

**FIMBANK**  
G R O U P

# PROSPECTUS

**5 for 19 Rights Issue**

of

**22,894,699 New Ordinary Shares**

of a nominal value of US\$ 0.50 each

by

**FIMBank p.l.c.**

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

at a

**Share Offer Price of US\$ 1.10 per share**

Dated 1 November 2007

Offer Period: 19 November 2007 to 30 November 2007

*Registrar and Manager*



Malta Stock Exchange p.l.c.

*Sponsor*

*Rizzo, & Co.*  
ISTOCARROKERS LTD

## Table of Contents

1	Registration Document	1
2	Share Securities Note	33
3	Summary	47

## Appendices

Appendix 1	Collecting Agents	60
Appendix 2	Provisional Allotment Letter (specimen)	61
Appendix 3	Instructions for the completion of the Provisional Allotment Letter (specimen)	66

## Part 1 - 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 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.

This Registration Document is issued pursuant to the requirements of Listing Rules 6.2 *et seq.* and contains information about FIMBank p.l.c. (the “Issuer”) as the Issuer of 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 Share Securities Note which contains the details of the securities to which it relates.

**This document is dated 1 November 2007**

<i>Paragraph</i>	<i>Table of Contents</i>	<i>Page</i>
1	Definitions	2
2	Risk Factors	4
3	Persons Responsible	7
4	Statutory Auditors	7
5	Advisers to the Issuer	7
6	Selected Financial Information	8
7	Information about the Issuer	9
8	Investments	11
9	Business Overview	12
10	Organisational Structure	14
11	Operating and Financial Review	15
12	Trend Information	15
13	Profit Forecast or Estimates	15
14	Administrative, Management and Supervisory Bodies	15
15	Remuneration and Benefits	18
16	Board Practices	19
17	Employees	21
18	Major Shareholders	23
19	Related Party Transactions	25
20	Financial information concerning the Issuer’s Assets and Liabilities, Financial Position and Profits and Losses	26
21	Additional Information	26
22	Material Contracts	32
23	Statement by Experts	32
24	Documents on Display	32
25	Information on Holdings	32
26	Corporate Social Responsibility	32

## 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>Banking Act</b>	The Banking Act, 1994, Cap. 371, Laws of Malta;
<b>Board Committees or Committees</b>	Executive Committee, Risk Committee, Assets-Liabilities Committee and Audit Committee respectively;
<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>Collecting Agents</b>	The Financial Intermediaries and the Issuer, as listed in Appendix 1;
<b>Companies Act</b>	The Companies Act, 1995, Cap.386, Laws of Malta;
<b>Company, 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 SLM 1640, Malta and authorised to conduct banking and other financial services by the Malta Financial Services Authority;
<b>Directors 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 14 of this Registration Document;
<b>Eligible Shareholders</b>	FIMBank’s Shareholders on the register of the Central Securities Depository at the Malta Stock Exchange as at close of trading on the Record Date and, upon transfer of their entitlement to a third party, their transferee/s;
<b>Euro or €</b>	The single currency of those Member States of the European Union that form the Euro area;
<b>Financial Intermediaries</b>	The Licensed Members of the Malta Stock Exchange authorised to conduct investment services business by the Malta Financial Services Authority;
<b>Functional Currency</b>	The reporting currency of the Issuer, that is to say United States Dollar;
<b>Group</b>	FIMBank p.l.c. together with its wholly owned subsidiaries, London Forfaiting Company Limited, FIMFactors B.V. and FIM Business Solutions Limited and its associates Global Trade Finance Limited (India), MENAFACTORS Limited (Dubai International Financial Centre, United Arab Emirates), Egypt Factors Limited (Egypt), Eastern Prospekt B.V. (the Netherlands) and LB Factors Limited (Malta);
<b>Lapsed Rights</b>	Rights to New Ordinary Shares not validly taken up by 12.30 p.m. on 30 November 2007;
<b>Lapsed Rights Offer Period</b>	The period between 8.30 a.m. on 3 December 2007 to 12.30 p.m. on 17 December 2007;
<b>Listing Authority</b>	The MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act, 1990, Cap.345, Laws of Malta by virtue of L.N. 1 of 2003;

<b>Listing Rules</b>	The Listing Rules of the Listing Authority;
<b>Maltese Lira or LM</b>	The legal tender of the Republic of Malta;
<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 and Registrar</b>	Malta Stock Exchange p.l.c.;
<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>	22,894,699 New Ordinary Shares to be issued pursuant to the Rights Issue;
<b>Offer</b>	The invitation to subscribe for rights to the New Ordinary Shares as contained in this Prospectus;
<b>Offer Period</b>	The period between 8.30 a.m. on 19 November 2007 and 12.30 p.m. on 30 November 2007 (both dates inclusive) during which the rights to the New Ordinary Shares are on offer for subscription;
<b>Ordinary Shares or Shares</b>	The ordinary shares of nominal value of US\$ 0.50 each in the capital of the Issuer;
<b>Overseas Shareholders</b>	Eligible Shareholders with registered address in, or who are citizens in, or residents of, countries other than Malta;
<b>Prospectus</b>	This document in its entirety and including the Registration Document, the Share Securities Note and the Summary;
<b>Provisional Allotment Letter or PAL</b>	The document of title issued to Eligible Shareholders (other than certain Overseas Shareholders as described in Part 2 of this document) by the Issuer in respect of the rights to New Ordinary Shares, pursuant to the Rights Issue;
<b>Record Date</b>	26 October 2007;
<b>Registrar's Account</b>	The account held with Bank of Valletta p.l.c. by the Registrar for the collection of the proceeds of the Rights Issue;
<b>Registration Document</b>	The document set out as Part 1 of this Prospectus;
<b>Rights Issue or Issue</b>	The proposed issue by way of rights to the New Ordinary Shares to Eligible Shareholders as described in this Document;
<b>Securities</b>	Has the meaning ascribed to it by the Listing Rules;
<b>Share Securities Note</b>	The document set out as Part 2 of this Prospectus;
<b>Shareholders or Ordinary Shareholders</b>	Holders of Ordinary Shares of the Issuer;
<b>Share Offer Price</b>	US\$ 1.10 per Share;
<b>Sponsor</b>	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a Financial Intermediary;
<b>Summary</b>	The document set out as Part 3 of this Prospectus;
<b>US\$ or \$</b>	United States Dollars being the lawful currency of the United States of America

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 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 is mainly engaged in 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 Management with the task of creating an effective controlled environment to the highest possible standards. The internal audit function monitors compliance with policies, standards and procedures and the effectiveness of the internal control environment of the Group. The internal auditor periodically reviews and tests the internal systems of control independently from Management, adopting a risk-based approach. The internal auditor reports to the Audit Committee (a Board Committee). All reports are circulated and copied to the Chairman of the Board of Directors.

Adherence to the various banking directives and rules issued by the regulatory authorities from time to time and applicable to credit institutions licensed in Malta is and shall continue to form the basis of the risk control environment of the Group. The Group is committed to ensure strict compliance with the thresholds established by the regulatory framework in relation to capital adequacy, solvency ratios, liquidity ratios, credit management, reserve accounting, quality of assets and financial reporting.

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.

### **2.2 World Economy and Cross-Border Trade**

The success of the Group’s activities is connected to the overall performance of international trade in the global economy, and in particular to the level of cross-border trade between countries at varying stages of their economic development, and which may not yet have achieved the level of political stability of countries members of the Organisation for Economic Cooperation and Development (OECD).

The major part of the Group’s trade finance activities relate to essential goods. It is recognised that trade in essential goods is the livelihood of all nations. Whereas political strife and other factors may cause temporary disruption to trade in general, the supply of essential goods always persists as far as possible and the resulting settlement thereof, through banks such as the Issuer, is normally given priority over all other imports.

The trade services provided by the Group are to a large extent based on international trade and therefore the Group is not dependent on a narrow geographical base. In the case of pre-demolition shipping finance, the Group’s business is mostly dependent on the importation of scrap metal into South Asia and unfavourable economic conditions in this area may adversely affect this business.

### **2.3 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. As illustrated above, the Group finances international trade in many countries worldwide, 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.

A strict credit assessment and control procedures are in place in order to monitor such exposures. The Group also complies with regulatory guidelines as defined by the MFSA and a limit of 25% of Own Funds applies to any particular customer or group of connected customers. The Risk Committee (a Board 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, legal and reputational risk related to credit activity.

Loans are secured either by pledged goods, cash collateral or by personal or bank guarantees. These collaterals are reviewed periodically by Management both in terms of exposure to the Issuer and the Group and to ensure the validity and enforceability of the security taken. The Group also ensures that it has a reasonable mix of loans to customers. This diversification of credit among different economic sectors is a policy adopted by the Group to control such risks. The Group also monitors its risk on balances held with other banks by establishing bank and country limits. The risks associated with off-balance sheet assets and liabilities arise from the normal course of banking operations. In the case of risks associated with inter-bank participants under letters of credit, the Group exercises the same credit controls as those applied to on-balance sheet risks.

The Group maintains a prudent provisioning policy in accordance with the applicable laws and regulations to ensure that losses are immediately recognised in the income statements. Efforts at recovering losses incurred in past financial periods (even in those periods outside the scope of this Prospectus) are continuous. To this purpose, legal proceedings have been undertaken in the courts of competent jurisdiction.

#### 2.4 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 its 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.

The Executive Committee (a Board Committee) approves country limits after they are presented with reports covering the political and economic situations for each of the country to which a limit is issued. Senior officials of the Issuer pay regular visits to those countries in which the Issuer is already doing business and in those countries where it seeks to develop business, in order to provide the Issuer with a deeper understanding of the risks posed by any such countries.

#### 2.5 Foreign Exchange Risk

The Group is also exposed to foreign exchange risk. These exposures include the 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 Shares of the Issuer shall be denominated in US Dollars. 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 the investments.

#### 2.6 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. The Issuer controls the deals performed on a recorded line by the dealer and further ensures that the receipt of the deal and the confirmation received from the counter-party are reconciled and matched. This ensures that any settlement risk is identified immediately and that real-time action is taken to rectify any problematic situation.

## 2.7 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.

## 2.8 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 ("funding liquidity risk") or that it cannot easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions ("market liquidity risk").

Liquidity risk arises in the general funding of the Group's activities and the management of positions. It 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. Liquidity is managed by maintaining significant levels of liquid funds, and identifying and monitoring changes in funding required and in meeting business goals driven by management. The Group's Assets-Liabilities Committee (a Board 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 daily application of the asset and liability management policies rests with the Treasury Unit of the Group.

## 2.9 Operational Risk

Operational risk arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses.

The Group's activities are subject to operational risk, including but not limited to breakdowns in internal controls and corporate governance. Such breakdowns can lead to financial losses through error, fraud, or failure to perform in a timely manner or cause the interests of the Issuer to be compromised in some other way. Other aspects of operational risk include major failure of information technology systems or events such as major fires or other disasters.

The Group has invested heavily in information technology and disaster recovery and contingency systems to assist its Management to control this risk.

## 2.10 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 because of uncertainties of the local legal and judicial system.

The Group has procedures in place to minimise this risk. It has its own Legal and Compliance Department, with the Group Head of the Unit having the right to attend Risk Committee meetings. Furthermore, legal advisors in different countries are contracted on an ad-hoc basis to provide the professional advice required to ensure that all customers and account documentation (as well as the security provided for any facility granted to them) is in accordance with the law governing the transaction.

## 2.11 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.

Reputational risk arises from operational failures, failure to comply with relevant laws and regulations [especially 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 impact to the Issuer for non compliance with the applicable regulations can be substantial and can include formal enforcement actions, monetary penalties, informal enforcement actions, and enhanced supervisory monitoring. To this purpose detailed AML and ATF programs and procedures coupled with a strong and capillary oversight by the Issuer's Board and Management have been devised.

Reputational risk could be particularly damaging for the Group since the nature of its business requires maintaining the confidence of depositors, creditors, regulatory authorities and of the general marketplace. The Group has installed adequate internal monitoring systems to discover any such irregularities on the part of any person who may cause such risk, thus ensuring that persons not maintaining the highest standards of integrity in their activities, even if such activities are unrelated to their position, are not allowed to retain their positions of responsibility within the Group.

### 3. PERSONS RESPONSIBLE

This Registration Document contains information prepared in compliance with the Listing Rules for the purpose of providing information about the Issuer. Each and all of the Directors whose names appear in paragraph 14, 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, Certified Public Accountants  
Portico Building  
Marina Street  
Pieta PTA 9044  
Malta

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively have been audited by KPMG, a firm of 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).

### 5. ADVISERS TO THE ISSUER

#### 5.1 Legal Advisers

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

#### 5.2 Manager and Registrar

Malta Stock Exchange p.l.c.  
Garrison Chapel  
Castille Place  
Valletta CMR 01  
Malta

#### 5.3 Sponsor

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

## 6. SELECTED FINANCIAL INFORMATION

The Issuer's and the Group's audited financial statements for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively and the Issuer's and the Group's unaudited half-yearly results for the six months ended 30 June 2007 can be consulted on the Issuer's website at: [www.fimbank.com](http://www.fimbank.com). 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 financial condition of both the Group and the Issuer are as follows:

<b>Group Income Statement</b>				
	6 months ended 30 June 2007 (unaudited) US\$	<b>Year ended 31 Dec 2006 (audited) US\$</b>	Year ended 31 Dec 2005 (audited) US\$	Year ended 31 Dec 2004 (audited) US\$
Net interest income	4,966,121	<b>9,183,434</b>	6,124,502	1,803,325
Net fee and commission income	6,143,878	<b>10,853,031</b>	7,975,964	6,647,061
Net trading income	1,427,537	<b>3,156,572</b>	1,757,072	4,433,805
Dividend income	371	<b>581,956</b>	76,426	-
Other operating income	126,323	<b>103,431</b>	60,798	486,258
Net impairment losses	(442,347)	<b>(1,939,894)</b>	(365,677)	(810,834)
Operating expenses	(9,785,265)	<b>(19,813,582)</b>	(13,579,098)	(12,886,184)
Operating Profit	2,436,618	<b>2,124,948</b>	2,049,987	(326,569)
Share of profit of associate	1,359,248	<b>2,550,770</b>	892,616	-
Profit before taxation	3,795,866	<b>4,675,718</b>	2,942,603	(326,569)
Taxation	(332,485)	<b>2,916,623</b>	(243,520)	1,868,639
Profit for the period	3,463,381	<b>7,592,341</b>	2,699,083	1,542,070
Basic earnings per share	4.01c	<b>8.83c</b>	3.34c	2.34c
Diluted earnings per share	3.94c	<b>8.60c</b>	3.20c	2.34c

<b>Issuer Income Statement</b>				
	6 months ended 30 June 2007 (unaudited) US\$	<b>Year ended 31 Dec 2006 (audited) US\$</b>	Year ended 31 Dec 2005 (audited) US\$	Year ended 31 Dec 2004 (audited) US\$
Net interest income	2,927,597	<b>5,072,399</b>	4,182,906	2,857,160
Net fee and commission income	5,079,822	<b>9,314,579</b>	7,038,363	5,839,954
Net trading income	938,652	<b>1,336,923</b>	360,885	409,450
Dividend income	600,123	<b>1,167,161</b>	327,476	-
Other operating income	29,090	<b>22,122</b>	50,000	51,321
Net impairment losses	(442,347)	<b>(884,565)</b>	(365,677)	(810,834)
Operating expenses	(6,963,678)	<b>(12,215,388)</b>	(8,340,580)	(6,922,414)
Profit before taxation	2,169,259	<b>3,813,232</b>	3,253,373	1,424,637
Taxation	(332,413)	<b>(335,671)</b>	(243,520)	(34,261)
Profit for the period	1,836,846	<b>3,477,560</b>	3,009,853	1,390,376
Basic earnings per share	2.12c	<b>4.04c</b>	3.73c	2.11c
Diluted earnings per share	2.20c	<b>4.19c</b>	3.55c	2.11c

**Group Balance Sheet as at**

	30 June 2007 (unaudited) US\$	31 Dec 2006 (audited) US\$	31 Dec 2005 (audited) US\$	31 Dec 2004 (audited) US\$
<b>Total assets</b>	473,706,362	<b>463,496,609</b>	295,215,263	215,975,019
<b>Total liabilities</b>	408,498,983	<b>400,845,048</b>	240,429,227	167,661,907
<b>Total equity</b>	65,207,379	<b>62,651,561</b>	54,786,036	48,313,112

**Issuer Balance Sheet as at**

	30 June 2007 (unaudited) US\$	31 Dec 2006 (audited) US\$	31 Dec 2005 (audited) US\$	31 Dec 2004 (audited) US\$
<b>Total assets</b>	449,124,436	<b>438,362,109</b>	271,719,870	202,860,052
<b>Total liabilities</b>	389,425,011	<b>378,672,637</b>	215,616,597	153,717,247
<b>Total equity</b>	59,669,425	<b>59,689,472</b>	56,103,273	49,142,805

**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 30 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 US\$ 15,001,468 by means of a rights issue. The shares were offered (i) at US\$ 0.75 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.

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 out 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.

### 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. Following the termination of this period, the Issuer's income tax liability will be subject to consultation with the Government of Malta. 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.

