

FIMBANK
G R O U P



A Global Force in Trade Finance

Prospectus

dated 4 October 2010

Issue of an aggregate of €25 million Bonds 2013
(subject to an aggregate Over-allotment Option of a further €10 million)

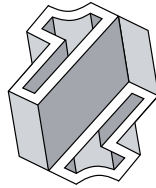
in any one or a combination of the following issues:
4.25% EUR Bonds 2013 of a nominal value of €100 per Bond issued at par
4.25% USD Bonds 2013 of a nominal value of \$100 per Bond issued at par

SPONSOR



MANAGER AND REGISTRAR





FIMBANK

Prospectus dated 4 October 2010

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EUR25,000,000 Bonds 2013
(Subject to an aggregate Over-allotment Option of EUR10,000,000)

In any one or a combination of the following issues:
4.25% EUR Bonds 2013
of a nominal value of EUR100 per bond issued at par
4.25% USD Bonds 2013
of a nominal value of USD100 per bond issued at par

by

FIMBank p.l.c.

(a public limited liability company registered in Malta with registration number C17003)

Offer Period: from 25 October 2010 to 29 October 2010 (both dates included)

(subject to the right of the Issuer to close the Offer early in the event of over-subscription)

ISIN: MT0000181231 for the EUR Bonds
ISIN: MT0000181249 for the USD Bonds

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MANAGER & REGISTRAR





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Part I - Summary Note

Warnings

This Summary Note has to be read as part of the Prospectus dated 4 October 2010 (the "Prospectus") which is composed of the following parts:

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

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

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

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

Important Information

This document constitutes a summary to the Prospectus dated 4 October 2010 and contains information on the issue by FIMBank p.l.c. (the "Issuer") of the equivalent of EUR25,000,000 4.25% Bonds 2013 in either or each of two issues denominated in Euro and USD respectively, depending on the value of the Applications received for the Bonds. The Bonds denominated in Euro, having a nominal value of EUR100 each, will be issued at par and shall bear interest at the rate of 4.25% per annum (the "EUR Bonds"). The Bonds denominated in United States Dollars having a nominal value of USD100 each, will be issued at par and shall bear interest at the rate of 4.25% per annum (the "USD Bonds"). The EUR Bonds and the USD Bonds are jointly referred to as the "Bonds". In the event that during the Offer Period, the Issuer receives applications for Bonds in excess of the equivalent of EUR25,000,000, the Issuer may increase the issue of Bonds by the equivalent of an additional EUR10,000,000 in either or a combination of the EUR Bonds and the USD Bonds (the "Over-allotment Option"). For the purpose of ascertaining the aggregate principal amount of the USD Bond reference will be made to the rate of exchange of EUR1: USD1.3335 (the "Rate of Exchange"). The Bonds will be redeemed on 30 November 2013. Interest on the Bonds will be payable semi-annually in arrears on 31 May and 30 November of each year, the first such payment to be made on 31 May 2011.

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

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

No broker, dealer, salesman or other person has been authorised by the Issuer or by its Directors to issue any advertisement or to give any information or to make any representations in connection with the Bond 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 4 of the Summary Note are acting exclusively for the Issuer in relation to this Bond Issue and will not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

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

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

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

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

Unless otherwise stated, the contents of the Issuer's website or any website directly or indirectly linked to the Issuer's website do not form part of this Prospectus. Accordingly no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in the Bonds.

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

Selling Restrictions

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

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

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

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

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

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

1. Definitions

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

2. Risk Factors

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

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

2.1 General

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

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

2.2 Risks relating to the Issuer

2.2.1 *Strategic and Business Risk*

The Group is primarily active in international trade finance, providing services relating mainly to commodities, across a wide geographical base and offering a diversity of products. Economic crises, especially when prolonged, and market shocks may weaken companies, banks and governments, leading to a downturn in business confidence, lower spending power, higher unemployment and deteriorating government finances. These scenarios can in turn cause a shortage of liquidity and credit availability, leading to a decrease in trade flows and an increase in strategic and business risks to the Issuer.

2.2.2 *Credit Risk*

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation and cause the other party to incur a financial loss. The Issuer finances cross-border international trade and is especially active in emerging markets, which in turn entails an exposure to company, bank and government credit risks in those markets. Credit risk is not only associated with loans but also to other on- and off-balance sheet exposures such as letters of credit, guarantees, acceptances and money market operations.

2.2.3 *Country and Transfer Risk*

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

2.2.4 *Market Risk*

General

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

Foreign Exchange Risk

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

Interest Rate Risk

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

Other Price Risk

The Group's exposure to price risk is limited to its bonds and credit linked notes portfolios included in the assets side of the Issuer's balance sheet. These are measured by reference to their quoted market values in active markets and hence could impact the Issuer's financial statements.

2.2.5 *Settlement Risk*

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

2.2.6 *Concentration Risk*

Concentration risk, which may occur both at the level of the Issuer as well as the level of the Group, may arise because of lack of diversification in business that may lead to excessive exposures or concentration in one counterparty or group of connected counterparties. Furthermore, concentration risk may also arise in products, markets/economic sectors, countries or geographical regions.

2.2.7 *Liquidity Risk*

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

2.2.8 *Operational Risk*

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

2.2.9 *Legal Risk*

Legal risks arise from the possibility that unenforceable contracts, lawsuits or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the Issuer. The Group is particularly susceptible to legal risks when entering into transactions in some of the emerging markets where it does business and where the ineffectiveness of the legal and judicial systems may pose difficulties for the Group to preserve and enforce its legal rights.

2.2.10 *Reputational Risk*

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

2.2.11 *Information Technology Risk*

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

2.2.12 *Credit Rating Risk*

The Issuer relies on leading global rating agencies for its risk assessment purposes. These credit rating agencies publish their independent opinions on the creditworthiness of debt issuers, in terms of both their ability and willingness to honour financial commitments. Given its substantial foreign denominated business transactions, the Issuer focuses primarily on the long-term foreign currency rating assigned by rating agencies. These ratings indicate the probability of the debt repayments due to the Issuer in foreign currency.

2.3 *Risks relating to the Bonds*

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

2.3.1 *Modification and Waivers by Bondholders' Meetings*

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

2.3.2 *Change of Law*

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

2.3.3 *Trading and Liquidity of the Bonds*

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

2.3.4 *Foreign Exchange Risk*

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

2.3.5 *Interest Rate Risk*

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

2.3.6 *Ranking*

The Bonds are unsecured. They shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any priority or preference among themselves. They shall rank before other outstanding subordinated debts of the Issuer, present and future. In the event of dissolution and winding up of the Issuer, the Bondholders have a general claim on the assets of the Issuer. However, other creditors may have a pledge on certain assets of the Issuer. In such case, if the Issuer does not have enough assets to pay all its debts, creditors with pledges on certain assets will be paid out of the proceeds of sale of such pledged assets, before the Bondholders are paid. Any remaining assets of the Issuer will then be used to pay all general unsecured creditors including the Bondholders.

2.3.7 *Issuer's Credit Rating Risk*

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

3. Directors, Management and Auditors

3.1 *Directors*

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

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

Kuwaiti national. Director since November 1994. Graduate in Business Administration from USA in 1975. Chairman of Massaleh Real Estate K.S.C.; Vice-Chairman of Massaleh Investments K.S.C.C., (formerly known as Kuwaiti Interests for Financial Investments); Vice-Chairman of Taameer Real Estate Investments K.S.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, now Ahli United Bank (United Kingdom). He is also Chairman of the Issuer's Compensation Sub-Committee.

John C. Grech, *Vice-Chairman*

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

Fouad M.T. Alghanim, *Director*

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

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

Kuwaiti national. Director since April 2002. Mr. Al Sayer graduated from Seattle University, USA in 1997 and then obtained a Masters in General Management from the Kuwaiti Maastricht Business School. Currently he holds a number of positions, such as CEO for the Al-Dhow Enterprises Real Estate Company, Chairman of the Kuwait National Lube Oil Manufacturing Company and is a Director of the United Financial Brokerage Company in Egypt.

Francis J. Vassallo, *Director*

Maltese national. Director since February 2003. He occupied various senior positions with Chase Manhattan Bank worldwide in a career that spanned 28 years and which also included being on the Board of Directors of the bank's operations in the Channel Islands, Luxembourg and Spain. He occupied the post of Directeur General of Chase Manhattan Private Bank in Switzerland and later General Manager of Chase Manhattan Bank in Spain. In September 1993, he was appointed Governor of the Central Bank of Malta. During his tenure as Governor, he was a founding member of the Board of Governors of the Malta Financial Services Authority. He is President of

Francis J. Vassallo & Associates Limited and Chairman of FJV Fiduciary Management Limited and FJV Management Limited. He acted as Chairman of the Malta Development Corporation between 1999 and 2000. He is a non-executive board member of various listed and unlisted companies and is Chairman and Non-Executive Director of Mediterranean Bank p.l.c. He is a member of the Board of Directors of major international SICAVs registered in Malta, namely the Celsius Fund (owned by Barclays Bank p.l.c.) and Altma Fund (owned by National Bank of Canada (Global) Limited). He is a member of the International Tax Planning Association, the Institute of Financial Services Practitioners and is a member of the Sovereign Military Order of the Knights of St. John. He is also Chairman of the Issuer's Board Risk Committee and Assets-Liabilities Committee.

Jacques Leblanc, Director

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

Mohammed I.H. Marafie, Director

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

Tareq M. Al-Saleh, Director

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

John D. Freeman, Director

American national. Director since April 2008. He recently served for over 18 years as President and Managing Director of Quabbin Capital Inc., a US private equity investment firm and continues as an advisor to that firm. In addition to Private Equity, Quabbin Capital holds a diversified portfolio of investments in Oil & Gas, Mezzanine Finance and Venture Capital investments. In this capacity he held board memberships in many of its portfolio companies. Previously he held senior management positions in the international investment banking activities of Arab Banking Corp. in Latin America, Bahrain and London and prior to that with the international banking business of Bank of Boston in Brazil and the US. He presently is a managing director of Cooper Omnibus Global Fund LLC with investments in Brazil and also is an independent trustee for a large US based private family trust. He is Chairman of the Issuer's Audit Committee.

Rogers D. LeBaron, Director

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

Pierre-Olivier Fragnière, Director

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

Gerard Lohier, Director

French national. Director since April 2009. A banking graduate from a French university, he has held various senior executive roles with BNP in Asia, Africa and Europe, including managing director of BNP Intercontinentale and subsequently Head of Group Commercial Banking Division at BNP Paribas. He is currently an independent adviser and member of the Board of Directors of Watamar and of Hinduja Bank, a Swiss private merchant bank, where he is also chairman of the Audit Committee. He is also a director and vice chairman of Compagnie Privée de Conseils et d'Investissements, an asset management company and securities dealer based in Geneva. He is Chairman of the Issuer's Executive Committee.

Marcel Cassar, Company Secretary

Maltese national. Company Secretary since November 2009. More detailed information on Mr. Cassar is available in paragraph 3.3 hereunder.

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

Name	No. of shares held in the Issuer directly in his name	Percentage of Issued Share Capital
Najeeb H.M. Al-Saleh	787,889	0.58%
John C. Grech	525,872	0.39%
Fouad M.T. Alghanim	7,924,205	5.83%
Mohammed I.H. Marafie	495,765	0.36%
John D. Freeman	nil	nil
Hamad M.B.M. Al-Sayer	nil	nil
Francis J. Vassallo	nil	nil
Tareq M. Al-Saleh	nil	nil
Jacques Leblanc	nil	nil
Rogers D. LeBaron	nil	nil
Pierre-Olivier Fragnière	nil	nil
Gerard Lohier	nil	nil

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

- Najeeb H.M. Al-Saleh – in Massaleh Investments K.S.C.C.
- Hamad M.B.M. Al-Sayer – in Astrolabe General Trading and Contracting Co.
- John C. Grech – in EMCSI Holdings Limited, EMCS Investments Limited, Melita Unipol Insurance Brokers Limited and Melita Unipol Insurance Agency Limited.
- Mohammed I.H. Marafie – in Al-Nour International Holding Co. K.S.C.C.

To the extent known, or potentially known, to the Issuer as at the date of this Prospectus, there are no conflicts of interest of which the Bondholders should be aware. The measures in place aimed at regulating potential abuse of control and conflicts of interest are described in more detail under 16.2.5 of the Registration Document.

3.2 Board Committees

The Board of Directors has established the following committees:

- Executive Committee;
- Audit Committee;
- Risk Committees; and
- 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:

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

Compensation Sub-Committee

The members of the Compensation Sub-Committee are:

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

Audit Committee

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities, according to detailed terms of reference included in the Audit Committee Charter and which reflect the recent requirements of the Listing Rules as well as current best practices and recommendations of good corporate governance. The terms of reference of the Audit Committee, as detailed in the Audit Committee Charter (a document on display), include:

- the monitoring of the financial reporting process, including the audit of the annual and consolidated accounts;
- the monitoring of the effectiveness of the Issuer's internal control, internal audit, compliance and risk management systems;
- the maintenance of communication on such matters between the Board, Management, the external Auditors and the internal Auditors;
- the monitoring and reviewing of the external Auditor's independence, and in particular, the provision of additional services to the Issuer;
- the monitoring and reviewing of proposed transactions by the Group with related parties; and
- the performance of the Group's Internal Audit function.

The Audit Committee also considers the arm's length nature of related party transactions that the Issuer carries out. Both the Audit Committee's and the Head of Internal Audit's terms of reference clearly stipulate their independence from other Board Committees and management, and such independence is also acknowledged by external regulatory verification. The Head of Internal Audit has direct access to the Audit Committee Chairman at all times, attends all meetings and acts as secretary to the Audit Committee.

The members of the Audit Committee are:

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

The member of the Audit Committee who, as required by the Listing Rules, is designated as independent and competent in auditing and/or accounting is John D. Freeman.

Risk Committees

The Board 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 Board Risk Committee is also responsible for the oversight of operational and legal risk related to credit activity.

Certain powers of the Board Risk Committee are delegated to the Management Risk Committee. The Management Risk Committee decides on credit applications up to and including USD10 million. Credit applications exceeding USD10 million up to the Bank's legal lending limit are decided by the Board Risk Committee. Additional limits of authority based on specific criteria and up to a maximum of USD3 million are delegated to Management. The Committees' terms of reference are included in the Risk Committee Charter.

The Board Risk Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lütischg-Emmenegger (*Vice-Chairman*), Gerard Lohier, Marcel Cassar and Armin Eckermann.

The Management Risk Committee members are:

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

The Head of Legal & Compliance has right of attendance at the Risk Committees' meetings in an advisory role. The Head of Risk Management acts as secretary to the Risk Committees.

Assets-Liabilities Committee

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

The Assets-Liabilities Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lütischg-Emmenegger, Armin Eckermann, Marcel Cassar and Carmelo Occhipinti.

3.3 Executive Management

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

Margrith Lütschg-Emmenegger, *President*

Swiss and British national. Educated in Switzerland, she has worked in trade finance with a special focus on factoring and forfaiting with Barclays Bank and Midland Bank Aval in London before joining West Merchant Bank (now WestLB A.G.) where she had global responsibility for forfaiting and factoring. Mrs. Lütschg joined the Issuer in April 2003 as Executive Vice President and was appointed President on 1 September 2004. Mrs. Lütschg sits on Board Committees as shown in paragraph 3.2 above.

Armin Eckermann, *Deputy to the President, Senior Executive Vice President and Head of Banking Group*

German national. Dr. Armin Eckermann holds a Ph.D. and a Masters of Science in Economics from the University of Illinois at Urbana-Champaign, USA. He joined the Issuer in November 2008 to head the Banking Business of the Group. In this function, he leads a team of international and local experts servicing corporate clients, institutional and financial clients as well as the pre-demolition finance and all core banking activities of the Group. Previously held positions with Standard Bank, London and WestLB in Düsseldorf, Germany and in South America. Dr. Eckermann sits on Board Committees as is shown in paragraph 3.2 above.

Marcel Cassar, *First Executive Vice President, Chief Financial Officer and Company Secretary*

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. He was appointed Company Secretary in November 2009. Previously held positions with Price Waterhouse, the MFSA and between 1996 and 2004 was General Manager at Lombard Bank Malta p.l.c. Mr. Cassar is a lecturer and examiner in bank financial management and regulation in the Faculty of Laws and FEMA at the University of Malta. Since 2009, Mr. Cassar also sits on the Banking Supervision Committee of the Brussels-based European Banking Federation. Mr. Cassar sits on Board Committees as shown in paragraph 3.2 above.

Simon Lay, *First Executive Vice President and Managing Director, London Forfaiting Company Ltd.*

British national. Mr. Lay started his career in 1976 with the Midland Bank/HSBC Banking Group where he was responsible inter alia for Midland's forfaiting subsidiary Midland Bank Aval. He joined LFC in 1991 to expand its operations in the Americas and Middle East & Turkey. Mr. Lay was appointed as Managing Director of London Forfaiting Company Ltd. in January 2006 with global responsibility for the company including its branches and subsidiaries. Mr. Lay sits on Board Committees as shown in paragraph 3.2 above.

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

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

Renald Theuma, *Executive Vice President and Head of Product Sales Department*

Maltese national. An Associate of the Institute of Financial Services (IFS) in the UK and an active committee member of the Maltese IFS Centre, he has been designated a Certified Documentary Credit Specialist by the International Chamber of Commerce. Mr. Theuma has joined the Issuer in 1998 and has occupied the post of Head of Trade Services and subsequently that of Head of Operations. Mr. Theuma previously occupied a senior managerial position at Bank of Valletta p.l.c. Currently responsible for the activities connected to the Bank's services to customers, he occupies the position of Head of Product Sales. Mr. Theuma sits on the Management Risk Committee as shown in paragraph 3.2 above.

3.4 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 2010 financial year the maximum aggregate emoluments of the Directors was fixed at USD350,000.

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

The aggregate remuneration and bonuses to the President and the Executive Management (as listed above) amounted to USD1,285,000 in 2009.

