

PROSPECTUS

Dated 23 March 2018

FIMBANK p.l.c.

a public limited liability company registered under the laws of Malta with company registration number C17003 and having its registered office at Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's, STJ 3155, Malta

Rights Issue of 2 New Ordinary Shares for every 3 Existing Ordinary Shares at an Offer Price of USD0.55 per New Ordinary Share

And in the event of Lapsed Rights: An Intermediaries' Offer

ISIN: MT0000180100

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THE NEW ORDINARY SHARES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT, AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM, OR IN RELIANCE UPON, THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

APPROVED BY THE DIRECTORS OF FIMBANK PLC

John C. Grech

Murali Subramanian

Signing as Chairman and CEO, respectively, in their own capacity and as duly authorised by the Board of Directors to sign on behalf of each of Rogers David LeBaron, Masaud M.J. Hayat, Mohamed Fekih Ahmed, Adrian Alejandro Gostuski, Eduardo Eguren Linsen, Majed Essa Ahmed Al-Ajeel, Rabih Soukarieh, Osama Talat Al Ghousein, Edmond Brincat and Hussain A. Lalani.

Legal Counsel

GANADO
ADVOCATES

Sponsor, Manager and Registrar

 **RIZZO FARRUGIA**
YOUR INVESTMENT CONSULTANTS

Important Information

THIS PROSPECTUS IS TO BE READ AND CONSTRUED IN CONJUNCTION WITH ANY AND ALL DOCUMENTS WHICH ARE DEEMED TO BE INCORPORATED HEREIN BY REFERENCE (SEE SECTION 19 ENTITLED "*REFERENCE DOCUMENTS*"). THIS PROSPECTUS SHALL BE READ AND CONSTRUED ON THE BASIS THAT SUCH DOCUMENTS ARE INCORPORATED AND FORM PART OF THIS PROSPECTUS.

THE ISSUER CONFIRMS THAT THIS PROSPECTUS CONTAINS ALL INFORMATION WHICH IS MATERIAL IN THE CONTEXT OF THIS RIGHTS ISSUE AND THE INTERMEDIARIES' OFFER; THAT THE INFORMATION CONTAINED HEREIN IN RESPECT OF THE ISSUER AND THE RIGHTS IS ACCURATE IN ALL MATERIAL RESPECTS AND IS NOT MISLEADING; THAT ANY OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND BASED ON REASONABLE ASSUMPTIONS; THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT, WHETHER FACT OR OPINION, IN THIS PROSPECTUS MISLEADING IN ANY MATERIAL RESPECT; AND THAT ALL REASONABLE ENQUIRIES HAVE BEEN MADE TO ASCERTAIN ALL FACTS AND TO VERIFY THE ACCURACY OF ALL STATEMENTS CONTAINED HEREIN.

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.

NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION, ISSUE ANY ADVERTISEMENT OR MAKE ANY REPRESENTATION WHICH IS NOT CONTAINED OR CONSISTENT WITH THIS PROSPECTUS OR ANY OTHER DOCUMENT ENTERED INTO IN RELATION TO THE RIGHTS ISSUE OR THE INTERMEDIARIES' OFFER AND, IF GIVEN OR MADE, SUCH INFORMATION, ADVERTISEMENT OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER.

UNLESS OTHERWISE EXPRESSLY SPECIFIED IN THIS PROSPECTUS, 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 ANY RIGHTS UNDER THIS RIGHTS ISSUE OR THE INTERMEDIARIES' OFFER.

NONE OF THE ADVISERS OR ANY PERSON MENTIONED IN THIS PROSPECTUS, OTHER THAN THE ISSUER, IS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS OR ANY SUPPLEMENT THEREOF OR ANY REFERENCE DOCUMENTS, AND ACCORDINGLY, TO THE EXTENT PERMITTED BY THE LAWS OF ANY RELEVANT JURISDICTION, NONE OF THESE PERSONS ACCEPTS ANY RESPONSIBILITY AS TO THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN ANY OF THESE DOCUMENTS.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF AND ANY INFORMATION CONTAINED IN THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH. EACH PERSON RECEIVING THIS PROSPECTUS ACKNOWLEDGES THAT SUCH PERSON HAS NOT RELIED ON ANY OF THE ADVISERS IN CONNECTION WITH ITS INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION AND EACH PERSON MUST RELY ON ITS OWN EXAMINATION OF THE RIGHTS ISSUE AND THE INTERMEDIARIES' OFFER.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT TO INFORM HIMSELF OF AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAW AND REGULATIONS OF ANY RELEVANT JURISDICTION. APPLICANTS MUST SEEK THEIR OWN PROFESSIONAL ADVICE AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE RIGHTS ISSUE AND THE INTERMEDIARIES' OFFER.

THIS PROSPECTUS, THE PROVISIONAL ALLOTMENT LETTERS AND ALL REFERENCE DOCUMENTS SHOULD BE READ IN THEIR ENTIRETY BY INVESTORS BEFORE DECIDING WHETHER TO EXERCISE ANY RIGHTS TO WHICH THEY MAY BE ENTITLED OR ACQUIRE NEW ORDINARY SHARES DURING THE INTERMEDIARIES' OFFER.

THIS PROSPECTUS AND ANY REFERENCE DOCUMENTS DO NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF AN OFFER, INVITATION OR SOLICITATION TO ANYONE IN ANY JURISDICTION A) IN WHICH SUCH OFFER, INVITATION OR SOLICITATION IS NOT AUTHORISED OR B) IN WHICH ANY PERSON MAKING SUCH OFFER, INVITATION OR SOLICITATION IS NOT QUALIFIED TO DO SO OR C) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, INVITATION OR SOLICITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND ANY REFERENCE DOCUMENTS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

THE RIGHTS WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. SUBJECT TO CERTAIN EXCEPTIONS, THE RIGHTS MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS. FURTHERMORE, IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA), THE RIGHTS MAY ONLY BE OFFERED, SOLD OR DELIVERED TO, SUBJECT TO CERTAIN EXCEPTIONS AND ACCEPTED BY "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE) OR IN OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE. IN ALL CASES THE MAKING OF THE OFFER OF RIGHTS IN SUCH CIRCUMSTANCES SHALL NOT REQUIRE THE PUBLICATION BY THE ISSUER OR ANY OTHER PERSON OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

APPLICATION HAS BEEN MADE FOR THE SHARES BEING ISSUED AS A RESULT OF THE EXERCISE OF THE RIGHTS UNDER THIS RIGHTS ISSUE TO BE LISTED AND TRADED ON THE REGULATED MARKET OF THE MALTA STOCK EXCHANGE AND FOR DEALINGS TO COMMENCE ONCE THE NEW ORDINARY SHARES ARE AUTHORISED AS ADMISSIBLE TO LISTING BY THE LISTING AUTHORITY. THE MALTA STOCK EXCHANGE'S REGULATED MARKET IS A REGULATED MARKET FOR THE PURPOSES OF DIRECTIVE 2004/39/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 21 APRIL 2004 ON MARKETS IN FINANCIAL INSTRUMENTS AMENDING COUNCIL DIRECTIVES 85/611/EEC AND 93/6/EEC AND DIRECTIVE 2000/12/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AND REPEALING COUNCIL DIRECTIVE 93/22/EEC. THE LAPSED RIGHTS FORMING PART OF THE INTERMEDIARIES' OFFER WILL NOT BE ADMITTED TO TRADING ON A REGULATED MARKET.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE RIGHTS ISSUE OR THE INTERMEDIARIES' OFFER, YOU SHOULD CONSULT AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT.

STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

THIS PROSPECTUS CAN ONLY BE USED FOR THE PURPOSES FOR WHICH IT HAS BEEN PUBLISHED.

Forward-Looking Statements

THIS DOCUMENT INCLUDES STATEMENTS THAT ARE, OR MAY BE DEEMED TO BE, "FORWARD-LOOKING STATEMENTS". THESE FORWARD-LOOKING STATEMENTS CAN BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY, INCLUDING THE TERMS "BELIEVES", "ESTIMATES", "ANTICIPATES", "EXPECTS", "INTENDS", "MAY", "WILL", OR "SHOULD" OR, IN EACH CASE, THEIR NEGATIVE OR OTHER VARIATIONS OR COMPARABLE TERMINOLOGY. THESE FORWARD-LOOKING STATEMENTS RELATE TO MATTERS THAT ARE NOT HISTORICAL FACTS. THEY APPEAR IN A NUMBER OF PLACES THROUGHOUT THIS DOCUMENT AND INCLUDE STATEMENTS REGARDING THE INTENTIONS, BELIEFS OR CURRENT EXPECTATIONS OF THE ISSUER AND/OR THE DIRECTORS CONCERNING, AMONGST OTHER THINGS, THE ISSUER'S ROLE WITHIN THE ISSUER'S GROUP, OPERATIONS, FINANCIAL CONDITION, LIQUIDITY AND DIVIDEND POLICY OF THE ISSUER. THERE CAN BE NO ASSURANCE THAT THE RESULTS AND EVENTS CONTEMPLATED BY THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PROSPECTUS WILL OCCUR.

BY THEIR NATURE, FORWARD-LOOKING STATEMENTS INVOLVE RISKS AND UNCERTAINTIES BECAUSE THEY RELATE TO EVENTS AND DEPEND ON CIRCUMSTANCES THAT MAY OR MAY NOT OCCUR IN THE FUTURE. FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND SHOULD THEREFORE NOT BE CONSTRUED AS SUCH. THE ISSUER'S ACTUAL RESULTS OF OPERATIONS, FINANCIAL CONDITION, LIQUIDITY, DIVIDEND POLICY AND THE DEVELOPMENT OF ITS STRATEGY MAY DIFFER MATERIALLY FROM THE IMPRESSION CREATED BY THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DOCUMENT. IN ADDITION, EVEN IF THE RESULTS OF OPERATIONS, FINANCIAL CONDITION, LIQUIDITY AND DIVIDEND POLICY OF THE ISSUER ARE CONSISTENT WITH THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DOCUMENT, THOSE RESULTS OR DEVELOPMENTS MAY NOT BE INDICATIVE OF RESULTS OR DEVELOPMENTS IN SUBSEQUENT PERIODS. IMPORTANT FACTORS THAT MAY CAUSE THESE DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, CHANGES IN ECONOMIC CONDITIONS



GENERALLY, LEGISLATIVE/REGULATORY CHANGES, CHANGES IN TAXATION REGIMES, THE AVAILABILITY AND COST OF CAPITAL FOR FUTURE INVESTMENTS AND THE AVAILABILITY OF SUITABLE FINANCING.

APPLICANTS ARE ADVISED TO READ THIS PROSPECTUS IN ITS ENTIRETY TOGETHER WITH THE REFERENCE DOCUMENTS, AND IN PARTICULAR, THE HEADING OF EACH SECTION OR ANY PART THEREOF ENTITLED "*RISK FACTORS*" FOR A FURTHER DISCUSSION OF THE FACTORS THAT COULD AFFECT THE ISSUER'S FUTURE PERFORMANCE. IN LIGHT OF THESE RISKS, UNCERTAINTIES AND ASSUMPTIONS, THE EVENTS DESCRIBED IN THE FORWARD-LOOKING STATEMENTS IN THIS DOCUMENT MAY NOT OCCUR. ALL FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DOCUMENT ARE MADE ONLY AS AT THE DATE HEREOF. SUBJECT TO ITS LEGAL AND REGULATORY OBLIGATIONS (INCLUDING UNDER THE LISTING RULES), THE ISSUER AND ITS DIRECTORS EXPRESSLY DISCLAIM ANY OBLIGATIONS TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY STATEMENT IS BASED.

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Definitions

In addition to the defined terms used in the section of this Prospectus entitled “*Terms and Conditions of the Rights Issue and the Intermediaries’ Offer*”, the following words and expressions shall bear 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 “ <i>Advisers</i> ” in section 3.1 of this Prospectus;
Applicant	an Eligible Shareholder who exercises the Rights during the Offer Period or a person applying for the New Ordinary Shares during the Intermediaries’ Offer;
Articles of Association	the articles of association of FIMBank;
Associate	a legal entity in which FIMBank has significant influence, but not control, over the financial and operating policies;
Banking Act	the Banking Act, Cap. 371 of the laws of Malta;
Burgan Bank	Burgan Bank S.A.K. a public shareholding company incorporated in the State of Kuwait by Amiri Decree dated 27 December 1975, listed on the Kuwait Stock Exchange, registered as a Bank with the Central Bank of Kuwait and having its registered address at P.O. Box 5389, Safat 12170, State of Kuwait;
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 or CSD	the central registration system for dematerialised financial instruments operated by the MSE and authorised in terms of the Financial Markets Act;
Civil Code	the Civil Code, Cap.16 of the laws of Malta;
Collecting Agent and Intermediaries’ Offer Agreements	the agreements dated on or about the date of this Prospectus entered into by and between the Issuer, the Registrar and each of the Collecting Agents separately;
Collecting Agents	the Financial Intermediaries and the Issuer, as listed in Annex I;
Companies Act	the Companies Act, Cap. 386 of the laws of Malta;
Company	FIMBank;
Directors, or collectively, the Board of Directors or the Board	FIMBank’s directors, whose names are set out in section 12 of this Prospectus;
Eligible Shareholders	FIMBank’s Shareholders on the register of the Central Securities Depository as at close of trading on the Record Date and their Transferee/s where applicable;
Excluded Territories and each an Excluded Territory	United States of America, Canada, Japan, the Republic of South Africa and any jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law;
Existing Ordinary Shares	the 314,531,123 Ordinary Shares issued by FIMBank as at the date of this Prospectus;
EUR, Euro or €	means the lawful currency for the time being of the Eurozone;

FIMBank	FIMBank p.l.c., a public limited liability company registered in Malta and bearing company registration number C 17003, having its registered office at Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's STJ 3155, Malta;
FIMBank Group or the Group	the group of companies the ultimate holding company of which, as at the date of the Prospectus, is FIMBank p.l.c.;
Financial Institutions Act	the Financial Institutions Act, Cap. 376 of the laws of Malta;
Financial Intermediaries	the licensed stockbrokers and financial intermediaries as listed in Annex 1 of this Prospectus;
Financial Markets Act	the Financial Markets Act, Cap. 345 of the laws of Malta;
FY	the financial year of FIMBank, being the period running between 1 January and 31 December of the year referred to;
GBP	the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland;
Income Tax Act	the Income Tax Act, Cap. 123 of the laws of Malta;
Intermediaries' Offer	in the event of Lapsed Rights, the invitation to offer made by the Issuer to Financial Intermediaries to make an offer for such Lapsed Rights for their own account or for the account of their clients, provided that such offers may only be made through and by Financial Intermediaries during the Lapsed Rights Offer Period;
Investment Services Act	the Investment Services Act, Cap. 370 of the laws of Malta;
Issuer	FIMBank;
KIPCO	Kuwait Projects Company Holding K.S.C.P. an investment holding company in the Middle East and North Africa region incorporated in Kuwait in 1975 under Article 94 of the Kuwaiti Commercial Companies Code, Law No. 15 1960;
KIPCO Group	the group of companies the ultimate holding company of which, as at the date of the Prospectus, is KIPCO;
Lapsed Rights	rights to New Ordinary Shares not validly taken up by the Eligible Shareholder by the expiry of the Offer Period;
Lapsed Rights Offer Period	The period between 08:30 on 27 April 2018 and 10:00 on 04 May 2018, both days included;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act;
Listing Rules	the listing rules issued by the Listing Authority;
Malta Financial Services Authority Act	the Malta Financial Services Authority Act, Cap. 330 of the laws of Malta;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted by the Financial Markets Act, bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;

