interest accrued thereon) on 30 April 2019 (the “Maturity Date”) at their nominal value.
- 5.8.2 The Issuer reserves the right to redeem the Bonds or any part thereof at any date between 1 May 2012 and 30 April 2019 (the Designated Optional Redemption Date), as the Issuer may determine on giving not less than thirty days (30) notice to the Bondholders. Early redemption of the Bonds shall be made at the nominal value and in terms of the provisions of section 2.1.5(c) of Banking Rule BR/03 “Own Funds of Credit Institutions”.
- 5.8.3 Subject to the provisions of this paragraph 5.8, the Issuer or any of the companies of the Group reserves the right to purchase Bonds in the open market or otherwise and at any price at any time after the Issue. Where purchases are made by tender, tenders shall be made available to all Bondholders alike.
- 5.8.4 All Bonds purchased by the Issuer on its own account will be cancelled forthwith and may not be re-issued or resold. However, re-purchase in terms of paragraph 5.8.3 can be undertaken only in accordance with the provisions of Article 2.1.5 of Appendix 1 of the Banking Rule BR/03/2008. The cancellation of such Bonds shall be subject to prior consent from the Authority who will determine that such cancellation shall not prejudice the Issuer’s solvency.

## 5.9 Payments

### *Principal Amount*

- 5.9.1 Payment of the principal amount of a Bond will be made by the Issuer to the person in whose name such Bond is registered at the close of business on the Maturity Date, with interest accrued to Maturity Date, by direct credit to the bank account as indicated by the Bondholder in the Application Form. The Issuer will not be responsible for any loss or delays in transmission.

Where the Bondholder’s bank account is not known, the principal amount may be retained by the Issuer for collection by the Bondholder entitled to such principal or for remittance when the bank account number of the said Bondholder is made known to the Issuer. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry will be made in the electronic register of the Bonds at the CSD.

### *Interest*

- 5.9.2 Payment of Interest on a Bond will be made by the Issuer to the person in whose name such Bond is registered at the close of business thirty (30) calendar days prior to the Interest Payment Date.
- 5.9.3 Payment of Interest may be made by the Issuer as follows:
- (a) by direct credit to the bank account as indicated by the Bondholder in the Application Form; or
  - (b) by the issue to the Bondholder of New Ordinary Shares fully paid up of the Issuer with a nominal amount of USD0.50, determined according to an attribution price as the Issuer may announce during the period of thirty (30) calendar days prior to the Interest Payment Date.
- 5.9.4 It shall be at the Issuer’s sole discretion when such option is made available to the Bondholder, who shall have the sole right to positively elect to receive cash or shares as consideration for the interest payment. Full details will be communicated to Bondholders in due time before each Interest Payment Date. The discretion exercised by the Issuer to pay Interest by means of the issue of New Ordinary Shares for any interest period does not extend to any decisions about future

payments of Interest by means of New Ordinary Shares and shall not constitute an invitation to Bondholders to complete a mandate in respect of future interest payments. Further information on the New Ordinary Shares may be found under Additional Information in this Securities Note.

- 5.9.5 The Issuer will not be responsible for any loss or delays in transmission. Where the Bondholder's bank account is not known, the Interest may be retained by the Issuer for collection by the Bondholder entitled to such interest or for remittance when the bank account number of the said Bondholder is made known to the Issuer. Any risk of loss or gain that may emerge on payment of interest from the currency of denomination of the Bonds applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.

***Payments to Bonds held subject to usufruct and held jointly***

- 5.9.6 Where Bonds are held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register; where bonds are held jointly by several persons (including husband and wife) the joint holders shall nominate one person as their representative (the "Representative") whose name will be entered in the register.

Payment will be made:

- (i) against the joint instructions of the bare owners and the usufructuaries. Before effecting payment, the Issuer and the Central Securities Depository shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds; or
- (ii) to the Representative of the joint holders.