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 the 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;
- (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. INVESTMENTS

### 8.1 London Forfaiting Company Limited (“LFC”)

On 22 July 2003, the Issuer announced that it had made a takeover bid for London Forfaiting Company p.l.c. (“LFC”), a company founded in the UK in 1984 and listed on the London Stock Exchange. As at 4 September 2003, the Issuer controlled 77.1% in value of the LFC shares. LFC applied for the de-listing of its shares from the Official List of the UK Listing Authority with effect from 3 October 2003, and the Issuer then proceeded to make a mandatory bid for the remaining shares. LFC subsequently became a wholly-owned subsidiary of the Issuer.

LFC was founded 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 around the globe, namely in United Kingdom, United States, Brazil, Turkey, Russia and Singapore.

The investment of the Issuer in LFC amounts to US\$ 37,366,435 as equity. A loan facility up to US\$ 155,000,000 is also made available by the Issuer to LFC on an arm’s length basis.

### 8.2 FIM Business Solutions Limited

The Issuer also holds 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 to the Group as well as to third parties.

The investment of the Issuer in FIM Business Solutions Limited amounts to US\$ 5,000 as equity and a loan of US\$ 1,000,000 on an arm’s length basis.

### 8.3 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. is to serve as a corporate vehicle for the Issuer’s holdings of factoring joint ventures and associated companies.

The investment of the Issuer in FIMFactors B.V. amounts to US\$ 21,321 as equity.

### 8.4 Investments in Associates

The Issuer also holds investments in the following associates:

#### 8.4.1 Global Trade Finance Limited (“GTF”)

The Issuer acquired a 38.5% equity holding in Global Trade Finance Limited (“GTF”), a company incorporated in Mumbai, India, on 24 December 2004.

The other shareholders in this associated company are Export-Import Bank of India (EXIMBank) holding 40%, Bank of Maharashtra holding 9% and International Finance Corporation (“IFC”), a member of the World Bank Group, holding 12.5% respectively of the issued share capital of GTF.

GTF is predominantly engaged in providing factoring services.

The investment of the Issuer in GTF amounts to US\$ 7,853,934 as equity.

#### **8.4.2 Egypt Factors Limited**

The Issuer incorporated Egypt Factors Limited in Egypt's Public Free Zone Nasr City on 13 November, 2006 together with Commercial International Bank ("CIB") and IFC.

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

The investment of the Issuer in Egypt Factors Limited amounts to US\$ 755,179 as equity, with a commitment to invest another US\$ 1,300,000 in equity.

#### **8.4.3 MENAFACTORS Limited**

The Issuer incorporated MENAFACTORS Limited in the Dubai International Financial Centre on 10 May, 2007 as a joint venture together with National Bank of Dubai. Each shareholder holds 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 in all the Gulf and MENA countries.

The investment of the Issuer in MENAFACTORS Limited amounts to US\$ 5,000,000 as equity, with a commitment to invest up to another US\$ 5,000,000 as equity and a loan of US\$ 5,000,000 on an arm's length basis.

#### **8.4.4 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.

Since its incorporation, Eastern Prospekt B.V. acted mainly as a holding company of First Lease Limited, a company established in Ukraine and active in the motor-vehicle leasing market in that country. During 2006, Eastern Prospekt B.V. concluded the sale of its participation in First Lease Limited to SocGen Leasing.

The Issuer's holding in Eastern Prospekt B.V. amounts to 13.10%, the other shareholders being Makland Sarl (43.52%), Eastern Future B.V. (29.26%) and Ducrein Finance B.V. (14.12%), respectively.

The investment of the Issuer in Eastern Prospekt B.V. amounts to US\$ 109,687 as equity. This investment is held with a view to subsequent disposal.

#### **8.4.5 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 US\$ 22,195. This investment is held with a view to subsequent disposal.

## **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 principal activity of the Issuer is to provide short-term international trade finance to corporate traders and to act 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 now ready for use 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 (Argentina and Brazil) and in the Maghreb region, with a view to further diversify its trade finance products in emerging markets.

## 9.2 Principal Markets

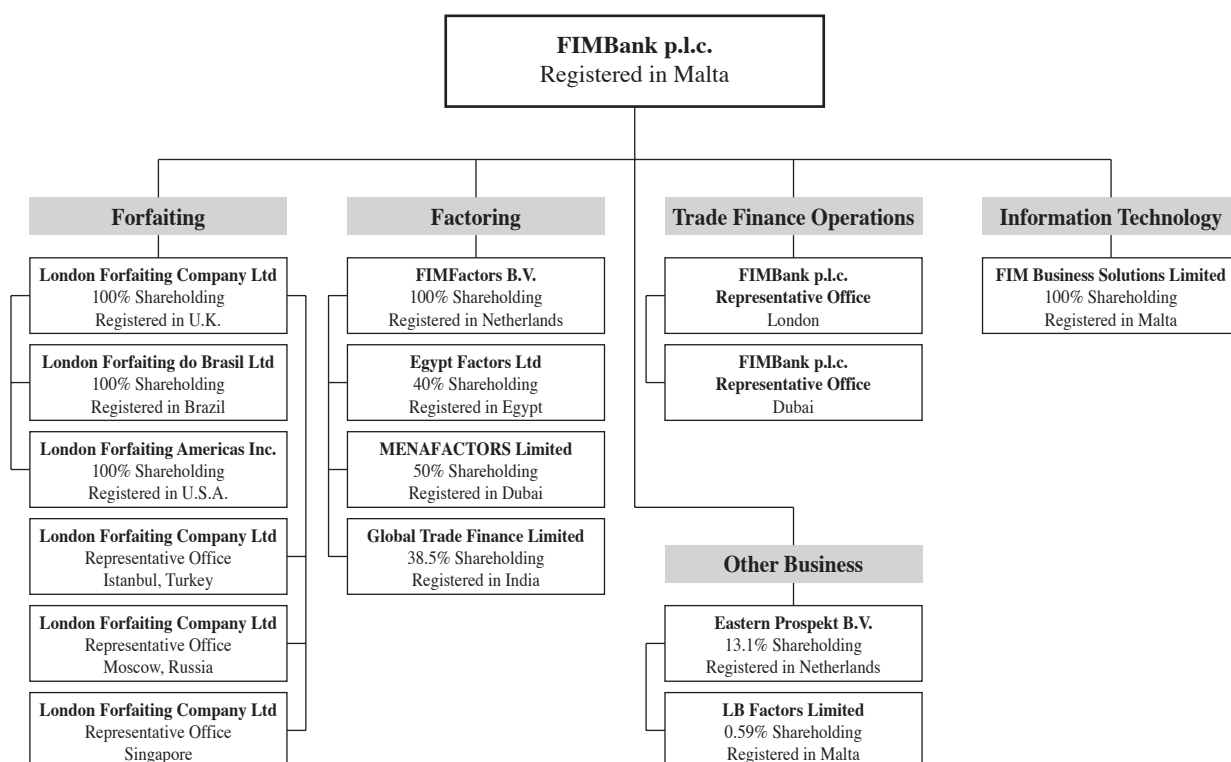
Further to the Group's policy of developing a strategic mix of trade-finance related products and services, as well as achieving geographical diversification, the following business segments can be identified: trade finance, forfaiting, factoring and IT.

<b>Geographical/ Business segments</b>	<b>Malta 2006</b>	Malta 2005	Malta 2004	<b>Other 2006</b>	Other 2005	Other 2004	<b>Total 2006</b>	Total 2005	Total 2004
	<b>US\$ '000</b>	US\$ '000	US\$ '000	<b>US\$ '000</b>	US\$ '000	US\$ '000	<b>US\$ '000</b>	US\$ '000	US\$ '000
Interest receivable and similar income originated from:									
<b>Trade finance</b>	<b>465</b>	231	394	<b>12,092</b>	5,577	2,798	<b>12,557</b>	5,807	3,192
<b>Forfaiting activities</b>	-	-	-	<b>9,782</b>	4,645	23	<b>9,782</b>	4,645	23
Fees and commissions receivable originated from:									
<b>Trade finance</b>	<b>1,171</b>	606	773	<b>9,155</b>	7,077	5,374	<b>10,326</b>	7,683	6,147
<b>Forfaiting activities</b>	-	-	-	<b>1,729</b>	991	842	<b>1,729</b>	991	842
Trading income originated from:									
<b>Trade finance</b>	-	-	-	<b>1,222</b>	361	409	<b>1,221</b>	361	409
<b>Forfaiting activities</b>	-	-	-	<b>1,935</b>	1,396	4,024	<b>1,935</b>	1,396	4,024
<b>Gross Income</b>	<b>1,636</b>	837	1,167	<b>35,915</b>	20,047	13,470	<b>37,550</b>	20,883	14,637
Interest payable and commission payable originated from:									
<b>Trade finance</b>	<b>(880)</b>	(504)	(275)	<b>(7,604)</b>	(1,705)	(1,444)	<b>(8,484)</b>	(2,209)	(1,718)
<b>Forfaiting activities</b>	-	-	-	<b>(5,874)</b>	(2,817)	(35)	<b>(5,874)</b>	(2,817)	(35)
	<b>(880)</b>	(504)	(275)	<b>(13,478)</b>	(4,522)	(1,479)	<b>(14,358)</b>	(5,026)	(1,753)
Segmental profit:									
<b>Trade finance</b>	<b>756</b>	333	892	<b>14,865</b>	11,310	7,137	<b>15,620</b>	11,642	8,030
<b>Forfaiting activities</b>	-	-	-	<b>7,572</b>	4,215	4,854	<b>7,572</b>	4,215	4,854
	<b>756</b>	333	892	<b>22,437</b>	15,525	11,991	<b>23,192</b>	15,857	12,884

<b>Geographical/ Business segments</b> <i>(continued)</i>	<b>Malta 2006 US\$ '000</b>	Malta 2005 US\$ '000	Malta 2004 US\$ '000	<b>Other 2006 US\$ '000</b>	Other 2005 US\$ '000	Other 2004 US\$ '000	<b>Total 2006 US\$ '000</b>	Total 2005 US\$ '000	Total 2004 US\$ '000
Share of profits:									
<b>Factoring activities</b>							<b>2,551</b>	-	-
Other operating income							<b>685</b>	137	486
Common costs:									
<b>Trade finance</b>							<b>(11,310)</b>	(8,341)	(6,922)
<b>Forfaiting activities</b>							<b>(4,775)</b>	(4,390)	(4,558)
<b>IT</b>							<b>(133)</b>	-	-
<b>Factoring</b>							<b>(30)</b>	-	-
Provision for potential losses							-	(166)	497
Impairment allowance on property, plant and equipment							<b>(142)</b>	(682)	-
Adjustment to goodwill							<b>(3,424)</b>	-	(1,903)
<b>Profit on ordinary activities before tax and net impairment</b>							<b>6,614</b>	2,415	484
Segmental assets:									
<b>Trade finance</b>	<b>21,295</b>	9,052	13,444	<b>296,807</b>	160,562	123,616	<b>318,103</b>	169,614	137,060
<b>Forfaiting assets</b>	-	-	-	<b>131,987</b>	113,570	68,976	<b>131,987</b>	113,570	68,976
<b>Factoring-</b>	-	-	-	<b>11,487</b>	7,477	4,703	<b>11,487</b>	7,477	4,703
<b>IT</b>	<b>752</b>	-	-	<b>38</b>	-	-	<b>790</b>	-	-
	<b>22,047</b>	9,052	13,444	<b>440,319</b>	281,609	197,295	<b>462,367</b>	290,661	210,739
Unallocated assets							<b>1,130</b>	4,554	5,236
							<b>463,497</b>	295,215	215,975

## 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 2004, 31 December 2005, 31 December 2006 respectively and the Issuer's and the Group's unaudited half-yearly results for the six months ended 30 June, 2007. These can be viewed on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## **12. TREND INFORMATION**

For the remainder of 2007, the general trend and diversification in the Issuer's and Group's business is expected to continue to follow the same pattern experienced in recent financial periods. Further to the financial results announced for the six months ended 30 June 2007, no significant change in the financial or trading position of the Issuer or the Group has occurred, or is expected to occur, as a result of major business or strategic shifts. Moreover, on the basis of the performance in evidence up to the date of this Prospectus, and subject to the observations made under section 13 below in relation to the general outlook, the Directors consider that the trend should continue for the rest of the year.

## **13. PROFIT FORECAST OR ESTIMATES**

The Registration Document does not contain any profit forecast or estimates, however the Directors have expressed the following views about the general foreseeable outlook for the business of the Issuer and the Group.

The short-term outlook for the Group continues to reflect the strategic mix of mature and emerging products, services and markets. In spite of increasing competition in some of the more traditional markets and business areas, the Issuer's core trade finance services are expected to continue delivering good revenue streams, at the same time new and structured products and services are being considered to enhance the offering in these markets. Moreover, the results from the Indian associated company, Global Trade Finance Limited ("GTF"), have outperformed expectations so far in 2007 and buoyed by strong market opportunities in the sub-continent, are expected to make a significant contribution to final Group profits for 2007. On the other hand, the start-up associates - MENAFACTORS Limited and Egypt Factors Limited - will be expected to start making meaningful contributions to Group results in 2008. The outlook for London Forfaiting Company Limited ("LFC") performance for the rest of 2007 is also positive, especially as future recognition of the deferred tax asset in this subsidiary will start contributing directly to Group profit. In particular, the future of GTF and LFC will depend significantly on the level and depth of equity support, and the Directors will look at developments in 2008 which should improve the quality and mix of the shareholdings in both companies.

While the continued expansion of major developing economies is expected to continue fuelling emerging market growth and high commodity prices, the Group's risks remain that emerging economies can still present unforeseeable reversals. Sustained high oil prices and rising interest rates accentuate the risks, although improving fundamentals in these markets tend to reduce the extent of downside.

Subject to any unforeseen negative events or developments, the Directors expect the Group's operating performance for 2007 to show a strong improvement over that of 2006, and such improvement to be reflected in the results of the 2007 financial year.

## **14. 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. All such Board Committees include at least one Director.

#### 14.1 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 in USA in 1975. Founder of Kuwaiti Interests for Financial Investments (now Massaleh Investments K.S.C.C.). 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 (United Kingdom).

**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 Melita Unipol Insurance Agency Limited, 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. Involved in the introduction and development of cellular companies in the Gulf region. He is the founder of Fouad Alghanim & Sons Group of Companies (Kuwait) and currently serves as a board member of United Bank of Kuwait (United Kingdom), Intercontinental Hotels Co. (Egypt) and Medis Technologies (USA).

**Hamad M.D.M. Al-Sayer, Director**

Kuwaiti national. Director since April 2002.

**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.

**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.

**Duco R. H. Graafland, Director**

Dutch national. Director since May 2003. He has occupied various posts, including member of the Managing Board of Bank Mees & Hope N.V. and Member of the Executive Council of MeesPierson N.V. Since 1996 he has worked as an independent corporate financial advisor and his current posts include also that of Chairman of the non-executive Board of Beheer Maatschappij Catharijine.

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

Kuwaiti national. Director since November 1994. He has served on the board of directors of a number of Kuwaiti and international companies and 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 K.S.C.C. ("Massaleh Investments"). Prior to joining Massaleh Investments, Mr. Al-Saleh worked for Boston Projects Inc., a private equity investment firm based in Boston and for National Bank of Kuwait (NBK). Tareq M. Al-Saleh is related to the Chairman, Najeeb H.M. Al-Saleh.

**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 has held different positions within international banks. He currently also occupies the position of Head of Global Commodity Finance with Banque Cantonale de Genève, Switzerland.

**Raffaella Bonadies, Company Secretary**

Italian national. Company Secretary since February 2006. She graduated from the Faculties of Laws of the Universities 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 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.

**14.2 Executive Management**

As at the date of this Registration Document, the executive management of 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/factoring within the group. Mrs. Lütschg joined the Issuer in April 2003 as Executive Vice President and was appointed President in September 2004. Mrs. Lütschg sits on Board Committees as shown in 16.2 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 sits on Board Committees as shown in 16.2 hereunder.

**Raymond Busuttil, Executive Vice President and Head of Business Development and Marketing**

Maltese national. Mr. Busuttil has worked in the banking industry since 1976. He joined the Issuer since its inception in May 1995 and is responsible for marketing and business development, including corporate business, financial institutions and factoring. Previously held positions with Bank of Valletta p.l.c. and Bank of Valletta International Limited (BOVI) where he was responsible for the project coordination of the establishment of the first offshore banking unit in Malta. Mr. Busuttil sits on Board Committees as shown in 16.2 hereunder.

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

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, MidAval. He joined LFC in 1991 to expand its operations in the Americas, Middle East & Turkey. Mr. Lay was appointed as LFC Managing Director in January 2006 with global responsibility for the company including its branches and subsidiaries. Mr. Lay sits on Board Committees as shown in 16.2 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.

The members of the Executive Management have entitlements to the Issuer's securities in virtue of their participation to the Issuer's Executive Share Option Schemes ("Option Schemes"). Acquisition and disposal of the Issuer's securities within specified time limits is therefore regulated in accordance with the applicable Option Scheme.

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 an administrative, management or supervisory body.

Additionally, the following are individuals holding management positions 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*  
 Silvio Mifsud - *Head of Information & Administration*  
 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 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.

#### 14.3 Administrative, Management and Supervisory Bodies conflicts of interests

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

<i>Name</i>	<i>No. of shares held in the Issuer directly in his name</i>
Najeeb H.M. Al-Saleh	519,787
John C. Grech	312,001
Mohammed I.H. Marafie	4,226,546
Fouad M.T. Alghanim	2,470,086
Duco R.H. Graafland	nil
Hamad M.D.M. Al-Sayer	nil
Francis J. Vassallo	nil
Tareq M. Al-Saleh	nil
Jacques Leblanc	nil
Rogers D. LeBaron	nil
Pierre-Olivier Fragnière	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.D.M. Al-Sayer - in Astrolabe General Trading and Contracting Co.
- John C. Grech - in Economic Management Consultancy Services Ltd and EMCS International Services Ltd.