MFSA	the Malta Financial Services Authority as established under the Malta Financial Services Authority Act;
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
New Ordinary Shares	209,687,428 new Ordinary Shares, having a nominal value of US\$ 0.50 each, to be issued pursuant to the Rights Issue, and which will, upon issuance, form part of the issued share capital of FIMBank;
Offer	the invitation to subscribe for Rights to the New Ordinary Shares as contained in this Prospectus and, where the context so requires, also the Intermediaries' Offer;
Offer Period	the period between 08:30 on 04 April 2018 and 10:00 on 18 April 2018, both days included during which the Rights to the New Ordinary Shares are on offer for subscription;
Official List	the list prepared and published by the Malta Stock Exchange, containing information of all the financial instruments admitted to trading on the Regulated Market of the MSE in accordance with the MSE Bye-Laws;
Ordinary Shares or Shares	the ordinary shares of nominal value of US\$0.50 each in the capital of the Issuer;
Overseas Shareholder(s)	Eligible Shareholder(s) with registered address in, or who are citizen(s) in, or resident(s) of, countries other than Malta;
PAL A	the Provisional Allotment Letter which an Eligible Shareholder has to complete to subscribe to all the Rights to which the Eligible Shareholder is entitled;
PAL B	the Provisional Allotment Letter which an Eligible Shareholder has to complete to subscribe to part but not all of the Rights to which the Eligible Shareholder is entitled and which may in addition be used to transfer all or part of the remaining balance of Rights;
PAL C	the Provisional Allotment Letter which an Eligible Shareholder has to complete to transfer all the Rights to which the Eligible Shareholder is entitled to a third party/ies;
Prospectus	this document in its entirety including the Summary and Reference Documents;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 04 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, and as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 and as supplemented by Commission Delegated Regulation (EU) No 1392/2014 of 15 April 2014 and as may be further amended from time to time;
Prospectus Regulation	Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive as amended by Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No 862/2012 of 04 June 2012, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 382/2014 of 07 March 2014, and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015, and as may be further amended from time to time;
Provisional Allotment Letter or PAL	the document of title issued to Eligible Shareholders by the Issuer in respect of the Rights to New Ordinary Shares, pursuant to the Rights Issue;
Record Date	22 March 2018;
Reference Documents	the documents listed in section 19 under the heading "Reference Documents";

Registrar or Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd. of Airways House, Fourth Floor, High Street, Sliema SLM 1551;
Registrar's Account	the bank account in the name of the Registrar as shall be communicated to the Collecting Agents for the purpose of this Rights Issue and the Intermediaries' Offer;
Regulated Market	the regulated market in terms of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and any other successor operator called the "Malta Stock Exchange";
Rights	the entitlements in nil paid form to acquire the New Ordinary Shares subject to the payment of the Share Offer Price;
Rights Issue or Issue	the proposed issue by way of Rights of the New Ordinary Shares to Eligible Shareholders as described in this Prospectus and, where the context so requires, shall also include the Lapsed Rights;
Share Offer Price	US\$0.55 per Share;
Shareholders or Ordinary Shareholders	holders of Ordinary Shares of the Issuer;
Subordinated Loan Agreement	the subordinated loan agreement dated 7 September 2015 and entered into between the Issuer and Burgan Bank (and its lawful transferees) as amended, supplemented or renewed from time to time, wherein Burgan Bank provided the Issuer with a US\$50,000,000 subordinated loan facility;
Subscription Agreements	the separate agreements entered into between the Company and each of Burgan Bank, UGH and TIB each dated 23 March 2018;
Subsidiaries	any company the parent company (as such term defined in the Companies Act) of which, as at the date of the Prospectus, is FIMBank including without limitation the Subsidiaries set out in section 4.4.1 of this Prospectus;
Summary Note	the summary of the Prospectus, as the same is contained in the section of the Prospectus named " <i>Summary Note</i> " and as the same may be amended, supplemented and updated from time to time;
Terms and Conditions	the Terms and Conditions set out under the heading " <i>Terms and Conditions of the Rights Issue and the Intermediaries' Offer</i> " in section 26 of this Prospectus;
TIB	Tunis International Bank S.A., a fully licensed banking corporation under the supervision of the Central Bank of Tunisia organised and validly existing under the laws of the Tunisian Republic under registration number V111032 1996 and whose registered address is at 18 Avenue des Etats Unis d'Amerique P.O. Box 81, Le Belvedere, 1002-Tunis, Tunisia;
Transferee/s	any person to whom the Eligible Shareholder transfers the Rights pursuant to any of PAL B or PAL C;
UGB	United Gulf Bank B.S.C., a joint stock company incorporated in the Kingdom of Bahrain in 1980, under Commercial Registration number 10550, and operating in the Kingdom of Bahrain under a Wholesale Banking License issued by the Central Bank of Bahrain;
UGH	United Gulf Holding Company B.S.C., a joint stock company incorporated in the Kingdom of Bahrain under Commercial Registration number 114160, with registered address at Flat 12, Building 440, Road 1705, Block 317, Diplomatic Area, Kingdom of Bahrain;



Underwriter	UGH;
Underwriting Agreement	the agreement dated 23 March 2018 entered into between the Issuer and the Underwriter for the provision of underwriting services in relation to the Rights Issue; and
USD, United States Dollars or US\$	the lawful currency for the time being of the United States of America.

All references in the 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; and
- c. the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

SUMMARY NOTE

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of 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, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012 amending the Regulation as regards the format and content of the prospectus, the base prospectus, the summary and the final terms as regards the disclosure requirements and as further amended by Commission delegated Regulation (EU) No 862/2012 of 04 June 2012 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors, Commission Delegated Regulation (EU) No 759/2013 amending Regulation (EC) No 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities, Commission Delegated Regulation (EU) No 382/2014 of 07 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements. This Summary Note should be read as an introduction to the Prospectus.

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E. This Summary Note contains all the Elements required to be included in a summary for the New Ordinary Shares and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary explaining why it is not applicable.

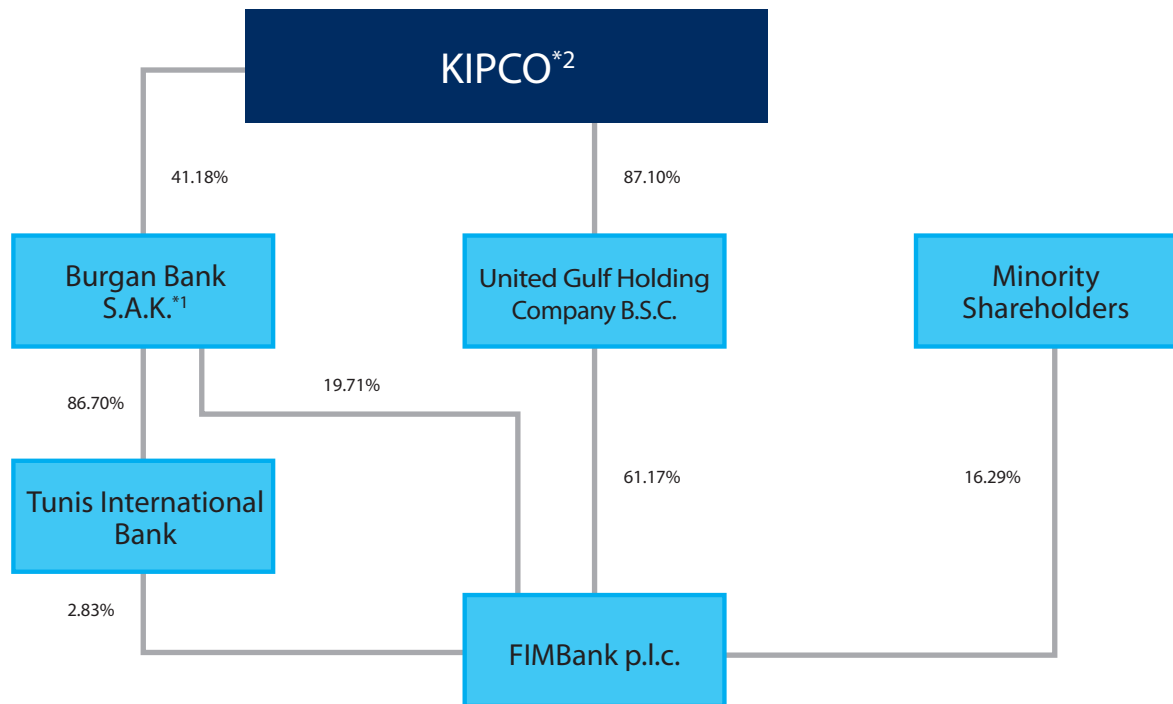
Section A – Introduction and Warnings

Element	Disclosure Requirement	Disclosure
A.1	Warning	<p>Prospective investors are hereby warned that:</p> <ol style="list-style-type: none"> This Summary Note is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary Note in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and Civil liability attaches only to those persons who have tabled the Summary Note including any translation thereof and who applied for its notification, but only if the Summary Note, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.
A.2	Any consents to and condition regarding use of this Prospectus	Not applicable. No consent has been given by the Company or any person responsible for drawing up this Prospectus to use this Prospectus for subsequent sale or final placement of securities by financial intermediaries.

Section B – Issuer

Element	Disclosure Requirement	Disclosure
B.1	Legal name Commercial name	The legal name of the Issuer is FIMBank p.l.c. and the commercial name of the Issuer is FIMBank.
B.2	Domicile and legal form of the issuer	The Issuer is a Maltese public limited company, incorporated in Malta with company registration number C 17003 and operating under the Companies Act (Cap. 386 of the laws of Malta). The Issuer is domiciled in Malta. The registered office of the Issuer is at Mercury Tower, The Exchange Financial and Business Centre, Elia Zammit Street, St. Julian's STJ 3155, Malta.
B.3	Nature of the issuer's current operations its principal activities, and identification of the principal markets in which the issuer competes.	<p>The Issuer's main principal activity continues to be the provision of short-term international transfer finance to corporate traders and to act as an intermediary to other financial institutions for international settlement, forfaiting, factoring and loan syndications. The business of forfaiting and factoring remain the principal activities exercised by the majority of the Issuer's Subsidiaries and Associates.</p> <p>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 bills of exchange, promissory notes and other negotiable instruments. Since its inception the Issuer has also been a specialist in trade finance products which include commodity transfer finance, structured commodity finance, forfaiting and factoring. More recently, the Group also launched a real estate business for Malta-based residential and commercial developments, as well as funding products with the launch of the fully-fledged digital banking suite FIMBank Direct.</p> <p>The Group sources and generates business from various countries and regions, always with a focus on emerging markets. While Europe remains a main centre where business is arranged or originated, principal revenue is derived from Sub-Saharan Africa (SSA), the Middle East and North Africa (MENA) and the Commonwealth of Independent States (CIS).</p> <p>These, together with Latin America, are also the markets where focus is made on developing factoring activities. Ship financing business is mainly arranged from the Group's Dubai offices.</p>
B.4a	Significant recent trends	For 2018, the Group is expected to continue building on the business platform it was able to transform and strengthen over the past years. The year will be characterised by the capital injection resulting from the Rights Issue which will allow FIMBank to be better equipped to face a more stringent regulatory landscape and at the same time allowing the business to grow and achieve improved economies. The pursuit for excellence across the different businesses, products and markets will remain at the heart of the Group's strategy – through superior client delivery channels and product evolution, risk and governance stability as well as efficiency in funding and cost structures. The scaling of the business, supported by an expert team of management and staff in key trade hubs across different regions, will enable the Group to maintain a flexible business model which can adapt to arising circumstances, achieve sustainable profitability and improve overall returns to all key stakeholders.
B.5	Group description	FIMBank forms part of the KIPCO Group which indirectly holds shares in the Issuer through its subsidiaries Burgan Bank, UGH and TIB.

The KIPCO Group is one of the largest diversified holding companies in the Middle East and North Africa, with consolidated assets of USD32.7 billion. The Group has significant ownership interests in a portfolio of over 60 companies operating across 24 countries, with commercial interests ranging from financial services, media, real estate and manufacturing. Through its core companies, subsidiaries and affiliates, KIPCO also has interests in the education and medical sectors.

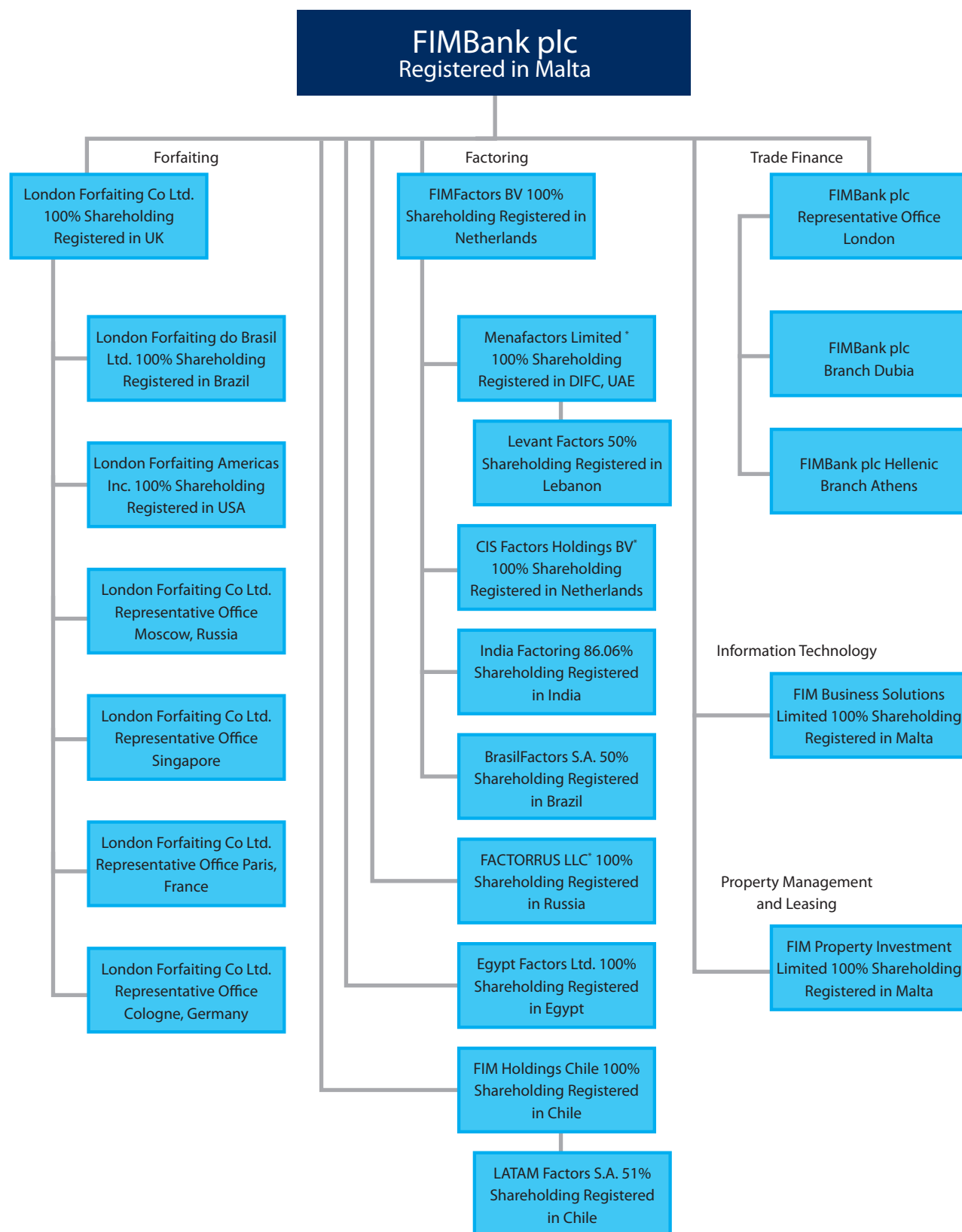


*1 Burgan Bank S.A.K. has 2.45% indirect shareholding of FIMBank

*2 KIPCO has 70.19% indirect shareholding of FIMBank

The Issuer together with its subsidiaries and associate entities forms part of the FIMBank Group:

Group Organogram



*Companies in Liquidation

B.6 Major shareholders

As at the Record Date, the Company had been notified that the following persons held directly or indirectly 5% or more of the voting rights of the Company:

	Number of Shares	Percentage Holding
United Gulf Holding Company B.S.C.	192,395,274	61.17%
Burgan Bank S.A.K.	61,997,304	19.71%

None of the Shareholders referred to above has different voting rights from any other holder of Ordinary Shares in respect of any Ordinary Shares held by them.