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

3.5 Auditors

The annual statutory financial statements of the Issuer and the Group for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 respectively have been audited by KPMG, certified public accountants, holding a warrant to practise the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

It is the practice of the Issuer that interim financial statements are subject to review by the independent external auditors in terms of ISRE 2410 (*Review of Interim Financial Information performed by the Independent Auditor of the Entity*). In this respect, the condensed interim financial statements for the six months ended 30 June 2009 and 30 June 2010 have been reviewed by KPMG.

4. Advisers to the Issuer

Legal Advisers

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

Sponsor

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

Manager & Registrar

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

5. Offer Statistics

Amount	The equivalent of EUR25,000,000 aggregate principal amount, in either or each of the EUR Bonds and USD Bonds respectively depending on the value of the applications received for the Bonds, subject to the option to increase the Issue by the equivalent of an additional EUR10,000,000 up to a maximum combined aggregate principal amount of the equivalent of EUR35,000,000 in the event that, before the Offer Period in case of conditional subscription agreements and/or during the Offer Period, the Issuer receives applications for the Bonds in excess of the aggregate principal amount of the equivalent of EUR25,000,000.
Bond Offer Price	EUR100 for the EUR Bonds or USD100 for the USD Bonds, unless the application is from a Preferred Applicant.
Denomination	Euro for EUR Bonds and United States Dollars for USD Bonds.

Form	The Bonds will be issued in fully registered and dematerialised 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.
Interest	The Bonds shall bear interest from and including 5 November 2010 at the rate of 4.25% per annum for the EUR Bond and 4.25% per annum for the USD Bond.
Interest Payment Dates	31 May and 30 November of each year, between the year 2011 and the Maturity Date (both years inclusive). The first interest payment will be made on 31 May 2011.
ISIN	MT0000181231 for EUR Bonds; and MT0000181249 for USD Bonds.
Issue	Bonds denominated in Euro having a nominal value of EUR100 each, which will be issued at par and shall bear an interest rate of 4.25% per annum (the "EUR Bonds") and Bonds denominated in US Dollars having a nominal value of USD100 each which will be issued at par and shall bear an interest rate of 4.25% per annum (the "USD Bonds").
Issuer	FIMBank p.l.c., a credit institution registered in Malta with registration number C17003.
Law & Jurisdiction	This Bond Issue is governed by and must be construed in accordance with the laws of Malta. The Maltese courts shall have exclusive jurisdiction to settle any disputes arising out of or in connection with the Bond.
Listing	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Manager & Registrar	Lombard Bank Malta p.l.c., a credit institution registered in Malta with registration number C1607.
Maturity Date	30 November 2013
Minimum Amount per Subscription	Minimum EUR2,000 for EUR Bonds or USD2,000 for USD Bonds and integral multiples of EUR100 for EUR Bonds and USD100 for USD Bonds thereafter.
Offer Period	The period between 8.30 a.m. on 25 October 2010 and 12.30 p.m. on 29 October 2010 (both dates inclusive), or such earlier date as may be determined by the Issuer in the event of over-subscription, during which the Bonds are on offer for subscription.
Over-allotment Option	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding the equivalent of EUR10,000,000 may be issued at the Bond Offer Price and/or at the Preferred Applicant Bond Offer Price in the event of over-subscription.
Preferred Applicant	As at the Record Date, any person, whether natural or legal, listed in: (a) the register of FIMBank's Shareholders at the Central Securities Depository of the Malta Stock Exchange; or (b) the registers of the FIMBank 7% Subordinated bonds 2012-2019 Bondholders at the Central Securities Depository of the Malta Stock Exchange. Additionally, the Directors and the employees of the FIMBank Group, as at the Record Date.
Preferred Applicant Bond Offer Price	EUR99 for the EUR Bonds or USD99 for the USD Bonds, representing a discount of 1% to par.
Pre-placement Date and Time	11.00 a.m. on 22 October 2010.
Rate of Exchange	EUR1 : USD1.3335

Record Date	30 September 2010
Redemption Value	EUR100 for the EUR Bonds or USD100 for the USD Bonds.
Sponsor	Rizzo Farrugia & Co. (Stockbrokers) Ltd., a member of the Malta Stock Exchange and a financial intermediary licensed by the MFSA.
Status of the Bonds	The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference amongst themselves and equally with any other present or future, unsecured indebtedness of the Issuer but will rank prior to the subordinated debts of the Issuer. The Issuer does not have any privileges and hypothecs in favour of third parties. 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). Any security interests so created will rank in priority to the Bonds for so long as such security interests remain in effect.
Underwriting	The Bond Issue is not underwritten. Since the proceeds of the Issue will be used in the operational business of the Issuer (as described in Section 4.4 of the Securities Note) no minimum threshold is being set for the Bonds to be taken up. Consequently, in the eventuality that the Bond Issue is not fully subscribed to, no refunds will be forthcoming to the Bondholders and the issued Bonds will be listed on the Malta Stock Exchange for the amounts so subscribed, as long as the listing conditions set out in the Listing Rules are satisfied.

5.1 Expected Timetable

Issuance of Formal Notice	6 October 2010
Application Forms Available	8 October 2010
Preferred Applicants and Pre-Placement Closing Date	22 October 2010
Opening of Subscription Lists	25 October 2010
Closing of Subscription Lists	29 October 2010
Announcement of Basis of Acceptance	5 November 2010
Commencement of Interest on the Bonds	5 November 2010
Expected Dispatch of Allotment Advices	12 November 2010
Refund of Unallocated Monies	12 November 2010
Admission to Listing	17 November 2010

The Issuer reserves the right to close the Offer before Friday 29 October 2010 in the event of over-subscription, in which case, the events set out in the timetable detailed above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the individual events.

6. Key Information¹

Group Income Statements

	Year ended 31 Dec 2009 USD	Year ended 31 Dec 2008 USD	Year ended 31 Dec 2007 USD
Net interest income	11,296,624	15,276,641	10,481,362
Net fee and commission income	20,965,500	19,381,974	14,210,733
Net trading results	(4,207,188)	2,077,831	1,972,316
Net income/(loss) from other financial instruments carried at fair value	4,138,209	(8,640,005)	(68,468)
Dividend income	604	564	371
Profit on disposal of available-for-sale investment	46,956	-	-
Profit on disposal of associated undertaking	-	33,626,234	-
Other operating income	18,012	77,405	165,738
Net impairment losses	(6,148,371)	(1,158,588)	(820,782)
Operating expenses	(24,104,779)	(28,008,416)	(20,917,312)
Operating profit	2,005,567	32,633,640	5,023,958
Share of (loss)/profit of equity accounted investees (net of tax)	(406,899)	1,743,495	4,632,878
Profit before income tax	1,598,668	34,377,135	9,656,836
Taxation	(33,620)	(9,598,495)	805,214
Profit for the year	1,565,048	24,778,640	10,462,050
Basic earnings per share	1.16c	18.60c	9.85c
Diluted earnings per share	1.25c	17.85c	9.57c

	Six months ended 30 June 2010 USD	Six months ended 30 June 2009 USD
Net interest income	6,085,400	6,503,310
Net fee and commission income	10,276,603	9,512,858
Net trading results	2,255,128	(1,027,183)
Net (loss)/income from other financial instruments carried at fair value	(872,797)	1,330,378
Dividend income	-	604
Other operating income	26,011	9,904
Net impairment losses	(2,129,804)	(1,789,777)
Operating expenses	(11,965,920)	(11,434,845)
Operating profit	3,674,621	3,105,249
Share of loss of equity accounted investees (net of tax)	(309,525)	(236,264)
Profit before income tax	3,365,096	2,868,985
Taxation	29,395	46,086
Profit for the period	3,394,491	2,915,071
Basic earnings per share	2.50c	2.15c
Diluted earnings per share	2.50c	2.17c

¹ As a result of the change in classification of the investment in Menafactors Limited (See paragraph 8.1.5 of the Registration Document), the result of operations of this subsidiary for the six months ended 30 June 2010 are being consolidated on a "line-by-line" basis whilst the result of operations for all comparative periods have been reclassified and included in income from continuing operations.

Group Balance Sheets

	30 June 2010 USD	31 December 2009 USD	31 December 2008 USD	31 December 2007 USD
ASSETS				
Balances with Central Bank of Malta and cash	10,408,250	8,844,589	8,820,337	15,149,627
Trading assets	159,725,273	126,931,253	177,329,308	157,181,282
Financial assets designated at fair value through profit or loss	22,458,547	23,558,628	25,623,116	36,278,285
Loans and advances to banks	376,001,325	312,665,003	268,569,116	242,680,313
Loans and advances to customers	158,905,080	133,136,026	98,499,302	83,689,609
Investments in equity accounted investees	10,196,372	4,554,353	1,073,715	21,646,962
Non-current assets classified as held-for-sale	-	52,120,843	27,397,646	-
Other assets	32,488,563	33,422,731	17,101,992	14,695,502
TOTAL ASSETS	770,183,410	695,233,426	624,414,532	571,321,580
LIABILITIES				
Amounts owed to banks	307,273,185	222,813,489	210,169,468	270,259,724
Amounts owed to customers	281,078,419	270,270,939	251,494,010	176,468,204
Liabilities directly associated with non-current assets classified as held-for-sale	-	11,775,785	294,528	-
Debt securities in issue	7,255,767	7,745,568	24,754,490	11,554,888
Subordinated debt	41,909,736	47,062,828	6,000,000	6,000,000
Other liabilities	15,366,700	19,936,236	15,065,726	9,103,657
TOTAL LIABILITIES	652,883,807	579,604,845	507,778,222	473,386,473
EQUITY				
Called up share capital	67,968,397	67,713,477	67,428,196	54,946,953
Share premium	10,233,166	9,986,355	9,658,098	18,136,923
Retained earnings	32,751,976	31,579,394	30,234,978	14,362,025
Other equity	6,346,064	6,349,355	9,315,038	10,489,206
TOTAL EQUITY	117,299,603	115,628,581	116,636,310	97,935,107
TOTAL LIABILITIES AND EQUITY	770,183,410	695,233,426	624,414,532	571,321,580
Contingent liabilities	16,539,516	25,565,381	49,548,490	8,804,574
Commitments	245,498,434	191,902,440	201,721,052	308,451,886

7. Reasons for the Offer and Use of Proceeds

The net proceeds from the issue of the Bonds will be applied by the Issuer in supporting the general funding requirements of the Issuer and the Group, more specifically the kind of business that tends to have a maturity cycle longer than 1 year. This is because the core business of the Issuer, i.e. cross-border trade finance mainly with emerging markets, has been developing in such a way that transaction maturities, especially the more structured transactions, are growing longer, sometimes up to 3 years. Therefore, the proceeds of the Bonds are intended to provide funding support for this longer-dated business of the Issuer. On the other hand, the 2009 issue of the 2012-2019 7% Subordinated Bonds was part of a wider and longer term capital development plan, intended to support the investment strategy into new ventures, markets and undertakings. Proceeds from the 2009 issue have to date been utilised in setting up the Indian (India Factoring and Finance Solutions Private Limited) and Russian (CIS Factors Holdings BV) entities and for other similar strategic projects currently in the pipeline. Unlike that issue, the new Bonds will not constitute Additional Own Funds (Tier II capital) forming part of the Issuer's Own Funds in terms of the Own Funds Rule (BR/03). Furthermore, the proceeds of the Bonds will not be used for the purchase of any property or buildings that would house the Group's offices, whether in Malta or elsewhere.

8. Information on the Issuer

8.1 History and Development

The Issuer is registered and domiciled in Malta as a public limited liability company under registration number C17003 and with registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM1640 Malta. It was incorporated on 8 November 1994 as First International Merchant Bank Limited for an unlimited duration under the Commercial Partnerships Ordinance, 1962 (Cap. 168, Laws of Malta), and with effect from 31 December 1997 complied with the Companies Act, 1995 under which it is currently regulated.

The status of the Issuer was changed from a private limited liability company to that of a public limited liability company (p.l.c.) on 28 April 2001. The Issuer's ordinary shares were then offered to the public and admitted to the Official List of the Malta Stock Exchange on 22 June 2001. The Issuer changed its name from First International Merchant Bank p.l.c. to FIMBank p.l.c. on 13 May 2005. Wholesale revisions were made to the Issuer's Memorandum and Articles of Association in 2006 and 2009 and were approved by the members at the Annual General Meetings of both those years.

Since 2003, the Issuer has increased its issued share capital on a number of occasions through:

- a. rights issues (2003 and 2007);
- b. capitalisation (bonus) issues (2005 and 2008);
- c. invariably since 2005, paying dividend in the form of scrip; and
- d. issues of shares to eligible employees on exercise of options.

The Issuer may be contacted on telephone: +356 23280128 (Company Secretary), facsimile: +356 23280107, email: company.secretary@fimbank.com, and website: www.fimbank.com.

8.2 Credit Institution Licence

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

Following the enactment of the Banking Act, 1994, the Central Bank of Malta became the competent authority responsible for the regulation and supervision of credit institutions, which responsibilities were subsequently taken over by the MFSA in 2002. The following dates in the chronology of the Issuer's licence are relevant:

15 November 1994: issued with 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.

20 November 1995: at the Issuer's request, the licence is reviewed and extended 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.

17 September 1997: the Issuer's licence is further extended 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.

1 July 2005: the terms of the licence were again changed and the Issuer was authorised to carry on its business in all currencies, including the Maltese Lira.

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

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

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

The Issuer's Investment Services Licence in terms of Article 5 of the Investment Services Act 1994 is in voluntary suspension.

8.3 Taxation Status of the Issuer

Since its foundation, the Issuer's tax status has been governed by an 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 regulated the taxation of the Issuer with effect from year of assessment 1996 up to year of assessment 2010. The arrangements of the Exemption Order were subject to the Issuer carrying on the business of banking as a credit institution in terms of the Banking Act.

In brief, subject to certain conditions, the Exemption Order permitted 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) to be calculated as a percentage (0.25%) of the foreign gross assets as at the end of the relevant year. The taxable profit thus calculated was 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 profits arising from that part of the Issuer's business which was not conducted wholly outside Malta was accounted for separately and taxed in the normal manner provided by the Income Tax Act.

With effect from the financial year ending 31 December 2010 (year of assessment 2011) the period covered by the Order is terminated and the Issuer is now subject to income tax in Malta under the applicable regime of laws and regulations.

8.4 Credit Rating

In January 2010, Fitch reaffirmed its long-term rating for FIMBank p.l.c. at BB with a Stable Outlook (please refer to Appendix 4 for an explanation of the relative level of credit risk represented by the letter grades). This reaffirmation, which contrasts with the recent downgrade rating actions by Fitch, confirms the Issuer's resilience despite the impact of the global economic downturn. FIMBank's ratings are underpinned by good management, acceptable asset quality, adequate liquidity and capitalisation. Nevertheless, the Issuer's core profitability and performance deteriorated largely on the back of mark-downs on its securities and forfeiting portfolio. The Issuer's adequate asset quality reflected an acceptable level of impaired loans and more than full loan loss reserve coverage. While the Issuer's appetite for credit risk is material, the Bank has proved to be able to adequately manage it. The Bank is significantly exposed to emerging markets through its lending and forfeiting books and securities portfolio. However, the short-term nature of trade finance transactions related to the lending and forfeiting books mitigates risk. The Bank's sources of funding are balanced between short-term and medium-term client deposits and interbank deposits driven from FIMBank's trade finance and correspondent bank counterparties.

8.5 Investments in Subsidiaries and Associates

8.5.1 Subsidiaries

8.5.1.1 *London Forfaiting Company Limited*

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

8.5.1.2 *FIM Business Solutions Limited*

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

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

8.5.1.3 *FIMFactors BV*

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

FIMFactors BV serves as a corporate vehicle for the Issuer's holdings of factoring joint ventures and associated companies. It currently holds the shareholding of MENAFACTORS Limited, India Factoring and Finance Solutions Private Limited and CIS Factors Holding BV. It is also scheduled to eventually hold FIMBank's shareholding in Egypt Factors Limited in due course.

8.5.1.4 *FIM Property Investment Limited*

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

8.5.1.5 *MENAFACTORS Limited*

The Issuer incorporated MENAFACTORS Limited in the Dubai International Financial Centre on 10 May 2007 as a joint venture together with Emirates National Bank of Dubai. Each shareholder held 50% of the authorised share capital of the company. During 2008, the Issuer made a further investment of USD1,725,000 in MENAFACTORS Limited, following which the Issuer acquired the remaining 50% held by the Emirates National Bank of Dubai for a consideration of USD5,275,000. As a result of this transaction, MENAFACTORS Limited became a 100% owned subsidiary.

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

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

8.5.2 Associates

The Issuer also holds investments in the following associates:

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

The Issuer incorporated The Egyptian Company for Factoring S.A.E., ("Egypt Factors") in Egypt's Public Free Zone Nasr City on 13 November 2006 together with Commercial International Bank ("CIB") and the International

Finance Corporation (“IFC”). Classified as a non-banking financial institution, since the beginning of 2010, Egypt Factors is under the supervision and control of the Egyptian Financial Supervisory Authority (“EFSA”) which is the primary governmental authority responsible for the supervision of non-bank financial markets in Egypt. Egypt Factors had originally been granted a licence from the General Authority for Investment and Free Zones (“GAFI”) at the time of its incorporation.

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

8.5.2.2 *India Factoring and Finance Solutions Private Limited*

The Issuer, through FIMFactors BV, incorporated India Factoring and Finance Solutions Private Limited (“India Factoring”) in Mumbai, India, in November 2009. The Issuer holds a 49% shareholding with the country’s second largest public sector bank, Punjab National Bank (30% ownership), a leading Italian factoring bank, Banca IFIS (10% ownership) and Blend Financial Services Limited (1% ownership). Key management personnel that were recruited have been incentivised by giving them a stake of 10%. India Factoring will be licensed and regulated by the Reserve Bank of India. Operations are expected to commence in second half of 2010. India Factoring will provide factoring, forfaiting and trade finance related activities in India.