#### 15. 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 2007 financial year the maximum aggregate emoluments of the Directors were fixed at US\$ 250,000.

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 Remuneration Sub-Committee from amongst its members to oversee this responsibility. The Sub-Committee determines the remuneration, bonuses as well as the allocation of share options of all other 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 salaries to the President and the Executive Management amounted to US\$ 1,149,248 in 2006<sup>1</sup>.

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, company car 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.

## **16. BOARD PRACTICES**

### **16.1 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 practices contained in the Principles are in the best interest of the shareholders because they evidence the Directors’ and the Issuer’s commitment to high standards of corporate governance. Ultimate responsibility for good corporate governance is of the Directors who therefore decide to adopt the Principles and endorse them accordingly, except where there are particular circumstances that warrant non-adherence thereto, or at least postponement for the time being.

### **16.2 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 Lüttschg-Emmenegger  
Marcel Cassar  
Raymond Busuttil  
Simon Lay

<sup>1</sup> This amount includes salary to Mr. Andrew T.M. Freeman who resigned from the position of Executive Vice President with effect from 30 August 2007.

### ***Remuneration Sub-Committee***

The members of the Remuneration Sub-Committee are as follows:

Najeeb H.M. Al-Saleh  
Jacques Leblanc  
Francis J. Vassallo  
Tareq M. Al-Saleh  
Margrith Lütshg-Emmenegger

### ***Audit Committee***

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities by reviewing the systems and procedures of internal control implemented by Management, the financial statements and disclosures and the external and internal audit processes. The Committee also considers the arm's length nature of related party transactions that the Issuer carries out. The Committee's terms of reference are included in the Audit Charter and reflect the requirements of the Listing Rules as well as current best recommendations and practices of good corporate governance. 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. The Head of Internal Audit has direct access to the Committee Chairman at all times, attends all meetings and acts as secretary to the Audit Committee.

The Audit Committee members are:

Duco R.H. Graafland (*Chairman*)  
Hamad M.B.M. Al-Sayer  
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.

The Executive Committee resolved in June 2007 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 US\$ 5 million. Credit applications exceeding US\$ 5 million up to the Issuer's legal lending limit (currently US\$ 15 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 as follows:

Francis J. Vassallo (*Chairman*)  
Margrith Lütshg-Emmenegger  
John C. Grech  
Marcel Cassar  
Raymond Busuttil

The Risk Sub-Committee members are:

Margrith Lütshg-Emmenegger (*Chairman*)  
Marcel Cassar  
Simon Lay  
Renald Theuma  
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 (ALCO) 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  
Raymond Busuttill  
Nassif A. Chehab  
Carmelo Occhipinti

## 17. EMPLOYEES

As at the date of this Registration Document, the Issuer employs 123 employees. The Group employs 145 employees.

### 17.1 Executive Share Option Schemes

The Issuer has in place Executive Share Option Schemes (“Option Schemes”) which allow eligible employees (Vice Presidents and more senior grades) to participate in the capital growth of the Issuer. The Issuer’s Directors do not have participating rights in the Option Schemes. The awarding of the share options to eligible employees is strictly dependent on whether or not the Issuer on a consolidated basis reaches predetermined performance targets. No payment is due on the award of the share options (unless the Board of Directors determines otherwise) and the price for the exercise of the options is set at the market price of the shares of the Issuer at grant date.

To date the Issuer has four Option Schemes in operation:

- the 2000 Scheme applicable for 2000 basis year;
- the 2001 Scheme applicable for 2001 basis year;
- the 2002-2005 Scheme applicable for basis years 2003 and 2005<sup>2</sup>; and
- the 2006-2009 Scheme applicable for basis years 2006 to 2009.

The grant of the options, the performance target to be reached by the Issuer, the maximum aggregate and individual number of awards, the exercise price and exercise period of the options are all set out in the rules relating to each particular Option Scheme and are approved by the shareholders in the annual general meeting. Such rules also lay down the circumstances in which the awards may be forfeited in case of termination of employment of the eligible executives with the Issuer other than for a permissible cause and the capital restructuring exercises (for example rights issue, scrip and bonus issues, share split, reductions of capital) in the Issuer which would justify an adjustment in the exercise price of the options or an adjustment in the number of share options granted. An adjustment due to capital restructuring is only effected after the Board has obtained a confirmation from the Issuer’s auditors that the adjustment is fair and reasonable.

Share options do not entitle the holder thereof to any voting, dividend or other rights and share options are not transferable except *causa mortis*.

<sup>2</sup> No awards were made for the years 2002 and 2004.

Details of share options currently granted are as follows:

<i>Scheme Reference</i>	<i>Total</i>	<i>2006-2009 Scheme 01.01.09 to 31.12.13</i>	<i>2002-2005 Scheme 01.01.08 to 31.12.12</i>	<i>2002-2005 Scheme 01.01.06 to 31.12.10</i>	<i>2001 Scheme 01.01.04 to 31.12.08</i>	<i>2000 Scheme 01.01.03 to 31.12.07</i>
<i>Exercise price per US\$0.50 share</i>		US\$ 1.7818	US\$ 0.7763	US\$ 0.7654	US\$ 0.7737	US\$ 0.50
<i>Number of share options unexercised at 1 January 2005</i>	<b>672,220</b>	-	-	400,000	136,253	135,967
<i>Exercised</i>	<b>(55,178)</b>	-	-	-	(27,000)	(28,178)
<i>Forfeited due to termination of employment</i>	<b>(37,177)</b>	-	-	(15,000)	(10,500)	(11,677)
<i>Number of share options unexercised at 31 December 2005</i>	<b>579,865</b>	-	-	385,000	98,753	96,112
<i>Number of share options unexercised at 1 January 2006</i>	<b>579,865</b>	-	-	385,000	98,753	96,112
<i>Exercised</i>	<b>(269,607)</b>	-	-	(135,800)	(41,000)	(92,807)
<i>Awarded</i>	<b>790,063</b>	-	714,400	60,400	14,051	1,212
<i>Forfeited due to termination of employment</i>	<b>(76,000)</b>	-	(76,000)	-	-	-
<i>Number of share options unexercised at 31 December 2006</i>	<b>1,024,321</b>	-	638,400	309,600	71,804	4,517
<i>Number of share options unexercised at 1 January 2007</i>	<b>1,024,321</b>	-	638,400	309,600	71,804	4,517
<i>Exercised</i>	<b>(94,685)</b>	-	-	(80,400)	(10,600)	(3,685)
<i>Awarded</i>	<b>500,116</b>	500,000	-	-	-	116
<i>Number of share options unexercised at 30 October 2007</i>	<b>1,429,752</b>	500,000	638,400	229,200	61,204	948

The Information detailed in the above table takes into account the effects of the Rights Issue on the existing Option Schemes and has been certified by Messrs. KMPG, certified public accountants, as fair and reasonable in accordance with the Option Scheme rules.



## 17.2 Shareholding and Share Options of President and Executive Management

As at the date of this Registration Document, the shareholding and unexercised share options of the President and Executive Management are as follows:

	<i>No. of shares currently held</i>	<i>No. of unexercised share options</i>
Margrith Lütschg Emmenegger	-	202,600
Marcel Cassar	-	49,000
Raymond Busuttill	88,204	40,000
Andrew T.M. Freeman <sup>3</sup>	-	24,000
Simon Lay	-	55,000

The effects of the Rights Issue on the President and Executive Management entitlements are the reduction of the Exercise Price for each of the applicable Option Schemes. Reference is made to the Table at 17.1.

## 18. MAJOR SHAREHOLDERS

### 18.1 Interest of Major Shareholders

The following shareholders hold in excess of five (5) per cent of the Issuer's ordinary shares as at the date of this Registration Document:

	<i>Ordinary Shares</i>	<i>%</i>
Massaleh Investments K.S.C.C.	39,376,160	45.26
International Finance Corporation	6,308,513	7.25
Astrolabe General Trading and Contracting Company	5,165,218	5.94

### 18.2 Information on Major Shareholders

#### 18.2.1 *Massaleh Investments K.S.C.C. (formerly Kuwaiti Interests for Financial Investments)*

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 May 19, 1982.

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.

The shareholding in the Issuer held by Massaleh includes the 21.68% shareholding previously held by Global Financial Holding N.V. In October 2007, Global Financial Holding N.V. transferred its shareholding in the Issuer to Massaleh and thus ceased to be a qualifying shareholder of the Issuer.

Massaleh holds 45.26% of the issued share capital of the Company.

#### 18.2.2 *International Finance Corporation ("IFC")*

In June 2005, the Issuer entered into a subordinated convertible loan agreement with the IFC for the amount of US\$ 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 US\$ 4 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.

<sup>3</sup> Mr. Andrew T.M. Freeman resigned on 30 August 2007. In accordance with the rules applicable to the Option Scheme, Mr. Freeman's entitlement to share options will expire six months after the termination of employment, i.e. 29 February 2008 unless earlier exercised.

IFC may still exercise its right to convert the remaining loan balance of US\$ 6 million into the shares of the Issuer by June 2010.

At 31 December 2006, the loan incurred interest at 7.61% (2005: 6.01%) and the balance is repayable by 22 June 2013 unless earlier converted into fully paid up ordinary shares as detailed above.

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

Astrolabe General Trading and Contracting Company (“Astrolabe”) owns 5.94% of the Issuer’s share capital. Astrolabe is incorporated in Kuwait and forms part of the Al-Sayer group of companies which is one of the largest groups in the Gulf Region.

### **18.3 *Rights attached to the Majority Shareholders’ Shares***

The Issuer’s shares are all ordinary shares and rank pari passu in all respects as regards voting rights, the right to participate in profits available for distribution and assets on the winding-up. However, in respect of a number of reserved matters, as specified at Article 6A of the Issuer’s Memorandum of Association, the Issuer needs to obtain the prior written consent of the IFC. The reserved matters are:

- Reduction in the capital of the Issuer;
- Change in the nominal value of, or the rights attached to any shares of any class of the Issuer, unless this is specifically required by Maltese law;
- Merger or consolidation of the Issuer;
- Material reorganisation of the Issuer;
- Sale of all or substantially all of the Issuer’s assets;
- Change in the Issuer’s capital structure, except for the issuance of any new shares or securities convertible into shares. In case of issue of new shares or securities convertible into shares, the issuer needs to inform the IFC 90 days prior to the issuance of such shares; and
- Alteration or amendment to the Memorandum or Articles of Association.

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

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

Reference is made to information regarding IFC at paragraph 18.2.2 of this Registration Document.

#### **18.4.2 *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 Massaleh Investment K.S.C.C. (now 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 the 30 calendar day 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.

## 19. RELATED PARTY TRANSACTIONS

### 19.1 Identity of related parties

The Issuer has a related party relationship with its subsidiaries, associates, directors and executive officers.

### 19.2 Transactions with key management personnel

Directors of the Group control 9% of the voting shares of the Bank and the Group respectively. Loans and advances to directors as at 31 December 2006 amounted to US\$ 24,046. No interest is charged on loans and advances to Directors.

Deposits by Directors as at 31 December 2006 amounted to US\$ 301,581.

Details of the maximum emoluments of Directors are disclosed at paragraph 15 of this Registration Document.

### 19.3 Other related Party Transactions

Other Related Party Transactions for the financial periods under review in this Prospectus can be summarised as follows:

Type of transaction	1.01.07 to 30.06.07 (unaudited) US\$	1.01.06 to 31.12.06 (audited) US\$	1.01.05 to 31.12.05 (audited) US\$	1.01.04 to 31.12.04 (audited) US\$
<i>Loans and advances to Directors - no interest charged by Issuer on such loans and advances</i>	-	<b>24,046</b>	39,170	-
<i>Amounts owed to Directors</i>	491,679	<b>301,581</b>	113,935	-
<i>Interest payable to Directors on the amounts owed to them</i>	5,156	<b>4,420</b>	1,419	-
<i>Consultancy fee received by the Issuer from an entity invested in with a view to subsequent disposal</i>	25,000	<b>50,000</b>	50,000	50,000
<i>Dividends received by Issuer</i>	600,123	<b>1,167,433</b>	327,986	-
<i>Reimbursements by the Issuer to a shareholding company and Directors for traveling and accommodation expenses</i>	-	<b>148,601</b>	90,392	67,859
<i>Insurance fees paid by the Issuer to companies owned by Directors</i>	2,724	<b>5,033</b>	1,589	-
<i>Professional &amp; consultancy fees paid to companies owned by Directors</i>	233,952	<b>226,942</b>	197,079	-
<i>Amounts owed to the Issuer by subsidiaries and associates</i>	129.5 mio	<b>84.3 mio</b>	60.0 mio	59.7 mio
<i>Amounts owed by the Issuer to a qualifying shareholder</i>	-	<b>1,751,400</b>	114,508	-

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

### **20.1 Historic Financial Information**

The Issuer's and the Group's audited financial statements for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively are available for public inspection on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

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

The annual financial statements of the Issuer and the Group for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively have been audited by Messrs KPMG, certified public accountants, Malta.

### **20.3 Interim and other financial information**

The Issuer's and the Group's unaudited half-yearly results for the six months ended 30 June 2007 have been published by the Issuer on 24 August 2007 and are available for public inspection on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

### **20.4 Dividend policy**

The Issuer's policy on dividend distributions has been adopted in accordance with the 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.

At the annual general meeting of the Issuer held in Malta on 6 April 2006, the shareholders approved the payment of a scrip dividend of US\$ 811,726 (i.e. US cents 1.14 per ordinary share) and a one for five bonus shares issue. The shareholders also resolved that the attribution price for calculating the scrip dividend be established at US\$ 1.50.

The annual general meeting of the Issuer held in Malta on 12 April 2007 approved the payment of a scrip dividend amounting to US\$ 3,036,929, representing a net dividend per ordinary share of US cents 3.524. The attribution price for calculating the scrip dividend was established at US\$ 1.55.

### **20.5 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.

### **20.6 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 the half-yearly results for the six months ended 30 June 2007.

## **21. ADDITIONAL INFORMATION**

### **21.1 Authorised and issued share capital**

The Issuer's authorised share capital as at the date of this Registration Document is US\$ 100 million divided into 200 million ordinary shares of US\$ 0.50 each.

The Issuer's issued share capital as at the date of this Registration Document is US\$ 43,499,287 divided into 86,998,574 fully paid up ordinary shares of US\$ 0.50 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. Reference is made to paragraph 18.3 of the Registration Document.

## 21.2 Acquisition of own shares by the Issuer

At the 2007 Annual General Meeting the Issuer requested and obtained a renewal of the authorisation from the shareholders to buy back its own shares, as indeed empowered to do so by Article 23 of the Articles of Association. Such authorisation is required in terms of Article 106 of the Companies Act and is valid until the next Annual General Meeting in 2008.

The number of shares which the Issuer is authorised to buy back will not exceed the maximum permissible at law, i.e. up to 10% of the issued share capital. Any prospective acquisition will be financed from profits available for distribution in terms of law. It would be the Issuer's intention to acquire such shares with a view to dispose of them in an orderly manner and within a reasonable time-frame; they will neither be retained as own shares for a considerable period of time nor cancelled as part of a capital reduction exercise.

Consistent with the basis on which the price range was established in 2005 and 2006, the shareholders adopted a price range calculated as to a maximum of fifty per cent (50%) below and above the trade weighted average price of the shares for the period of seven months up to and including 28 February 2007, with discretion being given to the Directors in the use of such range. The trade weighted average price for the period stated above was calculated at US\$ 1.780, with the minimum and maximum of the range being US\$ 0.890 and US\$ 2.670, respectively.

As at the date of this Registration Document no shares in the Issuer are:

- (a) acquired by it by forfeiture or surrender or otherwise;
- (b) acquired by another person in circumstances where the acquisition was by the Issuer's financial assistance, the Issuer itself having a beneficial interest;
- (c) made subject to pledge or other privileges, to a hypothec or to any other charge in favour of the Issuer.

## 21.3 Convertible securities

Reference is made to the information on the IFC in paragraph 18.2.2 of this Registration Document.

## 21.4 Put Options

The following paragraphs contain information regarding the put options agreements related to the Issuer, its shareholders or any member of the Group of the Issuer.

### 21.4.1 *The Issuer*

Reference is made to paragraph 18.4.2 of this Registration Document.

### 21.4.2 *Global Trade Finance Limited*

On the same date of the acquisition of its holding in GTF, the Issuer entered into a put option agreement (the "Put Option Agreement") with GTF and the other shareholders i.e. Export-Import Bank of India ("EXIMBank") and IFC. The Put Option Agreement gives the right to IFC, by sending a notice of exercise to EXIMBank and/or FIMBank, at any time during the exercise period, to sell to EXIMBank and/or FIMBank, jointly and severally, all or part of IFC's shareholding in GTF at the exercise price.

The exercise period commenced on 31 March 2007 and terminates on the earlier of:

- (i) the date when all the shares have been disposed of by IFC; or
- (ii) the date when all the shares of GTF are listed on the Mumbai Stock Exchange or any other exchange acceptable to IFC; or
- (iii) 30 September, 2010.

The put price has been fixed at the book value per share multiplied by a coefficient. The book value per share is determined by the prorata amount of shareholders equity as derived from the audited financial statements of GTF for the financial year ended immediately preceding the date of delivery of the notice of exercise.