B.7 Key financial information and narrative description of significant changes to financial condition and operating results of the Group during or subsequent to the period covered by the historical financial information

The selected historical financial information set out below relating to the Company has been extracted from the Issuer's financial statements for the years ended 31 December 2017, 31 December 2016 (restated) and 31 December 2015:

All amounts in USD	31 Dec 2017	31 Dec 2016 (restated)	31 Dec 2015
Authorised share capital (ordinary shares of USD0.50 each)	500,000,000	500,000,000	500,000,000
Issued share capital	157,265,562	155,239,263	149,268,322
Total assets	1,643,401,458	1,744,446,560	1,443,905,446
Total liabilities	1,470,507,100	1,566,735,673	1,268,985,832
Total equity	172,894,358	177,710,887	174,919,614
Common equity Tier 1 capital (%)	11.3	9.7	11.6
Total capital ratio (%)	15.5	13.3	16.2
Profit/(loss) for the year	7,726,695	5,366,636	(7,131,942)

There has been no material adverse change in the prospects of the Group since 31 December 2017 (date of the Group's last published audited consolidated financial statements). Further, there has been no significant change in the financial or trading position of the Group subsequent to the period covered by the historical financial information.

B.8 Key pro forma financial information

Not applicable: No key pro forma financial information has been published in this Prospectus.

B.9 Profit forecast or estimate

Not applicable: No profit forecast or estimate made.

B.10 Description of the nature of any qualifications in the audit report on the historical financial information

Not applicable: There are no qualifications to the audit report on the historical financial information.

B.11 Issuer's working capital

The Board of Directors of the Issuer is of the opinion that the working capital available to the Issuer is sufficient for its business requirements over the coming twelve months of operations.

Section C – Securities

Element	Disclosure Requirement	Disclosure
C.1	Type and class of securities	<p>Ordinary shares having a nominal value of USD0.50 each. The Issuer has no other classes of shares.</p> <p>When admitted to trading on the Official List of the Malta Stock Exchange, the New Ordinary Shares will be registered with the Issuer's existing ISIN number being MT0000180100.</p>
C.2	Currency	United States Dollars.
C.3	Number of shares issued	On the Record Date the Company had 314,531,123 Ordinary Shares of USD0.50 each (fully paid-up) and the nominal share capital of the Company amounted to USD157,265,561.50.
C.4	Description of the rights attached to the shares	The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions made, paid or declared after the date of issue of the New Ordinary Shares.
C.5	Description of any restrictions on the free transferability of the securities	There are no restrictions on the free transferability of the Ordinary Shares.
C.6	Admission	Application has been made to the Listing Authority for the admissibility to listing of the New Ordinary Shares issued as a result of the exercise of any Rights under the Rights Issue. Application has also been made to the MSE for the New Ordinary Shares to be listed and traded on the Official List. It is anticipated that listing of the New Ordinary Shares to be on or around the 30 April 2018 for the Shares issued pursuant to the Rights Issue and 14 May 2018 for the Shares issued pursuant to the Intermediaries' Offer and Underwriting.
C.7	Dividend policy	<p>The Issuer may, in accordance with Articles 134 to 143 of the Articles of Association, pay dividends in the general meeting, but no dividend may exceed the amount recommended by the Directors. The Directors may from time to time pay to the Shareholders such interim dividends as appear to the Directors to be justified by the profits of the Issuer. The extent of any dividend distribution depends upon many factors, amongst which the profit for the year, market outlook, any loan covenants in place, regulatory requirements related to capital adequacy and distributions – specifically the CRR and the CRD IV - and the availability of distributable reserves in terms of law. It has been the practice for the Issuer to give the option to Shareholders of receiving dividends either in cash or through the issue of new shares by way of scrip dividend.</p> <p>No dividend has been paid since May 2013, relative to the results of the FY 2012. At 31 December 2017 the Issuer does not have any distributable reserves and has accumulated losses of USD35,768,147. Under the Companies Act a distribution of dividends may only be made out of profits available for the purpose. The Issuer is currently exploring a number of options with the intention of reducing its accumulated losses and be in a position to consider a dividend payment in future financial periods.</p> <p>For information on risks related to the Issuer's ability to pay dividends see D.3 of this Summary Note.</p>

Section D – Risks

Element	Disclosure Requirement	Disclosure
D.1	Key information on the key risks that are specific to the issuer	<p>World Economy and Cross-Border Trade: The success of the Group's activities is connected to the overall performance of international trade in the global economy and in particular to the level of cross-border trade between countries at varying stages of economic development and which may not yet have achieved the level of political stability of countries members of the OECD.</p> <p>Credit and Concentration Risk: The Group is exposed to the risk of loss if any of its customers, clients or market counterparties fails to fulfil its contractual obligations. The Group is also exposed to the risk which may arise because of lack of diversification in business which may lead to excessive exposures or concentrations in one counterparty or geographical area.</p> <p>Country and Transfer Risk: The Group is also exposed to risks associated with the economic, social and political environment of the home country of the borrowers to which it provides banking services. The Group may also be exposed to currency risk when a borrower's obligation is not denominated in his local currency.</p> <p>Foreign Exchange Risk: The group is exposed to foreign exchange risks which include the monetary assets of the liability of the Group that are not denominated in the functional currency of the Group.</p> <p>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 counterparty fails to deliver on settlement date.</p> <p>Interest Rate Risk: The Group is exposed 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, liability and off-balance sheet instruments.</p> <p>Liquidity Risk: 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.</p> <p>Operational Risk: The Group's activities are exposed to the potential that inadequate information systems, operations problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses.</p> <p>IT Risk: The Group is exposed to risks which may arise from inadequate information technology and processing, inappropriate IT strategy and policy or inadequate use of the Group's IT.</p> <p>Legal Risk: The Group is subject to legal risks which arise from the possibility that unenforceable contracts, lawsuits, or adverse judgements can disrupt or otherwise negatively affect the operations or condition of the Issuer.</p> <p>Regulatory Risk: A change in the Issuer's classification as a High Priority 'less significant bank' to a 'significant institution' in terms of the SSM Regulation and the SSM Framework Regulation, could have an adverse impact on the Issuer's</p>

business, capital structure and financial conditions, due to direct supervision and regulation by the ECB, and the introduction of more stringent criteria and possibly additional regulatory requirements.

The Issuer is subject to a number of prudential and regulatory controls, including the requirement to maintain adequate capital resources and to satisfy specified capital ratios at all times. Any change in these requirements, or a change in the way these requirements are interpreted or applied by the authorities, may lead to further unexpected and enhanced requirements in relation to the Issuer's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

A perceived or actual shortage of capital held by the Issuer could result in actions by regulatory authorities, including public censure and the imposition of sanctions. This may affect the Issuer's capacity to continue its business operations, generate a sufficient return on capital, pay future dividends or pursue acquisitions or other strategic opportunities, affecting future growth potential. If, in response to any such shortage, the Issuer raises additional capital through the issuance of share capital or capital instruments, existing shareholders or holders of debt of a capital nature may experience a dilution of their investment.

The adoption of the BRRD has given resolution authorities a set of innovative resolution powers to manage bank failures in an orderly manner, including the powers to write down the claims of unsecured creditors and to convert unsecured debt claims to equity. If the Issuer is facing financial difficulties, resulting in the Issuer meeting the applicable conditions for resolution, the Resolution Authority acting through Resolution Committee may use a number of tools to prevent the Issuer from failing, including the power to write down or convert shares and other capital instruments (bail-in). Should FIMBank become subject to such write-down, conversion or resolution power, it may adversely affect FIMBank's business, financial condition, ability to pay dividends, results of operations and/or prospects. In addition, an investment in the New Ordinary Shares may be diluted or cancelled by the Resolution Committee without any compensation and this on the basis of the principle that the shareholders of an institution under resolution bear first losses.

Risk of Data Protection Failure and Fraud: The Issuer's business, financial conditions, results of operation and prospects could be materially impacted by any wrongful appropriation, loss, or disclosure of data that breaches any data protection laws and regulations, due to the potential investigative or enforcement action by the relevant authorities, and the loss of the goodwill of existing and new customers. The GDPR, which will take effect from 25 May 2018, will introduce substantial changes to data protection law, including an increased emphasis on business being able to demonstrate compliance with their data protection obligations, and will therefore require significant investment by the Issuer in its compliance strategies. It will also introduce fines of up to 4% of an undertaking's annual global group turnover or €20 million (whichever is greater) for failure to comply with provisions of the GDPR.

Compliance Risk: The Issuer may incur a range of sanctions if it does not comply with any local and international laws and regulations, including but not limited to banking laws, rules and regulations, Anti-Money Laundering and Anti-Terrorism Financing laws and regulations, Listing Rules, company law, and International Financial Reporting Standards.

Reputational Risk: Negative publicity regarding the Issuer's business practices, whether true or not, could be particularly damaging for the Issuer since the

nature of its business requires maintaining the confidence of depositors, creditors, regulatory authorities and of the general marketplace.

Strategic and Business Risk: Improper strategic choices or the actual implementation of strategic decisions can have a serious and significant impact on prospective profit and capital results.

External Factors: The Group's performance may be adversely affected by external factors beyond the Issuer's control.

Issuer's Solvency: Shareholders assume the credit risk of FIMBank as the Issuer of the Shares.

Brexit: United Kingdom's exit from the European Union may have a direct or indirect impact on the business environment within which the Issuer and the Group operates. The implications of Brexit are not entirely clear so the extent of the impact on the Issuer and the Group cannot be assessed appropriately.

Funding Risk: Funding Risk is the risk that the Group may not be able to achieve its business plans due to: being unable to maintain appropriate capital ratios; failing to manage its liquidity and funding risks sufficiently; or the impact of changes in foreign exchange rates on capital ratios and/or adverse changes in interest rate curves impacting structural hedges of non-interest bearing assets/liabilities.

Credit Rating Risk: The Issuer is subject to the risks of downgrading of credit ratings.

Risks Associated to Majority Shareholder: The Issuer's major shareholders form part of the same group. Such dependency highlights the risk of 'contagion' if the KIPCO Group were to find itself in financial difficulties.

Currency Risk: The Shares are denominated in US Dollars, meaning that exchange rate fluctuations may affect the realisation of the original investment of the investor who may use a different currency to calculate the value of investments.

Dividend Risk: FIMBank's ability to pay dividends and its ability to receive distributions from its investments in other entities is subject to applicable local laws. In addition, other restrictions, including regulatory requirements, capital and leverage requirements, statutory reserves, financial and operation performance and applicable tax laws may restrict its ability to pay dividends.

Share Price Fluctuation Risk: The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in market regarding the Ordinary Shares and/or securities of other financial institutions.

Dilution Risk: Eligible Shareholders who do not (or who are not permitted to) subscribe for their full entitlement to New Ordinary Shares in the Rights Issue will experience dilution in their ownership of the Issuer.

Securities Law Risk: Securities laws of certain jurisdictions may restrict Shareholders in exercising the rights attaching to their Ordinary Shares and participating in the Rights Issue.

D.3 Key information on the key risks that are specific to the securities

Orderly and Liquid Market: The existence of an orderly and liquid market for the Shares depends on a number of factors and there can be no assurance that an active secondary market for the New Shares will develop or, if it develops, that it will continue and that an investor will be able to sell or otherwise trade in the Shares at all.

Section E – Offer

Element	Disclosure Requirement	Disclosure
E.1	Net proceeds and costs of issue	The net proceeds of the Rights Issue (assuming take up in full of all New Ordinary Shares) are expected to be approximately USD114.4 million (net of expenses). The total costs, charges and expenses payable by the Company in connection with the Rights Issue are not expected to exceed USD0.6 million. No expenses will be charged by the Company to the purchasers of the New Ordinary Shares.
E.2a	Reasons for offer and use of proceeds	<p>The net proceeds of approximately USD114.4 million (net of expenses) from the issue of New Ordinary Shares will be used by the Issuer to (i) to strengthen its capital base and support the general growth of the Group; and (ii) extinguish the outstanding principal sum of US\$50,000,000 borrowed by the Issuer, and applicable interest thereon, under the Subordinated Loan Agreement by setting-off the amounts owed by the Issuer thereunder against the consideration due by Burgan Bank (or its lawful transferee) for the issuance of an equivalent sum in value of New Ordinary Shares.</p> <p>The proceeds of the New Ordinary Shares will constitute Common Equity Tier I capital forming part of the Issuer's Own Funds in terms of the CRR.</p>
E.3	Terms and conditions of the Rights Issue and the Intermediaries' Offer	<p>The Rights Issue is being made to all Shareholders on the register of members of the Company at the close of business on the Record Date. Pursuant to the Rights Issue, the Company is proposing to offer 209,687,428 New Ordinary Shares by way of Rights to Eligible Shareholders at the Share Offer Price of USD0.55 per New Ordinary Share payable in full on acceptance by no later than 10:00 on 18 April 2018.</p> <p>The Rights Issue will be made on the basis of 2 New Ordinary Shares for every 3 Existing Ordinary Shares registered in the name of each Eligible Shareholder at the close of business on the Record Date (and so in proportion for any other number of Existing Ordinary Shares then registered in the name of such Eligible Shareholder). Entitlements to New Ordinary Shares will be rounded to the nearest whole number.</p> <p>The allotment of New Ordinary Shares pursuant to the Rights Issue is conditional upon a minimum of ninety million United States Dollars (US\$90,000,000) in New Ordinary Shares being subscribed for and raised by the Company pursuant to the Rights Issue (but excluding for the avoidance of doubt any New Ordinary Shares subscribed for under the Intermediaries' Offer or pursuant to the Underwriting Agreement).</p> <p>The offer of New Ordinary Shares and the Rights Issue will not be made into the Excluded Territories being United States of America, Canada, Japan, the Republic of South Africa and any jurisdiction where the extension into or availability of the Rights Issue would breach any applicable law.</p> <p>Eligible Shareholders who wish to accept their Rights in full should complete PAL A. In the event that Eligible Shareholders wish to accept part but not all of their Rights (and in additional also opt to transfer all or part of the remaining balance) should complete PAL B. In the event that an Eligible Shareholder wishes to transfer all of their</p>



		Rights to a third party or third parties, such shareholders should complete PAL C.
E.4	Material interests	Not applicable. There are no interests, known to the Company, material to the issue of the New Ordinary Shares or which are conflicting interests.
E.5	Name of person selling securities	Not applicable. The Rights Issue comprises an offer of New Ordinary Shares to be issued by the Company.
	Lock-up agreements	Not applicable. There are no lock-up agreements being entered into for the purpose of this Prospectus.
E.6	Dilution resulting from the Rights Issue	Eligible Shareholders who do not take up any of their rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of 40% in their interests in the Company in the event that all New Ordinary Shares are issued.
E.7	Estimated expenses	Not applicable. No expenses will be charged to the investor by the Issuer.

1. RISK FACTORS

1.1 GENERAL

An investment in the New Ordinary Shares involves certain risks, relating both to the Issuer and to the securities. The following risks are those identified by the Issuer as at the date of the Prospectus. Prospective investors should consider carefully, together with their 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 and Reference Documents before deciding to make an investment in the Issuer and the Rights.

Some of these risks are subject to contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of probability of a particular cause of loss arising or of the extent of that loss should it arise.

Should any of the risks described below materialise, they could have a serious adverse effect on the Issuer's financial results and trading prospects.