8.5.2.3 *CIS Factors Holdings BV*

The Issuer, through FIMFactors BV, incorporated CIS Factors Holding BV (“CIS Factors”) in November 2009 under the laws of the Netherlands with the objective of serving as an investment vehicle for a factoring company, FactorRus, incorporated under the laws of the Russian Federation which provides factoring services in Russia. FIMFactors BV currently holds 50% with Joint Stock Bank Transcapitalbank of Moscow (“Transcapitalbank”) and is awaiting committed contribution of the International Finance Corporation (“IFC”) when the shareholding will be 40% FIMFactors BV, 40% Transcapitalbank and 20% IFC.

8.5.2.4 *Eastern Prospekt BV*

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

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

8.5.3 *Recent Changes to Issuer’s Investments in Associates*

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

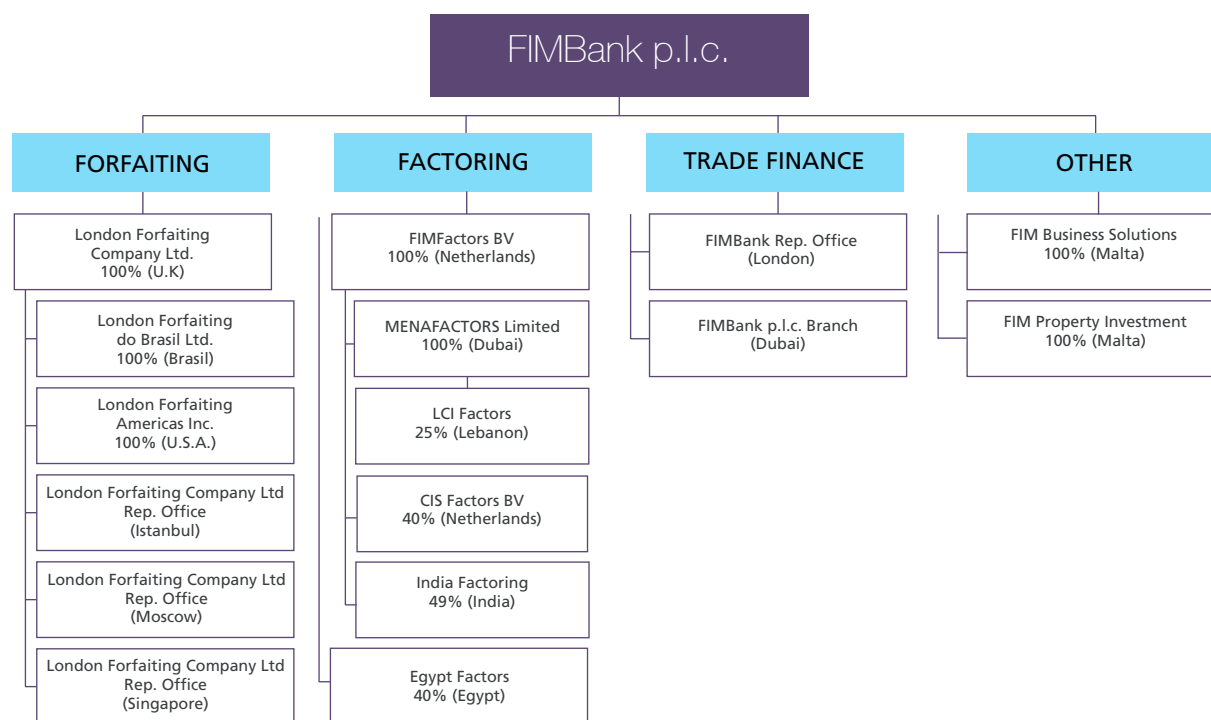
On 28 March 2008, the Issuer sold its investment in Global Trade Finance Limited (“GTF”) to State Bank of India. The Issuer had acquired 38.5% in GTF on 24 December 2004. GTF is an entity incorporated and based in Mumbai, India and primarily engages in providing factoring services. The sale of the Issuer’s 29.7 million ordinary shares in GTF was executed for a total consideration of INR2,168,100,000, equivalent to USD54,128,074 as at the date of the transaction. Detailed information of this transaction is disclosed in the 2008 Audited Financial Statements.

Sale of the Issuer’s minority stake in 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 was 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 amounted to USD22,195. During 2009, the Issuer disposed its minority stake making a profit on disposal of USD46,956.

8.6 Organisational Structure

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



9. Business Overview

Principal Activities

Principal activities of the Issuer

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

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

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 some of the Issuer's factoring joint ventures. A specialised technology platform for factoring services was successfully customised and implemented in Malta and is being used by the Issuer's factoring joint ventures.

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

The Issuer is actively pursuing its strategy to increase its factoring joint-venture network in Latin America, Asia, Africa and the Commonwealth of Independent States (CIS) with a view to further diversify its trade finance products in emerging markets. To complement its mainline trade finance activities, the Issuer has signed a cooperation agreement with Banque Piguet & CIE S.A. to diversify its product offering into private banking services.

10. Trend Information

The economic performance of the year 2009 was considered a challenge in the banking industry worldwide. Despite the negative performance of the world economy, the international banking industry and the drastic downturn in world trade volumes, FIMBank Group registered a solid operating performance in 2009. A prudent management policy, including a prudent product, client and risk management, as well as a resilient growth and development strategy, influenced the Bank's decision making. Hence, a profit after tax and a stronger balance sheet with a healthier capital base with strong liquidity ratios were delivered to the Issuer's shareholders in 2009.

The first months of the 2010 financial year witnessed the continuation of the economic crisis of 2009. Increased unemployment as well as negative economic growth figures made the headlines around the globe but predominantly in the developed markets.

World trade started showing signs of recovery during the first half of 2010, while capital started flowing to emerging markets which displayed a more resilient economic behaviour by and large. As global credit risk perceptions slowly started to improve, international financial markets began to stabilise and liquidity had shown gradual signs of improvements. However, clear signs of rebound in main emerging powers like Brazil, China and India continued.

FIMBank's strategy of product and market diversification, the specialisation in the finance of the international trade, goods and commodities which tends to be resilient even in stressful circumstances, as well as the exposure to regions that inherently feel less the effects of the crises, continue to provide opportunities for profit, at all levels of the Group. FIMBank capitalised on the current business sentiment by continuing with its strategy of pursuing factoring investments and projects with a qualitative focus on profitability. In 2010, the Group was able to expand its client and product base in both existing and new geographical areas. Efforts to recover fully-impaired past losses continued through legal proceedings and other recovery actions while steps aimed at resolving credit issues related to marked-down debt securities were pursued.

Further measures were implemented to develop the funding side in terms of growing a more diversified deposit base. Group wide action was taken to attract more short and medium term deposits across a mix in terms of size, sector and industry relationships. Prudent management of regulatory ratios was given priority. Both ratios, liquidity and capital adequacy, remained fairly high during the first half of 2010.

The Directors consider that the trend demonstrated by the challenging circumstances of the first half year of 2010 will continue to apply for the foreseeable future in 2010/2011. They look forward to develop the business prudently in a challenging environment whilst maintaining the flexibility to take advantage of any opportunity that may come about, as risk premia in promising markets, ventures and undertakings, price more realistically.

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

11. Financial Performance for the Financial year ended 31 December 2009 and six months ended 30 June 2010

During the financial year ended 31 December 2009, the Group booked a total operating income after impairments of USD23.9 million, a drop of 7% when compared to 2008, after allowing for the one-time gain generated from the disposal of GTF. Group Net Interest Income dropped by 38%, from USD14.2 million in 2008 to USD8.8 million, albeit the Net Interest Margin improved to 50% (2008: 43%). Net Fee and Commission Income increased by 7% when compared to 2008, demonstrating that the Group managed to maintain a consistent flow of fee-driven transactions, and optimising on the profitability of new business.

The continued pressure on global risk perception had a negative impact on the fair value adjustments of the Group's Trading Assets, which resulted in an aggregate downward mark-to-market adjustment of USD6.9 million (2008: USD2.7 million), all unrealised as at Balance Sheet date. This was partly offset by realised gains on trading assets of USD1.0 million (2008: USD1.5 million) and foreign exchange profits of USD1.6 million (2008: USD3.3 million). The Group also reported realised and unrealised gains on other Financial Assets carried at Fair Value of USD3.8 million, which compare positively with the USD8.6 million unrealised markdowns that marked the Group's performance in 2008.

The Group posted an after-tax profit for the period ended 31 December 2009 of USD1.6 million, with Group Basic Earnings per Share amounting to US cents 1.16.

During the six months ended 30 June 2010, the Group's Operating Income after Net Impairment losses increased by 8% over the same period in 2009, from USD14.54 million to USD15.64 million. Net Fee and Commission Income increased by 8% to USD10.28 million. Net Interest Income has not shown the same levels of improvement as for the same period last year, dropping by 6% to USD6.09 million, with the Net Interest Margin improving further and accounting for 58% of Gross Interest Income (2009: 57%).

Fair Values of the Group's Trading Assets, mainly the forfaiting book, were marked downwards negligibly by USD0.08 million (2009: USD1.76 million) during the first six months of 2010, and were in line with the improved global credit risk perceptions and the gradual return of confidence and normalisation in financial markets and trade flows. This was offset by net realised gains from traded assets of USD0.05 million (2009: USD0.24 million) and realised and unrealised exchange profits of USD2.29 million (2009: USD0.51 million) resulting from increased foreign exchange activity in the Bank's niche markets. Net Impairment charges for the Group amounted to USD2.13 million, an increase of 19% over the same period in 2009. This was mainly the result of an increase in specific impairment charges on Menafactors' factoring book of USD1.63 million, when compared to the same period in 2009 - a result of the credit issues which persist in the MENA region, especially Dubai. Conversely, specific impairment allowances for the Bank were USD1.27 million less than 2009, actually resulting in a net reversal of provisions of USD0.16 million.

The Group posted an after-tax Profit for the six months ended 30 June 2010 of USD3.39 million (2009: USD2.92 million), with the Group's basic Earnings per Share amounting to US cents 2.50.

Financial performance and trend information regarding the Group and the Issuer for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 including the unaudited interim financial statements for the 6 months ended 30 June 2009 and 30 June 2010 respectively can be viewed in the financial statements on the Issuer's website www.fimbank.com.

12. Major Shareholders and Related Party Transactions

12.1 Interest of Major Shareholders

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

	Ordinary Shares	%
Massaleh Investments K.S.C.C.	59,685,970	43.91%
International Finance Corporation	7,976,738	5.86%
Fouad M.T. Alghanim	7,924,265	5.83%
Astrolabe General Trading and Contracting Company	7,829,384	5.81%

12.2 Related Party Transactions

Full details of related party transactions during the financial year ended 31 December 2009 may be viewed in the audited financial statements of the Issuer available for public inspection at the Issuer's registered address and on the Issuer's website: www.fimbank.com.

13. Financial Information

13.1 Historical Financial Information

The Issuer's and the Group's audited financial statements for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009, as well as the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010, are available for public inspection on the Issuer's website: www.fimbank.com.

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 2007, 31 December 2008 and 31 December 2009 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 2007, 31 December 2008 and 31 December 2009 as well as for the six months ended 30 June 2009 and 30 June 2010 may be found in paragraph 6 of this Summary.

13.3 Auditing of Historical Annual Financial Information

The annual financial statements of the Issuer and the Group for the financial years ended 31 December 2007, 31 December 2008, and 31 December 2009 respectively have been audited by Messrs KPMG, Certified Public Accountants, Malta.

It is the practice of the Issuer that interim financial statements are subject to review by the independent external auditors in terms of ISRE 2410 (*Review of Interim Financial Information performed by the Independent Auditor of the Entity*). In this respect, the condensed interim financial statements for the six months ended 30 June 2010 have been reviewed by KPMG.

13.4 Age of Latest Financial Information

The latest financial information available in respect of the Issuer relates to the financial periods listed under paragraph 13.3 above.

13.5 Significant Changes in the Issuer's Financial or Trading Position

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 30 June 2010.

14. Details of the Offer

14.1 Admission to Trading and Markets

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

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

14.2 Distribution

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

14.3 Estimated Expenses and Proceeds of the Offer

The Offer will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, placement fees and a selling commission of 1.0% and other miscellaneous costs incurred in connection with this Offer.

Depending on the extent to which the Over-allotment Option is exercised and how many of the Preferred Applicants subscribe to the Offer, the estimated expenses and net proceeds will be approximately as follows:

	Total Offer (in EUR)	Total Offer in the event of full over-allotment (in EUR)
	25,000,000	35,000,000
Estimated expenses	(500,000)	(600,000)
Net proceeds (assuming NIL take-up by Preferred Applicants)	24,500,000	34,400,000
Maximum discount if all Offer is taken up by Preferred Applicants (at EUR/USD99)	(250,000)	(350,000)
Net Proceeds (assuming FULL take-up by Preferred Applicants)	24,250,000	34,050,000

14.4 Public Offer

Public Offer

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

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

Placing Arrangements

General

14.4.3 The Issuer hereby reserves the right to enter into conditional subscription agreements (the "Subscription Agreement/s") prior to the commencement of the Offer Period up to an amount not exceeding 57% of the maximum combined aggregate amount of the equivalent of EUR35,000,000, i.e. EUR20,000,000 (the "Placed Portion") with a number of Authorised Distributors for the subscription of the Bonds by Preferred Applicants and other investors. Applications in a single name for an aggregate investment amount of less than EUR6,000 or USD6,000 shall not be eligible for the Placed Portion and shall not be accepted. Upon completion and submission of the Subscription Agreements, the Issuer will be conditionally bound to issue, and each Authorised Distributor will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on both the Issuer and the Authorised Distributor upon delivery, subject to the Issuer having received all subscription proceeds in clear funds on delivery of the Subscription Agreement.

Applications received from Preferred Applicants shall be met in full for the first EUR6,000 or USD6,000 for each Preferred Applicant. Any amount not taken up at pre-placement will be available for subscription during the Offer Period.

In the event that Applications submitted by Preferred Applicants are in excess of the said amount, any unsatisfied part of such Applications shall automatically participate during the Offer Period *pari passu* with other Applicants.

Plan of Distribution and Allotment

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

14.4.5 Subject to the event of oversubscription, the Bonds will be listed on the Official List of the Malta Stock Exchange on 17 November 2010 and such date shall constitute the date of issue, allotment as well as Listing of the Bonds. Dealing shall commence on the following trading day.

15. Additional Information

15.1 Share Capital

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

The Issuer's issued share capital as at the date of this Registration Document is USD67,968,397 divided into 135,936,794 fully paid up ordinary shares of USD0.50 each listed on the Malta Stock Exchange.

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

15.2 Memorandum and Articles of Association

The Issuer is a company registered pursuant to the provisions of the Companies Act in Malta with registration number C17003.

16. Material Contracts

Save for the Contracts for Works as detailed below, the Issuer has not entered into contracts of a material nature which were not in the ordinary course of its business and which could impact the Issuer's ability to meet its obligations to Bondholders.

16.1 Contracts for Works

In December 2009, FIM Property Investment Limited has, by means of a deed of sale and acquisition, purchased immovable property to be developed in a building where the Issuer intends to house its head office. FIM Property Investment Limited has entered into payment commitments with various third party service providers for works done on this development including but not limited to project management, architectural designs, shell and core works, temporary facilities services and lift installation. Outstanding commitments relating to these contracts for works as at the date of this Registration Document amount to EUR5,954,680.

17. Documents on Display

For the life of this Summary 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 Malta:

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group (including its subsidiaries) for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 as well as the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010;
- The Pledge Agreement dated 24 December 2007; and
- The Audit Committee Charter.

The Financial Statements of the Issuer may also be inspected on the Issuer's website: www.fimbank.com.

Part II - Registration Document

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

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

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

This document is dated 4 October 2010.

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1. Definitions

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

Advisers	The Advisers to the Issuer whose name and addresses are set out under the heading "Advisers to the Issuer" in paragraph 5 of this Registration Document.
Applicant	A person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form.
Application	The application to subscribe for Bonds made by an Applicant by completing an Application Form and delivering it to the Registrar or to any of the Authorised Distributors.
Application Form	The form of Application of subscription for the Bonds, a specimen of which is set out in Appendix 2 of this Prospectus.
Authorised Distributors	The financial institutions, financial intermediaries and other persons listed in Appendix 1 of this Prospectus.
Banking Act	The Banking Act, 1994 (Cap. 371 of the Laws of Malta)
Board Committees or Committees	Executive Committee, Risk Committees, Assets-Liabilities Committee and Audit Committee respectively, including any of their sub-committees.
Bond Issue	The Issue of EUR25,000,000 subject to the Over-allotment Option.
Bond Offer Price	EUR100 for the EUR Bonds or USD100 for the USD Bonds unless a Preferred Applicant Bond Offer Price applies.
Bond/s	A maximum equivalent of EUR25,000,000 4.25% Bonds redeemable on 30 November 2013 at par, or in case of the Over-allotment Option, up to a maximum combined aggregate principal amount of EUR35,000,000 issued pursuant to this Prospectus.
Bondholders	The holders of the Bonds.
Business Day	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business.
Central Securities Depository, CSD	The Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws.
Companies Act	The Companies Act, 1995 (Cap. 386 of the Laws of Malta).
Company, Bank, FIMBank, Issuer	FIMBank p.l.c., a credit institution registered in Malta with registration number C17003 and registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema SLM1640 Malta and authorised to conduct banking and other financial services business by the Malta Financial Services Authority.
Director(s) or Board of Directors or Board	The Directors of the Issuer whose name and addresses are set out under the heading "Directors of the Issuer" in paragraph 13 of this Registration Document.
EUR Bonds	The 4.25% Bonds due 2013 denominated in Euro having a nominal value of EUR100 each, which will be issued at par and shall bear interest at the rate of 4.25%, the aggregate principal amount of which will be determined by the Issuer depending on the value of the Applications received for the Bonds, provided that the combined aggregate principal amount of EUR Bonds and USD Bonds is the equivalent of EUR25,000,000 except in the event of exercise of the Over-allotment Option.
Euro or EUR	The lawful currency of the Republic of Malta and recognised as legal tender by the Member Countries of the European Monetary Union.