### 21.4.3 *Egypt Factors Limited*

The Issuer entered into a put option agreement (the "Put Option Agreement") with Commercial International Bank ("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 Limited 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.

#### 21.5 *Historical information of share capital for the period covered by historical financial information*

The following tables contain a summary of the changes and movements in share capital and equity over the financial period covered by this Prospectus.

Group	Called up	Share	Currency	Other	Retained	Total
	Issued Share Capital	Premium	Translation Reserve	Reserve	Earnings	
	US\$	US\$	US\$	US\$	US\$	US\$
<b>2004</b>						
At 1 January 2004	33,003,229	8,862,371	-	2,681,041	3,014,391	47,561,032
Exercised share options	2,087	-	-	-	-	2,087
Profit for the year	-	-	-	-	1,542,070	1,542,070
Dividend paid	-	-	-	-	(792,077)	(792,077)
At 31 December 2004	33,005,316	8,862,371	-	2,681,041	3,764,384	48,313,112
<b>2005</b>						
Profit for the year	-	-	-	-	2,699,083	2,699,083
Currency translation difference	-	-	(176,774)	-	-	(176,774)
Exercised share options	27,589	17,385	-	-	-	44,974
Conversion of subordinated convertible loan	2,553,965	1,351,676	-	-	-	3,905,641
At 31 December 2005	35,586,870	10,231,432	(176,774)	2,681,041	6,463,467	54,786,036

<b>Group</b> <i>(continued)</i>	<b>Called up Issued Share Capital</b>	<b>Share Premium</b>	<b>Currency Translation Reserve</b>	<b>Other Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>2006</b>						
Exercised share options	134,804	106,826	-	-	-	241,630
Bonus issue	7,136,298	(7,136,298)	-	-	-	-
Profit for the year	-	-	-	-	7,592,341	7,592,341
Currency translation difference	-	-	164,545	-	-	164,545
Dividend	-	-	-	-	(811,878)	(811,878)
Scrip issue of ordinary shares	226,368	452,519	-	-	-	678,887
<b>At 31 December 2006</b>	<b>43,084,340</b>	<b>3,654,479</b>	<b>(12,229)</b>	<b>2,681,041</b>	<b>13,243,930</b>	<b>62,651,561</b>

<b>Issuer</b>	<b>Called up Issued Share Capital</b>	<b>Share Premium</b>	<b>Other Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
<b>2004</b>					
At 1 At 1 January 2004	33,003,229	8,862,371	2,681,041	3,995,778	48,542,419
Exercised share options	2,087	-	-	-	2,087
Profit for the year	-	-	-	1,390,376	1,390,376
Dividend paid	-	-	-	(792,077)	(792,077)
<b>At 31 December 2004</b>	<b>33,005,316</b>	<b>8,862,371</b>	<b>2,681,041</b>	<b>4,594,077</b>	<b>49,142,805</b>
<b>2005</b>					
Exercised share options	27,589	17,385	-	-	44,974
Conversion of subordinated convertible loan	2,553,965	1,351,676	-	-	3,905,641
Profit for the year	-	-	-	3,009,853	3,009,853
<b>At 31 December 2005</b>	<b>35,586,870</b>	<b>10,231,432</b>	<b>2,681,041</b>	<b>7,603,930</b>	<b>56,103,273</b>

<b>Issuer</b> <i>(continued)</i>	<b>Called up Issued Share Capital</b>	<b>Share Premium</b>	<b>Other Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	US\$	US\$	US\$	US\$	US\$
<b>2006</b>					
Exercised share options	134,804	106,826	-	-	241,630
Bonus issue	7,136,298	(7,136,298)	-	-	-
Profit for the year	-	-	-	3,477,560	3,477,560
Dividends payable	-	-	-	(811,878)	(811,878)
Scrip issue of ordinary shares	226,368	452,519	-	-	678,887
<b>At 31 December 2006</b>	<b>43,084,340</b>	<b>3,654,479</b>	<b>2,681,041</b>	<b>10,269,612</b>	<b>59,689,472</b>

More detailed information about the movements and changes in shareholders' equity for the periods under review is available in the respective Audited Financial Statements.

## **21.6 Memorandum and Articles of Association**

### **21.6.1 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.

### **21.6.2 Appointment of members of 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. 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 in the manner prescribed by the Articles, provided that such nomination is seconded by a member or members who in the aggregate hold at least twenty thousand (20,000) shares.

The proceedings of Directors are regulated by the Issuer's Articles and the Companies Act. Meetings of the Board are held as frequently as necessary and are notified by the Company Secretary at least seven days before the meeting with the issue of the agenda for the forthcoming meeting. The agenda is accompanied by such papers and documents as are necessary to make Directors informed of issues relating to their roles and responsibilities, and in particular the decisions they are expected to take. Meetings also include presentations by Management, whilst other information and documentation is made available for perusal by the Directors, at their request. Members of Executive Management, who invariably include the President, attend all Board meetings. The Board also might request that the meetings be attended by other employees or by professional advisors, as and when necessary.

In terms of the Articles, whenever a conflict of interest situation, real or potential, arises in connection with any matter, the interest has to be declared. In particular, the Director concerned refrains from taking part in proceedings relating to the matter or decision. The minutes of Board meetings, as well as those of Board Committees, invariably include a suitable record of such declaration and of the action taken by the individual Director concerned. In all other circumstances, the Directors are expected to play a full and constructive role in the Group's affairs.



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

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

Each Committee duties and responsibilities are laid out in the respective Charter which has been approved by the Board. For the composition of each of the Board Committees reference is made to paragraph 16 of this Registration Document.

#### **21.6.3 Rights attaching to each class of the existing shares**

Reference is made to paragraphs 18.3 and 21.1 of this Registration Document.

#### **21.6.4 Changes in the rights attached to shares**

The Issuer's Articles of Association do not contain more stringent provisions than the ones contained in the Companies Act governing the changes or variations in the rights attached to shares.

In terms of Article 12 of the Issuer's Articles of Association the rights attached to any class of shares may be varied either with the consent in writing of the holders of not less than 80% of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of shares of that class.

However in terms of Article 6A of the Memorandum of the Issuer, the IFC's prior consent is to be obtained to change the rights attaching to any class of shares.

The Banking Act obliges the Issuer to obtain the consent of the competent authority (MFSA) to effect any material change in voting rights.

#### **21.6.5 Calling of annual and extraordinary general meetings**

All eligible shareholders are served with a notice to attend the annual general meeting, which is normally held during the first half of the year. The notice contains all the resolutions proposed for approval by the annual general meeting and, as necessary, notes accompanying such resolutions. Pursuant to the Companies Act, notices are delivered to shareholders at least 14 clear days before the date of the annual general meeting. Advance notification of the resolutions proposed for approval is also given by way of a Company Announcement.

The valid quorum for the annual general meeting is constituted by members holding in aggregate not less than 50% plus 1 vote. Each share in the Company entitles the holder thereof to one vote. The conditions for admission provide for the delivery of the admission form (bearing the details of the meeting) together with some form of identification of the member or of his proxy (in such case a proxy form must accompany the admission form).

The Issuer's Articles provide for the application of similar provisions for the extraordinary general meetings.

#### **21.6.6 Change in control**

The Issuer's Articles of Association provide that the IFC consent is required in all cases in which the Issuer seeks to reduce its capital, change the nominal value of or the rights attached to its shares of any class, merge or consolidate, carry out a material reorganisation, change its capital structure. These provisions must be coupled with the obligation to obtain the consent of the Malta Financial Services Authority (in terms of the Banking Act and the Listing Rules) in case a change in control is to occur.

#### **21.6.7 Ownership threshold disclosure**

The Banking Act and the Listing Rules provide that the threshold for disclosure of ownership is 5% of the issued share capital of the Company.

**22. MATERIAL CONTRACTS**

The Issuer has not entered into contracts of a material nature which were not in the ordinary course of its business, save as otherwise disclosed in this Registration Document.

**23. STATEMENT BY EXPERTS**

An opinion by Messrs KPMG, certified public accountants, dated 29 October 2007 on the adjustments to the Executive Share Option Schemes further to the Rights Issue has been referred to in paragraph 17.1 of this Registration Document.

Save as expressly provided for above, this Registration Document does not contain any statement or report attributed to any person or expert.

**24. DOCUMENTS ON DISPLAY**

For the life of the 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 164, Malta:

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group for the financial years ended 31 December 2004, 31 December 2005, 31 December 2006 respectively;
- The Unaudited Half-Yearly results of the Issuer and the Group for the six months ended 30 June 2007.

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

**25. INFORMATION ON HOLDINGS**

Save as otherwise disclosed in this Registration Document, no holding of the Issuer is likely to have a significant effect on the assessment of the Issuer's own assets and liabilities, financial position or profits and losses.

**26. CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors encourages that sound principles of corporate social responsibility are adhered to in the ongoing management practices of the Group. As a result, from time to time the Issuer and its subsidiaries are involved in supporting initiatives at both national and community level aimed at contributing to economic and social development. They also assist and promote small-scale projects of a charitable and humanitarian nature. FIMBank Group is also progressive in promoting health and safety and family-friendly work arrangements for its staff, as well as ethical and environmentally-responsible practices in all its business dealings.

## Part 2 - Share Securities Note

This document is a Share 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 New Ordinary Shares proposed to be issued by way of rights by the Issuer as described in this document. Application has been made to the Listing Authority and to the Malta Stock Exchange for the New Ordinary Shares to be admitted to the Official List of 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 1 November 2007**

Subject to the terms and conditions contained in this document, the New Ordinary Shares are being offered for subscription by way of rights to Eligible Shareholders on the following basis:

**5 New Ordinary Shares at US\$ 1.10 per share for every 19 Existing Ordinary Shares**

held and registered in their name at close of business on 26 October 2007 (the “Record Date”).

Holdings of Ordinary Shares will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue. Fractions of New Ordinary Shares will be rounded up to the nearest whole number of New Ordinary Shares.

The attention of Overseas Shareholders is drawn to paragraph 6.4 of this Part 2.

Application has been made to the Listing Authority and to the Malta Stock Exchange for the New Ordinary Shares to be admitted to the Official List of and to trading on the Malta Stock Exchange. Listing is expected to take place on 3 December 2007 and dealings in the New Ordinary Shares are expected to commence on 4 December 2007.

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

- (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 Security.

<i>Paragraph</i>	<i>Table of Contents</i>	<i>Page</i>
1	Definitions	34
2	Risk Factors	34
3	Persons responsible	35
4	Key Information	35
5	Information concerning the New Ordinary Shares	36
6	Terms and Conditions of the Offer	40
7	Indication by Major Shareholders	45
8	Expenses of the Rights Issue	45
9	Representations and Warranties of Eligible Shareholders	45
10	Admission to Trading and Dealing Arrangements	46
11	Additional Information	46

## 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” at paragraph 1 of the Registration Document.

## 2. RISK FACTORS

### 2.1 General

**Risk and returns go hand in hand. Although securities markets provide returns for investors there are some risks associated with investments, especially because securities markets are more complex and volatile than markets for other goods.**

**The value of the Shares can go up or down and past performance is not necessarily indicative of future performance. An investment in the Shares 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 advisors) 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 New Ordinary Shares. 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.**

### 2.2 Trading and Liquidity of the Securities

The trading records in respect of the Issuer’s Shares show a consistent increase in the number of shareholders and in deals transacted over the period 2004 - 2006 covered by this Prospectus. This trend has generally continued so far in 2007.

There are many other factors which might affect the trading market and the trading value of the Shares over which the Issuer has no control.

The price at which the New Ordinary Shares will trade and the price which the Eligible Shareholders may realise for their New Ordinary Shares will be influenced by a large number of factors, some specific to the Issuer, its proposed operations, the ability to implement successfully its intended development plans and some which are peculiar to the business sectors in which the Group operates, the performance of the Group’s operations, large purchases or sales of the shares, liquidity (or absence of liquidity) in the Shares, currency fluctuations, legislative or regulatory changes relating to the business of the Group and general economic conditions.

In any event, stock markets (including the Maltese stock market) have from time to time experienced substantial price and volume fluctuations, which in addition to general economic and political conditions, could adversely affect the market price of the Shares of the Issuer. To optimise returns shareholders might need to hold the Ordinary Shares on a long term basis.

Eligible Shareholders also need to be aware that failure to take up their rights under the Rights Issue will entail a dilution of their percentage ownership of the Issuer’s Ordinary Shares.

### 2.3 Foreign Exchange Risk

Investors should also be aware that any investment in the Issuer’s Ordinary Shares will be denominated in US\$. 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. Exchange rate fluctuations may affect the conversion value of the original investment made by those investors who calculate the value of investment in any currency other than the US\$.

### 2.4 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).

### 2.5 Suspension of dealings

In all cases provided by the Listing Rules, the Listing Authority may request that the Issuer’s shares be suspended from dealing on the Malta Stock Exchange.

### 3. PERSONS RESPONSIBLE

This document includes information compiled in compliance with the Listing Rules for the purpose of providing Eligible Shareholders with information about the New Ordinary Shares to be issued by way of Rights Issue by the Issuer. Each and all of the Directors whose names appear in paragraph 14 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 and Expected Timetable of Major Events

<b>Issuer</b>	FIMBank p.l.c., a credit institution registered in Malta with registration number C 17003.
<b>Amount</b>	22,894,699 New Ordinary Shares.
<b>Form</b>	The New Ordinary Shares 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>Currency</b>	United States Dollars.
<b>Ratio</b>	5 New Ordinary Shares for every 19 Existing Shares as at the Record Date.
<b>Nominal Value</b>	US\$ 0.50.
<b>Rights Issue Price</b>	US\$ 1.10.
<b>Record Date</b>	26 October 2007.
<b>Offer Period</b>	The period between 8.30 a.m. on 19 November and 12.30 p.m. on 30 November 2007 during which the rights to New Ordinary Shares are on offer.
<b>Lapsed Rights</b>	Rights to New Ordinary Shares not taken up by the closing of the Offer Period.
<b>Admission to Listing (Expected)</b>	3 December 2007.
<b>Commencement of dealings in the New Ordinary Shares (Expected)</b>	4 December 2007.
<b>Lapsed Rights Offer Period</b>	The period between 8.30 a.m. on 3 December 2007 and 12.30 p.m. on 17 December 2007 during which the Lapsed Rights will be sold on behalf and for the account of Eligible Shareholders.
<b>Law &amp; Jurisdiction</b>	This Rights 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 Rights Issue.

#### **4.2 Working Capital Statement**

The Issuer is dispensed from making a Working Capital Statement pursuant to the Listing Rules. Full details of the relevant financial information for the period covered by this Prospectus are contained in the Registration Document or can be found in the Audited Financial Statements for the years 2004 - 2006 and the Unaudited Financial Statements for the half year ended 30 June 2007.

#### **4.3 Capitalisation and indebtedness**

The Issuer is dispensed from making a statement of capitalisation and indebtedness pursuant to the Listing Rules. Full details of relevant financial information related to capitalisation and indebtedness for the period covered by this Prospectus are referred to in the Registration Document or can be found in the Audited Financial Statements for the years 2004 - 2006 and the Unaudited Financial Statements for the half year ended 30 June 2007.

#### **4.4 Interest of natural and legal persons involved in the Rights Issue**

Information on the interest of any natural and legal person involved in the Issue has been disclosed in paragraph 14 of the Registration Document.

Potential investors should pay attention to the fact that various potential conflicts of interest may arise.

#### **4.5 Reasons for the Offer and use of the proceeds**

The net proceeds from the issue of New Ordinary Shares will be used by the Issuer to support the general growth of the Group as well as its diversification strategies into new products, markets and ventures. The proceeds of the New Ordinary Shares will constitute Tier I capital forming part of the Issuer's Own Funds in terms of the Own Funds Directive BD/03, issued pursuant to the Banking Act.

#### **4.6 Estimated expenses and proceeds of the Rights Issue**

The Rights Issue will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management and registrar fees and other miscellaneous costs incurred in connection with this Rights Issue. Such expenses are estimated not to exceed US\$ 150,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Eligible Shareholder who subscribes to the New Ordinary Shares. The amount of the expenses will be deducted from the proceeds of the Rights Issue, which accordingly will bring the net proceeds from the Rights Issue to circa US\$ 25,000,000 (United States Dollars twenty five million) if all the entitlements to the New Ordinary Shares are validly taken up.

### **5. INFORMATION CONCERNING THE NEW ORDINARY SHARES**

#### **5.1 General**

Each New Ordinary Share forms part of the duly authorised issue by way of rights to 22,894,699 New Ordinary Shares (of a nominal value of US\$ 0.50 each) which, if subscribed to in full at the Offer Price, will amount to gross principal proceeds of US\$ 25,184,169 (United States Dollars twenty five million one hundred eighty four thousands and one hundred sixty nine). The Issuer's ISIN number is FIM MT 0000 180100.

#### **5.2 Applicable Laws**

The New Ordinary Shares 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 share certificates representing the fully paid up New Ordinary Shares as the New Ordinary Shares will be represented in uncertificated form by the appropriate entry in the electronic register of the Issuer's members maintained on behalf of the Issuer at the Central Securities Depository of the Malta Stock Exchange. There will be entered into such electronic register the names and addresses of the holders of the New Ordinary Shares and the number of New Ordinary Shares held by them. It is expected that the Registrar will issue the "Council Notice" on 3 December 2007 and such date shall constitute the date of issue, allotment as well as listing of the New Ordinary Shares. It is also expected that the Malta Stock Exchange will issue registration advices to each shareholder immediately thereafter.