The risks and uncertainties discussed below may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those that the Directors of the Issuer may not currently be aware of, could well result in a material impact on the financial condition and operational performance of the Issuer. Accordingly, prospective investors should make their own independent evaluation of all risk factors and should consider all other sections in the Prospectus before investing in the New Ordinary Shares. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors.

1.2 FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. No assurance can be given that future results or 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.

1.3 RISKS RELATING TO THE ISSUER AND THE ISSUER'S BUSINESS

The risk factors associated with the banking industry are multiple and varied. Exposure to credit risk, country risk, liquidity risk, interest rate risk and foreign exchange risk arise in the normal course of the Issuer's and Group's business. As the Group is mainly engaged in trade finance business, control over contingent liabilities and commitments is fundamental since the risks involved are the same as with on-balance sheet items. Identified risks associated with the business of the Group are further defined below.

1.3.1 World Economy and Cross-Border Trade

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

The major part of the Group's trade finance activities relates to essential goods. Trade in essential goods is the livelihood of all nations, it extends across borders and markets and its importance is generally well-recognised. However, trade flows may be disrupted due to political strife and other factors, such as economic sanctions, embargoes and similar restrictive measures. Trade flows may also be affected by market downturns in supply and demand, whether cyclical, economic or seasonal, that may impact significantly on the business.

1.3.2 Credit and Concentration 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 Group finances international trade (inclusive of factoring and forfaiting)

in many countries worldwide, especially emerging markets, which in turn entails an exposure to sovereign, bank and corporate credit risk respectively. Credit risk is not only akin to loans but also to other on- and off-balance sheet exposures such as letters of credit, guarantees, acceptances and money market operations. Credit risk can also arise from other business transactions offered by the Group, including but not limited to, local short and medium-term real estate facilities, ship financing and leasing.

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 terms of geographies, regions, countries, industries, products, counterparties or for connectivity or inter-relationships that may exist between them.

1.3.3 Country and Transfer Risk

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

As the Group carries out activities with counterparties 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 Group may be carrying out activities, may pose difficulties or the Group in preserving its legal rights.

Since the success of the Group depends on a good understanding of the markets and countries where it does (or proposes to develop) business, an inability to monitor those countries closely, whether because of lack of reliable market information, an interruption in communication flows, an incapacity to visit those countries regularly, or otherwise, raises the country risk to varying extents.

1.3.4 Foreign Exchange Risk

The Group is also exposed to foreign exchange risk. These exposures include the monetary assets and monetary liabilities of the Group, together with an element of income and expenses 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.

1.3.5 Settlement Risk

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

1.3.6 Interest Rate Risk

Interest rate risk refers to the exposure of the 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.

1.3.7 Liquidity Risk

Liquidity risk arises in the general funding of the Group's activities and the management of positions. It is the risk that the Group may be unable to meet its obligations as they become due because of an inability to

liquidate assets or obtain adequate funding (referred to as 'funding liquidity risk') or that it cannot easily liquidate an asset or offset specific exposures in an appropriate time-frame without significantly lowering market prices because of inadequate market depth or market disruptions ('market liquidity risk').

1.3.8 Operational Risk

Operational risk arises from the potential that inadequate information systems, operational problems, breaches in internal controls, fraud, or unforeseen catastrophes will result in unexpected losses. The Group's activities are subject to operational risk, including but not limited to weak or non-adherence to internal controls and corporate governance. Such breakdowns can lead to financial losses through error, fraud, or failure to perform in a timely manner and may cause the interests of the Group to be compromised particularly if risk mitigants in place, such as insurance and/or collateral fail.

1.3.9 IT Risk

Information technology risk may arise from inadequate information technology systems and processes, inappropriate IT strategy and policy or inadequate use of the Group's IT. The Group is subject to various forms of threats (internal and external) that could impact any or all of its IT systems and operations resulting in the leaking of confidential or sensitive data and information.

1.3.10 Legal Risk

The Group is subject to various forms of legal risk. Legal risks arise from the possibility that unenforceable contracts, lawsuits, or adverse judgments can disrupt or otherwise negatively affect the operations or condition of the Group.

The Group carries on business in various parts of the world and under different legal systems. The Group is particularly susceptible to legal risks when entering structured transactions in some of the emerging markets in which it is dealing and when its legal rights might be susceptible to non-enforcement because of uncertainties of the local legal and judicial system.

1.3.11 Regulatory Risk

The Single Supervisory Mechanism (the "SSM") comprises the European Central Bank (the "ECB") and the national competent authorities (the "NCAs") of participating Member States (participating Member States are euro area countries and those EU Member States whose currency is not the Euro but which have chosen to participate in the SSM by their NCAs entering into close cooperation with the ECB).

The SSM is responsible for the prudential supervision of all credit institutions in the participating Member States. The SSM's three main objectives are to:

- ensure the safety and soundness of the European banking system;
- increase financial integration and stability;
- ensure consistent supervision.

On the basis of the SSM Regulation (Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions), the ECB carries out clearly defined supervisory tasks to protect the stability of the European financial system, together with the NCAs. The SSM Regulation and the SSM Framework Regulation (Regulation ECB/2014/17 of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the ECB and national competent authorities and with national designated authorities) provide the legal basis for the operational arrangements related to the prudential tasks of the SSM.

The ECB is responsible for the effective and consistent functioning of the SSM and exercises oversight over the functioning of the system, based on the distribution of responsibilities between the ECB and NCAs, as set out in the SSM Regulation.

To ensure efficient supervision, credit institutions are categorised into 'significant' and 'less significant' institutions, with the ECB directly supervising significant banks, while NCAs are in charge of the supervision of less significant banks.

FIMBank is classified as a High Priority 'less significant bank' in terms of Article 6(4) of the SSM Regulation and Article 39(3) and Article 97(1) of the SSM Framework Regulation which means that although it does not satisfy all the criteria stipulated in the said Regulations to be considered a significant institution, FIMBank is still considered High Priority due to a combination of its size and the risks associated with its business model. As a less significant bank, FIMBank is currently subject to regulation by the MFSA (except for those matters which fall under the specific jurisdiction of the ECB). Should FIMBank transition to a 'significant institution' (subject to several criteria being met), it will be regulated by the ECB, introducing more stringent criteria and possibly additional regulatory requirements, which could have an adverse impact on FIMBank's business, capital structure and financial conditions.

Prudential Regulation

FIMBank is subject to a number of prudential and regulatory controls, designed to maintain the safety and soundness of banks, ensure their compliance with economic and other objectives and limit their exposure to risk, including: (i) the legislative package implementing the proposals of the Basel Committee (known as Basel III) in the European Union and amending and supplementing the existing Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("CRD IV") and Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 ("CRR"); and (ii) the European Commission's directive providing for the establishment of a European Union-wide framework for the recovery and resolution of credit institutions and investment firms, published in the Official Journal of the European Union on 12 June 2014 and commonly known as the Bank Recovery and Resolution Directive (the BRRD).

FIMBank faces risks associated with an uncertain and rapidly evolving prudential regulatory environment, pursuant to which it is required, amongst other things, to maintain adequate capital resources and to satisfy specified capital ratios at all times.

CRD IV and CRR

CRD IV and CRR introduced significant changes in the prudential regulatory regime applicable to banks with effect from 1 January 2014, including: (i) increased minimum levels of capital and additional minimum capital buffers; (ii) enhanced quality standards for qualifying capital; (iii) increased risk weighting of assets, particularly in relation to market risk and counterparty credit risk; and (iv) the future introduction of a minimum leverage ratio. Although CRD IV and CRR provide for some of these measures to be phased in over a transitional period to 2018, the majority of measures were applicable from 1 January 2014. CRD IV and CRR requirements adopted or applicable in Malta may change, whether as a result of further changes to CRD IV or CRR agreed by European Union legislators, binding regulatory technical standards to be developed by the European Banking Authority, changes to the way in which the Malta Financial Services Authority and/or the European Central Bank interprets and applies these requirements to banks under its supervision. Such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to FIMBank's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated.

A perceived or actual shortage of capital held by FIMBank could result in actions by regulatory authorities, including public censure and the imposition of sanctions, in case no action is taken by the Group to rectify its position. This may also affect FIMBank's capacity to continue its business operations, generate a sufficient return on capital, pay future dividends or pursue acquisitions or other strategic opportunities, affecting future growth potential. If, in response to any such shortage, FIMBank raises additional capital through the issuance of share capital or capital instruments, existing shareholders or holders of debt of a capital nature may experience a dilution of their investment.

On 23 November 2016, the European Commission released a proposal to revise CRD IV (COM (2016) 854 final) ("CRD V") and CRR (COM (2016) 850 final) ("CRR II"). Given that the legislative process to which CRD V and CRR II will be subject creates significant uncertainties as to the final form of this proposed legislation, it is not possible to assess the possible impact that CRD V and CRR II may have on FIMBank. FIMBank will continue to monitor the proposals and expects to meet any new requirements ahead of or by their implementation date.

BRRD

On 06 May 2014, the Council of the European Union adopted the BRRD. The BRRD was published in the Official Journal of the European Union on 12 June 2014 and came into force on 02 July 2014.

The powers provided to resolution authorities under the BRRD include write-down powers to ensure relevant capital instruments absorb losses upon, amongst other events, the occurrence of the non-viability of the relevant institution or its parent company, as well as a bail-in tool comprising a more general power for resolution authorities to write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims to equity. The BRRD as it relates to capital write-down was required to be implemented by European Union Member States not later than 01 January 2015 with a more general bail-in tool (applicable to a broader range of eligible liabilities) implemented from 01 January 2016.

On 23 November 2016, the European Commission released a proposal to revise BRRD (COM (2016) 852 final) ("BRRD II"). Given that the legislative process to which BRRD II will be subject creates significant uncertainties as to the final form of this proposed legislation, it is not possible to assess the possible impact that BRRD II may have on the Issuer.

FIMBank is monitoring developments in this area and expects to meet any new requirements ahead of or by their implementation date.

The Recovery & Resolution Regulations 2015 (the "R&R Regulations"), transpose into Maltese law the provisions of the BRRD. Pursuant to Article 7B of the Malta Financial Services Authority Act, the Board of Governors of the MFSA also acts as the Resolution Authority for the purposes of Article 3 of the BRRD. The Resolution Authority has appointed a Resolution Committee which shall have all the powers assigned to the Resolution Authority under the BRRD. The R&R Regulations provide for various powers and tools of the Resolution Committee in the event that the Resolution Committee considers that all of the criteria set out in Regulation 32 of the R&R Regulations are met. In certain instances, the Resolution Authority needs to work hand in hand with the Single Resolution Board ("SRB"), being the European resolution authority within the Eurozone's banking union. The SRB assesses, in cooperation with national resolution authorities, the resolvability of banks of Member States participating in the Eurozone's banking union and creates their resolution plans.

Responsibilities for resolution are shared between the SRB, the national resolution authorities of participating Member States, the European Commission and the ECB in particular.

In the case of institutions (primarily credit institutions and certain investment firms) that meet the applicable conditions for resolution, the Resolution Committee has the following tools available at its disposal:

- the sale of business tool: enabling the Resolution Committee to affect a sale of the whole or part of the business;
- the bridge institution tool: providing for a new institution to continue to provide essential services to clients of the institution under resolution;
- the asset separation tool: enabling the transfer of 'bad' assets to a separate asset management vehicle; and
- the bail-in tool: ensuring that most unsecured creditors bear losses and bail-in the institution under resolution.

The Resolution Committee must exercise the power to write down and convert shares and other capital instruments immediately before or together with the application of a resolution tool. Any bail-in of capital instruments will mean that shareholders might have some or all of their shareholdings diluted or cancelled without any compensation therefor.

The power to write down or convert capital instruments may be exercised by the Resolution Committee either:

- independently of resolution action; or
- in combination with a resolution action, where the conditions for resolution are met.

Once the conditions for resolution are met, however, the bail-in of shares and other capital instruments must be exercised before any resolution action is taken. Regulation 34 of the R&R Regulations sets out a number of general principles which are applicable when applying such resolution tools and exercising such resolution powers, including the following:

- the shareholders of the institution under resolution bear first losses; and
- the creditors of the institution under resolution bear losses after the shareholders in accordance with the order of priority of their claims under normal insolvency proceedings, save as expressly provided in the R&R Regulations.

Pursuant to Regulation 63 of the R&R Regulations, the Resolution Committee has very wide powers as necessary to apply the resolution tools (which include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool described above), including, but not limited to:

- the power to take control of an institution under resolution and exercise all the rights and powers conferred upon the shareholders, other owners and the board of directors of the institution under resolution;
- the power to transfer shares or other instruments of ownership issued by an institution under resolution;
- the power to transfer to another entity, rights, assets or liabilities of an institution under resolution; and
- the power to reduce, including to zero, the nominal amount of shares or other instruments of ownership of an institution under resolution and to cancel such shares or other instruments of ownership.

This may have a direct impact on an investment in the New Ordinary Shares. Should FIMBank become subject to such write-down, conversion or resolution powers, it may adversely affect FIMBank's business, financial condition, ability to pay dividends, results of operations and/or prospects. In addition, an investment in the New Ordinary Shares may be diluted or cancelled by the Resolution Committee without any compensation.

1.3.12 Risk of Data Protection Failure and Fraud

FIMBank is subject to significant regulation regarding the use of personal customer data. FIMBank processes personal customer data (including but not limited to name, address and bank details) as part of its business, some of which may be sensitive personal data, and therefore must comply with strict data protection and privacy laws and regulations. Such laws restrict FIMBank's ability to collect and use personal information relating to customers and potential customers including the use of that information for marketing purposes.

FIMBank is also at risk from cyber-crime. Notwithstanding FIMBank's efforts to ensure compliance with the relevant data protection regulations and protection from cyber-crime, FIMBank is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection and privacy laws and regulations. If FIMBank or any of the third-party service providers on which it relies fails to store or transmit customer information in a secure manner, or if any loss of personal customer data were otherwise to occur, FIMBank could be subject to investigative or enforcement action by relevant regulatory authorities and could face liability under data protection and privacy laws and regulations. FIMBank could also be targeted by other forms of fraudulent activity. Any of these events could also result in the loss of the goodwill of its customers and deter new customers which could have a material adverse effect on FIMBank's business, financial condition, results of operation and prospects.

Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR") will take effect from 25 May 2018. The GDPR introduces substantial changes to data protection law, including an increased emphasis on businesses being able to demonstrate compliance with their data protection obligations, which will require significant investment by FIMBank in its compliance strategies. In addition, relevant supervisory authorities are given the power to impose fines of up to 4 per cent of an undertaking's annual global group turnover or €20 million (whichever is the greater) for failure to comply with provisions of the GDPR.

1.3.13 Compliance Risk

Compliance risk is the risk of not complying with local and international laws and regulations including but not limited to banking laws, rules and regulations, Anti-Money Laundering and Anti-Terrorism Financing laws and regulations, Listing Rules, company law, and International Financial Reporting Standards amongst others.

1.3.14 Reputational Risk

Reputational risk is the risk that negative publicity regarding the Group's business practices, whether true or not, will cause a decline in the customer base, costly litigation, or revenue reductions. Reputational risk could be particularly damaging for the Group since the nature of its business requires maintaining the confidence of depositors, creditors, regulatory authorities and of the general marketplace.

Reputational risk arises from operational failures, or failure to comply with relevant local and international laws and regulations.

1.3.15 Strategic and Business Risk

Strategic risk is the risk associated with the future business plans and strategies of the Group. Improper strategic choices or the actual implementation of strategic decisions, as well as lack of responsiveness to changes in the economic environment, can have a serious and significant impact on prospective financial results. As the Group is mainly engaged in trade finance business, this risk category is intimately connected with the overall performance of international trade in the global economy, and in particular to the level of cross-border trade between countries and in markets that are typically in the developing stages of their economic development and political stability. Closely linked with the above, business risk is the risk associated with the particular business and operating circumstances of the Group, and is more within the control of decisions taken by management but which nevertheless can have a significant impact on operating and business results.