Group	FIMBank p.l.c. together with its wholly owned subsidiaries, London Forfaiting Company Limited (UK), FIMFactors BV, FIM Property Investment Limited, FIM Business Solutions Limited, MENAFATORS Limited (Dubai International Financial Centre, United Arab Emirates), and its associates The Egyptian Company for Factoring S.A.E. (Egypt), India Factoring and Finance Solutions Private Limited (India) and CIS Factors Holdings BV (Russia).
Interest Payment Dates	31 May and 30 November of each year between 2011 and the Maturity Date (both years included). The first interest payment will be made on 31 May 2011.
Listing Authority	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.
Listing Rules	The Listing Rules of the Listing Authority.
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c. established by the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta).
Manager & Registrar	Lombard Bank Malta p.l.c. 67 Republic Street, Valletta VLT 1117.
Maturity Date	30 November 2013
MFSA	The Malta Financial Services Authority established in terms of the Malta Financial Services Authority Act, 1988 (Cap.330, Laws of Malta).
Offer	The invitation to subscribe for Bonds contained in this Prospectus.
Offer Period	The period between 8.30 a.m. on 25 October 2010 and 12.30 p.m. on 29 October 2010 (both dates inclusive), or such earlier date as may be determined by the Issuer in the event of over-subscription, during which the Bonds are on offer for subscription.
Over-allotment Option	The option of the Issuer to offer for subscription additional Bonds not exceeding the equivalent of EUR10,000,000 in either of a combination of the EUR Bonds and the USD Bonds up to a maximum combined aggregate principal amount of the equivalent of EUR35,000,000 in the event that during the Offer Period the Issuer receives applications for Bonds in excess of the combined aggregate principal amount of the equivalent of EUR25,000,000.
Placing Arrangements/ Subscription Agreements	The conditional subscription agreements, if any, between the Issuer and the Authorised Distributors.
Preferred Applicant	As at the Record Date, any person, whether natural or legal, listed in: (a) the register of FIMBank's Shareholders at the Central Securities Depository of the Malta Stock Exchange, or (b) the registers of the FIMBank 7% Subordinated bonds 2012-2019 Bondholders at the Central Securities Depository of the Malta Stock Exchange. Additionally, the Directors and the employees of the FIMBank Group, as at the Record Date.
Preferred Applicant Bond Offer Price	EUR99 for the EUR Bonds or USD99 for the USD Bonds, representing a discount of 1% to par.
Prospectus	The Prospectus in its entirety including the Registration Document, the Securities Note and the Summary Note.
Record Date	30 September 2010
Redemption Value	EUR100 for the EUR Bond and USD100 for the USD Bond.
Securities	Has the meaning ascribed to it by the Listing Rules.
Securities Note	The document set out as Part III of this Prospectus.

Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a member of the Malta Stock Exchange and a financial intermediary licensed by the MFSA.
Summary Note	The document set out as Part I of this Prospectus.
USD	United States Dollars being the lawful currency of the United States of America.
USD Bonds	The 4.25% bonds due 2013 denominated in USD having a nominal value of USD100 each, which will be issued at par and shall bear interest at the rate of 4.25%, the aggregate principal amount of which will be determined by the Issuer depending on the value of the Applications received for the Bonds, provided that the combined aggregate principal amount of EUR Bonds and USD Bonds is the equivalent of EUR25,000,000 except in the event of exercise of the Over-allotment Option.

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

Unless it appears otherwise from the context:

(a) words importing the singular shall include the plural and vice-versa;

(b) words importing the masculine gender shall include the feminine gender and vice versa;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. Risk Factors

2.1 Introduction

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

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

Risks relating to the Issuer

2.2 General

Exposure to credit risk, liquidity risk, interest rate risk and foreign currency risk arises in the normal course of the Issuer's and Group's banking business. The Group is engaged in trade finance business and thus 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.

2.3 Strategic and Business Risk

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

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

2.4 Credit Risk

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

2.5 Country and Transfer Risk

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

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

2.6 Market Risk

General

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

Foreign Exchange Risk

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

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

Interest Rate Risk

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

Other Price Risk

Other price risk arises out of changes in market values not related to changes in interest rates or foreign currency. The Group's exposure to price risk is limited to its bonds and credit linked notes portfolios which are both measured by reference to their quoted market values in active markets. Price risk is deemed to be less relevant for the forfeiting activities.

2.7 Settlement Risk

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

2.8 Concentration Risk

Concentration risk, which may occur both at the level of the Issuer as well as the level of the Group, may arise because of lack of diversification in business that may lead to excessive exposures or concentration in one counterparty or group of connected counterparties. Furthermore, concentration risk may also arise in products, markets/economic sectors, countries or geographical regions.

2.9 Liquidity Risk

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

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

2.10 Operational Risk

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

2.11 Legal Risk

The Group is subject to various forms of legal risk. Legal risks arise from the possibility that unenforceable contracts, lawsuits, or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the Issuer. The Group carries on business in various parts of the world and under different legal systems. The Group is particularly susceptible to legal risks when entering into transactions in some of the emerging markets where it does business and where the ineffectiveness of the legal and judicial systems may pose difficulties for the Group to preserve and enforce its legal rights.

The Group has identified two broad categories of legal risks within its operations, namely (a) claims against it and (b) defective documentation. As far as the first category is concerned, the Group is aware of the differences of the legal systems and for this purpose it commissions legal opinions from the jurisdictions in which it intends to operate in order to ascertain its potential liabilities when doing business there, including the extent to which an adverse judgment might result in excessive or punitive damages.

2.12 Reputational Risk

Reputational risk is the risk that negative publicity regarding the Issuer's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions. It arises from operational failures, failure to comply with relevant laws and regulations, including those arising from international obligations and

treaties, such as UN or EU sanctions, and particularly in the areas of Anti-Money Laundering (AML) and Anti-Terrorism Financing (ATF) regulations, or from other sources, including acts or omissions of misconduct on the part of its Directors and/or officers and/or representatives overseas, even in matters which are unrelated to their mandate or position within the Group. The implications on the Issuer of non compliance with the applicable regulations can be substantial and can include formal enforcement actions, monetary penalties, informal enforcement actions and enhanced supervisory monitoring.

2.13 Information Technology Risk

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

2.14 Credit Rating Risk

The Issuer relies on leading global rating agencies for its risk assessment purposes. These credit rating agencies publish their independent opinions on the creditworthiness of debt issuers, in terms of both their ability and willingness to honour financial commitments. Given its substantial foreign denominated business transactions, the Issuer focuses primarily on the long-term foreign currency rating assigned by rating agencies. These ratings indicate the probability of the debt repayments due to the Issuer in foreign currency.

3. Persons Responsible

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

4. Statutory Auditors

KPMG
Portico Building
Marina Street
Pieta PTA 9044
Malta

The annual statutory financial statements of the Issuer and the Group for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 respectively have been audited by KPMG, a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

It is the practice of the Issuer that interim financial statements are subject to review by the independent external auditors in terms of ISRE 2410 (Review of Interim Financial Information performed by the Independent Auditor of the Entity). In this respect, the condensed interim financial statements for the six months ended 30 June 2009 and 30 June 2010 have been reviewed by KPMG.

5. Advisers to the Issuer

Legal Advisers

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

Sponsor

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

Manager & Registrar

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

6. Selected Financial Information

The Issuer's and the Group's audited financial statements for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 as well as the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010 can be consulted on the Issuer's website at: 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 financial statements, and shall be construed accordingly.

The key figures summarising the Group financial condition are as follows²:

Group Income Statements

	Year ended 31 Dec 2009 USD	Year ended 31 Dec 2008 USD	Year ended 31 Dec 2007 USD
Net interest income	11,296,624	15,276,641	10,481,362
Net fee and commission income	20,965,500	19,381,974	14,210,733
Net trading results	(4,207,188)	2,077,831	1,972,316
Net income/(loss) from other financial instruments carried at fair value	4,138,209	(8,640,005)	(68,468)
Dividend income	604	564	371
Profit on disposal of available-for-sale investment	46,956	-	-
Profit on disposal of associated undertaking	-	33,626,234	-
Other operating income	18,012	77,405	165,738
Net impairment losses	(6,148,371)	(1,158,588)	(820,782)
Operating expenses	(24,104,779)	(28,008,416)	(20,917,312)
Operating profit	2,005,567	32,633,640	5,023,958
Share of (loss)/profit of equity accounted investees (net of tax)	(406,899)	1,743,495	4,632,878
Profit before income tax	1,598,668	34,377,135	9,656,836
Taxation	(33,620)	(9,598,495)	805,214
Profit for the year	1,565,048	24,778,640	10,462,050
Basic earnings per share	1.16c	18.60c	9.85c
Diluted earnings per share	1.25c	17.85c	9.57c

² As a result of the change in classification of the investment in Menafactors Limited (See 8.1.5), the result of operations of this subsidiary for the six months ended 30 June 2010 are being consolidated on a "line-by-line" basis whilst the result of operations for all comparative periods have been reclassified and included in income from continuing operations.

	Six months ended 30 June 2010 USD	Six months ended 30 June 2009 USD
Net interest income	6,085,400	6,503,310
Net fee and commission income	10,276,603	9,512,858
Net trading results	2,255,128	(1,027,183)
Net (loss)/income from other financial instruments carried at fair value	(872,797)	1,330,378
Dividend income	-	604
Other operating income	26,011	9,904
Net impairment losses	(2,129,804)	(1,789,777)
Operating expenses	(11,965,920)	(11,434,845)
Operating profit	3,674,621	3,105,249
Share of loss of equity accounted investees (net of tax)	(309,525)	(236,264)
Profit before income tax	3,365,096	2,868,985
Taxation	29,395	46,086
Profit for the period	3,394,491	2,915,071
Basic earnings per share	2.50c	2.15c
Diluted earnings per share	2.50c	2.17c

Group Balance Sheets

	30 June 2010 USD	31 December 2009 USD	31 December 2008 USD	31 December 2007 USD
ASSETS				
Balances with Central Bank of Malta and cash	10,408,250	8,844,589	8,820,337	15,149,627
Trading assets	159,725,273	126,931,253	177,329,308	157,181,282
Financial assets designated at fair value through profit or loss	22,458,547	23,558,628	25,623,116	36,278,285
Loans and advances to banks	376,001,325	312,665,003	268,569,116	242,680,313
Loans and advances to customers	158,905,080	133,136,026	98,499,302	83,689,609
Investments in equity accounted investees	10,196,372	4,554,353	1,073,715	21,646,962
Non-current assets classified as held-for-sale	-	52,120,843	27,397,646	-
Other assets	32,488,563	33,422,731	17,101,992	14,695,502
TOTAL ASSETS	770,183,410	695,233,426	624,414,532	571,321,580
LIABILITIES				
Amounts owed to banks	307,273,185	222,813,489	210,169,468	270,259,724
Amounts owed to customers	281,078,419	270,270,939	251,494,010	176,468,204
Liabilities directly associated with non-current assets classified as held-for-sale	-	11,775,785	294,528	-
Debt securities in issue	7,255,767	7,745,568	24,754,490	11,554,888
Subordinated debt	41,909,736	47,062,828	6,000,000	6,000,000
Other liabilities	15,366,700	19,936,236	15,065,726	9,103,657
TOTAL LIABILITIES	652,883,807	579,604,845	507,778,222	473,386,473
EQUITY				
Called up share capital	67,968,397	67,713,477	67,428,196	54,946,953
Share premium	10,233,166	9,986,355	9,658,098	18,136,923
Retained earnings	32,751,976	31,579,394	30,234,978	14,362,025
Other equity	6,346,064	6,349,355	9,315,038	10,489,206
TOTAL EQUITY	117,299,603	115,628,581	116,636,310	97,935,107
TOTAL LIABILITIES AND EQUITY	770,183,410	695,233,426	624,414,532	571,321,580
Contingent liabilities	16,539,516	25,565,381	49,548,490	8,804,574
Commitments	245,498,434	191,902,440	201,721,052	308,451,886

7. Information about the Issuer

7.1 History and Development of the Issuer

The Issuer is registered and domiciled in Malta as a public limited liability company under registration number C17003 and with registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM1640 Malta. It was incorporated on 8 November 1994 as First International Merchant Bank Limited for an unlimited duration under the Commercial Partnerships Ordinance, 1962 (Cap. 168, Laws of Malta), and with effect from 31 December 1997 complied with the Companies Act, 1995 under which it is currently regulated.

The status of the Issuer was changed from a private limited liability company to that of a public limited liability company (p.l.c.) on 28 April 2001. The Issuer's ordinary shares were then offered to the public and admitted to the Official List of the Malta Stock Exchange on 22 June 2001. The Issuer changed its name from First International Merchant Bank p.l.c. to FIMBank p.l.c. on 13 May, 2005. Wholesale revisions were made to the Issuer's Memorandum and Articles of Association in 2006 and 2009 and were approved by the members at the Annual General Meetings of both those years.

Since 2003, the Issuer has increased its issued share capital on a number of occasions through:

- a) rights issues (2003 and 2007);
- b) capitalisation (bonus) issues (2005 and 2008);
- c) invariably since 2005, paying dividend in the form of scrip; and
- d) issues of shares to eligible employees on exercise of options.

The Issuer may be contacted on telephone: +356 23280128 (Company Secretary), facsimile: +356 23280107, email: company.secretary@fimbank.com and website: 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, which responsibilities were subsequently taken over by the MFSA in 2002. The following dates in the chronology of the Issuer's licence are relevant:

15 November 1994: issued with 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.

20 November 1995: at the Issuer's request, the licence is reviewed and extended 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.

17 September 1997: the Issuer's licence is further extended 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.

1 July 2005: the terms of the licence were again changed and the Issuer was authorised to carry on its business in all currencies, including the Maltese Lira.

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

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

The Issuer's Investment Services Licence in terms of Article 5 of the Investment Services Act 1994 is in voluntary suspension.

7.3 Taxation Status of the Issuer

Since its foundation, the Issuer's tax status has been governed by an 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 regulated the taxation of the Issuer with effect from year of assessment 1996 up to year of assessment 2010. The arrangements of the Exemption Order were subject to the Issuer carrying on the business of banking as a credit institution in terms of the Banking Act.

In brief, subject to certain conditions, the Exemption Order permitted 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) to be calculated as a percentage (0.25%) of the foreign gross assets as at the end of the relevant year. The taxable profit thus calculated was then subject to tax at the higher of 35% or the company rate of tax in force as at the end of applicable year. The profits arising from that part of the Issuer's business which was not conducted wholly outside Malta was accounted for separately and taxed in the normal manner provided by the Income Tax Act.

With effect from the financial year ending 31 December 2010 (year of assessment 2011) the period covered by the Order is terminated and the Issuer is now subject to income tax in Malta under the applicable regime of laws and regulations.

7.4 Credit Rating

In January 2010, Fitch reaffirmed its long-term rating for FIMBank p.l.c. at BB with a Stable Outlook (please refer to Appendix 4 for an explanation of the relative level of credit risk represented by the letter grades). This reaffirmation, which contrasts with the recent downgrade rating actions by Fitch, confirms the Issuer's resilience despite the impact of the global economic downturn. FIMBank's ratings are underpinned by good management, acceptable asset quality, adequate liquidity and capitalisation. Nevertheless, the Issuer's core profitability and performance deteriorated largely on the back of mark-downs on its securities and forfeiting portfolio. The Issuer's adequate asset quality reflected an acceptable level of impaired loans and more than full loan loss reserve coverage. While the Issuer's appetite for credit risk is material, the Bank has proved to be able to adequately manage it. The Bank is significantly exposed to emerging markets through its lending and forfeiting books and securities portfolio. However, the short-term nature of trade finance transactions related to the lending and forfeiting books mitigates risk. The Bank's current sources of funding are balanced between short-term and medium-term client deposits and interbank deposits driven from FIMBank's trade finance and correspondent bank counterparties.

8. Investments in Subsidiaries and Associates

8.1 Subsidiaries

8.1.1 *London Forfaiting Company Limited*

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

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

The investment of the Issuer in LFC amounts to USD37,366,435 as equity. A loan facility up to USD200,000,000 is also made available by the Issuer to LFC. The terms of this facility are at arm’s length, and reviewed at least annually by the Group’s Risk Committees. The facility currently in place expires on 31 March 2011.

8.1.2 *FIM Business Solutions Limited*

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

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

The investment of the Issuer in FIM Business Solutions Limited amounts to USD5,000 as equity and an overdraft facility of up to USD600,000. The terms of this facility are at arm’s length, and reviewed at least annually by the Group’s Risk Committees. The facility currently in place expires on 31 May 2011.

8.1.3 *FIMFactors BV*

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

FIMFactors BV serves as a corporate vehicle for the Issuer’s holdings of factoring joint ventures and associated companies. It currently holds the shareholding in MENAFACORS Limited, India Factoring and Finance Solutions Private Limited and CIS Factors Holding BV. It is also scheduled to eventually hold FIMBank’s shareholding in Egypt Factors Limited in due course.

The investment of the Issuer in FIMFactors BV amounts to USD21,317,891 as equity.

8.1.4 *FIM Property Investment Limited*

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

The investment of the Issuer in FIM Property Investment Limited amounts to USD2,000. Additionally, the Issuer also makes available an overdraft facility of USD16,000,000 to FIM Property Investment Limited. The terms of this facility are at arm’s length, and reviewed at least annually by the Group’s Risk Committees. The facility currently in place expires on 31 August 2011.

8.1.5 *MENAFACORS Limited*

The Issuer incorporated MENAFACORS Limited in the Dubai International Financial Centre on 10 May 2007 as a joint venture together with Emirates National Bank of Dubai. Each shareholder held 50% of the issued share capital of the company. MENAFACORS Limited was licensed by the Dubai Financial Services Authority in September 2007, to provide international factoring and forfaiting services.

During 2008, the Issuer made a further investment of USD1,725,000 in MENAFACTORS Limited, following which the Issuer acquired the remaining 50% held by the Emirates National Bank of Dubai for a consideration of USD5,275,000. As a result of this transaction, MENAFACTORS Limited became a 100% owned subsidiary with a total investment of USD12,000,000. Upon such acquisition, the Board agreed to a plan to dispose of its controlling interest to an appropriate strategic partner and the subsidiary was accounted for as a non-current asset classified as "held for sale" in accordance with IFRS 5 (*Non-Current Assets Held for Sale and Discontinued Operations*).