5.3.2 Any shareholder in whose name the New Ordinary Shares 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 New Ordinary Shares. Title to the New Ordinary Shares is transferred in accordance with the provisions of paragraph 5.7 of this Securities Note.

#### 5.4. Currency of the New Ordinary Shares

The currency of the New Ordinary Shares is United States Dollars.

#### 5.5. Rights attached to the New Ordinary Shares

##### 5.5.1 Ranking

The New Ordinary Shares will, when issued and fully paid up, rank *pari passu* in all respects with the Ordinary Shares, including with regard to the right to receive notice of and attend general meetings, voting rights, dividends and distribution of assets upon winding up of the Issuer.

##### 5.5.2 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 Ordinary Shareholders in respect of dividends 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.

##### 5.5.3 Dividends

In accordance with the Companies Act, the authority to declare dividends lies with the Issuer's shareholders in the general meeting. However, in terms of the Issuer's Memorandum and Articles, no dividend shall exceed the amount recommended by the Directors. The Issuer's policy on dividend distributions has been adopted in accordance with the provisions contained in the subordinated convertible loan agreement with the International Finance Corporation ("IFC"). 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 such financial year.

Subject to the above, the Directors have the authority to declare such interim dividends as appear to the Directors to be justified by the Issuer's profits.

##### 5.5.4 Voting Rights

The New Ordinary Shares will entitle the holder thereof to one vote for every share and will have a nominal value of US\$ 0.50. Voting rights may also be exercised by the appointment of a proxy at the meeting of the Shareholders as detailed below.

##### 5.5.5 Meetings of Shareholders

In accordance with the provisions of the Companies Act and of the Issuer's Articles of Association, the holders of the New Ordinary Shares will have the right to attend general meetings which might be called by the Directors whenever they think fit.

Notice in writing shall be given to each shareholder at least fourteen 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 and whether there will be required decisions of ordinary or special business. If the latter, the notice has to specify the general nature of the business.

The instrument appointing a proxy shall be deposited at least twenty four (24) hours before the time fixed for the meeting at such place as the Issuer shall designate or approve.

Shareholders holding in aggregate at least 50% plus 1 votes of the shares having voting rights in the Issuer (present in person or by proxy) shall constitute a quorum for a general meeting.

No business shall be transacted at a meeting of shareholders unless a quorum is present within half an hour of the time appointed for the commencement of the meeting. If a quorum is not present within thirty (30) minutes from the time initially fixed for the meeting, the meeting shall stand adjourned until such date, time and place as the Directors may decide. If a quorum is not present within thirty (30) minutes from the time fixed for a meeting so adjourned, the members present shall constitute a quorum.

#### **5.5.6 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 authorize 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 Shareholders in Annual General Meeting have granted on 12 April 2007 the following authorities:

- (i) Pursuant to Article 85 of the Companies Act and in virtue of the powers vested in the Company by Article 5 of the Articles of Association, the Board of Directors (with full powers of delegation) has been generally authorised to issue and allot such number of Equity Securities (defined as “a share in the Company of whatever class or a right or option to subscribe for, or to convert securities into shares of whatever class in the Company”), for the time being unissued, as may be determined by the Board of Directors up to a maximum value of one hundred million US Dollars (US\$ 100,000,000). This authorisation is a renewal of the previous authorisation given by the Members at the 2006 Annual General Meeting and is valid for a maximum period of 5 years from the date of the adoption of the extraordinary resolution, that is to say up to and including 12 April 2012.
- (ii) Pursuant to Article 18 of the Articles of Association of the Company, the Board of Directors (with full powers of delegation) has been generally authorised to restrict or withdraw the statutory pre-emption rights of the Company’s Equity Securities holders for as long as the Board of Directors remains authorised to issue and allot Equity Securities in terms of Article 85 of the Companies Act.

#### **5.5.7 Issuer’s Rights to acquire own Shares**

At the 2007 Annual General Meeting the Issuer requested and obtained a renewal authorisation from the Shareholders to buy back its own shares, as indeed empowered to do so by Article 23 of the Articles of Association. Such authorisation is required in terms of the Companies Act and is valid until the next Annual General Meeting in 2008.

The number of shares which the Company is authorised to buy back may not exceed the maximum permissible at law, i.e. up to 10% of the issued share capital. Any prospective acquisition will be financed from profits available for distribution in terms of law. It would be the Issuer’s intention to acquire such shares with a view to dispose of them in an orderly manner and within a reasonable time-frame; they will neither be retained as own shares for a considerable period of time nor cancelled as part of a capital reduction exercise.

Consistent with the basis on which the price range was established in 2005 and 2006, the Shareholders approved a price range calculated as to a maximum of fifty per cent (50%) below and above the trade weighted average price of the Shares for the period of seven months up to and including 28 February 2007, with discretion being given to the Directors in the use of such range. The trade weighted average price for the period stated above has been calculated at US\$ 1.780, with the minimum and maximum of the range being US\$ 0.890 and US\$ 2.670, respectively.

### **5.6 Authorisations and approvals for the Rights Issue**

In virtue of (i) the authority granted to the Board of Directors to issue Equity Securities up to the maximum value of the authorised share capital of the Company and (ii) to withdraw or restrict the statutory pre-emption rights for as long as the Board is authorised to issue and allot Equity Securities, the Rights Issue has been authorised by means of a resolution of the Board of Directors adopted on 23 August 2007.

The MFSA, Banking Unit has authorised the increase in the share capital of the Issuer further to the Rights Issue by means of a letter dated 25 July 2007.

The Listing Authority has authorised the New Ordinary Shares to be admitted to Listing.



Application has been made to the Malta Stock Exchange for the New Ordinary Shares 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 New Ordinary Shares are authorised as admissible to listing by the Listing Authority.

The expected date of issue and allotment and listing on the Malta Stock Exchange of the New Ordinary Shares is 3 December 2007.

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

The New Ordinary Shares are freely transferable and dealings on the Malta Stock Exchange are expected to commence on 4 December 2007. The New Ordinary Shares shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.

Any person becoming entitled to New Ordinary Shares in consequence of the death of the holder may, upon producing such evidence of his title as may be required by the Issuer and the Malta Stock Exchange, elect either to be registered himself as holder or to have someone else nominated by him registered as the transferee thereof.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) in respect of any New Ordinary Shares and to any applicable laws and regulations.

#### **5.8 Restrictions and takeover bids**

No restrictions are provided for the free transferability of the New Ordinary Shares.

No mandatory takeover bids, or public takeover bids and/or squeeze out and sell out rules have occurred in relation to the Issuer's Shares during the financial periods referred to in this Prospectus.

#### **5.9 Taxation**

##### **5.9.1 General**

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation in respect of the New Ordinary Shares, 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 fully paid up New Ordinary Shares. This information, which does not constitute legal or tax advice, and which does not purport to be exhaustive, refers only to the holders of the New Ordinary Shares 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 professional advice in this respect should be sought accordingly.

##### **5.9.2 Dividends**

Malta operates a full imputation system for the taxation of dividends in the hands of the shareholder whereby the shareholder is imputed with the tax paid by the company on the distributed profits. The dividend received by the shareholder is grossed up with the tax paid by the company and taxable at the shareholder's personal tax rate. A credit is given to the shareholder for the tax paid by the company. On the assumption that the company would have suffered tax on its profits at the rate of 35% no further Maltese tax should be payable by the shareholder on the dividends received.

Shareholders who are not resident in Malta and individual shareholders resident in Malta are not obliged to disclose the receipt of a dividend in any tax return submitted for Maltese tax purposes. Other shareholders are obliged to declare such dividend in their tax return but no further tax should be payable.

Dividends distributed from the "untaxed account" of the Company to persons who fall within the definition of "recipient" in terms of Article 61 of the Income Tax Act, Cap. 123, Laws of Malta, will be paid net of withholding tax of 15% on the distributed dividend.

A “recipient” is defined as:

- (i) a person, other than a company, resident in Malta in the year in which a dividend is received by him or by any person on his behalf; or
- (ii) a non-resident person (including a non-resident company) who is owned and controlled by, directly or indirectly, or who acts on behalf of, an individual who is ordinarily resident and domiciled in Malta; or
- (iii) a trustee of a trust where the beneficiaries of such trust are persons referred to in subparagraphs (i) and (ii).

The withheld tax will be paid by the Issuer to the Maltese Inland Revenue within fourteen (14) days following the end of the month in which the dividend is paid.

“Recipients” are not obliged to disclose the untaxed dividend in any tax return submitted for Maltese tax purposes and in such case no person shall be charged to any further tax in respect of the said dividend. In the event the “recipient” elects to disclose it in the tax return, the dividend grossed up with the withholding tax of 15% would be chargeable to tax at the shareholder’s personal tax rate. The tax withheld on the dividend would be credited against the shareholder’s income tax liability and where applicable shall also be available as a refund.

Where an untaxed dividend is paid to a shareholder who is not a “recipient” such dividend shall not be charged to Maltese tax and where such person is not resident in Malta such person shall not be obliged to disclose the existence of the dividend in any tax return made for Maltese tax purposes.

### **5.9.3 Capital Gains on the transfer of the New Ordinary Shares**

According to current legislation, since the New Ordinary Shares are shares in a company listed on the Malta Stock Exchange, no tax on capital gains should be chargeable on the transfer of the New Ordinary Shares.

### **5.9.4 Duty on documents and transfers**

According to current legislation, since the New Ordinary Shares are shares in a quoted company, no duty should be chargeable in respect of transfers of the New Ordinary Shares.

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

### **6.1 Conditions**

The rights to New Ordinary Shares will be offered to Eligible Shareholders (other than those Eligible Shareholders who have registered address in the United States of America or territories outside Malta) on the basis and on the terms and conditions as set out in this Securities Note.

Save as provided below, all shareholders registered as shareholders of the Issuer as at the Record Date (i.e. 26 October 2007) on the Central Securities Depository of the Malta Stock Exchange are Eligible Shareholders.

The Issuer’s Eligible Shareholders (other than those who have their registered address in the United States or territories outside Malta) will be entitled to acquire 5 New Ordinary Shares at US\$ 1.10 per share for every 19 Ordinary Shares registered in their name on the Record Date.

The Listing Authority has authorised the New Ordinary Shares to be admitted to listing. It is expected that the issue date and allotment as well as the listing of the New Ordinary Shares will occur on 3 December 2007 and that dealings in the New Ordinary Shares will commence on 4 December 2007.

Save as provided in paragraph 6.3 below, none of the New Ordinary Shares are being made available to the public other than pursuant to the Rights Issue.

Entitlements to New Ordinary Shares will be rounded up to the nearest whole number.

It is the responsibility of shareholders wishing to apply for the New Ordinary Shares to inform themselves as to the legal requirements of so applying including any requirements relating to exchange control (including any applicable external transaction requirements) in Malta and in the countries of their nationality, residence or domicile.

If the Provisional Allotment Letter is signed on behalf of another party or on behalf of a body of persons, the person signing will be deemed to have bound his principal, or the relative body of persons and will be deemed also to have given the confirmations, warranties and undertakings contained in this Securities Note on their behalf. Such person may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar.

In the case of Provisional Allotment Letters issued to joint Eligible Shareholders, reference to the Eligible Shareholder in this Securities Note is a reference to each Eligible Shareholder, and liability thereof is joint and several.

#### 6.1.1 *United States of America*

The New Ordinary Shares 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).

New Ordinary Shares which Eligible Shareholders with registered addresses in the United States would otherwise have been entitled to subscribe to, will be offered as if they were Lapsed Rights under the Rights Issue, in accordance with the paragraphs below (6.3 *et seq.*). Any premium obtained over the Share Offer Price will be paid to such Eligible Shareholders, save that individual amounts of less than Lm 2 (€ 4.66) will not be distributed but will be retained for the benefit of the Issuer.

The IFC qualifies as a non-US person pursuant to Regulation "S" exemption of the Securities Act of 1933 of the United States of America. Therefore, the Offer contained in this Prospectus addressed to the IFC does not qualify as an offering made under the US Securities Act of 1933.

#### 6.1.2 *Territories outside Malta*

No person receiving a copy of this Prospectus or a Provisional Allotment Letter 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 Provisional Allotment Letter, **unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Provisional Allotment Letter 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 Provisional Allotment Letter 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.**

#### 6.1.3 *Notices*

This Prospectus and accompanying documentation will be mailed to the Eligible Shareholders at their registered addresses as held by the Central Securities Depository of the Malta Stock Exchange (as at the Record Date) by 10 November 2007 and for all Eligible Shareholders residing in Malta it 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.

Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in the Provisional Allotment Letter and in any other document issued pursuant to the Prospectus

#### 6.1.4 *Provisional Allotment Letters ("PALs")*

Provisional Allotment Letters will be despatched to Eligible Shareholders by 10 November 2007. The Eligible Shareholders shall return the Provisional Allotment Letter/s to any of the Collecting Agents (as listed in Appendix 1) to reach the Registrar before the closing of the Offer Period.

The Provisional Allotment Letter details the number of New Ordinary Shares to which the Shareholders are entitled. It is then supplemented by instructions as to the possibility that an Eligible Shareholder might want to:

- (a) take up all of his entitlement (PAL A); or
- (b) take only part of the rights allotted to him (PAL B); or
- (c) transfer part or all of those rights to a third party/ies (PAL C).

The Provisional Allotment Letter/s must be returned by the Collecting Agents to the Registrar by the end of the Offer Period together with relevant evidence of full payment made to the Registrar Account for the amount of New Ordinary Shares subscribed for.

#### **6.1.5 Payment Methods**

Payment for the New Ordinary Shares must reach the Registrar Account in cleared funds and may be made by SWIFT, account transfer, bank draft or bankers' cheque, or personal cheque and shall be made out to the Registrar Account. Coordinates of the Registrar Account are included in the Instructions for completion of the Provisional Allotment Letter a specimen of which is provided in Appendix 3 (the "Instructions").

#### **6.1.6 Offer Period**

Eligible Shareholders will be entitled to take up all or part of their rights from 8.30 a.m. on 19 November 2007 until 12.30 p.m. on 30 November 2007.

#### **6.1.7 Right to reject**

Subject to all other terms and conditions set out in this Prospectus, the Issuer reserves the right to reject, in whole or in part, a Provisional Allotment Letter. The Issuer also reserves its rights to refuse any Provisional Allotment Letter 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. The Provisional Allotment Letter/s will be accepted in original only; photocopies/facsimile copies will not be accepted.

#### **6.1.8 Right to revoke the Offer**

Subject to all other terms and conditions set out in this 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 in the case of extraordinary injection of capital exogenous to this Rights Issue or where a significant change in market conditions occurs.

Suspension of dealing in the New Ordinary Shares might occur in accordance with the provisions of the Listing Rules.

#### **6.1.9 Announcement of the acceptance of Rights**

In accordance with the Listing Rules, within five (5) days from the closing of the Offer Period, the Issuer shall announce the results of the Offer by means of a Company Announcement.

### **6.2 Action required to subscribe to the Rights Issue**

#### **6.2.1 General**

Each Provisional Allotment Letter will set out:

- (i) the holding of the Ordinary Shares on which an Eligible Shareholder's entitlement to New Ordinary Shares has been based;
- (ii) the aggregate number of New Ordinary Shares which have been provisionally allotted to each Eligible Shareholder in respect of such Shares;
- (iii) instructions regarding acceptances and payment, splitting, transfers and payments.

The maximum number of New Ordinary Shares that an Eligible Shareholder may take up or transfer is that which is set out in the relevant Provisional Allotment Letter. The minimum number of New Ordinary Shares an Eligible Shareholder may take up is one.

#### **6.2.2 Procedure for acceptance and payment**

##### *a. Eligible Shareholders who wish to accept in full*

Holders of Provisional Allotment Letter/s who wish to take up all of their entitlements must return the Provisional Allotment Letter/s (PALA) to any of the Collecting Agents (listed in Appendix 1) together with proof of payment.

Delivery of the Provisional Allotment Letter/s together with proof of payment (in cleared funds) to the Registrar must be made as soon as possible, in any event so as to be received by the Registrar by not later than 12.30 p.m. on 30 November 2007.

*b. Eligible Shareholders who wish to accept in part*

Holders of Provisional Allotment Letter/s who wish to take up only some but not all of their rights should complete the Provisional Allotment Letter (PAL B) and then return it to any of the Collecting Agents. The Collecting Agent will provide the Eligible Shareholder with the original of the PAL B duly validated.

Delivery of the Provisional Allotment Letter/s together with proof of payment (in cleared funds) to the Registrar must be made as soon as possible, in any event so as to be received by the Registrar by not later than 12.30 p.m. on 30 November 2007.

*c. Eligible Shareholders who wish to transfer their rights*

Holders of the Provisional Allotment Letter/s may wish to transfer all or part of their entitlement to a third party or third parties.

In case the holder of the Provisional Allotment Letter/s wishes to transfer all of his rights to one or more transferee/s he may do so by completing the Provisional Allotment Letter (PAL C) and then return it to any of the Collecting Agents.

Delivery of the Provisional Allotment Letter/s together with proof of payment (in cleared funds) to the Registrar must be made as soon as possible and in any event so as to be received by the Registrar by not later than 12.30 p.m. on 30 November 2007.

The Issuer reserves the right to refuse to register any renunciation of the Provisional Allotment Letter in favour of any person in respect of which the Issuer believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside Malta.