***Deductions***

- 5.9.7 All payments with respect to Bonds are subject, in all cases, to any applicable fiscal or other laws and regulations. In particular, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

***Commissions and charges***

- 5.9.8 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this paragraph 5.9. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

**5.10 Yield**

For Bonds issued at the Bond Offer Price, the gross yield calculated on the basis of the Interest, the Bond Offer Price and the Redemption Value of the Bonds at maturity is seven (7%) per cent per annum for the EUR Bonds or seven (7%) per cent per annum for the USD Bonds.

For Bonds issued at the Preferred Applicant Bond Offer Price, the gross yield calculated on the basis of the Interest, the Preferred Applicant Bond Offer Price and the Redemption Value of the Bonds at maturity is seven point four three per cent per annum (7.43%) for the EUR Bonds or seven point four three per cent per annum (7.43%) for the USD Bonds.

**5.11 Meetings of the Bondholders**

- 5.11.1 The Issuer may, at any time, convene a meeting of Bondholders to consider and approve by Extraordinary Resolution any of the following: (i) any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the terms or conditions of the Bonds and the rights of the Bondholders, whether or not those rights arise under this Prospectus; (ii) the exchange or substitution of the Bonds by, or the conversion of the Bonds into shares, debentures or other obligations or securities of the Issuer; and (iii) the earlier redemption or roll-over of the Bonds on their Maturity Date.
- 5.11.2 Notice in writing shall be given to Bondholders by the Issuer at least fourteen (14) clear days before the meeting (excluding the day on which the notice is given and the day for which it is given). The notice shall specify the date, time and location of the meeting.

- 5.11.3 The instrument appointing a proxy shall be deposited at least forty eight (48) hours before the time fixed for the meeting at such place as the Issuer shall designate or approve and, in default it shall not be valid unless the Chairman of the meeting decides otherwise before the meeting proceeds to business. A proxy need not be a Bondholder.
- 5.11.4 The Chairman of a meeting of Bondholders shall be the Chairman of the Board of Directors of the Issuer or such other person as the Issuer may nominate in writing from time to time. The Chairman of an adjourned meeting need not be the same person as the Chairman of the original meeting.
- 5.11.5 The following may attend and speak at a meeting of Bondholders: (i) the Chairman of the meeting; (ii) representatives and Directors of the Issuer; and (iii) Bondholders. No other person shall be entitled to attend or speak at a meeting.
- 5.11.6 Bondholders holding in aggregate at least 50% in nominal value of the Bonds for the time being outstanding (present in person or by proxy) shall constitute a quorum.
- 5.11.7 No business (except when choosing a Chairman in accordance with paragraph 5.11.4 above) shall be transacted at a meeting of Bondholders unless a quorum is present at the commencement of the meeting. If a quorum is not present within thirty (30) minutes from the time initially fixed for the meeting, it shall stand adjourned until such date, time and place as the Chairman may decide. If a quorum is not present within thirty (30) minutes from the time fixed for a meeting so adjourned the meeting shall be dissolved.
- 5.11.8 Each matter submitted to a meeting shall be decided by a show of hands unless a poll is (before or following the result of the show of hands) demanded by the Chairman. Every Bondholder shall be entitled to one vote for each Bond held whether on a show of hands or on a poll. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the Chairman of the meeting shall direct. The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- 5.11.9 An Extraordinary Resolution shall be binding on all Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The Issuer shall give notice of the passing of an Extraordinary Resolution to Bondholders within fourteen (14) days but failure to do so shall not invalidate the resolution.
- 5.11.10 The Chairman shall have the power to decide upon any other procedural issues that may arise in connection with meetings of Bondholders.

In this paragraph 5.11, unless the context otherwise requires:

- (a) "Extraordinary Resolution" means a resolution proposed by the Issuer and passed at a meeting duly convened and held in accordance with the provisions of this paragraph by a majority of at least seventy five per cent (75%) in nominal value of the Bondholders at that meeting in person or by proxy;
- (b) Reference to a meeting is to a meeting of Bondholders and includes any adjournment thereof.