During 2010, the Group re-assessed its decision to dispose of its controlling interest in MENAFACTORS Limited. Whilst the Group is still determined to seek a strategic partner for MENAFACTORS Limited, this disposal is unlikely to take place within a year, and in accordance with IFRS 5, it is therefore ceasing to be classified as "held for sale".

A loan facility of up to USD40,000,000 has been made available by the Issuer to MENAFACTORS Limited. The terms of this facility are at arm's length and reviewed at least annually by the Group's Risk Committees. The facility currently in place expires on 31 December 2010.

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

A loan facility of up to USD3,000,000 has been made available by the Issuer to LCI Factors S.A.L.. The terms of this facility are at arm's length, and reviewed at least annually by the Group's Risk Committees. The facility currently in place expires on 31 August 2011.

8.2 Associates

The Issuer also holds investments in the following associates:

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

The Issuer incorporated The Egyptian Company for Factoring S.A.E., ("Egypt Factors") in Egypt's Public Free Zone Nasr City on 13 November 2006 together with Commercial International Bank ("CIB") and the International Finance Corporation ("IFC"). Classified as a non-banking financial institution, since the beginning of 2010, Egypt Factors is under the supervision and control of the Egyptian Financial Supervisory Authority ("EFSA") which is the primary governmental authority responsible for the supervision of non-bank financial markets and institutions concerned with Soundness, Regulation and Development of the non-bank financial markets in Egypt. Egypt Factors had originally been granted a licence from the General Authority for Investment and Free Zones ("GAFI") at the time of its incorporation.

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

Following a capital injection of USD1,200,000 by the Issuer in 2010, the investment of the Issuer in Egypt Factors now amounts to USD3,213,425 as equity.

A loan facility up to USD25,000,000 has been made available by the Issuer to Egypt Factors. The terms of this facility are at arm's length, and reviewed at least annually by the Group's Risk Committees. The facility currently in place expires on 31 August 2011.

8.2.2 *India Factoring and Finance Solutions Private Limited*

The Issuer, through FIMFactors BV, incorporated India Factoring and Finance Solutions Private Limited ("India Factoring") in Mumbai, India, in November 2009. The Issuer holds a 49% shareholding with the country's second largest public sector bank, Punjab National Bank (30% ownership), a leading Italian factoring bank, Banca IFIS (10% ownership), and Blend Financial Services Limited (1% ownership). Key management personnel that were recruited have been incentivised by giving them a stake of 10%. India Factoring will be licensed and regulated by the Reserve Bank of India. Operations are expected to commence in the second half of 2010. India Factoring will provide factoring, forfaiting and trade finance related activities in India.

A loan facility up to USD10,000,000 has been made available by the Issuer to India Factoring. The terms of this facility are at arm's length, and reviewed at least annually by the Group's Risk Committees. The facility currently in place expires on 31 August 2011.

8.2.3 *CIS Factors Holdings BV*

The Issuer, through FIMFactors BV, incorporated CIS Factors Holding BV ("CIS Factors") in November 2009 under the laws of the Netherlands with the objective of serving as an investment vehicle for a factoring company, FactorRus, incorporated under the laws of the Russian Federation which provides factoring services in Russia. FIMFactors BV currently holds 50% with Joint Stock Bank Transcapitalbank of Moscow ("Transcapitalbank") and is awaiting committed contribution of International Finance Corporation ("IFC") when the shareholding will be 40% FIMFactors BV, 40% Transcapitalbank and 20% IFC.

8.2.4 *Eastern Prospekt BV*

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

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

8.2.5 *Recent Changes to Issuer's Investments in Associates*

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

On 28 March 2008, the Issuer sold its investment in Global Trade Finance Limited ("GTF") to State Bank of India. The Issuer had acquired 38.5% in GTF on 24 December 2004. GTF is an entity incorporated and based in Mumbai, India and primarily engages in providing factoring services. The sale of the Issuer's 29.7 million ordinary shares in GTF was executed for a total consideration of INR2,168,100,000, equivalent to USD 54,128,074 as at the date of the transaction. Detailed information of this transaction is disclosed in the 2008 Audited Financial Statements.

Sale of the Issuer's minority stake in 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 was 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 amounted to USD22,195. During 2009, the Issuer disposed its minority stake making a profit on disposal of USD46,956.

9. Business Overview

9.1 *Principal Activities*

Principal Activities of the Issuer

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

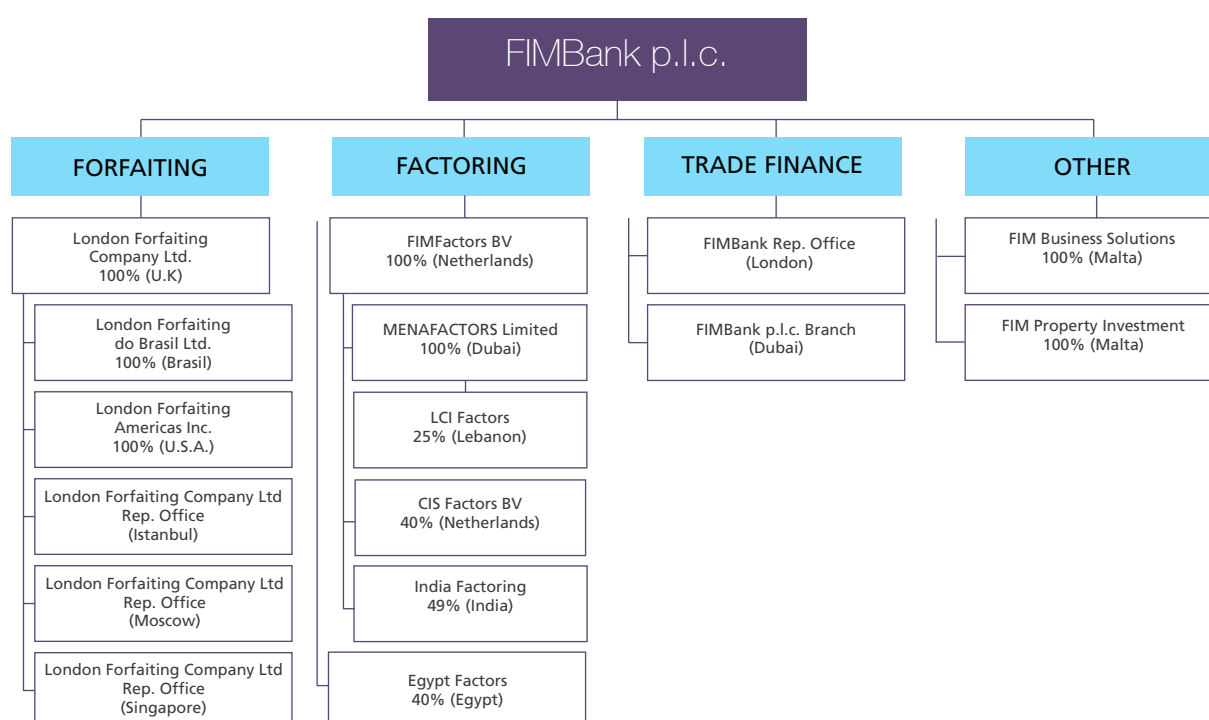
The Issuer principally provides international trade finance and acts as an intermediary to other financial institutions for international settlements, forfaiting, factoring and loan syndications. The Issuer is a specialist in documentary credit related operations including but not limited to the opening and negotiating of documentary letters of credit, the issue of performance bonds and bank guarantees, discounting of bills of exchange, promissory notes and other negotiable instruments. Since its inception the Issuer has also been a specialist in the financing of ship pre-demolition. In recent years the Issuer has been actively developing factoring as one of its mainline business segments, both within the Bank but especially through a strategy to develop an international network of factoring joint-venture undertakings mainly in emerging markets. To complement its mainline trade finance activities, the Issuer has signed a cooperation agreement with Banque Piguet & CIE S.A. to diversify its product offering into private banking services.

9.2 Principal Markets

In line with the nature of its international trade finance business as described in 9.1 above, the Group is active through a network of representative offices, branches and subsidiaries. These enable the Group to source and generate business from various countries and regions, always with a focus on emerging markets. A typical transaction could include a trader in Europe buying commodities from a supplier in Asia to a client in Africa. This is the cross-border nature of international trade; therefore markets where business is carried out can be diverse. While Europe remains a main centre where business is arranged or originated, principal revenue is derived from Sub-Saharan Africa (SSA), Middle East and North Africa (MENA) and the Commonwealth of Independent States (CIS). These, together with Latin America, are also the markets where focus is made on developing factoring activities. Ship pre-demolition business is mainly arranged from the London and Dubai offices.

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 2007, 31 December 2008 and 31 December 2009 as well as in the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010. These financial statements can be viewed on the Issuer's website: www.fimbank.com.

12. Trend Information

The economic performance of the year 2009 was considered a challenge in the banking industry worldwide. Despite the negative performance of the world economy, the international banking industry and the drastic downturn in world trade volumes, FIMBank Group registered a solid operating performance in 2009. A prudent management policy, including a prudent product, client and risk management, as well as a resilient growth and development strategy, influenced the Bank's decision making. Hence, a profit after tax and a stronger balance sheet with a healthier capital base with strong liquidity ratios were delivered to the Issuer's shareholders in 2009.

The first months of the 2010 financial year witnessed the continuation of the economic crisis of 2009. Increased unemployment as well as negative economic growth figures made the headlines around the globe but predominantly in the developed markets.

World trade started showing signs of recovery during the first half of 2010, while capital started flowing to emerging markets which displayed a more resilient economic behaviour by and large. As global credit risk perceptions slowly started to improve, international financial markets began to stabilise and liquidity had shown gradual signs of improvements. However, clear signs of rebound in main emerging powers like Brazil, China and India continued.

FIMBank's strategy of product and market diversification, the specialisation in the finance of the international trade, goods and commodities which tends to be resilient even in stressful circumstances, as well as the exposure to regions that inherently feel less the effects of the crises, continue to provide opportunities for profit, at all levels of the Group. FIMBank capitalised on the current business sentiment by continuing with its strategy of pursuing factoring investments and projects with a qualitative focus on profitability. In 2010, the Group was able to expand its client and product base in both existing and new geographical areas. Efforts to recover fully-impaired past losses continued through legal proceedings and other recovery actions while steps aimed at resolving credit issues related to marked-down debt securities were pursued.

Further measures were implemented to develop the funding side in terms of growing a more diversified deposit base. Group wide action was taken to attract more short and medium term deposits across a mix in terms of size, sector and industry relationships. Prudent management of regulatory ratios was given priority. Both ratios, liquidity and capital adequacy, remained fairly high during the first half of 2010.

The Directors consider that the trend demonstrated by the challenging circumstances of the first half year of 2010 will continue to apply for the foreseeable future in 2010/2011. They look forward to develop the business prudently in a challenging environment whilst maintaining the flexibility to take advantage of any opportunity that may come about, as risk premia in promising markets, ventures and undertakings, price more realistically.

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

13. Administrative, Management and Supervisory Bodies

The Issuer's Articles of Association (the "Articles") contain detailed provisions (in Articles 93 to 114) as to the manner of appointment and retirement of Directors. Directors hold office from the Annual General Meeting at which they are appointed until the date of the following Annual General Meeting, when they become eligible for re-election. Currently the Board of the Issuer is composed of the maximum number of 12 Directors, of whom one is appointed/removed by the IFC by simple notification to the Company Secretary in terms of the Memorandum of Association. The Articles also provide that the Chairman and Vice-Chairman are to be appointed by the Directors from amongst their number and shall hold office for a period of one year, unless otherwise decided by a simple majority of the Board. Any member may nominate an individual by means of a letter addressed to the Company Secretary, provided that such nomination is seconded by a member or members who in the aggregate hold at least twenty thousand (20,000) shares. The participation of Directors on Board Committees, as provided for by the Articles, is decided upon by the Board. It has been the practice that all such Board Committees include at least one Director.

13.1 Directors of the Issuer

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

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

Kuwaiti national. Director since November 1994. Graduate in Business Administration from USA in 1975. Chairman of Massaleh Real Estate K.S.C.; Vice-Chairman of Massaleh Investments K.S.C.C, (formerly known as Kuwaiti Interests for Financial Investments); Vice-Chairman of Taameer Real Estate Investments K.S.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, now Ahli United Bank (United Kingdom). He is also Chairman of the Issuer's Compensation Sub-Committee.

John C. Grech, Vice-Chairman

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

Fouad M.T. Alghanim, Director

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

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

Kuwaiti national. Director since April 2002. Mr. Al Sayer graduated from Seattle University, USA in 1997 and then obtained a Masters in General Management from the Kuwaiti Maastricht Business School. Currently he holds a number of positions, such as CEO for the Al-Dhow Enterprises Real Estate Company, Chairman of the Kuwait National Lube Oil Manufacturing Company and Director of the United Financial Brokerage Company in Egypt.

Francis J. Vassallo, Director

Maltese national. Director since February 2003. He occupied various senior positions with Chase Manhattan Bank worldwide in a career that spanned 28 years and which also included being on the Board of Directors of the bank's operations in the Channel Islands, Luxembourg and Spain. He occupied the post of Directeur General of Chase Manhattan Private Bank in Switzerland and later General Manager of Chase Manhattan Bank in Spain. In September 1993, he was appointed Governor of the Central Bank of Malta. During his tenure as Governor, he was a founding member of the Board of Governors of the Malta Financial Services Authority. He is President of Francis J.Vassallo & Associates Limited and Chairman of FJV Fiduciary Management Limited and FJV Management Limited. He acted as Chairman of the Malta Development Corporation between 1999 and 2000. He is a non-executive board member of various listed and unlisted companies and is Chairman and Non-Executive Director of Mediterranean Bank p.l.c. He is a member of the Board of Directors of major international SICAVs registered in Malta, namely the Celsius Fund (owned by Barclays Bank p.l.c.) and Altma Fund (owned by National Bank of Canada (Global) Limited). He is a member of the International Tax Planning Association, the Institute of Financial Services Practitioners and is a member of the Sovereign Military Order of the Knights of St. John. He is also Chairman of the Issuer's Board Risk Committee and Assets-Liabilities Committee.

Jacques Leblanc, Director

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

Mohammed I.H. Marafie, Director

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

Tareq M. Al-Saleh, Director

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

John D. Freeman, Director

American national. Director since April 2008. He recently served for over 18 years as President and Managing Director of Quabbin Capital Inc., a US private equity investment firm and continues as an advisor to that firm. In addition to Private Equity, Quabbin Capital holds a diversified portfolio of investments in Oil & Gas, Mezzanine Finance and Venture Capital investments. In this capacity he held board memberships in many of its portfolio companies. Previously he held senior management positions in the international investment banking activities of Arab Banking Corp. in Latin America, Bahrain and London and prior to that with the international banking business of Bank of Boston in Brazil and the US. He presently is a managing director of Cooper Omnibus Global

Fund LLC with investments in Brazil and also is an independent trustee for a large US based private family trust. He is Chairman of the Issuer's Audit Committee.

Rogers D. LeBaron, Director

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

Pierre-Olivier Fragnière, Director

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

Gerard Lohier, Director

French national. Director since April 2009. A banking graduate from a French university, he has held various senior executive roles with BNP in Asia, Africa and Europe, including managing director of BNP Intercontinentale and subsequently Head of Group Commercial Banking Division at BNP Paribas. He is currently an independent adviser and member of the Board of Directors of Watamar and of Hinduja Bank, a Swiss private merchant bank, where he is also chairman of the Audit Committee. He is also a director and vice chairman of Compagnie Privée de Conseils et d'Investissements, an asset management company and securities dealer based in Geneva. He is Chairman of the Issuer's Executive Committee.

Marcel Cassar, Company Secretary

Maltese national. Company Secretary since November 2009. More detailed information on Mr. Cassar is available in paragraph 13.2 hereunder.

13.2 Executive Management

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

Margrith Lütschg-Emmenegger, President

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

Armin Eckermann, Deputy to the President, Senior Executive Vice President and Head of Banking Group

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

Marcel Cassar, First Executive Vice President, Chief Financial Officer and Company Secretary

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. He was appointed Company Secretary in November 2009. Previously held positions with Price Waterhouse, the MFSA and between 1996 and 2004 was General Manager at Lombard Bank Malta p.l.c. Mr. Cassar is a lecturer and examiner in bank financial management and regulation in the Faculty of Laws and FEMA at the University of Malta. Since 2009, Mr. Cassar also sits on the Banking Supervision Committee of the Brussels-based European Banking Federation. Mr. Cassar sits on Board Committees as shown in paragraph 15.2 hereunder.

Simon Lay, First Executive Vice President and Managing Director, London Forfaiting Company Ltd

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

Silvio Mifsud, Executive Vice President and Head of Information and Administration

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

Renald Theuma, Executive Vice President and Head of Product Sales Department

Maltese national. An Associate of the Institute of Financial Services (IFS) in the UK and an active committee member of the Maltese IFS Centre, he has been designated a Certified Documentary Credit Specialist by the International Chamber of Commerce. Mr Theuma has joined the Issuer in 1998 and has occupied the post of Head of Trade Services and subsequently that of Head of Operations. Mr. Theuma previously occupied a senior managerial position at Bank of Valletta p.l.c.. Currently responsible for the activities connected to the Bank's services to customers, he occupies the position of Head of Product Sales. Mr. Theuma sits on the Management Risk Committee as shown in paragraph 15.2 hereunder.