*d. Eligible Shareholders who wish to transfer fully paid entitlements*

If, after following any of the procedures detailed at (a) to (c) above but always before the closing of the Offer Period, the Eligible Shareholder who has paid for the entitlement to New Ordinary Shares wishes to transfer them, fully paid, to one or more transferee/s, then the Eligible Shareholder shall apply in writing to the Registrar and/or the Issuer specifying the details of the proposed transfer by and not later than 12.30 p.m. on 28 November 2007.

The Issuer reserves the right to refuse to register any transfer of such entitlements in favour of any person in respect of which the Issuer believes such renunciation may violate applicable legal or regulatory requirements including (without limitation) any renunciation in the name of any person with an address outside Malta.

*e. Payment*

All payments must be made in US\$.

*f. Issuer's discretion as to the validity of acceptances*

If the Provisional Allotment Letters and proof of payment of cleared funds do not reach the Registrar by 12.30 p.m. on 30 November 2007, the Provisional Allotment will be deemed to have been declined and will lapse and it will be treated in accordance with the provisions detailed at paragraph 6.3 below. The Issuer may, with the agreement of the Registrar, but shall not be obliged, to treat as valid Provisional Allotment Letters accompanied by proof of payment received later than 12.30 p.m. on 30 November 2007.

## **6.3 Procedure in respect of rights not taken up (Lapsed Rights)**

### **6.3.1 Lapsed Rights**

If an entitlement to New Ordinary Shares is not validly taken up by 12.30 p.m. on 30 November 2007, in accordance with the procedure laid down in this Securities Note for acceptance and payment of rights, then that provisional allotment to the particular Eligible Shareholder will be deemed to have been renounced and will lapse (Lapsed Rights).

Pursuant to Listing Rule 4.15, the Issuer will endeavour to sell the Lapsed Rights on behalf and for account of the Lapsed Rights holders.

Any such Lapsed Rights will be offered at the most advantageous market price and on the earliest suitable trading day after the closing of the Offer Period. The Issuer will endeavour to dispose of the Lapsed Rights within the Lapsed Rights Offer Period, i.e. between 3 December 2007 and 17 December 2007.

Where the Issuer considers it to be advisable in the interests of the Lapsed Rights holders to do so, it shall enter (within the Lapsed Rights Offer Period) either into a Private Placement (Listing Rule 4.7) or Intermediaries Offer (Listing Rule 4.10), whichever option the Issuer and the Manager/Registrar will deem to be in the best interests of the Lapsed Rights holders and according to the prevailing market conditions.

In accordance with Listing Rule 4.15, any premium over the Share Offer Price [where such premium exceeds LM 2 (€4.66) net of any expenses which might be incurred by the Issuer] obtained by the Issuer from the disposal of the Lapsed Rights with any of the methods described above shall be paid as follows:-

- (i) where the entitlement to the New Ordinary Shares was, at the time of lapsing, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter; and
- (ii) where an entitlement to New Ordinary Shares is treated as not taken up by an Overseas Shareholder, to that Overseas Shareholder.

The Lapsed Rights holders will be notified accordingly.

Any Lapsed Rights which the Issuer does not dispose of within the prescribed Lapsed Rights Offer Period will be acquired and retained by the Issuer in accordance with the Shareholders' authorisation for the Issuer to acquire its own Shares. Sale of the Issuer's own Shares after the closing of the Lapsed Rights Offer Period will not create an obligation on the Issuer to return any premium so obtained to the Lapsed Rights holders.

### **6.3.2 Private Placement and Intermediaries Offer**

In accordance with the provisions of paragraph 6.3.1, the Issuer may enter into arrangements with Financial Intermediaries either for a Private Placement or for an Intermediaries Offer.

Such arrangements will come into force upon the closing of the Offer Period for any Lapsed Rights not taken up. Such Lapsed Rights will either be offered to the Financial Intermediaries on their own account or on account of their clients provided that such offer will only be opened for the Lapsed Rights Offer Period. The price at which such Lapsed Rights will be offered shall be determined and/or accepted in the best interests of the Lapsed Rights holders and according to the prevailing market conditions.

## **6.4 Overseas Shareholders**

### **6.4.1 General**

**THE OFFER OF NEW ORDINARY SHARES UNDER THE RIGHTS ISSUE TO PERSONS RESIDENT IN, OR WHO ARE CITIZENS OF, OR WHO HAVE A REGISTERED ADDRESS IN, COUNTRIES OTHER THAN MALTA MAY BE AFFECTED BY THE LAW OF THE RELEVANT JURISDICTION. THOSE PERSONS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS (INCLUDING TAX ADVISERS) AS TO WHETHER THEY REQUIRE ANY GOVERNMENTAL OR OTHER CONSENTS OR NEED TO OBSERVE ANY OTHER FORMALITIES TO ENABLE THEM TO TAKE UP THEIR RIGHTS.**

This paragraph sets out the restrictions applicable to Eligible Shareholders who have registered addresses outside Malta and/or who are citizens or residents of countries other than Malta.

Any person (including, without limitation, nominees and trustees) outside Malta wishing to take up his rights under the Rights Issue must satisfy himself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

**The comments set out in this paragraph are intended as a general guide only and any Eligible Shareholder who is in doubt as to his position should consult his independent professional adviser without delay.**

Provisional Allotment Letters will not be sent to Eligible Shareholders with registered addresses in the United States of America or territories outside Malta, **except where in the absolute discretion of the Issuer** it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction. In these circumstances the New Ordinary Shares provisionally allotted to such Eligible Shareholders will be offered as if they were Lapsed Rights, in accordance with the provisions of paragraph 6.3 of this Securities Note.

Accordingly, receipt of this document and/or a Provisional Allotment Letter will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or a Provisional Allotment Letter will be sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or a Provisional Allotment Letter in any territory other than Malta, may treat the same as constituting an invitation or offer to him, nor should he in any event deal with the Provisional Allotment Letter **unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Provisional Allotment Letter could lawfully be used or dealt with without contravention of any unfulfilled registration or other legal or regulatory requirements.**

The provisions of this paragraph 6.4 will apply generally to Overseas Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them on the basis that such action would result in a contravention of applicable legal or regulatory requirements in the relevant jurisdiction.

#### 6.4.2 *United States of America*

The Provisional Allotment Letters and the New Ordinary Shares have not been, and will not be, registered under the Securities Act 1933 of the United States of America or under the applicable securities laws of any state of the United States. Accordingly the Provisional Allotment Letters may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act. Eligible Shareholders with registered addresses (or who are otherwise located) in the United States will not be sent Provisional Allotment Letters and the New Ordinary Shares provisionally allotted to them will be sold in the market as if they were Lapsed Rights, in accordance with paragraph 6.3.

## 7. INDICATION BY MAJOR SHAREHOLDERS

The Issuer has obtained an indication from the major shareholders (as detailed in paragraph 18.1 of the Registration Document) that they intend to subscribe to this Rights Issue.

### 7.1. Dilution of Major Shareholders

Should the major shareholders (as detailed in paragraph 18.1 of the Registration Document) elect not to take up their rights pursuant to the Rights Issue, the percentage of immediate dilution shall be as follows:

<i>Major Shareholders</i>	<i>Number of Shares as at 26 October 2007</i>	<i>Shareholding as at 26 October 2007</i>	<i>Dilution of Shareholding after the Rights Issue</i>
Massaleh Investments K.S.C.C.	39,376,160	45.26%	35.83%
International Finance Corporation	6,308,513	7.25%	5.74%
Astrolabe General Trading and Contracting Company	5,165,218	5.94%	4.70%

## 8. EXPENSES OF THE RIGHTS ISSUE

The Rights Issue will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management and registrar fees and other miscellaneous costs incurred in connection with this Rights Issue. Such expenses are estimated not to exceed US\$ 150,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Eligible Shareholder who subscribes for New Ordinary Shares. The amount of the expenses will be deducted from the proceeds of the Rights Issue, which accordingly will bring the net proceeds from the Rights Issue to circa US\$ 25,000,000 if all the entitlements to the New Ordinary Shares are validly taken up.

## 9. REPRESENTATIONS AND WARRANTIES OF ELIGIBLE SHAREHOLDERS

By completing and delivering the Provisional Allotment Letter or its attachments the Eligible Shareholders:

- (a) agree to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the New Ordinary Shares contained therein;

- (b) confirm that in completing the Provisional Allotment Letter no reliance was placed on any information or representation in relation to the Issuer or the issue of the New Ordinary Shares other than those contained in this 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;
- (c) agree to provide the Registrar and/or the Issuer, as the case may be, with any information which they may request in connection with the Provisional Allotment Letter/s;
- (d) warrant, in connection with the Provisional Allotment Letter/s, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Provisional Allotment Letter in any territory and that they have 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 issue of the New Ordinary Shares or the Provisional Allotment Letter;
- (e) warrant that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- (f) represent that the Eligible Shareholder is not a U.S. person (as such term is defined in Regulation “S” under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “United States”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (g) agree that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. in its capacity as Sponsor will not treat the Eligible Shareholders as its customer by virtue of Eligible Shareholders completing the Provisional Allotment Letter to subscribe for the New Ordinary Shares and that Rizzo, Farrugia & Co. (Stockbrokers) Ltd, in its capacity as Sponsor, will not provide any investment services to the Eligible Shareholders;
- (h) agree that all documents in connection with the issue of the New Ordinary Shares will be mailed at the Eligible Shareholders’ own risk and may be sent at the address (or, in the case of joint Provisional Allotment Letters, the address of the first named Eligible Shareholder) as set out in the Provisional Allotment Letter;
- (i) the Eligible Shareholder is aware that for the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2003 as subsequently amended, all appointed Collecting Agents are under a duty to communicate, upon request, all information about clients as is mentioned in 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. 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 Data Protection Policy as published from time to time.

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

The Listing Authority has authorised the New Ordinary Shares to be admitted to Listing.

Application has been made to the Malta Stock Exchange for the New Ordinary Shares 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 New Ordinary Shares are authorised as admissible to listing by the Listing Authority.

## **11. ADDITIONAL INFORMATION**

### **11.1 Statement by experts**

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

### **11.2 Documents on display**

For the life of this 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 for each of the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively;
- The Unaudited Half-Yearly results of the Issuer for the six months ended 30 June 2007.

The Audited Financial Statements and the Unaudited Half-Yearly results of the Issuer may also be inspected on the Issuer’s website: [www.fimbank.com](http://www.fimbank.com).



## Part 3 - Summary of the Prospectus

### IMPORTANT INFORMATION

#### General introduction

This document constitutes a summary to the Prospectus dated 1 November 2007 and contains information on the Rights Issue by FIMBank p.l.c (the "Issuer") of 22,894,699 New Ordinary Shares of a nominal value of US\$ 0.50 each at a Share Offer Price of US\$ 1.10 per Ordinary Share.

The Prospectus, of which this Summary forms part, also contains information about the Issuer and the New Ordinary Shares 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 14 of the Registration Document forming part 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 Rights 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 Rights Offer 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 New Ordinary Shares for listing pursuant to the Listing Rules. Application has been made to the Malta Stock Exchange for the New Ordinary Shares being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

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

#### Selling Restrictions

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

It is the responsibility of any persons in possession of the Prospectus and any persons wishing to subscribe to the New Ordinary Shares to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Eligible Shareholders for New Ordinary Shares should inform themselves as to the legal requirements of so subscribing and of any applicable exchange control requirements and taxation in the countries of their nationality, residence or domicile.

The New Ordinary Shares 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 New Ordinary Shares 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 a Provisional Allotment Letter 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 Provisional Allotment Letter, **unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Provisional Allotment Letter 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 Provisional Allotment Letter 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 has to be read as part of the Prospectus dated 1 November 2007 (the “Prospectus”) and composed of the following parts:

1. Registration Document;
2. Share Securities Note;
3. Summary of the Prospectus.

Any decision to invest in the New Ordinary Shares 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 the New Ordinary Shares can go up or down and past performance is not necessarily indicative of future performance. Eligible Shareholders should carefully consider all the information contained in this Prospectus as a whole and should consult their own independent financial and other professional advisers before deciding to make an investment in the New Ordinary Shares.

## 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 forming part of the Prospectus.

## 2. Directors, Management, and Auditors

### 2.1 Directors

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

Najeeb H.M. Al-Saleh	<i>Chairman</i>
John C. Grech	<i>Vice-Chairman</i>
Fouad M.T. Alghanim	<i>Director</i>
Hamad M.D.M. Al-Sayer	<i>Director</i>
Francis J. Vassallo	<i>Director</i>
Jacques Leblanc	<i>Director</i>
Duco R.H. Graafland	<i>Director</i>
Mohammed I.H. Marafie	<i>Director</i>
Tareq M. Al-Saleh	<i>Director</i>
Rogers D. LeBaron	<i>Director</i>
Pierre-Olivier Fragnière	<i>Director</i>
Raffaella Bonadies	<i>Company Secretary</i>

## 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 oversees the activities and management of the Group and is responsible for approving limits beyond the powers of the other Committees. As of the date of this Prospectus, this Committee is chaired by Jacques Leblanc, a non-executive Director. It comprises other non-executive Directors, the President and members of Executive Management of the Issuer. The Executive Committee's terms of reference are contained in the Executive Committee charter.

### *Remuneration Sub-Committee*

The Remuneration Sub-Committee has been established as a sub-committee of the Executive Committee. It is chaired by Najeeb H.M. Al-Saleh and also includes the President. The review, approval and monitoring of the overall Group remuneration policy is delegated by the Executive Committee to the Remuneration Sub-Committee which determines the remuneration, bonuses and share options allocation of all other members of staff, within the parameters determined by the Board.

### *Audit Committee*

The Audit Committee's terms of reference reflect the requirements of the Listing Rules. The Committee ensures that an adequate system of internal control and monitoring is in place, and is independent from other committees. The Committee is currently chaired by Duco R.H. Graafland, a non-executive Director.

### *Risk Committee*

The Risk Committee is responsible for overseeing the Group's credit policy and risk, for approving individual limits for banks and corporates and also for recommending country limits for approval by the Executive Committee. The Risk Committee is chaired by Francis J. Vassallo, a non-executive director.

The Executive Committee resolved in June 2007 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 US\$ 5 million. The Risk Sub-Committee is chaired by Margrith Lütschg Emmenegger, the President of the Issuer.

### *Assets-Liabilities Committee*

The Assets-Liabilities Committee (ALCO), chaired by Francis J. Vassallo, 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.

## 2.3 Executive Management

The Executive Management of the Issuer and the Group is composed of the following:

Margrith Lütschg-Emmenegger	<i>President</i>
Marcel Cassar	<i>Executive Vice President and Chief Financial Officer</i>
Raymond Busuttill	<i>Executive Vice President and Head of Business Development and Marketing</i>
Simon Lay	<i>Managing Director, London Forfeiting Company Ltd</i>

Additionally, the following are individuals holding management positions:

Raffaella Bonadies	<i>Head of Legal &amp; Compliance</i>
Bruno Cassar	<i>Head of Human Resources</i>
Nassif A. Chehab	<i>Head of Financial Institutions</i>
Ivan Fsadni	<i>Head of Internal Audit</i>
Nigel Harris	<i>Head of FIMBank DIFC Branch</i>
Silvio Mifsud	<i>Head of Information &amp; Administration</i>
Carmelo Occhipinti	<i>Head of Risk Management</i>
Richard Scerri	<i>Head of Finance</i>
Renald Theuma	<i>Head of Corporate Clients</i>
Charles Wallbank	<i>Head of Operations</i>

## 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 2007 financial year the maximum aggregate emoluments of the Directors was fixed at US\$ 250,000.

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 salaries to the President and Executive Management amounted to US\$ 1,149,248 in 2006 <sup>1</sup>.

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, company car and participation in a private retirement plan established by the Issuer, which benefits are commensurate with the position occupied.

As at the date of this Summary, the shareholding and unexercised share options of the President and Executive Management are as follows:

	<i>No. of shares currently held</i>	<i>No. of unexercised share options</i>
Margrith Lütischg Emmenegger	-	202,600
Marcel Cassar	-	49,000
Raymond Busuttill	88,204	40,000
Andrew T.M. Freeman <sup>2</sup>	-	24,000
Simon Lay	-	55,000

## 2.5 Auditors

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively have been audited by KPMG, Certified Public Accountants of Portico Building, Marina Street, Pieta PTA 9044, Malta. KPMG is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act, 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

### Manager and Registrar

Malta Stock Exchange p.l.c.  
Garrison Chapel  
Castille Place  
Valletta CMR 01  
Malta

### Sponsor

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

<sup>1</sup> This amount includes the salary to Mr. Andrew T.M. Freeman who resigned from the position of Executive Vice President with effect from 30 August 2007.

<sup>2</sup> In accordance with the rules applicable to the Option Scheme, Mr. Freeman's entitlement to share options will expire only six months after the termination of employment, i.e. 29 February 2008 unless earlier exercised.

**4. OFFER STATISTICS AND EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

<b>Issuer</b>	FIMBank p.l.c., a credit institution registered in Malta with registration number C 17003.
<b>Amount</b>	22,894,699 New Ordinary Shares.
<b>Form</b>	The New Ordinary Shares 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>Currency</b>	United States Dollars.
<b>Ratio</b>	5 New Ordinary Shares for every 19 Existing Shares as at the Record Date.
<b>Nominal Value</b>	US\$ 0.50.
<b>Rights Issue Price</b>	US\$ 1.10.
<b>Record Date</b>	26 October 2007.
<b>Offer Period</b>	The period between 8.30 a.m. on 19 November and 12.30 p.m. on 30 November 2007 during which the Rights to New Ordinary Shares are on offer.
<b>Lapsed Rights</b>	Rights to New Ordinary Shares not taken up by the closing of the Offer Period.
<b>Admission to Listing (Expected)</b>	3 December 2007.
<b>Commencement of dealings in the New Ordinary Shares (Expected)</b>	4 December 2007.
<b>Lapsed Rights Offer Period</b>	The period between 8.30 a.m. on 3 December 2007 and 12.30 p.m. on 17 December 2007 during which the Lapsed Rights will be sold on behalf and for the account of Eligible Shareholders.
<b>Law &amp; Jurisdiction</b>	This Rights 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 Rights Issue.