## **5.12 Authorisations, Approvals and Issue Date**

The issue of the Bonds has been authorised by means of a resolution of the Board of Directors adopted on 25 February 2009. The Prospectus has been authorised by means of a resolution of the Board of Directors adopted on 9 March 2009

The Listing Authority has authorised the Bonds to be admitted to Listing by virtue of a letter dated 9 March 2009.

Application has been made to the Malta Stock Exchange for the Bonds to be issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange and for dealings to commence once the Bonds are authorised as Admissible to Listing by the Listing Authority.

The Issue Date of the Bonds is 18 May 2009.

## **5.13 Transferability of the Bonds**

- 5.13.1 The Bonds are freely transferable and, once admitted to the Official List of the Malta Stock Exchange, dealings are expected to commence on 19 May 2009. The Bonds shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.
- 5.13.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon producing such evidence of his title as may be required by the Issuer and the CSD, elect either to be registered himself as holder or to have someone else nominated by him registered as the transferee thereof. If the person so becoming entitled shall

elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond in favour of that person.

- 5.13.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) in respect of any Bond and to any applicable laws and regulations.
- 5.13.4 The costs and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer so requires, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed thereto, will be borne by the Issuer.
- 5.13.5 The Issuer will not register the transfer or transmission of Bonds for a period of thirty (30) days preceding the due date for any payment of interest on the Bonds.

## **5.14 Taxation**

### **5.14.1 General**

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to the holders of the Bonds in Malta. This information, which does not constitute legal or tax advice, and which does not purport to be exhaustive, refers only to the holders of Bonds who do not deal in securities in the course of their trading activity.

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

The information is being given solely for the general information of investors; the precise implications for investors will depend on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective respectively. To this purpose, professional advice in this respect should be sought accordingly.

### **5.14.2 Interest**

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or unless the Bondholder does not fall within the definition of "recipient" in terms of article 41 (c) of the Income Tax Act (Cap 123, Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply (for example, in the case of Collective Investment Schemes).

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged further tax in respect of such income. However, tax withheld shall in no case be available to any person for a credit against that person's tax liability or for a refund as the case maybe.

In case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act. Pursuant to article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer according to the provisions of the law.

Non-residents of Malta should note that, pursuant to the provisions of the EU Savings Directive 2003/48/EC, payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authorities of the Member State where the recipient is resident.

#### **5.14.3 Capital Gains on the transfer of Bonds**

According to current legislation, no tax on capital gains should be chargeable on the transfer of the Bonds.

#### **5.14.4 Duty on documents and transfers**

According to current legislation, no duty should be chargeable in respect of transfers or redemption of the Bonds.

#### **5.15 Further issues**

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stocks, bonds, loan notes or any other debt securities either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue.

#### **5.16 Event of Default**

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest in the event of the winding up of the Issuer (the “Event of Default”).

All rights available to the Bondholders in an Event of Default situation shall rank after all other outstanding, unsubordinated and unsecured obligations of the Issuer.

#### **5.17 Limited Recourse**

In accordance with the terms of this Offer, each Bondholder hereby waives his rights of enforcement against the Issuer in case of (i) non-payment of interest; and/or (ii) any other breach of the terms of the Bonds. The only remedy available to the Bondholder shall be the petitioning for the winding up of the Issuer, which shall constitute an Event of Default.

## **6. TERMS AND CONDITIONS OF THE OFFER**

### **6.1 Conditions**

The following are the terms and conditions which are applicable to Applications. Any Applicant is deemed to have notice of, and is bound by, these terms and conditions.

1. Subject to all other terms and conditions of Application, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
2. If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated. The Application monies or the balance of the amount paid on Application will be returned by direct credit into the Applicant’s bank account as indicated in the Application Form within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Bonds applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.
3. In the case of joint Applications, reference to the Applicant in these Terms and Conditions of Application is a reference to each Applicant, and liability therefore is joint and several. Furthermore, as joint Applicants, each Applicant warrants that he/she has only submitted one Application Form in his/her name.

4. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interests shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. All Applications must be submitted on Application Forms within the time limits established herein (reference to Expected Timetable set out at paragraph 4.3 of this Securities Note). The minimum subscription of the EUR Bonds is EUR2,000 and the minimum subscription of the USD Bonds is USD2,000. Applications in excess of the said minimum thresholds must be in multiples of EUR100 or USD100, as the case may be.
7. Application Forms must:
  - (a) be lodged with any of the Authorised Distributors as listed in Appendix 1 (except as provided below for Preferred Applicants):
    - (i) Preferred Applicants whose name is on the register of FIMBank Shareholders at the Central Securities Depository of the Malta Stock Exchange must apply on the pre-printed Application Form mailed to them by the Issuer;
    - (ii) Preferred Applicants who are the Directors and/or full-time employees of the FIMBank Group must lodge the Application Form with the Company Secretary of the Issuer; and
  - (b) be accompanied by the full price of the Bonds applied for in the currency of designation of the Bonds applied for. Payment must be made in cleared funds and may be made by SWIFT, account transfer, bank draft or bankers' cheque, or personal cheque in case of EUR Payments. In case of USD payments, payment must be made in cleared funds and may be made by SWIFT or account transfer.

## 6.2 Terms

By completing and delivering an Application Form, the Applicant/s:

- (a) irrevocably offer to purchase the number of Bonds specified in the Application Form (or any smaller number for which the Application is accepted) at the Bond Offer Price subject to the Prospectus, the Terms and Conditions and the Memorandum and Articles of Association of the Issuer;
- (b) authorise the Registrar and the Directors of the Issuer to include his name or in the case of joint Applications, the name of the Representative, in the register of Bondholders of the Issuer in respect of the Bonds allocated to him;
- (c) warrant that his remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, he will not be entitled to receive a registration advice, or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds unless and until he makes payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that the Applicant indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
- (d) agree that the registration advice and other documents and any monies returnable to him may be retained pending clearance of his remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (and regulations made thereunder) and that such monies will not bear interest;
- (e) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that he submits to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection

with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

- (f) warrant that, if by signing the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the Applicant has due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of Application and undertake to submit a power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
- (g) agree that all documents in connection with the Issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications to the address of the Representative) as set out in the Application Form;
- (h) agree that, having had the opportunity to read the Prospectus, the Applicant has and shall be deemed to have had, notice of all information and representations concerning the Issuer and the Issue of the Bonds contained therein;
- (i) confirm that in making such Application, he is not relying on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained in the Prospectus and accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (j) confirm that he has reviewed and will comply with the restriction detailed below and the warning in this paragraph 6.2 (r) and paragraph 6.4;
- (k) warrant that he is not under the age of eighteen (18) years or if lodging an Application in the name and for the benefit of a minor, warrant that he is the parent or legal guardian/s of the minor;
- (l) agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which the Application has been accepted, he shall receive a registration advice confirming such acceptance;
- (m) confirm that in the case of a joint Application the Representative shall be deemed the holder of the Bonds;
- (n) agree to provide the Registrar and/or Issuer as the case may be, with any information which it may request in connection with his Application;
- (o) agree that Rizzo, Farrugia & Co. (Stockbrokers) Ltd., in its capacity as Sponsor, treat him as its customer by virtue of him making an Application for the Bonds and that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. in its capacity as Sponsor will owe him no duties or responsibilities concerning the price of the Bonds or their suitability;
- (p) warrant that, in connection with his Application, he has observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Application in any territory and that he has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or the Application;
- (q) warrant that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with;
- (r) represent that he is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and that he is not accepting the invitation contained in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person.

**6.3** The Bonds have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

**6.4** No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or Offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person

outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.

**6.5** For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008 as subsequently amended, all Authorised Distributors are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the “Code of Conduct for Members of the Malta Stock Exchange” appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the Authorised Distributors are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440, Laws of Malta) for the purposes, and within the terms of, the “Malta Stock Exchange’s Data Protection Policy” as published from time to time.

**6.6** Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these terms and conditions of Application, in the Application Form and in any other document issued pursuant to the Prospectus.

### **6.7 Notices**

Notices will be mailed to Bondholders at their registered address and shall be deemed to have been served at the expiration of three (3) calendar days after such mailing. Overseas shareholders will be served by registered post.