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

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

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

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

Andrea Batelli - *Head of Legal & Compliance*

Bruno Cassar - *Head of Human Resources*

Gilbert Coleiro - *Managing Director, FIM Business Solutions Limited*

Joao Costa Pereira - *Head of Mediterranean Factoring*

Thomas Dissen - *Head of Corporate & Institutional Banking*

Ivan Fsadni - *Head of Internal Audit*

Nigel Harris - *Chief Representative DIFC Branch, Dubai*

Carmelo Occhipinti - *Head of Risk Management & Treasury*

Lorna Pillow - *Head of Operations, London Forfaiting Company*

Richard Scerri - *Head of Finance*

Charles Wallbank - *Head of Banking Operations*

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

13.3 Administrative, Management and Supervisory Bodies and Conflicts of Interests

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

Name	No. of shares held in the Issuer directly in his name	Percentage of Issued Share Capital
Najeeb H.M. Al-Saleh	787,889	0.58%
John C. Grech	525,872	0.39%
Fouad M.T. Alghanim	7,924,205	5.83%
Mohammed I.H. Marafie	495,765	0.36%
John D. Freeman	nil	nil
Hamad M.B.M. Al-Sayer	nil	nil
Francis J. Vassallo	nil	nil
Tareq M. Al-Saleh	nil	nil
Jacques Leblanc	nil	nil
Rogers D. LeBaron	nil	nil
Pierre-Olivier Fragnière	nil	nil
Gerard Lohier	nil	nil

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

- Najeeb H.M. Al-Saleh – in Massaleh Investments K.S.C.C.
- Hamad M.B.M. Al-Sayer – in Astrolabe General Trading and Contracting Co.
- John C. Grech – in EMCSI Holdings Limited, EMCS Investments Limited, Melita Unipol Insurance Brokers Limited and Melita Unipol Insurance Agency Limited.
- Mohammed I.H. Marafie – in Al-Nour International Holding Co. K.S.C.C.

To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no conflicts of interest of which the Bondholders should be aware. The measures in place aimed at regulating potential abuse of control and conflicts of interest are described in more detail under 16.2.5 of the Registration Document.

14. Remuneration and Benefits

The Annual General Meeting of shareholders approves the maximum annual aggregate remuneration which the Directors may receive for the holding of their office. For the 2010 financial year the maximum aggregate emoluments of the Directors were fixed at USD350,000.

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

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

Individual terms and remuneration of the President are determined and approved by the Board of Directors. The aggregate remuneration and bonuses to the President and the Executive Management amounted to USD1,285,000 in 2009.

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

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

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

15. Board Practices

15.1 Corporate Governance

The Board of Directors is committed to sound corporate governance and to the best practice in this regard as guided by international codes. The Listing Rules contain within Chapter 8, Appendix 8.1, the Code of Principles of Good Corporate Governance (the "Principles"), which at the date of this Prospectus are not yet mandatory. The Board strongly believes that the Principles are in the best interest of the shareholders because they commit the Directors, Management and the employees of the Bank to internationally recognised high standards of corporate governance. Ultimate responsibility for good corporate governance lies with the Directors.

The Issuer is substantially compliant with Malta's corporate governance regime except for those instances where the Issuer's particular circumstances warrant non-adherence thereto, or at least postponement for the time being. These instances are as follows:

- (a) the Issuer's Board of Directors is composed solely of non executive directors however the Board has also constituted an Executive Committee which is composed of a majority of Directors with the balance being represented by management;
- (b) given their background and experience, and that they are subject to comprehensive, fit and proper tests by the supervisory authorities, members of the Board of Directors and the Board Committees do not, at the present time, undergo a formal evaluation procedure; and
- (c) in cases where a Board Member has been absent from attending successive meetings, the Board considers the overall commitment, support and contribution of that Director aside from the mere physical attendance at meetings, especially where the Director is non independent and is representing an important equity interest in the Issuer.

15.2 Board Committees

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

- Executive Committee;
- Audit Committee;
- Risk Committees; and
- 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:

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

Compensation Sub-Committee

The members of the Compensation Sub-Committee are:

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

Audit Committee

The Audit Committee assists the Board in fulfilling its supervisory and monitoring responsibilities, according to detailed terms of reference included in the Audit Committee Charter and which reflect the requirements of the Listing Rules as well as current best practices and recommendations of good corporate governance.

The terms of reference of the Audit Committee, as detailed in the Audit Committee Charter (a document on display), include:

- the monitoring of the financial reporting process, including the audit of the annual and consolidated accounts;
- the monitoring of the effectiveness of the Issuer's internal control, internal audit, compliance and risk management systems;
- the maintenance of communication on such matters between the Board, Management, the external Auditors and the internal Auditors;
- the monitoring and reviewing of the external Auditor's independence, and in particular, the provision of additional services to the Issuer;
- the monitoring and reviewing of proposed transactions by the Group with related parties; and
- the performance of the Group's Internal Audit function.

The Audit Committee also considers the arm's length nature of related party transactions that the Issuer carries out. Both the Audit Committee's and the Head of Internal Audit's terms of reference clearly stipulate their independence from other Board Committees and Management, and such independence is also acknowledged by external regulatory verification. The Head of Internal Audit has direct access to the Audit Committee Chairman at all times, attends all meetings and acts as secretary to the Audit Committee.

The members of the Audit Committee are:

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

The member of the Audit Committee who, as required by the Listing Rules, is designated as independent and competent in auditing and/or accounting is John D. Freeman.

Risk Committees

The Board 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 Board Risk Committee is also responsible for the oversight of operational and legal risk related to credit activity.

Certain powers of the Board Risk Committee are delegated to the Management Risk Committee. The Management Risk Committee decides on credit applications up to and including USD10 million. Credit applications exceeding USD10 million up to the Bank's legal lending limit are decided by the Board Risk Committee. Additional limits of authority based on specific criteria and up to a maximum of USD3 million are delegated to Management. The Committees' terms of reference are included in the Risk Committee Charter.

The Board Risk Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lüttschg-Emmenegger (*Vice-Chairman*), Gerard Lohier, Armin Eckermann and Marcel Cassar.

The Management Risk Committee members are:

Margrith Lüttschg-Emmenegger (*Chairman*), Armin Eckermann (*Vice-Chairman*), Marcel Cassar, Giovanni Bartolotta, Simon Lay, Carmelo Occhipinti and Renald Theuma.

The Head of Legal & Compliance has right of attendance at the Risk Committees' meetings in an advisory role. The Head of Risk Management acts as secretary to the Risk Committees.

Assets-Liabilities Committee

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

The Assets-Liabilities Committee members are:

Francis J. Vassallo (*Chairman*), Margrith Lüttschg-Emmenegger, Armin Eckermann, Marcel Cassar and Carmelo Occhipinti.

16. Major Shareholders

16.1 Interest of Major Shareholders

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

	Ordinary Shares	Percentage of Issued Share Capital
Massaleh Investments K.S.C.C.	59,685,970	43.91%
International Finance Corporation	7,976,738	5.86%
Fouad M. T. Alghanim	7,924,265	5.83%
Astrolabe General Trading and Contracting Company	7,829,384	5.81%

16.2 Information on Major Shareholders

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

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

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

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

16.2.2 *International Finance Corporation*

In June 2005, the Issuer entered into a Subordinated Convertible Loan Agreement with the International Finance Corporation ("IFC") for the amount of USD10 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 was exercisable between the dates of the disbursement of the loan and the fifth anniversary of disbursement date.

On 27 October 2005, IFC exercised its option to convert USD4 million into shares of the Issuer and on 28 November 2005, 5,107,930 ordinary shares were issued to IFC. The conversion price had been obtained pursuant to a formula set out in the loan agreement. On 28 September 2010, the conversion option granted to IFC under the loan agreement expired. Accordingly, the loan balance of USD6,000,000 is repayable by 15 July 2013.

16.2.3 *Fouad M.T. Alghanim*

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

16.2.4 *Astrolabe General Trading and Contracting Company*

Astrolabe General Trading and Contracting Company ("Astrolabe") is incorporated in Kuwait and is an investment vehicle of the Al-Sayer family led by Mr. Sayer Bader Mohammed Al-Sayer, an Executive Director of Al Sayer Group of Companies. Astrolabe General Trading & Contracting is a Kuwaiti Limited Liability Company and member of Al-Sayer Group of Companies, and it holds investments in different industrial sectors and geographical regions. Its diversified investment portfolio includes major stakes in investment companies, retail and manufacturing entities in Kuwait and the GCC region, besides other direct investment and private equities. The following are some of its major investments: Al-Dhow Investments, Al-Sayer International Group, Jiblah Holding Company, Northern Gulf Trading Company, Arabian Coffee Company "Caribou ME", Arcapita.

16.2.5 *Measures regulating potential abuse of control and conflicts of interest*

To the extent known to the Issuer, there is no control by any shareholder, whether direct or indirect. The first levels at which issues of 'control' by any shareholder, controller or director, and any potential abuse thereof, are regulated by the Banking Act and any Rules issued thereunder. The Act and any such Rules provide mechanisms for, and obligations on, persons intending to acquire control, as well as on Directors and Officers of the Issuer, to notify and report to the supervisory authorities in such eventuality. Nevertheless, as disclosed in this Registration Document, the Issuer has adopted policies and measures to ensure effective governance at all levels and areas of activity of the Issuer. These measures take into account, amongst other things, compliance with the requirements of the Listing Rules and, in particular, the Code of Principles of Good Corporate Governance ("the Principles"), published as Appendix 8.1 to the Listing Rules as well as conflicts of interest.

The Board strongly believes that the Principles are in the best interest of the shareholders because they commit the shareholders, the Directors, the management and employees of the Bank to internationally recognised high standards of corporate governance and provide adequate measures of control. Situations of potential conflicts of interest with Board members are in the first instance specifically regulated by clauses 119 and 120 in the Issuer's Articles of Association. Similar arrangements apply to management in the course of the conduct of their duties at Board committees. Besides, where Directors and management have related party involvements it is an integral part of the Audit Committee's terms of reference to provide oversight on related party transactions.

More detailed information on the measures implemented by the Board in order to regulate any potential abuse of control and conflicts of interest can be found in the Annual Report and, in particular, in the Statement of Compliance with the Principles of Good Corporate Governance, for each of the relevant financial year.

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

16.3.1 *Put Option*

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

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

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

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

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

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

16.3.2 *Massaleh Investments Shares Pledge Agreement*

By means of a pledge of shares agreement dated 24 December 2007 (the "Pledge"), Massaleh Investments K.S.C.C. pledged 35,000,000 ordinary shares (out of the 59,685,970 held by them at the date of this Prospectus) of the Issuer to Burgan Bank S.A.K. (registration number 24067) a credit institution incorporated under the laws of Kuwait having its registered office situated at Burgan Tower, P.O. Box 5389, Safat 12170, Kuwait, as security for the repayment of a facility granted on to them. Pursuant to the terms of the Pledge, voting and dividends rights are retained by Massaleh Investments K.S.C.C. The Pledge will be released upon full repayment of the facility (Kuwait Dinars 24,000,000) due to be repaid by 15 December 2011.

17. Related Party Transactions

Full details of related party transactions during the financial year ended 31 December 2009 may be viewed in the audited financial statements of the Issuer available for Public inspection at the Issuer's address and on the Issuer's website: www.fimbank.com.

18. Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

18.1 Historic Financial Information

The Issuer's and the Group's audited financial statements for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 as well as the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010 are available for public inspection on the Issuer's website: www.fimbank.com.

18.2 Auditing of Historical Annual Financial Information

The annual financial statements of the Issuer and the Group for the financial years ended 31 December 2007, 31 December 2008, and 31 December 2009 respectively have been audited by Messrs KPMG, certified public accountants, Malta.

It is the practice of the Issuer that interim financial statements are subject to review by the independent external auditors in terms of ISRE 2410 (*Review of Interim Financial Information performed by the Independent Auditor of the Entity*). In this respect, the condensed interim financial statements for the six months ended 30 June 2009 and 30 June 2010 have been reviewed by KPMG.

18.3 Age of Latest Financial Information

The latest financial information available in respect of the Issuer relates to the financial periods listed under paragraph 18.1 above.

18.4 Dividend Policy

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

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

18.5 Legal and Arbitration Proceedings

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

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

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

There has been no significant change in the financial or trading position of the Issuer or the Group which has occurred since 30 June 2010.

19. Additional Information

19.1 Authorised and Issued Share Capital

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

The Issuer's issued share capital as at the date of this Registration Document is USD67,968,397 divided into 135,936,794 fully paid up ordinary shares of USD0.50 each listed on the official list of the Malta Stock Exchange.

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

19.2 Memorandum and Articles of Association

The Issuer is a company registered pursuant to the provisions of the Companies Act in Malta with registration number C17003.

19.2.1 Issuer's Objects and Purposes

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

19.3 Put Option Agreements

19.3.1 Egypt Factors

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

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

The put price has been fixed at the higher of:

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

19.3.2 CIS Factors

In the process of incorporating FactorRus, a put option agreement has been entered between FIMFactors BV, Transacapitalbank and the IFC (the "Put Option Agreement"). By virtue of the Put Option Agreement, FIMFactors BV and Transacapitalbank (together the "sponsors") have granted an option to the IFC for it to sell to the sponsors, on one or more occasions, all or a part of the shares owned by the IFC in CIS Factors, subject to such terms and conditions as are specified in the Put Option Agreement. The exercise of the option by the IFC creates a corresponding joint and several obligation on the sponsors to purchase such shares in CIS Factors.

The “Put Period” is defined as the period beginning on the fifth anniversary of the date on which the IFC first subscribes for shares in CIS Factors under the Subscription Agreement, and ending on the date on which the IFC shall have delivered to the sponsors and CIS Factors a notice stating that all of the requirements set out below have been met:

- a) a listing has occurred on a relevant market;
- b) at least twenty five percent (25%) of the issued and outstanding ordinary shares of CIS Factors are held by persons other than affiliates (including IFC) and are tradable without restriction on such relevant market;
- c) the average trading volume of the ordinary shares of CIS Factors (excluding direct or indirect trading by the sponsors, CIS Factors or their respective affiliates) on such relevant market, during any period of six consecutive months is not less than two times the total number of the ordinary shares of CIS Factors owned by IFC at that date;
- d) the average price per share of the ordinary shares of CIS Factors traded on such relevant market during any period of six consecutive months is not lower than the price per share as of the date of the listing;
- e) the IFC has received a certificate executed by the sponsors and CIS Factors certifying that the conditions stated in sub-sections (c) and (d) have been met; and
- f) all shares of CIS Factors and all share equivalents held by the IFC are immediately convertible, exercisable or exchangeable into ordinary shares of the CIS Factors and can be traded without restriction on such relevant market;

The “Put Price” is defined, in relation to any given exercise of the Put Option, the higher of:

- (a) the investment cost of those put shares; and
- (b) the aggregate of the book value Put Price per share multiplied by the number of put shares, provided that in the event that the Put Price would be less than zero, the Put Price shall be zero.

20. Material Contracts

Save for the Contracts for Works as detailed below, the Issuer has not entered into contracts of a material nature which were not in the ordinary course of its business and which could impact the Issuer’s ability to meet its obligations to Bondholders.

20.1 Contracts for Works

In December 2009, FIM Property Investment Limited has, by means of a deed of sale and acquisition, purchased immovable property to be developed in a building where the Issuer intends to house its head office. FIM Property Investment Limited has entered into payment commitments with various third party service providers for works done on this development including but not limited to project management, architectural designs, shell and core works, temporary facilities services and lift installation. Outstanding commitments relating to these contracts for works as at the date of this Registration Document amount to EUR5,954,680.

21. Statement by Experts

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

22. Documents on Display

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

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group (including its subsidiaries) for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 as well as the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010;
- The Pledge Agreement dated 24 December 2007; and
- The Audit Committee Charter.

The Financial Statements of the Issuer may also be inspected on the Issuer’s website: www.fimbank.com.

Part III - Securities Note

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

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

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

This document is dated 4 October 2010.

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves.

ISIN: MT0000181231 for the EUR Bonds
ISIN: MT0000181249 for the USD Bonds

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

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

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1. Definitions

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

2. Risk Factors

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

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

2.1 General

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iii) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

2.2 Modification and Waivers by Bondholders' Meetings

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

2.3 Change of Law

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

2.4 Trading and Liquidity of the Bonds

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

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

2.5 Foreign Exchange Risk

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

2.6 Interest Rate Risk

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

2.7 Ranking

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves and equally with any other present or future, unsecured indebtedness of the Issuer but will rank prior to the subordinated debts of the Issuer. The Issuer does not have any privileges and hypothecs in favour of third parties. 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). Any security interests so created will rank in priority to the Bonds for so long as such security interests remain in effect.

2.8 Issuer's Credit Rating Risk

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

3. Persons Responsible

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

4. Key Information

4.1 Offer Statistics

Amount	The equivalent of EUR25,000,000 aggregate principal amount, in either or each of the EUR Bonds and USD Bonds respectively depending on the value of the Applications received for the Bonds, subject to the option to increase the Issue by the equivalent of an additional EUR10,000,000 up to a maximum combined aggregate principal amount of the equivalent of EUR35,000,000 in the event that, before the Offer Period in case of conditional subscription agreements and/or during the Offer period, the Issuer receives Applications for the Bonds in excess of the aggregate principal amount of the equivalent of EUR25,000,000.
Bond Offer Price	EUR100 for the EUR Bonds or USD100 for the USD Bonds, unless the Application is from a Preferred Applicant.
Denomination	Euro for EUR Bonds and United States Dollars for USD Bonds.