## 5. KEY INFORMATION

## Group Income Statement

	6 months ended 30 June 2007 (unaudited) US\$	Year ended 31 Dec 2006 (audited) US\$	Year ended 31 Dec 2005 (audited) US\$	Year ended 31 Dec 2004 (audited) US\$
Net interest income	4,966,121	<b>9,183,434</b>	6,124,502	1,803,325
Net fee and commission income	6,143,878	<b>10,853,031</b>	7,975,964	6,647,061
Net trading income	1,427,537	<b>3,156,572</b>	1,757,072	4,433,805
Dividend income	371	<b>581,956</b>	76,426	-
Other operating income	126,323	<b>103,431</b>	60,798	486,258
Net impairment losses	(442,347)	<b>(1,939,894)</b>	(365,677)	(810,834)
Operating expenses	(9,785,265)	<b>(19,813,582)</b>	(13,579,098)	(12,886,184)
Operating Profit	2,436,618	<b>2,124,948</b>	2,049,987	(326,569)
Share of profit of associate	1,359,248	<b>2,550,770</b>	892,616	-
Profit before taxation	3,795,866	<b>4,675,718</b>	2,942,603	(326,569)
Taxation	(332,485)	<b>2,916,623</b>	(243,520)	1,868,639
Profit for the period	3,463,381	<b>7,592,341</b>	2,699,083	1,542,070
Basic Earnings per share	4.01c	<b>8.83c</b>	3.34c	2.34c
Diluted Earnings per share	3.94c	<b>8.60c</b>	3.20c	2.34c

## Issuer Income Statement

	6 months ended 30 June 2007 (unaudited) US\$	Year ended 31 Dec 2006 (audited) US\$	Year ended 31 Dec 2005 (audited) US\$	Year ended 31 Dec 2004 (audited) US\$
Net interest income	2,927,597	<b>5,072,399</b>	4,182,906	2,857,160
Net fee and commission income	5,079,822	<b>9,314,579</b>	7,038,363	5,839,954
Net trading income	938,652	<b>1,336,923</b>	360,885	409,450
Dividend income	600,123	<b>1,167,161</b>	327,476	-
Other operating income	29,090	<b>22,122</b>	50,000	51,321
Net impairment losses	(442,347)	<b>(884,565)</b>	(365,677)	(810,834)
Operating expenses	(6,963,678)	<b>(12,215,388)</b>	(8,340,580)	(6,922,414)
Profit before taxation	2,169,259	<b>3,813,232</b>	3,253,373	1,424,637
Taxation	(332,413)	<b>(335,671)</b>	(243,520)	(34,261)
Profit for the period	1,836,846	<b>3,477,560</b>	3,009,853	1,390,376
Basic earnings per share	2.12c	<b>4.04c</b>	3.73c	2.11c
Diluted earnings per share	2.20c	<b>4.19c</b>	3.55c	2.11c

**Group Balance Sheet as at**

	30 June 2007 (unaudited) US\$	31 Dec 2006 (audited) US\$	31 Dec 2005 (audited) US\$	31 Dec 2004 (audited) US\$
<b>Total assets</b>	473,706,362	<b>463,496,609</b>	295,215,263	215,975,019
<b>Total liabilities</b>	408,498,983	<b>400,845,048</b>	240,429,227	167,661,907
<b>Total equity</b>	65,207,379	<b>62,651,561</b>	54,786,036	48,313,112

**Issuer Balance Sheet as at**

	30 June 2007 (unaudited) US\$	31 Dec 2006 (audited) US\$	31 Dec 2005 (audited) US\$	31 Dec 2004 (audited) US\$
<b>Total assets</b>	449,124,436	<b>438,362,109</b>	271,719,870	202,860,052
<b>Total liabilities</b>	389,425,011	<b>378,672,637</b>	215,616,597	153,717,247
<b>Total equity</b>	59,669,425	<b>59,689,472</b>	56,103,273	49,142,805

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

The net proceeds from the issue of the New Ordinary Shares will be used by the Issuer to support the general growth of the Group as well as its diversification strategies into new products, markets and ventures. The proceeds of the New Ordinary Shares will constitute Tier I capital forming part of the Issuer's Own Funds in terms of the Own Funds Directive BD/03, pursuant to the Banking Act of Malta, 1994.

**7. RISK FACTORS****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.

**7.2 Risks Relating to the Issuer**

- The Issuer and the Group are engaged in trade finance activities primarily in emerging markets and are therefore subject to influence by numerous unpredictable factors including risk factors which are not usually associated with activities in more developed markets;
- 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;
- Increased competitive pressure in the financial services sector could adversely affect the Issuer's operations and profitability results.

**7.3 Risks relating to the New Ordinary Shares**

- Trading records in respect of the Issuer's existing shares show a consistent increase in the number of shareholders and deals transacted in the shares over the period 2004-2006. However this is not a guarantee for future performance.
- The value of the Ordinary Shares can go up or down and past performance is not necessarily indicative of future performance.
- Since the Shares in the Issuer are denominated in US\$, investors are exposed to the risk of foreign exchange rates.
- 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).

## 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, SLM 1640 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 (Cap. 386, Laws of Malta) under which it is currently regulated.

The status of the Issuer was changed to that of a public limited liability company (p.l.c.) on 30 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.

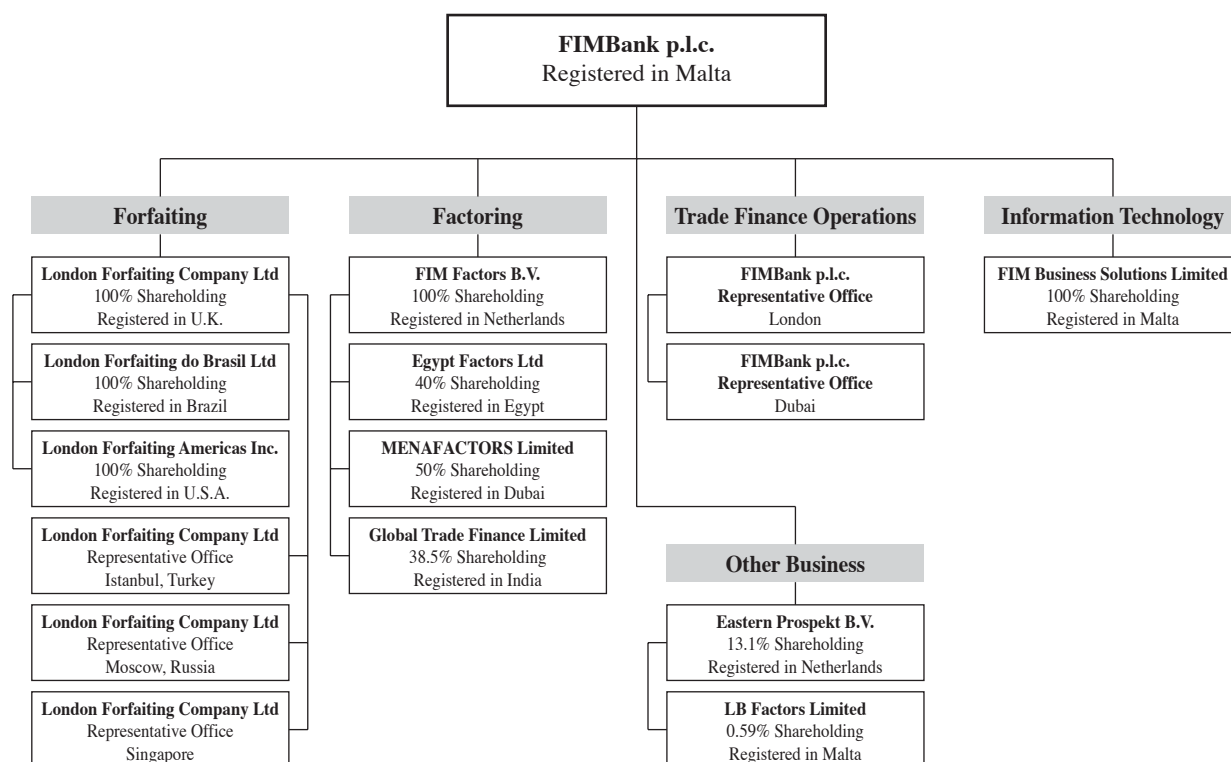
The Issuer changed its name from First International Merchant Bank p.l.c to FIMBank p.l.c. on 13 May, 2005.

The Issuer is licensed by the MFSA under the Banking Act, 1994 (Cap.371, Laws of Malta) as a credit institution and is authorised to provide full banking services in all currencies.

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

### 8.2 Organisational Structure

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





## 9. BUSINESS OVERVIEW

### *Principal Activities*

The principal activity of the Issuer and the Group is that of providing short-term international trade finance to corporate traders and to act 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 the establishment and negotiation of documentary letters of credit, issue of performance bonds and guarantees and discounting of bills of exchange. Specialist services relating to shipping finance and in particular pre-demolition ship finance are provided from the Issuer's London and Dubai representative offices.

## 10. TREND INFORMATION

For the remainder of 2007, the general trend and diversification in the Issuer's and Group's business is expected to continue to follow the same pattern experienced in recent financial periods. Further to the financial results announced for the six months ended 30 June 2007, no significant change in the financial or trading position of the Issuer or the Group has occurred, or is expected to occur, as a result of major business or strategic shifts. Moreover, on the basis of the performance in evidence up to the date of this Prospectus, and subject to the observations made in paragraph 11 below in relation to the general outlook, the Directors consider that the trend should continue for the rest of the year.

### 10.1 Financial Performance for the Half-Year ended 30 June 2007

The Group recorded a profit before tax of US\$ 3,795,866 for the six months ended 30 June 2007, an increase of 10.5% over the same period in 2006.

Profit after tax attributable to shareholders was US\$ 3.46 million, an increase of 11% over the US\$ 3.13 million earned during the same period in 2006.

There was an increase in group net interest income of 22% on 2006, to US\$ 4.97 million as well as an increase in net fee and commission income of 24% to US\$ 6.14 million. On the other hand, net trading income booked by the Group for the period under review remained at same levels as 2006.

Total assets reached US\$ 473 million at 30 June 2007 compared with US\$ 463 million as at the end of 30 June 2006.

The Group's basic earnings per share for the six months ended 30 June 2007 were of US cents 4.01 (for the six months ended on 30 June 2006: US cents 4.02).

Financial performance and trend information regarding the Group and the Issuer for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively can be viewed in the financial statements on the Issuer's website: [www.fimbank.com](http://www.fimbank.com).

## 11. PROFIT FORECAST AND ESTIMATES

The Prospectus does not contain any profit forecast or estimates, however the Directors have expressed the following views about the general foreseeable outlook for the business of the Issuer and the Group.

The short-term outlook for the Group continues to reflect the strategic mix of mature and emerging products, services and markets. In spite of increasing competition in some of the more traditional markets and business areas, the Issuer's core trade finance services are expected to continue delivering good revenue streams, at the same time new and structured products and services are being considered to enhance the offering in these markets. Moreover, the results from the Indian associated company, Global Trade Finance Limited ("GTF"), have outperformed expectations so far in 2007 and buoyed by strong market opportunities in the sub-continent, are expected to make a significant contribution to final Group profits for 2007. On the other hand, the start-up associates - MENAFACORS Limited and Egypt Factors Limited - will be expected to start making meaningful contributions to Group results in 2008. The outlook for London Forfaiting Company Limited ("LFC") performance for the rest of 2007 is also positive, especially as future recognition of the deferred tax asset in this subsidiary will start contributing directly to Group profit. In particular, the future of GTF and LFC will depend significantly on the level and depth of equity support, and the Directors will look at developments in 2008 which should improve the quality and mix of the shareholdings in both companies.

While the continued expansion of major developing economies is expected to continue fuelling emerging market growth and high commodity prices, the Group's risks remain that emerging economies can still present unforeseeable reversals. Sustained high oil prices and rising interest rates accentuate the risks, although improving fundamentals in these markets tend to reduce the extent of downside.

## 12. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

### 12.1 Interest of Major shareholders

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

1. Massaleh Investments K.S.C.C.	45.26%
2. International Finance Corporation	7.25%
3. Astrolabe General Trading and Contracting Company	5.94%

### 12.2 Related Party Transaction

#### 12.2.1 Identity of related parties

The Issuer has a related party relationship with its subsidiaries, associates, directors and executive officers.

#### 12.2.2 Transactions with key management personnel

Directors of the Group control 9% of the voting shares of the Bank and the Group respectively. Loans and advances to Directors as at 31 December 2006 amounted to US\$ 24,046. No interest is charged on loans and advances to directors.

Deposits by Directors as at 31 December 2006 amounted to US\$ 301,581.

Details of the maximum emoluments of Directors are disclosed at paragraph 15 of the Registration Document.

#### 12.2.3 Other related Party Transactions

Other Related Party Transactions for the financial periods under review in this Prospectus can be summarised as follows:

Type of transaction	1.01.07 to 30.06.07 (unaudited) US\$	1.01.06 to 31.12.06 (audited) US\$	1.01.05 to 31.12.05 (audited) US\$	1.01.04 to 31.12.04 (audited) US\$
<i>Loans and advances to Directors - no interest charged by Issuer on such loans and advances</i>	-	<b>24,046</b>	39,170	-
<i>Amounts owed to Directors</i>	491,679	<b>301,581</b>	113,935	-
<i>Interest payable to Directors on the amounts owed to them</i>	5,156	<b>4,420</b>	1,419	-
<i>Consultancy fee received by the Issuer from an entity invested in with a view to subsequent disposal</i>	25,000	<b>50,000</b>	50,000	50,000
<i>Dividends received by Issuer</i>	600,123	<b>1,167,433</b>	327,986	-
<i>Reimbursements by the Issuer to a shareholding company and Directors for traveling and accommodation expenses</i>	-	<b>148,601</b>	90,392	67,859

<b>Type of transaction</b> <i>(continued)</i>	<b>1.01.07</b> <b>to</b> <b>30.06.07</b> <i>(unaudited)</i> US\$	<b>1.01.06</b> <b>to</b> <b>31.12.06</b> <i>(audited)</i> US\$	<b>1.01.05</b> <b>to</b> <b>31.12.05</b> <i>(audited)</i> US\$	<b>1.01.04</b> <b>to</b> <b>31.12.04</b> <i>(audited)</i> US\$
<i>Insurance fees paid by the Issuer to companies owned by Directors</i>	2,724	<b>5,033</b>	1,589	-
<i>Professional &amp; consultancy fees paid to companies owned by Directors</i>	233,952	<b>226,942</b>	197,079	-
<i>Amounts owed to the Issuer by subsidiaries and associates</i>	129.5 mio	<b>84.3 mio</b>	60.0 mio	59.7 mio
<i>Amounts owed by the Issuer to a qualifying shareholder</i>	-	<b>1,751,400</b>	114,508	-

### 13. FINANCIAL INFORMATION

#### 13.1 Historical financial information

Full historical financial information for the three financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively are set out in the Annual Report and Accounts of the Issuer, available for public inspection.

#### 13.2 Financial statements

An auditors' report including the audited statutory financial statements for the Issuer and the Group for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 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 2004, 31 December 2005 and 31 December 2006 respectively may be found in paragraph 5 of this Summary.

#### 13.3 Auditing of historical annual financial information

The Issuer's and the Group's annual statutory financial statements for the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively have been audited by Messrs. KPMG, certified public accountants.

#### 13.4 Age of latest financial information

The latest audited financial information available in respect of the Issuer and the Group relates to the financial year ended 31 December 2006 and approved for issuance by the Board of Directors on 21 February, 2007.

#### 13.5 Interim and other financial information

The unaudited half-yearly results for the six months ended 30 June 2007 have been published by the Issuer on 24 August 2007 and are available for public inspection.

Selected financial information for the unaudited half-yearly results for the six months ended 30 June 2007 may be found in paragraph 5 of this Summary.

#### 13.6 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 the half-yearly results for the six months ended 30 June 2007.

## 14. DETAILS OF THE OFFER

### 14.1 Admission to Trading and Markets

Application has been made to the Malta Stock Exchange for the New Ordinary Shares 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 New Ordinary Shares are authorised as admissible to listing by the Listing Authority.

### 14.2 Estimated expenses of the Offer

The Rights Issue will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management and registrar fees and other miscellaneous costs incurred in connection with this Rights Issue. Such expenses are estimated not to exceed US\$ 150,000 and shall be borne by the Issuer. No expenses will be specifically charged to any Eligible Shareholder who subscribes for New Ordinary Shares. The amount of the expenses will be deducted from the proceeds of the Rights Issue, which accordingly will bring the net proceeds from the Rights Issue to circa US\$ 25,000,000 if all the entitlements to the New Ordinary Shares are validly taken up.