1.3.16 External Factors

The Group's overall performance and results may also be adversely affected by external factors beyond the Group's control. These include changes in economic conditions, business cycles, volatility in financial markets and increased competitive pressure in the financial services sector.

Other external factors which are also beyond the control of the Group but which could affect business continuity of FIMBank or any of its Subsidiaries or associate companies, include natural disasters, epidemics, terrorist attacks etc.

1.3.17 Issuer's Solvency

The Shareholders assume the credit risk of FIMBank as the Issuer of the Shares. In the case of insolvency of the Issuer, the Shareholders may suffer direct and materially adverse consequences, including loss of their entire investment.

1.3.18 Brexit

On 23 June 2016 the United Kingdom ("UK") voted to leave the European Union in a referendum (the "Brexit Vote") and on 29 March 2017 the United Kingdom gave formal notice (the "Article 50 Notice") under Article 50 of the Treaty on the European Union ("Article 50") of its intention to leave the European Union. The timing of the UK's exit from the EU remains subject to some uncertainty, but it is unlikely to be before March of 2019. Article 50 provides that the EU treaties will cease to apply to the UK two years after the Article 50 Notice unless a withdrawal agreement enters into force earlier or the two-year period is extended by unanimous agreement of the UK and the European Council. The terms of the UK's exit from the EU are also unclear and will be determined by the negotiations taking place following the Article 50 Notice. It is possible that the UK will leave the EU with no withdrawal agreement in place if no agreement can be reached and approved by all relevant parties within the allotted time.

If the UK Government leaves the EU with no withdrawal agreement, it is likely that a high degree of political, legal, economic, regulatory and other uncertainty will result in the UK and possibly the rest of the EU. According to the Brexit Sensitivity Index, a survey of 20 countries most exposed to a potential UK exit from the EU issued by Standard & Poors, Malta is in second place on the frontline of economies susceptible to trade and migratory repercussions from a decision by the UK to leave the EU.

All this might have a direct or indirect impact on the business environment within which the FIMBank Group operates. FIMBank Group operates in various jurisdictions and markets, including the UK through a wholly owned subsidiary London Forfaiting Company Limited. Indirectly, the Group also has marginal exposures and deposits denominated in the GBP. As at the date of this Prospectus, in the absence of any defined Brexit plan, the full impact of this action cannot be assessed appropriately.

1.3.19 Funding Risk

Funding risk is the risk that the Group may not be able to achieve its business plans due to: being unable to maintain appropriate capital ratios (capital risk); failing to manage its liquidity and funding risk sufficiently (liquidity risk); or the impact of changes in foreign exchange rates on capital ratios and/or adverse changes in interest rate curves impacting structural hedges of non-interest-bearing assets/ liabilities (structural risk).

1.3.20 Credit Rating Risk

The Group relies on leading global credit rating agencies ("Rating Agencies") for its risk assessment purposes. Rating Agencies publish their independent opinions on the creditworthiness of debt issuers, in terms of both their ability and willingness to honour financial commitments on a timely basis. Given its substantial international business, the Group focuses primarily on the long-term ratings assigned by Rating Agencies to the obligations of the Group's clients, which ratings indicate the probability of the debt repayments due to the Group. Rating Agencies do not assume any direct responsibility to lenders or investors for the ratings they assign to particular entities or obligations. Moreover, credit ratings are subject to downgrading or removal and foreign currency ratings tend to experience more volatility than those relating to obligations denominated in the rated entity's own currency.

1.3.21 Risks Associated to Majority Shareholder

The Issuer's major shareholders are Burgan Bank and UGH, both members of the KIPCO Group. With the KIPCO entities as the major shareholders of the Issuer, there could possibly be a higher dependency on one large shareholder group, whether for capital or funding, which always highlights the risk of 'contagion' if that shareholder were to find itself in financial difficulties. In addition, the controlling shareholders' interests may not always be aligned with those of other stockholders and such controlling shareholders will have control or significant influence over material matters affecting the Issuer.

1.4 RISKS RELATING TO THE SECURITIES

1.4.1 Currency Risk

Investors should also be aware that any investment in Shares of the Issuer shall be denominated in US Dollars. This involves certain risks on the part of the investor, in particular exchange rate fluctuations that may affect the realisation of the original investment of the investor who may use a different currency to calculate the value of the investments.

1.4.2 Dividend Risk

FIMBank's ability to pay dividends and its ability to receive distributions from its investments in other entities is subject to applicable laws. As a matter of Maltese law, a company can only pay dividends to the extent that it has distributable reserves and sufficient cash available for this purpose. The Issuer's ability to pay dividends in the future is affected by a number of factors, principally its ability to generate and receive income for such purposes, directly or indirectly, from its operating subsidiaries and associates.

In addition, other restrictions, including regulatory requirements, capital and leverage requirements, statutory reserves, financial and operation performance and applicable tax laws may restrict its ability to pay dividends. Institutions are required to meet certain capital buffer requirements in addition to their Pillar 1 (minimum own funds) and Pillar 2 (additional own funds) capital requirements. Failure by an institution to meet its capital buffer requirement in full will result in mandatory restrictions on its ability to make discretionary payments and distributions on shares and other Tier 1 instruments. If, and for as long as, an institution fails to meet any part of its capital buffer requirement, it will be prohibited from making any discretionary payments in part or in whole. These buffers also form part of the Supervisory Review and Evaluation Process (SREP) which process is ongoing for the Issuer and may result in additional buffers to minimum own funds, to restrictions or prohibitions on distributions, and to a requirement for the use of net profits to strengthen own funds.

These laws and restrictions could limit the payment of dividends and distributions to the Issuer by its subsidiaries and associates, which could in turn restrict the Issuer's ability to fund other operations or to pay a dividend to holders of the existing Ordinary Shares or the New Ordinary Shares.

1.4.3 Share Price Fluctuation Risk

The market price of the New Ordinary Shares and/or the Ordinary Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding the New Ordinary Shares, the Ordinary Shares and/or securities of other financial institutions. The fluctuations could result from national and global economic and financial conditions, the market's response to the Rights Issue, market perceptions of Issuer and various other factors and events.

1.4.4 Dilution Risk

If an Eligible Shareholder opts not to take up the Offer, the respective proportionate ownership and voting interests in the Issuer will be reduced and the percentage that the Shares will represent of the total share capital of the Issuer will be reduced accordingly. Even if a Shareholder elects to transfer the unexercised Rights, or such Rights are sold on his behalf, the consideration the Eligible Shareholder receives may not be sufficient to make up fully for the dilution of his percentage ownership of the Issuer's share capital that may be caused as a result of the Rights Issue.

1.4.5 Securities Law Risk

Securities laws of certain jurisdictions may restrict the Issuer's ability to allow participation by Shareholders in the Rights Issue. Securities laws of certain other jurisdictions may restrict the Issuer's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Issuer. Eligible Shareholders who have a registered address in or who are resident in, or who are citizens of countries other than Malta, should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to participate in the Rights Issue.

1.4.6 Orderly and Liquid Market

The existence of an orderly and liquid market for the Shares, including the New Ordinary Shares, depends on a number of factors, many of which are beyond the Issuer's control, including but not limited to, the presence of willing buyers and sellers of the Shares at any given time and the general economic conditions in the market in which the Shares are traded, namely the Official List. Accordingly, there can be no assurance that an active secondary market for the New Shares will develop or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Shares at all.

2. PERSONS RESPONSIBLE

Each and all of the Directors whose names appear in section 12.1 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 contains no omission likely to affect its import. The Directors accept responsibility accordingly.

3. ADVISERS AND STATUTORY AUDITORS

3.1 ADVISERS

Legal Counsel

GANADO Advocates

171, Old Bakery Street
Valletta VLT 1455
Malta

Sponsor, Manager and Registrar

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.

Airways House, Fourth Floor
High Street
Sliema SLM 1551
Malta

Rizzo, Farrugia & Co (Stockbrokers) Ltd. holds a Category 3 license issued by the Malta Financial Services Authority and is a member of the Malta Stock Exchange.

3.2 STATUTORY AUDITORS

KPMG

Portico Building, Triq Marina
Pieta' PTA 9044
Malta

KPMG is a registered partnership of certified public accountants, holding a warrant to practice the profession of accountant and a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

4. INFORMATION ABOUT THE ISSUER

4.1 HISTORY AND DEVELOPMENT OF THE ISSUER

The Issuer is registered and domiciled in Malta as a public limited liability company under registration number C 17003 and with its registered office at Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's, STJ 3155, 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 of the laws of Malta), and with effect from 31 December 1997 complied with the Companies Act 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.

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

- a. rights issues (2003, 2007 and 2014);
- b. capitalisation (bonus) issues and scrip dividends throughout some of the financial years; and
- c. issues of shares to eligible employees on exercise of options.

On 20 June 2013, the Group saw a joint acquisition by Burgan Bank and UGB of 37.65% of the Issuer's capital at the time through an outright acquisition of Massaleh Investments KSCC's interest in FIMBank.

On 29 July 2013, and further to a convertible loan agreement between UGB and FIMBank, UGB converted the sum of US\$30,000,000 and accrued interest into 36,254,567 Shares.

In December 2013, UGB and Burgan Bank launched a joint voluntary bid for all the shares in the Company. Following this successful bid, UGB and Burgan Bank obtained a controlling interest in FIMBank and increased their aggregate shareholding to 80.14%. UGB increased its shareholding in the Company to 60.61% of all issued shares in FIMBank, whereas Burgan Bank retained its shareholding at 19.53%. As a result of the above, FIMBank became part of the KIPCO Group.

On 15 March 2018, as part of an internal KIPCO Group Restructuring, and following regulatory approvals from a number of regulatory authorities, including the MFSA and the European Central Bank, all the shares in FIMBank formerly held by UGB were transferred to UGH, such that 61.17% of the Issuer is now held by UGH, a direct subsidiary of KIPCO.

The Issuer may be contacted on telephone: +356 23280171 (Company Secretary), facsimile: +356 23280107, email: csec@fimbank.com, or through the website: www.fimbank.com.

4.2 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 Article 4(6)(c) of the Banking Act, 1970 (now repealed). This licence had been superseded and the Issuer is now licensed by the MFSA as a credit institution under the Banking Act. Additional to the business of banking, the Issuer is also licensed, in terms of its current licence dated 04 April 2014, to carry out the following additional activities listed in the Banking Act (Schedule 2) namely:

- financial leasing;
- payment services as defined in the Financial Institutions Act;
- issuing and administering other means of payment (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.

FIMBank is classified as a High Priority 'less significant bank' in terms of Article 6(4) of the SSM Regulation and Article 39(3) and Article 97(1) of the SSM Framework Regulation which means that, although it does not satisfy all the criteria stipulated in the said Regulations to be considered a significant institution, FIMBank is still considered High Priority due to a combination of its size and the risks associated with its business model. As a less significant bank, FIMBank is currently subject to regulation by the MFSA (except for those matters which fall under the specific jurisdiction of the European Central Bank).

FIMBank is supervised on a solo and consolidated basis.

FIMBank has exercised its right to provide services in all European Union and European Economic Area (EEA) member states. It has also exercised its European passport right to establish a branch in Athens, Greece.

4.3 CREDIT RATING

In September 2017, Fitch affirmed FIMBank's long-term rating at BB, with a stable outlook.

4.4 SUBSIDIARIES AND ASSOCIATES

4.4.1 Subsidiaries

4.4.1.1 London Forfaiting Company Limited

The Issuer owns 100% of the issued share capital of London Forfaiting Company Limited ("**LFC**"), a company incorporated in England and Wales in 1984. LFC provides international trade finance services (with particular focus on forfaiting business) through an international network of offices. Some of these offices have distinct corporate status in the various jurisdictions where they are providing the service. LFC's activities include the trading of bills of exchange, promissory notes, loans, deferred payment letters of credit and the provisions of other financial facilities to companies and banks.

4.4.1.2 MENAFACTORS Limited

MENAFACTORS Limited ("**Menafactors**") is incorporated in the United Arab Emirates and is licensed and regulated by the Dubai Financial Services Authority to provide international factoring and forfaiting services in the Gulf and MENA region. FIMBank's holding in Menafactors is through FIMFactors which holds 100% of the issued share capital of Menafactors. Menafactors, in turn, holds 50% in Levant Factors S.A.L. ("**Levant Factors**"), a company registered in Lebanon. During FY 2016, Menafactors sustained losses which brought the Company into a negative equity position. In addition, following a review of the operations and future strategic direction of the business, the Board resolved to curtail the company's operations with a view to transfer its business to FIMBank's existing operation in the United Arab Emirates.

Menafactors is currently undergoing voluntary liquidation procedures.

4.4.1.3 FIMFactors BV

The Issuer incorporated FIMFactors BV ("**FIMFactors**") under the laws of the Netherlands and owns 100% of its issued share capital.

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, BRASILFACTORS S.A. and CIS Factors Holdings BV.

4.4.1.4 FIM Business Solutions Limited

The Issuer owns 100% of the issued share capital of FIM Business Solutions Limited ("**FBS**"), a limited liability company registered under the laws of Malta. FBS has as its primary purpose the provision of information technology and support services to the Group and its associated companies, to correspondent banks as well as to third party factoring services providers.

4.4.1.5 FIM Property Investment Limited

The Issuer owns 100% of the issued share capital of FIM Property Investment Limited ("**FPI**"), a limited liability company registered under the laws of Malta. FPI owns and manages FIMBank's head office in Malta. FPI is responsible for the day-to-day management of the building and leasing, if any, of space for commercial purposes.

4.4.1.6 India Factoring and Finance Solutions Private Limited

The Issuer, through FIMFactors, incorporated India Factoring and Finance Solutions Private Limited ("**India Factoring**") in Mumbai, India, in November 2009. Upon incorporation, FIMFactors held 49% of the issued share capital of India Factoring with the other shareholders being the country's second largest public sector bank, Punjab National Bank (30% shareholding), a leading Italian factoring bank, Banca IFIS (10% shareholding) and Blend Financial Services Limited (1% shareholding).

With effect from 31 March 2014, FIMFactors acquired the 30% shareholding in India Factoring formerly held by Punjab National Bank. As a result of this transaction and subsequent capital injection, FIMBank now holds 86.05% of the issued share capital of India Factoring.

4.4.1.7 CIS Factors Holdings BV

CIS Factors Holdings B.V. ("**CIS Factors**") is incorporated in the Netherlands and formerly served as a holding vehicle for other Factoring companies. Currently, CIS Factors does not hold any investments and is in the process of being liquidated.

4.4.1.8 FactorRus LLC

FactorRus LLC was founded in 2009 and is based in Moscow, Russian Federation. FactorRus LLC provides factoring services to Russian corporates against assignment of receivables from off-takers or buyers.

FactorRus LLC is currently undergoing voluntary liquidation procedures.

4.4.1.9 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 and the International Finance Corporation ("**IFC**"). Egypt Factors is supervised by the Egyptian Financial Supervisory Authority as a non-banking financial services provider in Egypt. On 28 July 2016, the Group acquired control in Egypt Factors through the acquisition of a further 50% of the latter's shares and voting interests. As a result, the Group's equity interest in Egypt Factors increased from 50% to 100%. Egypt Factors is active in providing factoring and forfaiting to Egyptian companies.

4.4.2 Associates

4.4.2.1 BRASILFACTORS S.A.

In September 2011, the Group, through its wholly owned subsidiary FIMFactors B.V., incorporated BRASILFACTORS S.A. ("**BRASILFACTORS**"), a factoring company incorporated in São Paulo, Brazil. BRASILFACTORS' core business focuses on factoring services and forfaiting, with small and medium-sized companies being its target market.

On incorporation, the Group had a 40% holding in the company, with the other shareholders being Banco Industrial e Comercial S.A. and IFC, each holding 40% and 20% respectively. During 2015, the IFC exercised its Put Option on the other shareholders, with the Group acquiring 10% of BRASILFACTORS and bringing the investment in the entity by both the Group and China Construction Bank to 50% each.