### **6.8 Right to reject**

6.8.1 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, an Application Form. The Issuer also reserves its rights to refuse any Application Form which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents and/or payments. Application(s) Form(s) will be accepted in original only; photocopies/facsimile copies will not be accepted.

6.8.2 If the Application(s) Form(s) and proof of payment of cleared funds do not reach the Registrar by the close of the Offer Period, the Application will be deemed to have been declined. In cases of USD applications, the Issuer may, with the agreement of the Registrar, but shall not be obliged, to treat as valid Applications accompanied by proof of payment received after the close of the Offer Period.

### **6.9 Right to revoke the Offer**

Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the Offer at any time before the closing of the Offer Period.

The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

## **7. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

The Listing Authority has authorised the Bonds to be admitted to Listing.

Application has been made to the Malta Stock Exchange for the Bonds to be issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

## **8. ADDITIONAL INFORMATION**

### **8.1 Statement by Experts**

This Securities Document does not contain any statement or report attributed to any person as an expert.

### **8.2 No Credit rating for the Bonds**

Although the Issuer has a credit rating as a credit institution granted by an independent credit rating agency, the Issuer has not sought assessment of the Bonds by any independent credit rating agency.

### **8.3 Information Concerning the New Ordinary Shares for Payment of Interest**

#### **8.3.1 General**

Payment of Interest for the EUR Bonds and the USD Bonds may be done in either cash or shares, at the Issuer's sole discretion. Therefore the Issuer might issue and allot New Ordinary Shares to the Bondholder (who shall have the sole right to positively elect to receive cash or shares as consideration for the interest payment) with a nominal amount of USD0.50, determined according to an attribution price as the Issuer may announce during the period of thirty (30) calendar days prior to the Interest Payment Date.

#### **8.3.2 Applicable Laws**

The New Ordinary Shares, if any, will be issued in accordance with the requirements of the Listing Rules, the Banking Act, the Companies Act and Commission Regulation (EC) No.809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and Council.

#### **8.3.3 Class of New Ordinary Shares**

The New Ordinary Shares will be of the same class as the Issuer's Ordinary Shares currently in issue. In terms of the Issuer's Memorandum and Articles the rights attached to any class of shares may only be varied with the consent in writing of the holders of not less than 80% of the issued shares of that class, or by means of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class.

Currently, the Issuer does not have any preference shares in issue and thus the right of the Shareholders in respect of dividends which might be declared by the Issuer or in respect of the distribution of assets of the Issuer upon winding up does not rank after the preferred rights of any preference shareholders.

#### **8.3.4 Pre-emption Rights in respect of New Issues of Shares**

In terms of Article 88 of the Companies Act, shareholders in a public company have pre-emption rights in respect of new issues of shares for cash, in proportion to the holding of capital by such shareholders. Such pre-emption rights may not be withdrawn or restricted by the memorandum and articles of a company; however the Companies Act allows the memorandum and articles of the company or an extraordinary resolution of the general meeting to authorise the Board of Directors to restrict or withdraw pre-emption rights for as long as the Board of Directors is authorised to issue and allot shares of the Company. The Board of Directors of the Issuer has been granted such authority by the shareholders consistently since the year 2005.

#### **8.3.5 Transferability of the New Ordinary Shares**

The New Ordinary Shares shall be freely transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.

### **8.3 Documents on Display**

For the life of the Securities Note, the following documents (or copies thereof), where applicable, may be inspected at the registered office of the Issuer at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema SLM 1640.

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group (including its subsidiaries) for the financial years ended 31 December 2006, 31 December 2007 and 31 December 2008 (for the latter, subject to the approval of the Company in Annual General Meeting which has been convened for 23 April 2009) respectively;
- The Promise of Sale Public Deed dated 3 September 2008;
- The Pledge Agreement dated 24 December 2007; and
- The Audit Committee Charter.