## 15. ADDITIONAL INFORMATION

### 15.1 Share capital

The Issuer's authorised share capital as at the date of this Prospectus is US\$ 100,000,00 divided into 200,000,000 ordinary shares of US\$ 0.50 each. The Issuer's issued share capital as at the date of this Registration Document is US\$43,499,287 divided into 86,998,574 fully paid up ordinary shares of US\$ 0.50 each which are all listed on the Malta Stock Exchange.

The ordinary shares of the Issuer which have been fully paid up rank *pari passu*. The Issuer has no other classes of shares.

### 15.2 Memorandum and Articles of Association

The Issuer is registered under the Companies Act with registration number C 17003.

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.

A copy of the Memorandum and Articles of Association of the Issuer is available for public inspection.

### 15.3 Indication by Major Shareholders

The Issuer has obtained an indication from the major shareholders (as detailed in paragraph 18.1 of the Registration Document) that they intend to subscribe to the Rights Issue as detailed in this Prospectus.

### 15.4 Dilution of Major Shareholders

Should the major shareholders (as detailed in paragraph 18.1 of the Registration Document) elect not to take up their rights pursuant to the Rights Issue, the percentage of immediate dilution shall be as follows:

<i>Major Shareholders</i>	<i>Number of Shares as at 26 October 2007</i>	<i>Shareholding as at 26 October 2007</i>	<i>Dilution of Shareholding after the Rights Issue</i>
Massaleh Investments K.S.C.C.	39,376,160	45.26%	35.83%
International Finance Corporation	6,308,513	7.25%	5.74%
Astrolabe General Trading and Contracting Company	5,165,218	5.94%	4.70%

**16. DOCUMENTS ON DISPLAY**

For the life of this Prospectus, 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 for each of the financial years ended 31 December 2004, 31 December 2005 and 31 December 2006 respectively;
- The Unaudited Half-Yearly results of the Issuer for the six months ended 30 June 2007.

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

## Appendix 1 : Collecting Agents

### Licensed Members of the Malta Stock Exchange

#### **Atlas Investment Services Ltd**

Abate Rigord Street, Ta' Xbiex MSD 12

Tel: +356 2326 5690

Fax: +356 2326 5691

jean.gaffiero@atlas.com.mt

#### **Bank of Valletta p.l.c.**

BOV Centre, Cannon Road,

St Venera SVR 9030

Tel: +356 22751732

Fax: +356 22751733

stockbroking@bov.com

www.bov.com

#### **Calamatta, Cuschieri & Company Ltd**

5th Floor, Valletta Buildings, South Street,

Valletta VLT 11

Tel: +356 25688688

Fax: +356 25688256

info@cc.com.mt

www.cc.com.mt

3 Gelmus Court, Pope John Paul II Street,

Victoria, Gozo

Tel: +356 21564291

Fax: +356 21564292

#### **Charts Investment Management Service Ltd**

18A, Third Floor, Europa Centre,

Floriana VLT 15

Tel: +356 21224106, 21241121

Fax: +356 21241101

info@charts.com.mt

www.charts.com.mt

#### **Curmi & Partners Ltd**

Finance House, Princess Elizabeth Street,

Ta' Xbiex MSD 11

Tel: +356 21347331/2

Fax: +356 21347333

info@curmiandpartners.com

www.curmiandpartners.com

#### **Financial Planning Services Ltd**

4 Marina Court, G Cali' Street,

Ta' Xbiex MSD 14

Tel: +356 21344243/4, 21344255

Fax: +356 21341202

info@bonellofinancial.com

#### **Finco Treasury Management Ltd**

Level 5, The Mall Complex

The Mall Floriana VLT 16

Tel: +356 21220002

Fax: +356 21243280

investments@fincotrust.com

www.fincotrust.com

#### **GlobalCapital Financial Management Ltd**

120, The Strand,

Gzira, GZR 03

Tel: +356 21310088

Fax: +356 23282207

adrian.cutajar@globalcapital.com.mt

www.globalcapital.com.mt

Operations Centre, Balzan Valley Road,

Balzan BZN 08

Tel: +356 21472700

Fax: +356 21472653

annabel.galea@globalcapital.com.mt

#### **Hogg Capital Investments Ltd**

Regent House, Level 3, Suite 33, Bisazza Street,

Sliema SLM 15

Tel: +356 21322872/3, 21340385

Fax: +356 21342760

tradingdesk@hoggcapital.com

www.hoggcapital.com

#### **HSBC Stockbrokers (Malta) Ltd**

233, Republic Street

Valletta VLT 08

Tel: +356 21245284

Fax: +356 25972494

hsl@hsbc.com

www.hsbcmalta.com

#### **Rizzo, Farrugia & Co. (Stockbrokers) Ltd**

Airways House, Third Floor, High Street,

Sliema SLM 15

Tel: +356 21333125, 21314038

Fax: +356 21324486

kfarrugia@rfstockbrokers.com

www.rfstockbrokers.com

### The Issuer

#### **FIMBank p.l.c.**

7th Floor, The Plaza Commercial Centre,

Bisazza Street, Sliema SLM 1640

Tel: +356 23280171


Fax: +356 23280107

company.secretary@fimbank.com


info@fimbank.com

www.fimbank.com

## Appendix 2 : Provisional Allotment Letter A - ALL

 <b>FIMBANK</b>		<h1 style="margin: 0;">PAL A – ALL</h1>
<b>RIGHTS ISSUE OF 22,894,699 NEW ORDINARY SHARES OFFERED AT US\$ 1.10 PER SHARE</b>		
<b>PROVISIONAL ALLOTMENT LETTER (“PAL”) – A</b>		
Your Entitlement to the NEW Ordinary Shares of FIMBank p.l.c. arises as follows:		
Eligible Shareholder/s:	MSE Number:	
Shareholding as at 28 October 2007: (Record Date)		
Entitlement to New Ordinary Shares: (Fractional share entitlements are rounded up to the nearest whole)		
By completing the relevant boxes, signing this PAL A and returning it to the Registrar at 12.30 p.m. of 30 November 2007, you will be confirming your election to take up <b>ALL</b> of your Entitlement to New Ordinary Shares.		
If you do not want to take up <b>ALL</b> of your Entitlement or you want to take up only part of your Entitlement, and/or <b>TRANSFER</b> the balance of your Entitlement to a Third Party, then please refer to PAL B or PAL C, as may be applicable.		
I/We accept to purchase and acquire <b>ALL</b> of my/our Entitlement.		
<b>TOTAL NUMBER OF SHARES</b> <small>(In figures)</small>	<b>TOTAL NUMBER OF SHARES</b> <small>(In words)</small>	<b>TOTAL AMOUNT PAYABLE</b> <small>(US\$1.10 per share)</small>
I/We hereby declare that we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated November 2007, the terms and conditions of which are hereby incorporated by reference. Furthermore, I/we confirm that we have returned this PAL on my/our behalf or on behalf of the company or other entity I/we represent and I/we enclose herewith for the Total Amount payable/deposit slip/other documentary evidence, as proof that the Total Amount has been paid.		
<b>Signature of Eligible Shareholder/s</b>		
1. _____ 2. _____ 3. _____ _____ Date		
		<div style="border: 1px solid black; width: 150px; height: 60px; margin: 0 auto;"></div> Collecting Agent Stamp
Page 1 of 1		

## Appendix 2 : Provisional Allotment Letter B - SPLIT



**FIMBANK**

# PAL B – SPLIT

RIGHTS ISSUE OF 22,894,699 NEW ORDINARY SHARES OFFERED AT US\$ 1.10 PER SHARE

## PROVISIONAL ALLOTMENT LETTER (“PAL”) – B

Your Entitlement to the NEW Ordinary Shares of FIMBank p.l.c. arises as follows:

Eligible Shareholder/s:	MSE Number:
Shareholding as at 26 October 2007: (Record Date)	
Entitlement to New Ordinary Shares: (Fractional share entitlements are rounded up to the nearest whole)	

By completing the relevant boxes, signing this PAL B and returning it to the Registrar by 12.30 p.m. of 30 November 2007, you will be confirming your election to **SPLIT** and/or take up **PART OF** your Entitlement to New Ordinary Shares.

If you want to take up **ALL** of your Entitlement or you want to **TRANSFER** the balance of your Entitlement to a Third Party then please fill in PAL A or PAL C, as may be applicable.

I/We apply to purchase and acquire **PART** of my/our Entitlement:

PARTIAL TAKE UP		
TOTAL NUMBER OF SHARES (In figures)	TOTAL NUMBER OF SHARES (In words)	TOTAL AMOUNT PAYABLE (US\$1.10 per share)
<b>BALANCE OF SHARES</b> (In figures)	<b>BALANCE OF SHARES</b> (In words)	

I/We hereby declare that we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 12 November 2007, the terms and conditions of which are hereby incorporated by reference. Furthermore, I/we declare that I/we returned this PAL on my/our behalf or on behalf of the company or other entity I/we represent and I/we enclose herewith the Total Amount payable/deposit slip/other documentary evidence as proof that the Total Amount payable/deposit has been received.

Signature/s of Eligible Shareholder/s

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

Date

Collecting Agent Stamp

Page 1 of 2





# PAL B – SPLIT

(continuation)

FURTHER SPLIT(S)		
TOTAL NUMBER OF SHARES (In figures)	TOTAL NUMBER OF SHARES (In words)	TOTAL AMOUNT PAYABLE (US\$1.70 per share)
<b>BALANCE OF SHARES</b> (In figures)	<b>BALANCE OF SHARES</b> (In words)	

I/We hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 1 November 2007, the terms and conditions of which are hereby incorporated by reference. Furthermore, I/we confirm that I/we have returned this PAL on my/our behalf or on behalf of the company or company I/we represent and I/we enclose payment for the Total Amount payable/deposit slip/other documentary evidence as proof that the Total Amount has been paid.

**Signature/s of Eligible Shareholder/s**

1. \_\_\_\_\_  
 2. \_\_\_\_\_  
 3. \_\_\_\_\_  
 Date \_\_\_\_\_

Collecting Agent Stamp

SPECIMEN





# PAL C – TRANSFER

(continuation)

DETAILS OF ADDITIONAL TRANSFEREE/S			
2. Title (Mr/Mrs/Ms/...)		Full Name & Surname / Registered Name	
Address (including post code)			
MSE A/C No. (if applicable)	ID Card / Passport / Co. Reg. No.	Tel. No.	<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate/Body of Persons
TOTAL NUMBER OF SHARES (in figures)	TOTAL NUMBER OF SHARES (in words)	TOTAL AMOUNT PAYABLE (US\$ 1.10 per share)	
3. Title (Mr/Mrs/Ms/...)		Full Name & Surname / Registered Name	
Address (including post code)			
MSE A/C No. (if applicable)	ID Card / Passport / Co. Reg. No.	Tel. No.	<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate/Body of Persons
TOTAL NUMBER OF SHARES (in figures)	TOTAL NUMBER OF SHARES (in words)	TOTAL AMOUNT PAYABLE (US\$ 1.10 per share)	
MINOR'S PARENTS / LEGAL GUARDIANS (to be completed ONLY if the Transferee is a Minor)			
1. Title (Mr/Mrs/Ms/...)		Full Name & Surname	ID Card / Passport Number
2. Title (Mr/Mrs/Ms/...)		Full Name & Surname	ID Card / Passport Number

**Signatures of Transferees** (Both parties or legal guardian's and sign if Transferee is a minor. All parties are to sign in the case of a joint transfer.)

I/We hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 1 November 2007, the terms and conditions which are hereby incorporated by reference. Furthermore, I/we confirm that I/we have returned this part of the PAL on my/our behalf as company or other entity I/we represent and I/we enclose payment for the Total Amount payable/deposit to my/our bank account, as proof that the Total Amount has been paid.

1.


2.

3.

Date

Collecting Agent Stamp

## Appendix 3 : Instructions for Completion of the Provisional Allotment Letter



**FIMBANK**

# INSTRUCTIONS SHEET

RIGHTS ISSUE OF 22,894,699 NEW ORDINARY SHARES OFFERED AT US\$ 1.10 PER SHARE

Instructions for completion

## PROVISIONAL ALLOTMENT LETTER ("PAL")

**IMPORTANT: READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE RELEVANT PAL**

1. There are 3 (three) PAL/s:
  - a. **'PAL A – ALL'** (white copy) is to be completed by the Eligible Shareholder taking up **ALL** of his Entitlement;
  - b. **'PAL B – SPLIT'** (blue copy) is to be completed by the Eligible Shareholder's wishing to take up **PART OF**, or **SPLIT**, his entitlement, including where part of the Entitlement is taken up and part of the balance is transferred to a Third Party;
  - c. **'PAL C – TRANSFER'** (yellow copy) is to be completed by the Eligible Shareholder's wishing to **TRANSFER ALL** or **PART OF** his Entitlement to a Third Party.
2. The PAL is to be completed in **BLOCK CHARACTERS**.
3. The relevant PAL/s must be accompanied by payment of **UNCLEARED FUNDS** for the corresponding amount in US Dollars of the New Ordinary Shares subscribed for. Payment may be made by SWIFT, account transfer, bank draft or bankers' cheque, or personal cheque and payment made to **THE REGISTRAR - FIMBANK p.l.c. RIGHTS ISSUE**. For payments to be made into the Registrar's Account with Bank of Valletta p.l.c., the relevant banking co-ordinates are as follows:
 

The Registrar - FIMBANK p.l.c.  
 Account No: XXXXXXXX  
 IBAN: XXXXXXXX

In the event of payment and payment subscription is not honoured on first presentation, the Registrar and/or the Issuer reserve the right to invalidate the relative PAL.
4. The Rights Issue opens on Monday 19 November 2007 at 8.30 a.m. while the latest date for acceptance of all applications will be Friday 30 November 2007 at 12.30 p.m. The Registrar and/or the Issuer will reject any PAL/s:
  - a. submitted after the Offer Period closes; and/or
  - for which funds are still uncleared after the Offer Period closes.

It shall be the responsibility of the Eligible Shareholder's and/or Transferee's to ensure that these requirements are complied with. Any charges that the Issuer or the Registrar may incur to secure the collection of cleared funds shall be at the expense of the Eligible Shareholder's and/or Transferee's.
5. The relevant fields and details in each PAL are pre-printed.
6. For **PAL A**, the Eligible Shareholder's need only to confirm such details in writing, sign and date the PAL, accompanied by details of payment.
7. **PAL B** is to be used only by the Eligible Shareholder's wishing to take up his rights partly, or to take them up in two or possibly more tranches by the closing date of the Offer Period, or to partly take up and partly transfer the rights to a Third Party. In the event of a partial take up, the Collecting Agent will note the balance of shares that may still be taken

Page 1 of 2



**FIMBANK**

## INSTRUCTIONS SHEET

up or transferred, stamp PAL B and return the original to the Eligible Shareholder/s who may wish to use it again for the balance. The Eligible Shareholder/s must ALWAYS be in possession of the original PAL B.

8. Transferee/s are to insert full personal details in **PAL C**. In the case of a transfer to more than one Transferee, full details of all Transferees must be provided in the fields indicated.
9. Non-resident Transferee/s must indicate their passport number in PAL C. In the case of a Transferee who is a minor, a Public Registry birth certificate must be attached to the PAL C (the birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The PAL C must be signed overleaf by both parents or by the legal guardian/s.
10. In case the Eligible Shareholder/s and Transferee/s (if applicable) is a body corporate, the PAL must be signed by duly authorised representatives indicating the capacity in which they are signing. Particular attention should be made where the Transferee/s is a body corporate, to indicate the name of the entity, as required, and the registration number in the appropriate field on the front of the PAL C.
11. Transferee/s who hold securities on the Malta Stock Exchange are to indicate their MSE number details provided in this respect on the PAL differ, or are discrepant, from the existing account details on the MSE, the Registrar reserves its rights to open a new MSE account for this allotment.
12. Where insufficient space is available in PAL/s B and C, an attachment to the form (to mark PAL B or PAL C) shall be acceptable only as long as this is signed by the Eligible Shareholder/s and stamped by the Collecting Agent.
13. Completed PAL/s are to be sent by post or delivered to any Collecting Agent. Remittance by post is made at the risk of the Eligible Shareholder/s and/or the Transferee/s. The Registrar and the issuer disclaim all responsibility for any such remittance not received by the closing of the Offer Period.
14. The Registrar and/or the Issuer reserve the right to reject any PAL/s which appears to be in breach of the terms and conditions of the Prospectus dated 1 November 2007.
15. Should any PAL be lost, destroyed or otherwise defaced and/or invalidated, the Eligible Shareholder/s shall inform the Issuer and/or the Registrar.
16. The Eligible Shareholder/s and Transferee/s wishing to transfer their fully paid Entitlement before the closing of the Offer Period must apply in writing to the Registrar and/or the Issuer.
17. By completing and delivering the PAL each Eligible Shareholder and/or Transferee acknowledges that:
  - a. the Registrar and/or the Issuer may process the personal data provided in the PAL in accordance with the Data Protection Act 2001 (Cap.440);
  - b. the Registrar and/or the Issuer may process such personal data for all purposes necessary for and related to the Rights Issue;
  - c. he has the right to request access to and rectification of the personal data relating to him, as processed by the Registrar and/or the Issuer. Any such request must be signed by the Eligible Shareholder/s and/or Transferee/s and made in writing to the Registrar;
  - d. all terms and conditions of the Prospectus dated 1 November 2007, including but not limited to the Representations and Warranties contained in the Share Securities Note, have been read and understood.
18. The terms used in the PAL have the same meaning as that assigned to them in the Prospectus dated 1 November 2007.

## Notes

## Notes

## Notes