Form	The Bonds will be issued in fully registered and dematerialised 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.
Interest	The Bonds shall bear interest from and including 5 November 2010 at the rate of 4.25% per annum for the EUR Bond and 4.25% per annum for the USD Bond.
Interest Payment Dates	31 May and 30 November of each year, between the year 2011 and the Maturity Date (both years inclusive). The first interest payment will be made on 31 May 2011.
ISIN	MT0000181231 for the EUR Bonds MT0000181249 for the USD Bonds
Issue	Bonds denominated in Euro having a nominal value of EUR100 each, which will be issued at par and shall bear an interest rate of 4.25% per annum (the "EUR Bonds") and Bonds denominated in US Dollars having a nominal value of USD100 each which will be issued at par and shall bear an interest rate of 4.25% per annum (the "USD Bonds").
Issuer	FIMBank p.l.c., a credit institution registered in Malta with registration number C17003.
Law & Jurisdiction	This Bond Issue is governed by and must be construed in accordance with the laws of Malta. The Maltese courts shall have exclusive jurisdiction to settle any disputes arising out of or in connection with the Bond.
Listing	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List.
Manager & Registrar	Lombard Bank Malta p.l.c., a credit institution registered in Malta with registration number C1607.
Maturity Date	30 November 2013
Minimum Amount per Subscription	Minimum EUR2,000 for EUR Bonds or USD2,000 for USD Bonds and integral of EUR100 for EUR Bonds and USD100 for USD Bonds thereafter
Offer Period	The period between 8.30 a.m. on 25 October 2010 and 12.30 p.m. on 29 October 2010 (both dates inclusive), or such earlier date as may be determined by the Issuer in the event of over-subscription, during which the Bonds are on offer for subscription.
Over-allotment Option	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding the equivalent of EUR10,000,000 may be issued at the Bond Offer Price and/or Preferred Applicant Bond Offer Price in the event of over-subscription.
Preferred Applicant	As at the Record Date, any person, whether natural or legal, listed in: (a) the register of FIMBank's Shareholders at the Central Securities Depository of the Malta Stock Exchange, or (b) the registers of the FIMBank 7% Subordinated bonds 2012-2019 Bondholders at the Central Securities Depository of the Malta Stock Exchange. Additionally, the Directors and the employees of the FIMBank Group, as at the Record Date.
Preferred Applicant Bond Offer Price	EUR99 for the EUR Bonds or USD99 for the USD Bonds, representing a discount of 1% of par.
Pre-placement Date and Time	11.00 a.m. on 22 October 2010.
Rate of Exchange	EUR1 : USD1.3335
Record Date	30 September 2010

Redemption Value	EUR100 for the EUR Bonds or USD100 for the USD Bonds.
Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a member of the Malta Stock Exchange and a financial intermediary licensed by the MFSA.
Status of the Bonds	The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference amongst themselves and equally with any other present or future, unsecured indebtedness of the Issuer but will rank prior to the subordinated debts of the Issuer. The Issuer does not have any privileges and hypothecs in favour of third parties. 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). Any security interests so created will rank in priority to the Bonds for so long as such security interests remain in effect.

4.2 Expected Timetable

Issuance of Formal Notice	6 October 2010
Application Forms Available	8 October 2010
Preferred Applicants and Pre-Placement Closing Date	22 October 2010
Opening of Subscription Lists	25 October 2010
Closing of Subscription Lists	29 October 2010
Announcement of Basis of Acceptance	5 November 2010
Commencement of Interest on the Bonds	5 November 2010
Expected Dispatch of Allotment Advices	12 November 2010
Refund of Unallocated Monies	12 November 2010
Admission to Listing	17 November 2010

The Issuer reserves the right to close the Offer before Friday 29 October 2010 in the event of over-subscription, in which case, the events set out in the timetable detailed above shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the individual events.

4.3 Interest of Natural and Legal Persons Involved in the Offer

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

To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no conflicts of interest of which the Bondholders should be aware. The measures in place aimed at regulating potential abuse of control and conflicts of interest are described in more detail under 16.2.5 of the Registration Document.

4.4 Reasons for the Offer and Use of Proceeds

Based on the estimates stated in 4.5 below, the net proceeds from the issue of the Bonds will be applied by the Issuer in supporting the general funding requirements of the Issuer and the Group, more specifically the kind of business that tends to have a maturity cycle longer than 1 year. This is because the core business of the Issuer, i.e. cross-border trade finance mainly with emerging markets, has been developing in such a way that transaction maturities, especially the more structured transactions, are growing longer, sometimes up to 3 years. Therefore, the proceeds of the Bonds are intended to provide funding support for this longer-dated business of the Issuer.

On the other hand, the 2009 issue of the 2012-2019 7% Subordinated Bonds was part of a wider and longer term capital development plan, intended to support the investment strategy into new ventures, markets and undertakings. Proceeds from the 2009 issue have to-date been utilised in setting up the Indian (India Factoring and Finance Solutions Private Limited) and Russian (CIS Factors Holdings BV) entities and for other similar strategic projects currently in the pipeline. Unlike that issue, the new Bonds will *not* constitute Additional Own Funds (Tier II capital) forming part of the Issuer's Own Funds in terms of the Own Funds Rule (BR/03). Furthermore, the proceeds of the Bonds will not be used for the purchase of any property or buildings that would house the Group's offices, whether in Malta or elsewhere.

4.5 Estimated Expenses and Proceeds of the Offer

The Offer will involve expenses including professional fees, publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, placement fees and a selling commission of 1.0% and other miscellaneous costs incurred in connection with this Offer. Depending on the extent to which the Over-allotment Option is exercised and how many of the Preferred Applicants subscribe to the Offer, the estimated expenses and net proceeds will be approximately as follows:

	Total Offer (in EUR)	Total Offer in the event of full over-allotment (in EUR)
	25,000,000	35,000,000
Estimated expenses	(500,000)	(600,000)
Net proceeds (assuming NIL take-up by Preferred Applicants)	24,500,000	34,400,000
Maximum discount if all Offer is taken up by Preferred Applicants (at EUR/USD99)	(250,000)	(350,000)
Net Proceeds (assuming FULL take-up by Preferred Applicants)	24,250,000	34,050,000

5. Information concerning the Bonds

5.1 General

- 5.1.1 The equivalent of EUR25,000,000 aggregate principal amount of Bonds are being offered and made available by the Issuer in any one or any combination of the two currencies. The actual amount of EUR Bonds and USD Bonds will depend on the value of the Applications received for the Bonds. As a consequence, the Issuer may issue up to a maximum of:
- (i) EUR25,000,000 EUR Bonds of a nominal value of EUR100 each Bond, issued at par (subject to the special terms applicable to Preferred Applicants), and redeemable on the Maturity Date at EUR100 each Bond; or
 - (ii) USD33,337,500 USD Bonds (calculated on the basis of the Rate of Exchange) of a nominal value of USD100 each Bond, issued at par (subject to the special terms applicable to Preferred Applicants), and redeemable on the Maturity Date at USD100 each Bond; or
 - (iii) any combination of the above, provided that the aggregate principal amount of the Bonds issued shall not exceed the total value of EUR25,000,000 subject to the exercise of the Over-allotment Option as described below.
- 5.1.2 The Issuer may issue Bonds pursuant to the Over-allotment Option up to an amount of EUR10,000,000 so that the maximum combined aggregate principal amount of the Bonds shall never exceed at any time EUR35,000,000.
- 5.1.3 The Bond Issue is not underwritten. Since the proceeds of the Issue will be used in the operational business of the Issuer (as described in Section 4.4 of the Securities Note) no minimum threshold is being set for the Bonds to be taken up. Consequently, in the eventuality that the Bond Issue is not fully subscribed to, no refunds will be forthcoming to the Bondholders and the issued Bonds will be listed on the Malta Stock Exchange for the amounts so subscribed, as long as the listing conditions set out in the Listing Rules are satisfied.
- 5.1.4 Subject to admission to listing of the Bonds to the Official List of the Malta Stock Exchange, the Bonds are expected to be assigned the following ISIN:

ISIN: MT0000181231 for the EUR Bonds
ISIN: MT0000181249 for the USD Bonds

Public Offer

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

Placing Arrangements

General

- 5.1.7 The Issuer hereby reserves the right to enter into conditional subscription agreements (the "Subscription Agreement/s") prior to the commencement of the Offer Period up to an amount not exceeding 57% of the maximum combined aggregate amount of the equivalent of EUR35,000,000, i.e. EUR20,000,000 (the "Placed Portion") with a number of Authorised Distributors for the subscription of the Bonds by Preferred Applicants and other investors. Applications in a single name for an aggregate investment amount of less than EUR6,000 or USD6,000 shall not be eligible for the Placed Portion and shall not be accepted. Upon completion and submission of the Subscription Agreements, the Issuer will be conditionally bound to issue, and each Authorised Distributor will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on both the Issuer and the Authorised Distributor upon delivery, subject to the Issuer having received all subscription proceeds in clear funds on delivery of the Subscription Agreement.

Applications received from Preferred Applicants shall be met in full for the first EUR6,000 or USD6,000 for each Preferred Applicant. Any amount not taken up at pre-placement will be available for subscription during the Offer Period.

In the event that Applications submitted by Preferred Applicants are in excess of the said amount, any unsatisfied part of such Applications shall automatically participate during the Offer Period *pari passu* with other Applicants.

Plan of Distribution and Allotment

- 5.1.8 The Issuer will determine and announce the allocation policy for the Bonds within five business days of the closing of the Offer Period. It is expected that allotment advices will be dispatched to Bondholders by the Central Securities Depository within five business days of the date of the announcement of the allocation policy. Thus, dealing of the Bonds will only commence once appropriate notification has been supplied to the Bondholders.
- 5.1.9 Subject to the event of oversubscription, the Bonds will be listed on the Official List of the Malta Stock Exchange on 17 November 2010 and such date shall constitute the date of issue, allotment as well as Listing of the Bonds. Dealing shall commence on the following trading day.

Refunds

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

5.2 [Applicable Laws](#)

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

5.3 [Registration, Denomination, Form and Title](#)

- 5.3.1 The Issuer will not issue certificates representing the Bonds to the Bondholders since the Bonds will be represented in uncertificated form by the appropriate entry in the Issuer's electronic register of Bondholders maintained on behalf of the Issuer at the Central Securities Depository (CSD) of the Malta Stock Exchange. There will be entered into such electronic register the names, addresses, ID Card number (in the case of natural persons), Registration

Numbers (in the case of companies), MSE A/C numbers of the Bondholders and the number of Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be available for inspection by the Bondholders at the registered office of the Issuer. The CSD will issue upon request by the Bondholder a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

5.3.2 Any person in whose name the Bonds are registered may (to the fullest extent permitted by the applicable laws) be deemed and treated at all times and for all purposes as the owner of the Bonds. Title to the Bonds is transferred in accordance with the provisions of paragraph 5.13 of this Securities Note.

5.3.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of integral multiples of USD100 and EUR100 provided that, on subscription, the Bonds will be issued for a minimum of USD2,000 and EUR2,000 respectively.

5.4 Currency of the Bonds

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

5.5 Status of the Bonds

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves and equally with any other present or future, unsecured indebtedness of the Issuer but will rank prior to the subordinated debts of the Issuer. The Issuer does not have any privileges and hypothecs in favour of third parties. 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). Any security interests so created will rank in priority to the Bonds for so long as such security interests remain in effect.

5.6 Rights attached to the Bonds

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

5.7 Interest

5.7.1 The Bonds shall bear interest from and including 5 November 2010 at the rate of 4.25% per annum for the EUR Bond and 4.25% per annum for the USD Bond. Interest shall be calculated on the nominal value of the Bonds and shall be paid semi-annually in arrears on 31 May and 30 November of each year (the "Interest Payment Date"), provided that any payment date which falls on a day other than a Business Day, will be carried over to the next day which is a Business Day.

The first interest payment will be made on 31 May 2011.

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

5.8 Maturity and Redemption

The Bonds shall become due for final redemption (together with the payment of interest accrued thereon) on 30 November 2013 (the "Maturity Date") at their nominal value.

5.9 Payments

Principal Amount

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

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

Interest

- 5.9.2 Payment of Interest on a Bond will be made by the Issuer to the person in whose name such Bond is registered at the close of business 30 calendar days prior to the Interest Payment Date.
- 5.9.3 Payment of Interest will be made by the Issuer by direct credit to the bank account as indicated by the Bondholder in the Application Form.
- 5.9.4 The Issuer will not be responsible for any loss or delays in transmission. Where the Bondholder's bank account is not known, the Interest may be retained by the Issuer for collection by the Bondholder entitled to such interest or for remittance when the bank account number of the said Bondholder is made known to the Issuer. Any risk of loss or gain that may emerge on payment of interest from the currency of denomination of the Bonds applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.

Payments to Bonds held subject to usufruct and held jointly

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

Payment will be made:

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

Deductions

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

Commissions and charges

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

5.10 Yield

For Bonds issued at the Bond Offer Price, the gross yield calculated on the basis of the Interest, the Bond Offer Price and the Redemption Value of the Bonds at maturity is four point two five per cent (4.25%) per annum for the EUR Bonds or four point two five per cent (4.25%) per annum for the USD Bonds.

For Bonds issued at the Preferred Applicant Bond Offer Price, the gross yield calculated on the basis of the Interest, the Preferred Applicant Bond Offer Price and the Redemption Value of the Bonds at maturity is four point six per cent (4.60%) per annum for the EUR Bonds or four point six per cent (4.60%) per annum for the USD Bonds.

5.11 Meetings of the Bondholders

- 5.11.1 The Issuer may, at any time, convene a meeting of Bondholders to consider and approve by Extraordinary Resolution any of the following: (i) any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the terms or conditions of the Bonds and the rights of the Bondholders, whether or not those rights arise under this Prospectus; (ii) the exchange or substitution of the Bonds by, or the conversion of the Bonds into shares, debentures or other obligations or securities of the Issuer; and (iii) the earlier redemption or roll-over of the Bonds on their Maturity Date.
- 5.11.2 Notice in writing shall be given to Bondholders by the Issuer at least 14 clear days before the meeting (excluding the day on which the notice is given and the day for which it is given). The notice shall specify the date, time and location of the meeting.
- 5.11.3 The instrument appointing a proxy shall be deposited at least 48 hours before the time fixed for the meeting at such place as the Issuer shall designate or approve and, in default it shall not be valid unless the Chairman of the meeting decides otherwise before the meeting proceeds to business. A proxy need not be a Bondholder.
- 5.11.4 The Chairman of a meeting of Bondholders shall be the Chairman of the Board of Directors of the Issuer or such other person as the Issuer may nominate in writing from time to time. The Chairman of an adjourned meeting need not be the same person as the Chairman of the original meeting.
- 5.11.5 The following may attend and speak at a meeting of Bondholders: (i) the Chairman of the meeting; (ii) representatives and Directors of the Issuer; and (iii) Bondholders. No other person shall be entitled to attend or speak at a meeting.
- 5.11.6 Bondholders holding in aggregate at least 50% in nominal value of the Bonds for the time being outstanding (present in person or by proxy) shall constitute a quorum.
- 5.11.7 No business (except when choosing a Chairman in accordance with paragraph 5.11.4 above) shall be transacted at a meeting of Bondholders unless a quorum is present at the commencement of the meeting. If a quorum is not present within 30 minutes from the time initially fixed for the meeting, it shall stand adjourned until such date, time and place as the Chairman may decide. If a quorum is not present within 30 minutes from the time fixed for a meeting so adjourned the meeting shall be dissolved.
- 5.11.8 Each matter submitted to a meeting shall be decided by a show of hands unless a poll is (before or following the result of the show of hands) demanded by the Chairman. Every Bondholder shall be entitled to one vote for each Bond held whether on a show of hands or on a poll. Voting, whether on a show of hands or on a poll, shall be taken in such manner as the Chairman of the meeting shall direct. The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the Auditors of the Issuer.
- 5.11.9 An Extraordinary Resolution shall be binding on all Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The Issuer shall give notice of the passing of an Extraordinary Resolution to Bondholders within 14 days but failure to do so shall not invalidate the resolution.
- 5.11.10 The Chairman shall have the power to decide upon any other procedural issues that may arise in connection with meetings of Bondholders.

In this paragraph 5.11, unless the context otherwise requires:

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

5.12 Authorisations, Approvals and Issue Date

The issue of the Bonds and the Prospectus have been authorised by means of a resolution of the Board of Directors adopted on 13 September 2010. The Listing Authority has authorised the Bonds to be admitted to Listing by virtue of a letter dated 4 October 2010.

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

The Issue Date of the Bonds is 17 November 2010.

5.13 Transferability of the Bonds

- 5.13.1 The Bonds are freely transferable and, once admitted to the Official List of the Malta Stock Exchange, dealings are expected to commence on 18 November 2010. The Bonds shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.
- 5.13.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon producing such evidence of his title as may be required by the Issuer and the CSD, elect either to be registered himself as holder or to have someone else nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond in favour of that person.
- 5.13.3 All transfers and transmissions are subject, in all cases, to any pledge (duly constituted) in respect of any Bond and to any applicable laws and regulations.
- 5.13.4 The costs and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer so requires, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed thereto, will be borne by the Issuer.
- 5.13.5 The Issuer will not register the transfer or transmission of Bonds for a period of 30 days preceding the due date for redemption of the Bonds.

5.14 Taxation

5.14.1 *General*

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

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

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

5.14.2 *Interest*

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

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

In case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest

so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act. Pursuant to article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer according to the provisions of the law.

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

5.14.3 *Capital Gains on the Transfer of Bonds*

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

5.14.4 *Duty on Documents and Transfers*

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

5.15 *Further Issues*

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

5.16 *Event of Default*

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

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

6. TERMS AND CONDITIONS OF THE OFFER

6.1 *Conditions*

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

1. Subject to all other terms and conditions of Application, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
2. If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated, net of any bank or third party charges or commissions. The Application monies or the balance of the amount paid on Application will be returned by direct credit into the Applicant's bank account as indicated in the Application Form within five Business Days from the date of final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Bonds applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.

3. In the case of joint Applications, reference to the Applicant in these Terms and Conditions of Application is a reference to each Applicant, and liability therefore is joint and several. Furthermore, as joint Applicants, each Applicant warrants that he/she has only submitted one Application Form in his/her name.
4. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, following which all interests shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
6. All Applications must be submitted on Application Forms within the time limits established herein (reference to Expected Timetable set out at paragraph 4.2 of this Securities Note). The minimum subscription of the EUR Bonds is EUR2,000 and the minimum subscription of the USD Bonds is USD2,000. In the case of Preferred Applicants applying during the pre-placement stage, the minimum subscription of the EUR Bonds is EUR6,000 and the minimum subscription of the USD Bonds is USD6,000. Applications in excess of these minimum thresholds must be in multiples of EUR100 or USD100, as applicable.
7. Application Forms must:
 - (a) be lodged with any of the Authorised Distributors as listed in Appendix 1 (except as provided below for Preferred Applicants):
 - (i) Preferred Applicants whose name is on the register of FIMBank Shareholders at the Central Securities Depository of the Malta Stock Exchange must apply on the pre-printed Application Form mailed to them by the Issuer;
 - (ii) Preferred Applicants whose name is on the registers of the FIMBank (7% Subordinated bonds 2012-2019) Bondholders at the Central Securities Depository of the Malta Stock Exchange must apply on the pre-printed Application Form mailed to them by the Issuer and
 - (iii) Preferred Applicants who are the Directors and/or employees of the FIMBank Group must lodge the Application Form with the Company Secretary of the Issuer.
 - (b) be accompanied by the full price of the Bonds applied for in the currency of designation of the Bonds applied for. Payment must be made in cleared funds and may be made by SWIFT, account transfer, bank draft or bankers' cheque, or personal cheque in case of EUR payments. In case of USD payments, payment must be made in cleared funds and may be made by SWIFT or account transfer.