The Audited Financial Statements of the Issuer may also be inspected on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## Appendix 1 : Authorised Distributors

### Members of the Malta Stock Exchange

<b>Atlas Investment Services Ltd</b> Abate Rigord Street, Ta Xbiex XBX 1121	Tel: 2132 2590	Fax: 2132 2584
<b>Bank of Valletta p.l.c.</b> Financial Markets & Investments Division BOV Centre, Cannon Road Santa Venera SVR 9030	Tel: 2131 2020	Fax: 2275 3348
<b>Calamatta Cuschieri &amp; Co. Ltd</b> 5th Floor, Valletta Buildings, South Street Valletta VLT 1103	Tel: 2568 8688	Fax: 2568 8256
<b>Charts Investment Management Services Ltd</b> Valletta Waterfront, Vault 17, Pinto Wharf Floriana FRN 1913	Tel: 2122 4106	Fax: 2124 1101
<b>Curmi &amp; Partners Ltd</b> Finance House, Princess Elizabeth Street Ta Xbiex XBX 1102	Tel: 2134 7331	Fax: 2134 7333
<b>Financial Planning Services Ltd</b> 4, Marina Court, No.1, G Cali Street Ta Xbiex XBX 1421	Tel: 2134 4255	Fax: 2134 1202
<b>FINCO Treasury Management Ltd</b> Level 5, The Mall Complex, The Mall Floriana FRN 1470	Tel: 2122 0002	Fax: 2124 3280
<b>GlobalCapital Financial Management Ltd</b> 120, The Strand Gzira GZR 1027	Tel: 2134 2342	Fax: 2328 2207
<b>Hogg Capital Investments Ltd</b> Regent House, Level 3, Suite 33, Bisazza Street Sliema SLM 1641	Tel: 2132 2872	Fax: 2134 2760
<b>HSBC Stockbrokers (Malta) Ltd</b> 233, Republic Street Valletta VLT 1116	Tel: 2597 2241	Fax: 2597 2494
<b>Rizzo, Farrugia &amp; Co. (Stockbrokers) Ltd</b> 3, Airways House, Third Floor, High Street Sliema SLM 1549	Tel: 2258 3000	Fax: 2258 3001

## Investment Service Providers

<b>APS Bank Ltd</b> 17, Republic Street, Valletta, VLT 1111	Tel: 2560 3000	Fax: 2567 1164/5
<b>Crystal Finance Investments Ltd</b> 6, Freedom Square, Valletta VLT 1011	Tel: 2122 6190	Fax: 2122 6188
<b>Fexco I.S. (Malta) Ltd</b> Alpine House, Naxxar Road San Gwann, SGN 9032	Tel: 2576 2576	Fax: 2137 8869
<b>FIMBank p.l.c.</b> Level 7, The Plaza Commercial Centre, Bisazza Street, Sliema SLM 1640	Tel: 2328 0171	Fax: 2328 0107
<b>Growth Investments Ltd</b> Middlesea House, Floriana FRN 1442	Tel: 2123 4582	Fax: 2124 9811
<b>HSBC Bank Malta p.l.c.</b> 241/2, Republic Street, Valletta VLT 1116	Tel: 2324 6047	Fax: 25972475
<b>Island Financial Services Ltd</b> Insurance House, Psaila Street, Birkirkara, BKR 9078	Tel: 2385 5555	Fax: 2385 5238
<b>Jesmond Mizzi Financial Services Ltd</b> 67, Flat 3, South Street, Valletta VLT 1105	Tel: 2122 4410	Fax: 2122 3810
<b>Joseph Scicluna Investment Services Ltd</b> Level 3, Bellavista Court, Gorg Borg Olivier Street, Gozo VCT 2517	Tel: 2156 5707	Fax: 2156 5706
<b>Lombard Bank Malta p.l.c.</b> 59, Republic Street, Valletta, VLT 1117	Tel: 2558 1114	Fax: 2558 1815
<b>MFSP Financial Management Ltd</b> 220, Immaculate Conception Street Msida MSD 1838	Tel: 2132 2426	Fax: 2133 2190
<b>Michael Grech Financial Investment Services Ltd</b> No 1 Mican Court, J.F.Kennedy Square Victoria Gozo VCT 2580	Tel: 2155 4492	Fax: 2155 9199
<b>MZ Investment Services Ltd</b> 55, MZ house, St Rita Street, Rabat RBT1523	Tel: 2145 3739	Fax: 2145 3407