4.4.2.2 Levant Factors S.A.L.

Levant Factors is a factoring company registered in Lebanon. Levant Factors is a joint-venture between Menafactors, which holds 50%, and the Lebanese Credit Insurer which holds the remaining 50% of the equity capital. Its main objective is to develop the factoring business in the Levant area (Lebanon, Jordan, Syria and eventually Iraq).

4.4.2.3 Latam Factors S.A.

The Group through its wholly owned subsidiary FIM Holdings (Chile) S.p.A., acquired 51% of the shares and voting interests in Latam Factors S.A. ("**Latam Factors**"). Latam Factors is a factoring and leasing company incorporated and operating in Chile with its functional and reporting currency being the Chilean Peso (CLP).

5. SELECTED FINANCIAL INFORMATION

The Group's audited financial statements for the years ended 31 December 2015, 2016 and 2017, which are available in the respective annual reports as described in section 19 "Reference Documents", and contain historical financial information which is required to be included in this Prospectus.

6. BUSINESS OVERVIEW

6.1 PRINCIPAL ACTIVITIES

The Issuer's main principal activity continues to be the provision of short-term international trade finance to corporate traders and to act as an intermediary to other financial institutions for international settlements, and forfaiting, factoring and loan syndications, through its head office in Malta as well as its representative offices in London and branches in Dubai and Greece.

As evidenced in section 4.4 of this Prospectus, the business of forfaiting and factoring remain the principal activities exercised by the majority of the Issuer's Subsidiaries and Associates.

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 bills of exchange, promissory notes and other negotiable instruments. Since its inception the Issuer has also been a specialist in trade finance products which include commodity transfer finance, structured commodity finance, forfaiting and factoring. More recently, the Group also launched a real estate business for Malta-based residential and commercial developments, as well as funding products with the launch of the fully-fledged digital banking suite FIMBank Direct.

6.2 PRINCIPAL MARKETS

In line with the nature of its international trade finance business, 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, selling the same commodity to a client in Africa. This is the cross-border nature of international trade, thus 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-Sahara Africa (SSA), the 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 financing business is mainly arranged from the Group's Dubai offices.

The Group has five significant reportable segments, Trade Finance, Forfaiting, Factoring, Real Estate and Treasury which are represented by different Group entities. The activity of trade finance is principally exercised by the Dubai branch and FIMBank, with LFC focusing its business on forfaiting. The business of factoring is exercised by most members of the Group, including India Factoring, Egypt Factors, Latam Factors and BRASILFACTORS.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by executive management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Intersegment pricing is determined on an arm's length basis.

The financial position and performance of items not falling within any of the reportable segments is grouped under "Other", and this includes items of non-core activities mainly related to the letting of property to third parties and IT solutions.

In the table below, interest income is disclosed gross of interest expense since it represents the revenue measure used by executive management in assessing the performance of each segment.

Group – 2017
USD

	Trade Finance USD	Forfaiting USD	Factoring USD	Real Estate USD	Treasury USD	Other USD	Total USD
External revenue:							
Interest income	15,461,806	14,159,442	17,949,894	1,499,381	1,939,121	145,187	51,154,831
Fee and commission income	8,587,921	9,051,665	5,671,005	570,563	-	111,753	23,992,907
Net trading results	-	(182,026)	1,543,252	-	(3,140,286)	(28,779)	(1,807,839)
	24,049,726	23,029,081	25,164,151	2,069,944	(1,201,165)	228,161	73,339,899
Intersegment revenue:							
Interest receivable	-	-	5,649,216	-	(1,103)	-	5,648,113
Fee and commission income	11,384	-	9,151	-	-	-	20,535
	11,384	-	5,658,367	-	(1,103)	-	5,668,648
Reportable segment profit/ (loss) before income tax	(1,600,539)	7,966,640	3,677,195	2,068,304	(9,187,440)	(318,935)	2,605,225
Reportable segment assets	488,893,079	270,236,931	309,580,788	46,077,650	457,847,454	60,991,095	1,633,626,997
Reportable segment liabilities	949,218,817	143,614,796	107,326,078	-	276,509,439	5,476,313	1,482,145,443

Group – 2016
USD

	Trade Finance USD	Forfaiting USD	Factoring USD	Real Estate (Restated) USD	Treasury USD	Other (Restated) USD	Total USD
External revenue:							
Interest income	12,192,725	14,029,427	15,052,359	68,717	3,664,059	8,016	45,015,303
Fee and commission income	8,284,600	7,906,334	3,841,866	57,423	-	-	20,090,223
Net trading results (restated)	-	(1,915,646)	(587,518)	-	(1,063,499)	(78,941)	(3,645,603)
	20,477,325	20,020,115	18,306,707	126,140	2,600,560	(70,924)	61,459,923
Intersegment revenue:							
Interest receivable	-	3,825,393	1,477,851	-	-	995,791	6,299,035
Fee and commission income	16,036	671	25,532	-	-	54	42,293
	16,036	3,826,064	1,503,383	-	-	995,845	6,341,328
Reportable segment profit/ (loss) before income tax	466,641	5,273,003	(9,574,509)	126,140	(1,251,090)	(880,687)	(5,840,502)
Reportable segment assets	606,726,271	426,111,143	660,730,427	11,801,092	445,973,460	42,739,886	2,190,584,119
Reportable segment liabilities	1,151,611,801	314,566,640	111,763,995	-	243,572,384	34,846,341	1,856,361,161

Group – 2015
USD

	Trade Finance	Forfaiting	Factoring	IT Solutions	Other	Total
External revenue:						
Interest income	17,238,937	12,050,690	23,228,998	-	-	52,518,625
Fee and commission income	9,928,982	3,879,471	5,394,737	416,347	99,681	19,719,218
Trading income	5,157,859	(4,699,243)	594,141	(120)	(44,019)	1,008,618
	32,325,778	11,230,918	29,217,876	416,227	55,662	73,246,461
Intersegment revenue:						
Interest receivable	5,120,048	-	-	-	-	5,120,048
Fee and commission income	-	55,322	-	266,763	-	322,085
	5,120,048	55,322	-	266,763	-	5,442,133
Reportable segment profit/ (loss) before income tax	(15,837,869)	805,664	(3,152,695)	(79,646)	(1,004,295)	(19,268,841)
Reportable segment assets	1,203,141,610	363,054,561	223,705,263	794,932	99,085,196	1,889,781,562
Reportable segment liabilities	1,136,819,186	295,274,268	95,109,238	28,253	33,726,594	1,560,957,539

The comparative amounts for the Treasury segment have not been reclassified on the basis of immateriality and are included within the Trade Finance segment.

Reconciliation of reportable segment revenues, profit or loss and assets and liabilities

Group

For the years ended 31 December

	2017 USD	2016 USD	2015 USD
REVENUES			
Total revenue for reportable segments	78,780,387	66,876,329	78,632,932
Other revenue	228,161	924,920	55,662
	79,008,548	67,801,249	78,688,594
Elimination of intersegment revenue	(5,668,649)	(6,341,326)	(5,442,133)
Consolidated revenue	73,339,899	61,459,923	73,246,461

PROFIT OR LOSS

Total loss for reportable segments	2,924,190	(4,959,815)	(18,264,546)
Other profit or loss	(318,935)	(880,687)	(1,004,295)
	2,605,225	(5,840,502)	(19,268,841)
Share of loss of associates	8,893	(15,447)	(805,800)
Fair value gains on Investment Property	3,444,802	79,491	-
Net fair value loss on previously-held investments in subsidiaries	(656,661)	-	-
Net fair value gains on previously-held investments in associates	-	771,654	-
Effect of other consolidation adjustments on segment results	6,282,179	10,228,265	8,026,424
Consolidated profit/(loss) before tax	11,684,436	5,223,461	(12,048,217)

Group

As at 31 December

	2017 USD	2016 USD	2015 USD
ASSETS			
Total assets for reportable segments	1,572,635,902	2,151,342,393	1,790,696,366
Other assets	60,991,095	42,739,886	99,085,196
	1,633,626,997	2,194,082,279	1,889,781,562
Elimination of intersegment assets	(15,808,324)	(457,669,045)	(460,326,727)
Effect of other consolidation adjustments on segment results	25,582,785	8,033,326	15,224,781
Unallocated amounts	-	-	(774,170)
Consolidated assets	1,643,401,458	1,744,446,560	1,443,905,446

LIABILITIES

Total liabilities for reportable segments	1,476,669,130	1,821,514,820	1,527,230,945
Other liabilities	5,476,313	34,846,341	33,726,594
	1,482,145,443	1,856,361,161	1,560,957,539
Elimination of intersegment liabilities	(11,602,182)	(289,625,488)	(291,156,338)
Effect of other consolidation adjustments on segment results	(36,161)	-	165,762
Unallocated amounts	-	-	(981,131)
Consolidated liabilities	1,470,507,100	1,566,735,673	1,268,985,832

Geographical areas

In presenting information on the basis of geographical areas, revenue is based on the geographical location of customers and assets are based on the geographical location of the assets:

Group

	MALTA			OTHER COUNTRIES			TOTAL		
	2017 USD	2016 USD	2015 USD	2017 USD	2016 USD	2015 USD	2017 USD	2016 USD	2015 USD
External revenues	6,176,355	(77,359)	6,098,996	67,163,544	61,537,282	71,002,010	73,339,899	61,459,923	73,246,461
Non-current assets	48,017,098	37,715,381	33,514,782	9,867,462	9,912,371	11,988,802	57,884,560	47,627,751	45,503,584

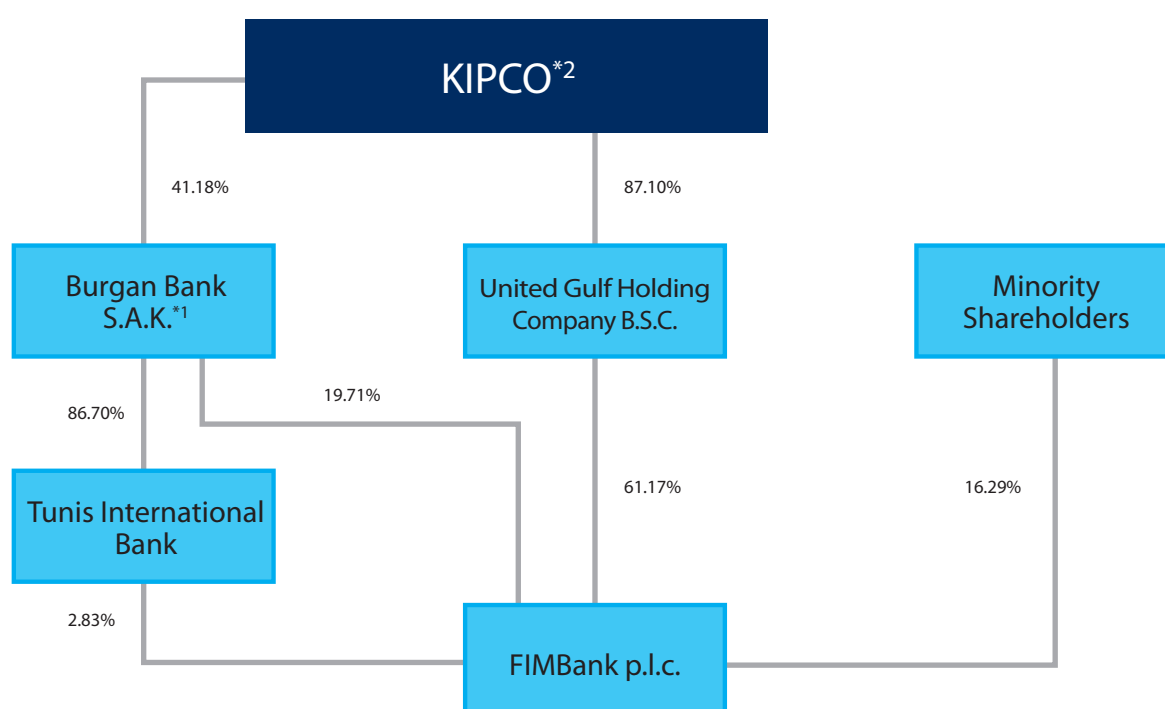
Non-current assets include property and equipment and intangible assets and goodwill.

7. ORGANISATIONAL STRUCTURE

7.1 KIPCO GROUP

FIMBank forms part of the KIPCO Group. The KIPCO Group is one of the largest diversified holding companies in the Middle East and North Africa, with consolidated assets of USD32.7 billion. The Group has significant ownership interests in a portfolio of over 60 companies operating across 24 countries, with commercial interests ranging from financial services, media, real estate and manufacturing. Through its core companies, subsidiaries and affiliates, KIPCO also has interests in the education and medical sectors.

Following an internal group restructuring exercise of the KIPCO Group described in section 4.1, UGH is the holder of 61.17% of the issued share capital of FIMBank.



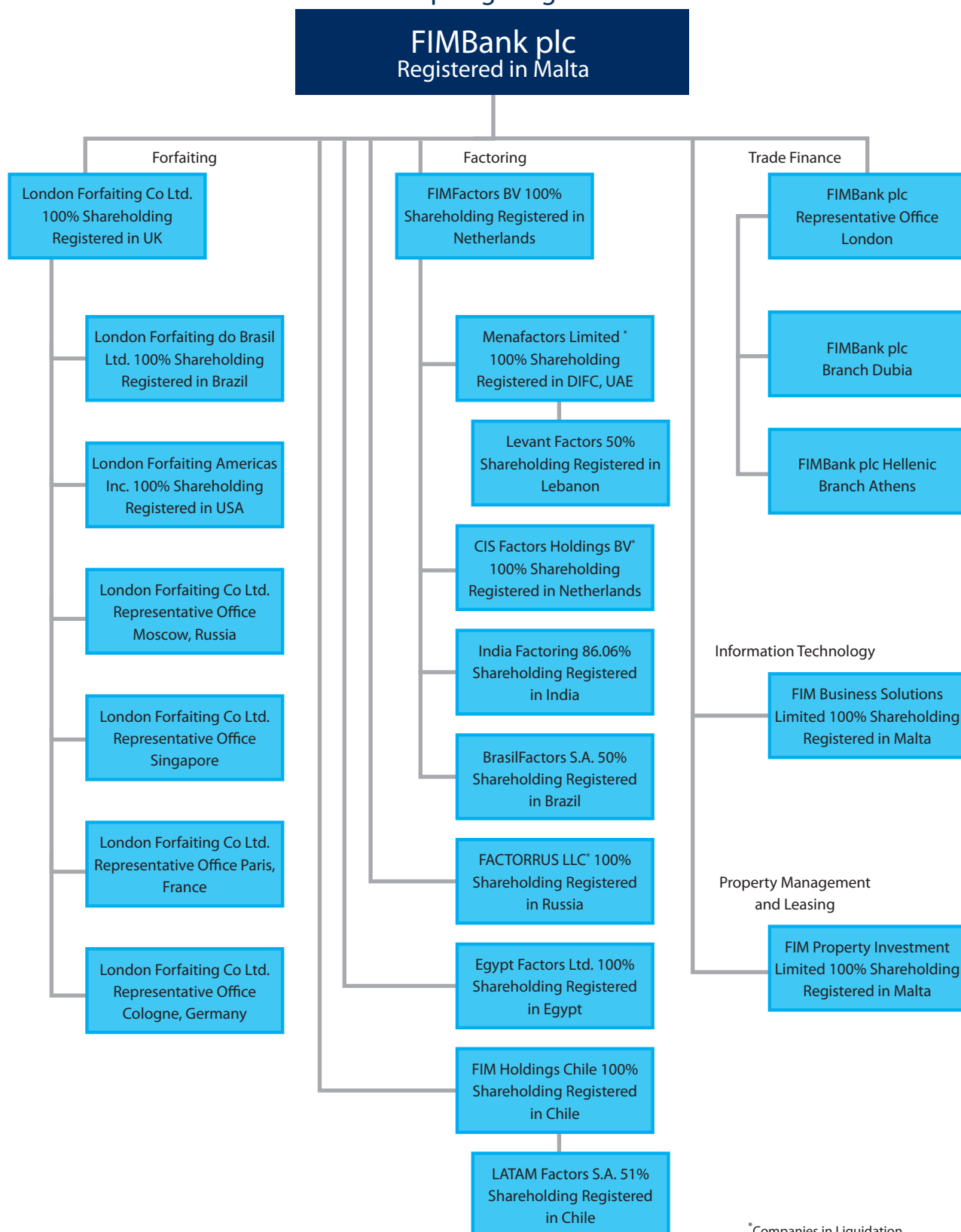
*1 Burgan Bank S.A.K. has 2.45% indirect shareholding of FIMBank

*2 KIPCO has 70.19% indirect shareholding of FIMBank

7.2 FIMBANK GROUP

The FIMBank Group is composed of the Issuer and its Subsidiaries, namely LFC, FBS, FIM Holdings (Chile) S.p.A., FIMFactors and Egypt Factors. LFC is the parent company of a number of other subsidiaries, FIM Holdings (Chile) is the parent of Latam Factors, whilst FIMFactors is the parent company of Menafactors and India Factoring. A significant interest is also held in the associated entities, BRASILFACTORS (50% holding) and Levant Factors (50% holding). FactorRus LLC, CIS Factors and Menafactors, all wholly owned subsidiaries of the Group, are in the process of liquidation.