6.2 Terms

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

- (a) irrevocably offer to purchase the number of Bonds specified in the Application Form (or any smaller number for which the Application is accepted) at the Bond Offer Price subject to the Prospectus, the Terms and Conditions and the Memorandum and Articles of Association of the Issuer;
- (b) authorise the Registrar and the Directors of the Issuer to include his name or in the case of joint Applications, the name of the Representative, in the register of Bondholders of the Issuer in respect of the Bonds allocated to him;
- (c) warrant that his remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, he will not be entitled to receive a registration advice, or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds unless and until he makes payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that the Applicant indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer may

- (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
- (d) agree that the registration advice and other documents and any monies returnable to him may be retained pending clearance of his remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (and regulations made thereunder) and that such monies will not bear interest;
 - (e) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he submits to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
 - (f) warrant that, if by signing the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the Applicant has due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of Application and undertake to submit a power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
 - (g) agree that all documents in connection with the Issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications to the address of the Representative) as set out in the Application Form;
 - (h) agree that, having had the opportunity to read the Prospectus, the Applicant has and shall be deemed to have had, notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - (i) confirm that in making such Application, he is not relying on any information or representation in relation to the Issuer or the Issue of the Bonds other than those contained in the Prospectus and accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
 - (j) confirm that he has reviewed and will comply with the restriction detailed below and the warning in this paragraph 6.2 (r) and paragraph 6.4;
 - (k) warrant that he is not under the age of 18 years or if lodging an Application in the name and for the benefit of a minor, warrant that he is the parent or legal guardian/s of the minor;
 - (l) agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which the Application has been accepted, he shall receive a registration advice confirming such acceptance;
 - (m) confirm that, in the case of a joint Application, the Representative shall be deemed the holder of the Bonds;
 - (n) agree to provide the Registrar and/or Issuer with any information which it may request in connection with his Application;
 - (o) agree that Rizzo, Farrugia & Co. (Stockbrokers) Ltd., in its capacity as Sponsor, treat him as its customer by virtue of him making an Application for the Bonds and that Rizzo, Farrugia & Co. (Stockbrokers) Ltd., in its capacity as Sponsor, will owe him no duties or responsibilities concerning the price of the Bonds or their suitability;
 - (p) warrant that, in connection with his Application, he has observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Application in any territory and that he has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or the Application;
 - (q) warrant that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with; and

(r) represent that he is not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and that he is not accepting the invitation contained in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person.

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

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

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

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

6.7 Notices

Notices will be mailed to Bondholders at their registered address and shall be deemed to have been served at the expiration of three calendar days after such mailing.

6.8 Right to Reject

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

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

6.9 Right to Revoke the Offer

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

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

7. Admission to Trading and Dealing Arrangements

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

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

8. Additional Information

8.1 Statement by Experts

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

8.2 No Credit Rating for the Bonds

Although the Issuer has a credit rating as a credit institution granted by an independent credit rating agency (refer to Section 7.4 of the Registration Document), the Issuer has not sought assessment of the Bonds by any independent credit rating agency.

8.3 Documents on Display

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

- The Memorandum and Articles of Association of the Issuer;
- The Audited Financial Statements of the Issuer and the Group (including its subsidiaries) for the financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 as well as the condensed unaudited interim financial statements for the six months ended 30 June 2009 and 30 June 2010;
- The Pledge Agreement dated 24 December 2007; and
- The Audit Committee Charter.

The Financial Statements of the Issuer may also be inspected on the Issuer's website: www.fimbank.com.

Appendix 1 - Authorised Distributors

Members of the Malta Stock Exchange

Atlas JMFS Investment Services Ltd 67, Level 3, South Street Valletta VLT 1105	Tel: 2122 4410/2326 5690 www.atlasjmfs.com	Fax: 2122 3810/2326 5691
Bank of Valletta p.l.c. Financial Markets & Investments Division BOV Centre, Cannon Road Santa Venera SVR 9030	Tel: 2131 2020 www.bov.com	Fax: 2275 3348
Calamatta Cuschieri & Co. Ltd 5th Floor, Valletta Buildings, South Street Valletta VLT 1103	Tel: 2568 8688 www.cc.com.mt	Fax: 2568 8256
Charts Investment Management Services Ltd Valletta Waterfront, Vault 17, Pinto Wharf Floriana FRN 1913	Tel: 2122 4106 www.charts.com.mt	Fax: 2124 1101
Curmi & Partners Ltd Finance House, Princess Elizabeth Street Ta Xbiex XBX 1102	Tel: 2134 7331 www.curmiandpartners.com	Fax: 2134 7333
Financial Planning Services Ltd 4, Marina Court, G Cali Street Ta Xbiex XBX 1421	Tel: 2134 4255 www.bonellofinancial.com	Fax: 2134 1202
FINCO Treasury Management Ltd Level 5, The Mall Complex, The Mall Floriana FRN 1470	Tel: 2122 0002 www.fincotrust.com	Fax: 2124 3280
GlobalCapital Financial Management Ltd 120, The Strand Gzira GZR 1027	Tel: 2131 0088 www.globalcapital.com.mt	Fax: 2328 2207
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Lombard Bank Malta p.l.c. 67, Republic Street Valletta VLT 1117	Tel: 2124 8411 www.lombardmalta.com	Fax: 2558 1150
Rizzo, Farrugia & Co. (Stockbrokers) Ltd Airways House, Third Floor, High Street Sliema SLM 1549	Tel: 2258 3000 www.rizzofarrugia.com	Fax: 2258 3001

Investment Service Providers

APS Bank Ltd APS Centre, Tower Street B'Kara BKR 4012	Tel: 2559 3400 www.apsbank.com.mt	Fax: 2559 3167
Crystal Finance Investments Ltd 6, Freedom Square Valletta VLT 1011	Tel: 2122 6190 www.crystal.com.mt	Fax: 2122 6188
D.B.R Investments Ltd Deber, Nigret Road Zurrieq ZRQ 3172	Tel: 2164 7763	Fax: 2164 7765
FIMBank p.l.c. 7th Floor, The Plaza Commercial Centre, Bisazza Street Sliema SLM 1640	Tel: 2328 0171 www.fimbank.com	Fax: 2328 0107
Growth Investments Ltd Middlesea House Floriana FRN 1442	Tel: 2123 4582 www.growthinvestmentsonline.com	Fax: 2124 9811
HSBC Bank Malta p.l.c. 233, Republic Street Valletta VLT 1116	Tel: 2597 2209 www.hsbcmalta.com	Fax: 25972475
Island Financial Services Ltd Insurance House, Psaila Street Birkirkara BKR 9078	Tel: 2385 5555 www.islandins.com	Fax: 2385 5238
Joseph Scicluna Investment Services Ltd Level 3, Bellavista Court, Gorg Borg Olivier Street Victoria Gozo VCT 2517	Tel: 2156 5707	Fax: 2156 5706
Mercieca Financial Investment Services Ltd 'Mercieca', John F Kennedy Square Victoria Gozo VCT 2580	Tel: 2155 3892	Fax: 2155 3892
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Michael Grech Financial Investment Services Ltd No 1, Mican Court, John F Kennedy Square Victoria Gozo VCT 2580	Tel: 2155 4492 www.michaelgrechfinancial.com	Fax: 2155 9199
MZ Investment Services Ltd PO Box 24/55, MZ House St Rita Street, Rabat RBT 1523	Tel: 2145 3739 www.mzinvestments.com	Fax: 2145 3407

Appendix 2 - Specimen Application Form

FIMBank p.l.c. 4.25% 2013 Bonds

APPLICATION FORM

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



FIMBANK
GROUP

A	PREFERRED APPLICANT* (see note 2)		
	<input type="checkbox"/> Existing Shareholder <input type="checkbox"/> Existing Bondholder <input type="checkbox"/> Director <input type="checkbox"/> Employee		
B	APPLICANT (see notes 3 to 7)		
	<input type="checkbox"/> Resident <input type="checkbox"/> Non-Resident <input type="checkbox"/> CIS-Prescribed Fund <input type="checkbox"/> Minor (under 18) <input type="checkbox"/> Body Corporate / Body of Persons		
C	TITLE (Mr/Mrs/Ms/ ...) FULL NAME & SURNAME / REGISTERED NAME ADDRESS / REGISTERED OFFICE POST CODE MSE A/C NO. ID CARD / PASSPORT / COMPANY REGISTRATION NO. TEL. NO. MOBILE NO.		
D	ADDITIONAL (JOINT) APPLICANTS (see note 3) <i>(please use additional Application Forms if space is not sufficient)</i>		
	TITLE (Mr/Mrs/Ms/ ...)		ID CARD / PASSPORT NO.
	FULL NAME & SURNAME		
	TITLE (Mr/Mrs/Ms/ ...)		ID CARD / PASSPORT NO.
	FULL NAME & SURNAME		
E	MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) <i>(to be completed ONLY if the Applicant is a minor)</i>		
I	TITLE (Mr/Mrs/Ms/ ...)		ID CARD / PASSPORT NO.
II	FULL NAME & SURNAME		
II	TITLE (Mr/Mrs/Ms/ ...)		ID CARD / PASSPORT NO.
II	FULL NAME & SURNAME		
F	I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 & 9)		
	€	AMOUNT IN FIGURES AMOUNT IN WORDS	VALUE €
	\$	AMOUNT IN FIGURES AMOUNT IN WORDS	VALUE \$
	FIMBank p.l.c. 4.25% 2013 Bonds (minimum €2,000 / \$2,000 and in multiples of €100 / \$100 thereafter; the minimum subscription by Preferred Applicants applying during the pre-placement stage is €6,000 / \$6,000 and in multiples of €100 / \$100 thereafter) or any smaller number of Bonds for which this Application may be accepted at the Bond Offer Price as defined in the Prospectus payable in full upon application under the terms and conditions as defined in the said Prospectus.		
G	WITHHOLDING TAX ON INTEREST (see note 10) <i>(to be completed ONLY if the Applicant is a resident)</i>		
	<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest. <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).		
H	NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 11) <i>(to be completed ONLY if the Applicant is a non-resident)</i>		
	TAX COUNTRY		TOWN OF BIRTH
	TAX IDENTIFICATION NO.		COUNTRY OF BIRTH
	PASSPORT / ID CARD NO.	COUNTRY OF ISSUE	ISSUE DATE
	<input type="checkbox"/> I/We am/are NOT Resident/s in Malta but I/we am/are Resident/s in the European Union. <input type="checkbox"/> I/We am/are NOT Resident/s in Malta and I/we am/are NOT Resident/s in the European Union.		
I	INTEREST, REFUND & REDEMPTION MANDATE (see note 12)		MANDATORY
	€	BANK BRANCH ACCOUNT NUMBER	
	\$	BANK BRANCH IBAN NUMBER	
J	I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus and subject to its terms and conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the company or other entity I/we represent. I/We hereby declare that the information contained in this Application Form is accurate and true to the best of my/our knowledge. I hereby acknowledge that the Issuer/Registrar have the right to reject this Application should any of the information contained herein not be true or correct. The Issuer reserves the right to reject any multiple applications, whether submitted directly or indirectly. * I/We hereby declare that I/we fall in the definition of Preferred Applicant as contained in the Prospectus.		
	SIGNATURE/S OF APPLICANT/S <small>(both parents or legal guardians are/is to sign if Applicant is a minor) (all parties are to sign in the case of a joint Application)</small>		DATE
	Authorised Distributor's Stamp	Authorised Distributor's Code	Application Number

Appendix 3 - Instructions for the completion of the Application Form

The following notes are to be read in conjunction with the Prospectus regulating the Bond Issue.

1. The Application Form is to be completed in BLOCK LETTERS.
2. Preferred Applicants, i.e. person whether natural or legal, listed in a) the registers of FIMBank Shareholders and Bondholders at the Central Securities Depository of the Malta Stock Exchange; and b) the Directors and the employees of the FIMBank Group; in both instances as at the Record Date have to fill in Panel A - Preferred Applicant.
3. All Applicants are to insert full personal details in Panel C. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels C and D but the person whose name appears in Panel C shall, for all intents and purposes, be deemed to be the registered holder of the Bond. Interest and redemption proceeds will be issued in the name of such Bondholder.
4. Non-Resident applicants must indicate their passport number in Panel C, complete Panel H and the relative box in Panel B must also be marked appropriately.
5. In the case of an Applicant who is a minor, the word "minor" must be indicated in Panel C next to the Applicant's name and the relative box in Panel B must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. In the latter case documentary evidence of the legal guardian's appointment should be provided. (Interest and redemption proceeds will be made payable to the parent or legal guardian in Panel E I until such time as the Issuer is notified that the minor named in Panel C has attained the age of 18). The address to be inserted in Panel C is to be that of the parents / legal guardian/s.
6. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel C. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. Applicants must indicate their MSE account number in Panel C. Applicants who do not have a Malta Stock Exchange account number may open an account through an Authorised Distributor. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFERS FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.
8. Applications must be for a minimum of EUR2,000 for EUR Bonds and/or USD2,000 for USD Bonds and integral multiples of EUR100 for EUR Bonds and USD100 for USD Bonds thereafter. The minimum subscription by Preferred Applicants applying during the pre-placement stage is EUR6,000 for EUR Bonds and/or USD6,000 for USD Bonds and in multiples of EUR100 / USD100 thereafter.
9. Applications will only be accepted if accompanied by the appropriate payment. Payment must be made in cleared funds and may be made by SWIFT, account transfer, bank draft or bankers' cheque, or personal cheque in case of EUR Payments. In case of USD payments, payment must be made in cleared funds and may be made by SWIFT or account transfer.
10. The Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel B) will have Final Withholding Tax, currently 10%, deducted from interest payments. Please only tick one box. In the absence of a clear election, the Issuer will pay interest net of Final Withholding Tax.
11. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
12. Applicants will receive their interest directly in a bank account to be indicated in Panel I. If any Application is not accepted, or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be refunded by direct credit into the Applicant's bank account as indicated in Panel I. An IBAN number is required for a USD account. Please ask your bank or financial intermediary for assistance. Failure to include a valid IBAN number may result in the Issuer rejecting the Application.
13. Subscription lists will open at 8.30 a.m. on 25 October 2010 and will close at 12.30 p.m. on 29 October 2010. The Issuer reserves the right, however, to close the Bond Issue before 29 October 2010 in the event of over-subscription. Any Application received by the Registrar after closure of subscription lists will be rejected.
14. Completed Application Forms are to be delivered at any of the Authorised Distributors as listed in the Prospectus, during normal office hours. Application Forms from Employees may only be delivered at the offices of the Issuer. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
15. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.
16. The terms used in this Application Form have the same meaning as that assigned to them in the Prospectus.
17. The Issuer may process the personal data that the Applicant provides in the Application Form, for all purposes necessary for and related to the issue of the Bonds applied for, in accordance with the Data Protection Act, 2001. The Applicant has the right to request access to and rectification of the personal data relating to him/her, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates.

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

Appendix 4 - Credit Ratings

The following table gives the definition of “long-term issuer credit rating scales” as assigned by Fitch Ratings (*Source: Fitch Ratings – Definitions of Ratings and Other Forms of Opinion – August 2010*). This information which has been extracted from the above mentioned report, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by Fitch Ratings, no facts have been omitted which would render the reproduced extract inaccurate or misleading.

AAA: Highest credit quality	‘AAA’ ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.
AA: Very high credit quality	‘AA’ ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A: High credit quality	‘A’ ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.
BBB: Good credit quality	‘BBB’ ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.
BB: Speculative	‘BB’ ratings indicate an elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists which supports the servicing of financial commitments.
B: Highly speculative	‘B’ ratings indicate that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.
CCC: Substantial credit risk	Default is a real possibility.
CC: Very high levels of credit risk	Default of some kind appears probable.
C: Exceptionally high levels	Default is imminent or inevitable, or the issuer is in standstill. Conditions that are indicative of a ‘C’ category rating for an issuer include: a) the issuer has entered into a grace or cure period following non-payment of a material financial obligation; b) the issuer has entered into a temporary negotiated waiver or standstill agreement following a payment default on a material financial obligation; or c) Fitch Ratings otherwise believes a condition of ‘RD’ or ‘D’ to be imminent or inevitable, including through the formal announcement of a coercive debt exchange.

RD: Restricted default

'RD' ratings indicate an issuer that in Fitch Ratings' opinion has experienced an uncured payment default on a bond, loan or other material financial obligation but which has not entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, and which has not otherwise ceased business. This would include: a) the selective payment default on a specific class or currency of debt; b) the uncured expiry of any applicable grace period, cure period or default forbearance period following a payment default on a bank loan, capital markets security or other material financial obligation; c) the extension of multiple waivers or forbearance periods upon a payment default on one or more material financial obligations, either in series or in parallel; or d) execution of a coercive debt exchange on one or more material financial obligations

D: Default

'D' ratings indicate an issuer that in Fitch Ratings' opinion has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure, or which has otherwise ceased business. Default ratings are not assigned prospectively to entities or their obligations; within this context, non-payment on an instrument that contains a deferral feature or grace period will generally not be considered a default until after the expiration of the deferral or grace period, unless a default is otherwise driven by bankruptcy or other similar circumstance, or by a coercive debt exchange.



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