## Appendix 2 : Specimen Application Form

### FIMBank p.l.c. 7% 2012-2019 Subordinated Bonds

#### APPLICATION FORM

Please read the notes overleaf before completing this Application Form - Mark 'X' as applicable



**FIMBANK**  
GROUP

<b>A</b>	<b>PREFERRED APPLICANT*</b> (see note 2)		
	<input type="checkbox"/> Existing Shareholder <input type="checkbox"/> Director <input type="checkbox"/> Staff Member		
<b>B</b>	<b>APPLICANT</b> (see notes 3 to 7)		
	<input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> CIS-Prescribed Fund <input type="checkbox"/> Minor (under 18) <input type="checkbox"/> Body Corporate / Body of Persons		
<b>C</b>	TITLE (Mr/Mrs/Ms/ ...)    FULL NAME & SURNAME / REGISTERED NAME ADDRESS / REGISTERED OFFICE POST CODE MSE A/C NO.    ID CARD / PASSPORT / COMPANY REGISTRATION NO.    TEL. NO.    MOBILE NO.		
<b>D</b>	<b>ADDITIONAL (JOINT) APPLICANT/S</b> (see note 3) <i>(please use additional Application Forms if space is not sufficient)</i>		
	TITLE (Mr/Mrs/Ms/ ...)    FULL NAME & SURNAME    ID CARD / PASSPORT NO. TITLE (Mr/Mrs/Ms/ ...)    FULL NAME & SURNAME    ID CARD / PASSPORT NO.		
<b>E</b>	<b>MINOR'S PARENTS / LEGAL GUARDIAN/S</b> (see note 5) <i>(to be completed ONLY if the Applicant is a minor)</i>		
<b>I</b>	TITLE (Mr/Mrs/Ms/ ...)    FULL NAME & SURNAME    ID CARD / PASSPORT NO.		
<b>II</b>	TITLE (Mr/Mrs/Ms/ ...)    FULL NAME & SURNAME    ID CARD / PASSPORT NO.		
<b>F</b>	<b>I/WE APPLY TO PURCHASE AND ACQUIRE</b> (see notes 8 & 9)		
	€	AMOUNT IN FIGURES    AMOUNT IN WORDS	VALUE €
	\$	AMOUNT IN FIGURES    AMOUNT IN WORDS	VALUE \$
	FIMBank p.l.c. 7% 2012-2019 Subordinated Bonds (minimum €2,000 / \$2,000 and in multiples of €100 / \$100 thereafter) or any smaller number of Bonds for which this Application may be accepted at the Bond Offer Price as defined in the Prospectus dated 9 March 2009 payable in full upon application under the terms and conditions as defined in the said Prospectus.		
<b>G</b>	<b>WITHHOLDING TAX ON INTEREST</b> (see note 10) <i>(to be completed ONLY if the Applicant is a resident)</i>		
	<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest. <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
<b>H</b>	<b>NON-RESIDENT - DECLARATION FOR TAX PURPOSES</b> (see note 11) <i>(to be completed ONLY if the Applicant is a non-resident)</i>		
	TAX COUNTRY		TOWN OF BIRTH
	TAX IDENTIFICATION NO.		COUNTRY OF BIRTH
	PASSPORT / ID CARD NO.	COUNTRY OF ISSUE	ISSUE DATE
	<input type="checkbox"/> I/We am/are NOT Resident/s in Malta but I/we am/are Resident/s in the European Union. <input type="checkbox"/> I/We am/are NOT Resident/s in Malta and I/we am/are NOT Resident/s in the European Union.		
<b>I</b>	<b>INTEREST MANDATE</b> (see note 12)		
	€	BANK    BRANCH	ACCOUNT NUMBER
	\$	BANK    BRANCH	ACCOUNT NUMBER
<b>J</b>	I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus and subject to the terms and conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the company or other entity I/we represent. I/We hereby declare that the information contained in this Application Form is accurate and true to the best of my/our knowledge. I hereby acknowledge that the Issuer/Registrar have the right to reject this Application should any of the information contained herein not be true or correct. The Issuer reserves the right to reject any multiple applications, whether submitted directly or indirectly. * I/We hereby declare that I/we fall in the definition of Preferred Applicant as contained in the Prospectus.		
	SIGNATURE/S OF APPLICANT/S <i>(both parents or legal guardians are/is to sign if Applicant is a minor) (all parties are to sign in the case of a joint Application)</i>		DATE
	Authorised Distributor's Stamp	Authorised Distributor's Code	Application Number