Group Organogram



8. PROPERTY, PLANT AND EQUIPMENT

8.1 THE GROUP HEADQUARTERS

The investment property of the Group comprises, *inter alia*, the building at The Exchange Financial & Business Centre, St. Julian's, Malta. The building, known as Mercury Tower, is owned by FPI, and has been developed to act as FIMBank Group's head office. Parts of the building are also leased to a number of third parties. The building is hypothecated in favour of a third party bank.

8.2 OTHER PROPERTY

FIMBank, through its Hellenic and Dubai branches, and subsidiaries Latam Factors, India Factoring and LFC, leases property in various major cities of the world.

Information about leased properties is set out below.

8.2.1 London Forfaiting Company Limited

LFC leases properties in London, New York, Moscow, Sao Paolo, Paris and Cologne.

8.2.2 Egyptian Company for Factoring (Egypt Factors) S.A.

Egypt Factors in Egypt leases a property in Cairo.

8.2.3 FIMBank plc (DIFC Branch)

The FIMBank branch in the United Arab Emirates (Dubai International Financial Centre) leases a property in Dubai.

8.2.4 Latam Factors

Latam Factors in Chile leases property in Santiago, Antofagasta, Copecion and Puerto Montt.

8.2.5 FIM Holdings (Chile) SpA

FIM Holdings (Chile) SpA in Chile leases property in Santiago.

8.2.6 India Factoring and Finance Solutions Pvt Ltd

India Factoring in India leases property in Mumbai, New Delhi, Chennai, Bangalore and Ahmadabad.

8.2.7 FIMBank plc (Hellenic Branch)

FIMBank's Hellenic branch leases two properties in Athens, Greece.

9. OPERATING AND FINANCIAL REVIEW AND CAPITAL RESOURCES

The following should be read in conjunction with the financial information on the Issuer referred to in section 5 "Selected Financial Information" of this Prospectus. The financial information included or incorporated by reference into this section has been extracted without material adjustment from the financial information referred to in section 5 "Selected Financial Information" of this Prospectus (which has been incorporated by reference into this Prospectus) or has been extracted without material adjustment from the Issuer's accounting records which formed the underlying basis of the financial information referred to in section 5 "Selected Financial Information" (which has been incorporated by reference into this Prospectus).

9.1 RESULTS OF OPERATIONS

The results of operations for the financial years 2015, 2016 and 2017 are being reproduced below.

During the financial year ended 31 December 2017 FIMBank changed its accounting policy on the measurement of owned property classified as either "Property and Equipment" or "Investment Property". In prior financial years this property was measured at cost less accumulated depreciation and any accumulated impairment losses. Following the change in accounting policy, the property is being measured at fair value. For the property classified as "Investment Property" the effect of a change in accounting policy from the cost to the fair value model is measured under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In accordance with this standard FIMBank was required to apply this change retrospectively by restating the opening balance of assets, liabilities and equity of the earliest prior period presented in the FY2017 financial statements.

9.1.1 Statements of Financial Position

As at 31 December	2017 USD	2016 (restated) USD	2015 USD
ASSETS			
Balances with the Central Bank of Malta, Treasury Bills and cash	208,171,299	33,193,245	77,432,606
Trading assets	252,509,144	379,397,964	355,063,998
Derivative assets held for risk management	722,256	1,502,704	1,139,090
Financial assets designated at fair value through profit or loss	-	17,799,900	17,741,000
Loans and advances to banks	226,092,934	454,362,226	223,189,558
Loans and advances to customers	566,361,530	426,612,356	388,951,224
Investments available-for-sale	261,244,798	327,076,529	274,049,316
Investments held-to-maturity	-	-	7,476,940
Interests in equity-accounted investees	5,561,181	-	1,317,118
Non-current assets held for sale	-	1,161,332	1,027,794
Property and equipment	29,660,743	27,831,524	33,134,984
Investment property	16,238,869	6,932,960	3,804,004
Intangible assets and goodwill	11,984,948	11,701,935	8,564,596
Current tax assets	3,306,366	3,695,826	2,554,970
Deferred tax assets	41,023,245	41,882,687	40,568,247
Other assets	12,747,974	4,263,474	3,250,235
Prepayments and accrued income	7,776,171	7,031,898	4,639,766
Total assets	1,643,401,458	1,744,446,560	1,443,905,446
LIABILITIES AND EQUITY			
Liabilities			
Derivative liabilities held for risk management	722,922	8,816,410	917,114
Amounts owed to banks	493,192,846	528,939,251	729,941,157
Amounts owed to customers	847,198,005	948,710,544	422,077,303
Debt securities in issue	54,653,654	8,225,869	45,646,755
Subordinated liabilities	50,000,000	50,000,000	50,000,000
Liabilities associated with non-current assets held for sale	-	-	165,762
Current tax liabilities	357,509	1,437	-
Deferred tax liabilities	3,518,684	554,636	-
Other liabilities	829,197	569,758	135,830
Accruals and deferred income	20,034,283	20,917,768	20,101,911
Total liabilities	1,470,507,100	1,566,735,673	1,268,985,832
Equity			
Share capital	157,265,562	155,239,263	149,268,322
Share premium	173,113	2,101,335	8,072,276
Reserve for general banking risks	608,284	764,792	1,000,027
Currency translation reserve	(2,747,913)	(6,715,522)	(5,690,377)
Fair value reserve	9,533,453	951,740	(409,528)
Other reserve	2,870,270	2,481,760	2,486,644
Retained earnings/(accumulated losses)	6,901,064	(386,566)	(5,644,809)
Total equity attributable to equity holders of the bank	174,603,833	154,436,802	149,082,555
Non-controlling interests	(1,709,475)	23,274,085	25,837,059
Total equity	172,894,358	177,710,887	174,919,614
Total liabilities and equity	1,643,401,458	1,744,446,560	1,443,905,446

As at 31 December

2017
USD2016
USD2015
USD**MEMORANDUM ITEMS**

Contingent liabilities	1,186,426	6,507,529	10,422,946
Commitments	353,893,273	186,030,894	149,958,903

9.1.2 Income Statements

For the year ended 31 December

2017
USD2016
USD2015
USD

Interest income	51,154,831	45,015,303	52,518,625
Interest expense	(26,225,818)	(23,051,984)	(22,921,308)
Net interest income	24,929,013	21,963,319	29,597,317
Fee and commission income	23,992,907	20,090,223	19,719,218
Fee and commission expense	(5,477,428)	(5,252,886)	(5,164,385)
Net fee and commission income	18,515,479	14,837,337	14,554,833
Net trading results	(1,807,839)	(3,645,603)	(1,403,854)
Net loss from other financial instruments carried at fair value	108,622	3,373,807	(259,000)
Net fair value gains on previously-held investments in associates	-	771,654	-
Dividend income	5,997,942	5,455,550	3,324,960
Gain upon loss of control of subsidiary undertaking	(656,661)	777,677	-
Fair value gain on investment property	3,444,802	(15,355)	-
Other operating income	1,135,085	2,613,557	259,188
Operating income before net impairment	51,666,443	46,131,943	46,073,444
Net impairment loss on financial assets	2,297,034	(2,299,116)	(10,331,801)
Operating income	53,963,477	43,832,827	35,741,643
Administrative expenses	(40,027,409)	(35,692,670)	(43,991,588)
Depreciation and amortisation	(2,260,523)	(2,901,249)	(2,992,472)
Total operating expenses	(42,287,932)	(38,593,919)	(46,984,060)
Operating profit/(loss)	11,675,545	5,238,908	(11,242,417)
Share of results of associates (net of tax)	8,893	(15,447)	(805,800)
Profit/(loss) before tax	11,684,438	5,223,461	(12,048,217)
Taxation	(561,767)	618,149	7,470,653
Profit/(loss) from continuing operations	11,122,671	5,841,610	(4,577,564)
Loss on discontinued operations	(3,395,976)	(474,974)	(2,554,378)
Profit/(loss) for the year	7,726,695	5,366,636	(7,131,942)
Attributable to:			
Equity holders of the bank	7,519,632	5,023,008	(6,389,807)
Non-controlling interests	207,063	343,628	(742,135)
Profit/(loss) for the year	7,726,695	5,366,636	(7,131,942)

9.1.3 Statements of Profit or Loss and Other Comprehensive Income

For the years ended 31 December

2017
USD

2016 (restated)
USD

2015
USD

Profit/(loss) for the year	7,726,695	5,366,636	(7,131,942)
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Other comprehensive income:

Items that will not be reclassified to profit or loss

Fair value reserve (property and equipment), net of deferred tax

6,609,072	-	-
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Items that are, or may be, reclassified to profit or loss

Foreign currency translation differences for foreign operations

3,967,610	(1,025,145)	(4,674,293)
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Fair value reserve (available-for-sale financial assets), net of deferred tax

1,972,641	(1,481,612)	379,814
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Total comprehensive income/(loss) for the year

20,276,018	2,859,879	(11,426,421)
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Attributable to:

Equity holders of the bank

20,068,955	2,516,251	(10,684,286)
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Non-controlling interests

207,063	343,628	(742,135)
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Total comprehensive income for the year

20,276,018	2,859,879	(11,426,421)
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9.1.4 2015 Review of Performance

Following the most difficult year in the Group's history, 2015 necessitated stability to the business, reinforcement of the governance and risk structures and the gradual re-building of the portfolios to a sustainable level. This period was also marked by the incurrence of a number of non-recurring expenses which pushed operating expenses beyond the prior year levels. Through an ongoing streamlining of the international factoring strategy, the different factoring businesses in Malta and abroad became aligned towards a common objective. More focus was given to the structuring of transactions to ensure it remains robust and provides additional comfort beyond the recourse to the borrower's cash flows. Aided by a strengthened leadership team and governance structures, the Group intensified its effort to maximise its resource potential, including a review of certain staff positions, enhanced cost management processes and better utilisation of its office space across the different Group entities.

9.1.5 2015 Income Statement

For the year ended 31 December 2015, the Group registered a loss of USD7.1 million compared to a loss of USD45.2 million in 2014. Group losses per share stood at US cents 2.21 while on the basis of continuing operations the losses per share amount to US cents 1.45.

Net income for 2015 stood at USD34.9 million compared to a loss of USD4.7 million in the prior year. During 2015, net interest income was higher by 4% from USD28.4 million to USD29.6 million. Similar improvements over 2015 were noted in foreign currency operations and other operating income which were offset by a significantly lower level of fee income from trading assets and documentary credits. Net impairments decreased by 80%, at USD10.3 million compared to USD50.7 million in 2014. The 2015 charge is mainly due to additional provisions required in FIMBank, Menafactors and India Factoring – which were partly offset by release of prior year provisions as a result of recoveries on provided for accounts. Net trading losses, mainly coming from downward market value adjustments in LFC's trading portfolio,

improved compared to 2014. The associates in Egypt and Brazil also returned improved results, albeit negative, improving from the USD3.2 million loss in 2015 to USD0.8 million in 2015 – the improvement resulting from lower impairments compared to last year. As a result of controlled impairments and marked to market losses, the Group improved its net income by USD39.7 million, to USD34.9 million.

Operating expenses increased by USD7.2 million to USD47.0 million. This increase was attributed to a number of nonrecurring items related to business reorganisation, employment and consultancy terminations as well as professional advice on legal matters connected to a review of banking transactions carried out in prior years. Continuing operations were also positively impacted by a tax credit of USD7.5 million, as well as the absence of 2014 consolidation adjustments related to goodwill and connected acquisition accounting.

9.1.6 2015 Financial Position

At 31 December 2015, total consolidated assets stood at USD1.44 billion, a marginal increase of 2% over the USD1.41 billion reported at end 2014. Increases in asset positions were noted in the trading book managed by the UK subsidiary LFC, in the short-term treasury-bill book as a result of new liquidity requirements as well as an increase in the Group's participation in an existing trade-finance fund. These increases were compensated by lower loans and advances to banks and to customers, largely reflecting the re-alignment of the Group's various portfolios to the business consolidation strategy and the conversion of short-term bank balances to higher yielding instruments in the available-for-sale portfolio.

Total consolidated liabilities as at 31 December 2015 stood at USD1.27 billion, up by 3.5% from USD1.23 billion in 2014. Decreases in amounts to customers were largely compensated by increases in bank loans and deposits and debt securities issued by FIMBank and LFC. As at 31 December 2015, the Group carried a new USD50 million subordinated loan from Burgan Bank, which loan qualified as Tier 2 capital under the CRD IV regime. Total equity attributable to the equity holders of FIMBank as at financial reporting date decreased by USD11 million to USD149 million reflecting the loss for the year and net adverse movements in currency translation.

Group commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfeiting assets and factoring commitments stood at USD150 million while contingent liabilities, principally consisting of outstanding guarantee obligations, stood at USD10 million.

9.1.7 2016 Review of Performance

The return to profitability in 2016 signalled a tangible outcome in a journey of transformation. The turnaround process initiated in 2015 was aimed at creating value to stakeholders by approaching business in a structured, consistent, and well-executed manner. With improved risk and governance structures in place, the Group was able to start transforming its origination business by offering the right products in the different geographies it operates in. This has been a central theme during the year, stabilising income streams and also providing a growth platform for the future. The Group's funding profile has also been re-balanced through a mix of wholesale funding and retail deposits, diversifying its funding base and reducing its overall cost of funding. The Group has also continued implementing a cost management discipline across its businesses aimed to streamline operations and reorganise business and support functions. In addition, in the last quarter of the year the credit rating of the Group as issued by Fitch was also upgraded by one notch.

This pattern has been broadly reflected throughout the Group. FIMBank, being the parent, had a dual role in driving change and putting in place the right control frameworks across its own internal operations and extending this to ensure conformity and alignment across the branches and subsidiaries. Carrying most of the funding for the Group, FIMBank continued to implement the most effective strategies to allocate resources across the business units whilst ensuring that it operates well within and above capital and regulatory thresholds. Across the Group, LFC in the UK remained the key subsidiary able to generate sustained growth, stable income and contained credit losses. LFC closed the year with a higher portfolio level compared to 2015 and also improved profitability – all consistent with the measured and controlled approach to its business. India Factoring's business was transformed following the significant credit losses suffered during 2014 and operated within an overhauled risk framework and with new management in place for over a year. The India business put greater emphasis on tapping the export-oriented business and at the same time managing the recoveries of non-performing loans – these two pillars contributed to a profitable performance in 2016 at an adequate portfolio level aimed to grow further in 2017. In the second half of the year the Group acquired a controlling interest in Egypt Factors and embarked on a strategy to re-capitalise, transform and grow the business. The Egypt operation sustained a loss in 2016 which reflects the lack of economies in carrying a small business portfolio at a

relatively high cost of operation. Action had already been initiated in replacing key management and implementing change in line with the approved strategy and Group framework. In the Middle East, the Dubai subsidiary Menafactors suffered the effect of legacy issues from prior years which required a level of loan impairments well above the norm.