## Appendix 3 : Instructions for the completion of the Application Form

The following notes are to be read in conjunction with the Prospectus dated 9 March 2009.

1. The Application Form is to be completed in BLOCK LETTERS.
2. Preferred Applicants, i.e. person whether natural or legal, listed in a) the register of FIMBank Shareholders at the Central Securities Depository of the Malta Stock Exchange; and b) the Directors and the full-time employees of the FIMBank Group; in both instances as at the Record Date have to fill in Panel A - Preferred Applicant.
3. All Applicants are to insert full personal details in Panel C. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels C and D but the person whose name appears in Panel C shall, for all intents and purposes, be deemed to be the registered holder of the Bond. Interest and redemption proceeds will be issued in the name of such Bondholder.
4. Non-Resident applicants must indicate their passport number in Panel C, complete Panel H and the relative box in Panel B must also be marked appropriately.
5. In the case of an Applicant who is a minor, the word "minor" must be indicated in Panel C next to the Applicant's name and the relative box in Panel B must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. In the latter case documentary evidence of the legal guardian's appointment should be provided. (Interest and redemption proceeds will be made payable to the parent or legal guardian in Panel E I until such time as the Issuer is notified that the minor named in Panel C has attained the age of 18). The address to be inserted in Panel C is to be that of the parents / legal guardian/s.
6. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel C. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. Applicants must indicate their MSE account number in Panel C. Applicants who do not have a Malta Stock Exchange account number may open an account through an Authorised Distributor. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFERS FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.
8. Applications must be for a minimum of EUR2,000 for EUR Bonds or USD2,000 for USD Bonds and integral multiples of EUR100 for EUR Bonds and USD100 for USD Bonds thereafter.
9. Payment must be made in cleared funds and may be made by SWIFT, account transfer, bank draft or bankers' cheque, or personal cheque in case of EUR Payments. In case of USD payments, payment must be made in cleared funds and may be made by SWIFT or account transfer.
10. The Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel B) will have Final Withholding Tax, currently 10%, deducted from interest payments.
11. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
12. Applicants will receive their interest directly in a bank account to be indicated in Panel I. The completion of the Interest Mandate in Panel I shall not preclude the Bondholder's right to elect to receive shares instead of cash, where such discretion is exercised by the Issuer in terms of the Prospectus.  
  
If any Application is not accepted, or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the Applicant's bank account as indicated in Panel H.
13. Subscription lists will open at 8.30 a.m. on 23 April 2009 and will close at 12.30 p.m. on 30 April 2009. The Issuer reserves the right, however, to close the Bond Issue before 30 April 2009 in the event of over-subscription. Any Application received by the Registrar after closure of subscription lists will be rejected.
14. Completed Application Forms are to be delivered at any of the Authorised Distributors as listed in the Prospectus, during normal office hours. Application Forms from Staff Members may only be delivered at the offices of the Issuer. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
15. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.
16. The terms used in this Application Form have the same meaning as that assigned to them in the Prospectus.
17. The Issuer may process the personal data that the Applicant provides in the Application Form, for all purposes necessary for and related to the issue of the Bonds applied for, in accordance with the Data Protection Act, 2001. The Applicant has the right to request access to and rectification of the personal data relating to him/her, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent investment advisor, licensed under the Investment Services Act (Cap.370 of the Laws of Malta), for advice.