This resulted in the company sustaining significant losses for 2016 and led to a decision by the Group to wind-down the business and integrate the factoring business in the operations of FIMBank's Branch also in Dubai. In Latin America, the Chile subsidiary Latam Factors also transformed its origination strategy bringing it closer to the Group through the exploitation of cross-border driven opportunities. In an aggressively competitive market, Latam Factors put in place more cost-effective funding structures which enabled it to source business at adequate returns. This enabled Latam Factors to start growing an erstwhile static book and return a marginal profit for the year. In Brazil, the 50%-owned BRASILFACTORS was not able to achieve the targeted growth and return prospects, suffering a loss for the year mainly due to the inability to scale-up the business.

During the financial year ended 31 December 2017 the Group changed its accounting policy on the measurement of owned properties and as a result of which it restated the financial position and performance as at and for the year ended 31 December 2016.

9.1.8 2016 Income Statements

For the year ended 31 December 2016, the Group registered a restated profit of USD5.4 million compared to a loss of USD7.1 million in 2015. In the second half of 2016 the Group acquired full control of Egypt Factors resulting in the line-by-line consolidation of the new subsidiary – with the initiated restructuring resulting in a marginal negative impact on operating income and operating expenses.

Operating income before net impairment for 2016 stood at USD46.1 million, level with 2015. During 2016, net interest income decreased by USD7.6 million (to USD22.0 million) due to a number of factors, namely: the holding of temporary idle liquidity and a higher stock of regulatory liquidity assets; the tightening of margins in the Group's markets and products; and reduced income on forborne or delinquent assets. This decrease was offset by an increase in dividend income from the Group's investment in a trade-finance fund, improved fee levels on documentary credits and forfaiting, as well as additional income from the disposal of non-core assets in the United Arab Emirates and Malta.

Net trading results and net gains from other financial instruments were impacted by various factors - from the trading of investment securities, the Group realised profits of USD3.4 million compared to a loss of USD0.3 million in 2015; market value adjustments in LFC's trading portfolio were lower, registering a loss of USD1.8 million in 2016 compared to a loss of USD4.6 million in 2015; whilst the results on foreign currency operations registered weaker returns mainly as a result of higher cost of swaps used to hedge the net asset/liability position of the Group. During the year, the Group also registered a profit of USD0.8 million on currency differences arising out of the de-consolidation of the Russian subsidiary FactorRus LLC; and a gain of USD0.8 million on the fair valuation of the previous 50% share of investment in Egypt Factors following the full acquisition of the company in the second half of 2016.

Net impairments showed another marked improvement, decreasing by USD8.0 million from USD10.3 million in 2015 to USD2.3 million in 2016 - as a result of the continuous recovery efforts across FIMBank and its subsidiaries, largely off-set by run-off provisions on already impaired exposures at the Dubai subsidiary.

Operating expenses decreased by USD8.4 million from USD47.0 million to USD38.6 million. This decrease was largely attributed to a number of non-recurring items incurred in 2015 (related to business reorganisation and professional advice on legal matters connected to a review of banking transactions carried out in prior years). The sole remaining equity-accounted investee entity, BRASILFACTORS, sustained a loss of USD0.4 million - compared to a loss of USD0.8 million in 2015 which also included the results of Egypt Factors. The months leading to the placement into liquidation of FactorRus LLC resulted in a marginal loss of USD0.1 million compared to a loss of USD2.6 million in 2015.

9.1.9 2016 Financial Position

At 31 December 2016, total consolidated assets stood at USD1.74 billion, an increase of 21% over the USD1.44 billion reported at end 2015. The principal balance sheet items registered growth over 2015, with the main increase of USD231 million in loans and advances to banks largely driven by higher balances held for liquidity management. Growth has also been registered in the Group's loan book across the different products and geographies. The Group's trading book managed by the UK subsidiary LFC continued registering growth, reaching USD379 million (from USD355 million) whilst liquidity regulatory requirements also resulted in growth in the fixed-income available-for-sale book.

Total consolidated liabilities as at 31 December 2016 stood at USD1.57 billion, up by 24% from USD1.27 billion at end 2015. Deposits from corporate and retail clients grew by USD526 million, which were partly offset by decreases in wholesale funding and bank deposits. Similar to 2015, at 31 December 2016, the Group carried a USD50 million subordinated loan from Burgan Bank, which loan qualified as Tier 2 capital under the CRD IV regime. Total equity attributable to the equity holders of FIMBank as at financial reporting date stood at USD151 million, up from USD149 million in 2015 reflecting the profit for the year and net adverse movements in currency translation and fair value reserves.

Group commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfeiting assets and factoring commitments stood at USD186 million while Contingent Liabilities, principally consisting of outstanding guarantee obligations, stood at USD7 million.

9.1.10 2017 Review of Performance

The financial performance of FIMBank during 2017 confirms the strength of its fundamentals and the ability to deliver success in key business areas. As the loan and asset portfolios were contained within the prior year levels, profitability continued on its upward trajectory, asset origination and revenue generation were upgraded whilst focus continued on priority areas in the strategic framework of the business. In addressing regulatory capital developments, FIMBank has restrained its asset growth in anticipation of a planned capital injection and simultaneously managed higher regulatory liquidity requirements and increased regulatory costs. In 2017, the Group can pride itself of a consistent profitable quarterly performance, improving margins and yields over prior years, strengthening the business proposition of the better yielding products and tapping new online delivery channels. This whilst rigorously continuing to follow the asset risk and governance frameworks, being successful in recoveries from legacy names, and managing an expense structure to largely achieve minimal cost growth to prior years.

FIMBank, as parent of the Group, led the effort and coordination on the whole span of initiatives. During the year, FIMBank continued tapping niche markets across its trade finance product offering, and also launching the fully-fledged digital banking suite FIMBank Direct. In doing so, FIMBank overhauled its asset-liability management processes, becoming more efficient on liquidity and funding needs, and improving net margins both on revenue generation and cost of funding. FIMBank's performance was impacted by the absorption of higher regulatory and hedging costs. FIMBank was successful in its recovery efforts on legacy delinquent portfolios, whilst ensuring adequate provisioning cover on the remaining non-performing book.

Across the Group, LFC in the UK returned another positive year - despite a reduction in its asset portfolio in line with the Group approach towards asset management, LFC exploited its ability and expertise to trade its portfolio, increasing portfolio turnover, trading margins and grow its total revenues and profitability. This whilst also raising third party funding outside the group and minimizing marked-to-market losses on its revenue assets.

India Factoring's business continued to strengthen - marginally growing its asset book and revenues, improving on its net margins and cost ratios, and still benefitting from the recovery of non-performing loans. Since the last quarter of 2016, the company consistently returned a profitable quarter as it diversified its market-reach to export trade whilst limiting new non-performing loans.

In Egypt, following the acquisition of the factoring business in the second half of 2016, the company was re-capitalised and given the financial ability to reboot and seek growth and return to profitability. During the year the business was brought in line with the Group's product, risk and governance frameworks and although returning a loss for the year as a result of sub-optimal scale, the company has the necessary market potential as well as business and product expertise to generate positive returns in the coming year.

In Chile, Latam Factors had marginal growth in its factoring and leasing portfolio, impacted by a highly competitive domestic market environment. The company returned a profit for the year on the back of superior revenue margins but with room for further cost efficiency and loan portfolio management. During 2017 FIMBank did not exercise the Call Option which would have enabled it to increase its shareholding in the company. It was determined that the Group has lost its sole control over the company and is now controlling it jointly with the other shareholders. The Group has therefore started classifying and measuring this investment using the equity method. As a result the accumulated foreign currency losses on the translation of the investment were transferred from reserves to the income statement.

In Brazil, the 50%-owned factoring business returned a net loss for the year on the back of an erosion of its funded asset portfolio. During the year the company was faced with aggressive competition from the key market players,

and notwithstanding its tapping of the export business and a lean cost structure, it was not able to grow its book and generate sufficient revenues to return to profitability. During the year the Group resolved to dispose of its investment in the company and as a result the investment has been classified as a discontinued operation held-for-sale, taking accumulated foreign currency losses on the translation of the investment to the income statement.

During the year the Group changed its accounting policy related to the measurement of its property, mainly the Group head office in Malta, from the cost to the fair value approach. The increase in fair value positively impacted the results of the year, both the Income Statement and Reserves, and also required a restatement of the prior year results in line with the applicable International Financial Reporting Standards (IFRS).

9.1.11 2017 Income Statements

For the year ended 31 December 2017, the Group registered a profit of USD7.7 million compared to a restated profit of USD5.4 million in 2016. Group profits per share stood at US cents 2.40 while on the basis of continuing operations the profits per share amount to US cents 3.49. In the last quarter of 2017 the Group determined that it lost control of Latam Factors and subsequently started classifying and measuring the entity using the Equity Method.

Operating income before net impairment for 2017 stood at USD51.7 million, an increase of 12% over the USD46.1 million registered in 2016. During 2017, net interest income increased by USD3.0 million (to USD24.9 million) as a result of overall improved interest yields and more efficiency in funding volumes and cost of funds. This increase was also mirrored in an increase of USD3.7 million in net fee income, to USD18.5 million on improved fees on documentary credits and forfaiting.

Net trading results and net gains from other financial instruments, combined together, decreased from a net loss of USD0.3 million in 2016 to a net loss of USD1.7 million in 2017. This result was impacted by various factors - the realised profits of USD3.4 million generated in 2016 from the trading of investment securities were not repeated in 2017; with reduction in revenue being offset by improvements in the market value adjustments in LFC's trading portfolio which registered a loss of USD0.1 million in 2017 compared to a loss of USD1.8 million in 2016; whilst the results on foreign currency operations were broadly in line with the results of prior year.

During 2017 the Group changed its accountancy policy for owned properties and started measuring them at their fair value. The change in accounting policy has impacted the property classified as "property and equipment" and "investment property". In accordance with the applicable International Financial Reporting Standards, the change in accounting policy for investment property is to be accounted for retrospectively whilst that for "property and equipment" is to be applied prospectively. The revaluation resulted in a fair value gain of USD3.4 million in 2017, compared to a fair value loss of USD0.02 million in 2016 as a result of the retrospective application. During the year, the Group also registered a loss of USD0.7 million on the change in classification of Latam Factors from subsidiary to associate. In 2016, a gain of USD0.8 million was registered on the fair valuation of the previously held 50% share of investment in Egypt Factors following the full acquisition of the company in 2016.

Other operating income for the year includes USD0.5 million of additional income from the disposal of non-core assets compared to a corresponding income of USD1.9 million in 2016.

Net impairments for the year have improved from a loss of USD2.3 million in 2016 to a net recovery position of USD2.3 million in 2017. This is a result of significant recoveries made by FIMBank and its subsidiaries in India and Egypt on legacy loans, which was partly offset by increases in coverage on other impaired legacy credits.

Operating expenses increased by USD3.7 million from USD38.6 million to USD42.3 million. This increase is largely attributed to increase in mandatory regulatory costs and other variable staff-related expenses.

During the year the Group has resolved to dispose of its investment in BRAZILFACTORS and has classified the investment as held-for-sale. The results for the year and accumulated foreign currency losses in Other Comprehensive Income have been transferred to Loss on Discontinued Operations.

9.1.12 2017 Financial Position

At 31 December 2017, total Consolidated Assets stood at USD1.64 billion, a decrease of 6% over the USD1.74 billion reported at end 2016. The drop in assets is attributed to a reduction in business assets aimed to address more stringent capital requirements partly offset by increases in Treasury balances as a result of higher regulatory liquidity ratios. In fact Trading Assets decreased by USD127 million, whilst Loans and Advances to Customers increased by USD 140 million. In Loans and Advances to Banks, the decrease of USD228 million is a composite of drops in both business and treasury assets, whilst treasury balances held with the Central Bank and in available-for-sale instruments increased by USD110 million. Increases in Property and Equipment and Investment Property largely reflect the fair valuation of owned property as a result of the change in measurement from the “cost” to the “fair value” method.

Total Consolidated Liabilities as at 31 December stood at USD1.47 billion, down 6% from USD1.57 billion at end 2016. Deposits from corporate and retail clients decreased by USD101 million whilst wholesale funding and bank deposits decreased by a further USD36 million. This reduction reflects the drop in assets and also the planned diversification of the funding sources between wholesale and retail. Similar to 2016, at 31 December 2017, the Group is carrying a USD50 million subordinated loan from Burgan Bank, which loan qualifies as Tier 2 capital under the CRD IV regime. Total Equity attributable to the equity holders of the FIMBank as at financial reporting date stood at USD175 million, up from USD154 million in 2016 reflecting the profit for the year and movements in currency translation and fair value reserves. At 31 December 2017, the Group's Core Equity Tier 1 (CET1) ratio stood at 11.3% and Total Capital Ratio at 15.5%.

Group commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfeiting assets and factoring commitments stood at USD354 million while Contingent Liabilities, principally consisting of outstanding guarantee obligations, stood at USD2 million.

9.2 CASH FLOW ANALYSIS

The following table shows the cash flow analysis of the Issuer for the years ended 31 December 2015, 31 December 2016 and 31 December 2017.

	FY 2017 USD	FY 2016 USD	FY 2015 USD
Net cash (used in) / from operating activities	(15,992,093)	172,554,801	(142,786,240)
Net cash from (used in) / investing activities	95,320,509	(40,198,213)	(106,006,578)
Net cash from (used in) / financing activities	46,525,362	(37,425,770)	84,853,162
Change in cash and cash equivalents	125,854,278	94,930,818	(163,939,656)
Cash and cash equivalents at beginning of year	52,821,344	(42,108,474)	121,831,182
Cash and cash equivalents at end of year	178,676,622	52,822,344	(42,108,474)

Net cash from operating activities is derived primarily from the principal revenue generating activities of the Group, such as net interest and fee income, foreign exchange results and operating costs paid to employees and suppliers. Cash flows from operating activities include the cash effect of loans and advances, financial investments, and amounts owed to customers and banks.

Net cash from investing activities represent the extent to which expenditures have been made for resources intended to generate future income and cash flows, such as through the purchase of available-for-sale investments, property and equipment, intangible assets and investments in equity accounted investees.

Net cash from financing activities represent the cash flows associated with the raising and repayment of finance and other flows associated with the financing of the Issuer's operations, such as the cash proceeds from the issue of share capital, net proceeds from debt issuances, and cash dividends paid to equity shareholders.

Cash and cash equivalents include cash on hand, treasury bills, unrestricted balances held with the central banks and highly liquid financial assets with original maturities of less than three months that are subject to insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments. Loans and advances to banks and amounts owed to banks that are repayable on demand or have a contractual maturity of three months or less and which form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

10 TREND INFORMATION

For 2018, the Group is expected to continue building on the business platform it was able to transform and strengthen over the past years. The year will be characterised by the capital injection resulting from the Rights Issue which will allow FIMBank to be better equipped to face a more stringent regulatory landscape and at the same time allowing the business to grow and achieve improved economies. The pursuit for excellence across the different businesses, products and markets will remain at the heart of the Group's strategy – through superior client delivery channels and product evolution, risk and governance stability as well as efficiency in funding and cost structures. The scaling of the business, supported by an expert team of management and staff in key trade hubs across different regions, will enable the Group to maintain a flexible business model which can adapt to arising circumstances, achieve sustainable profitability and improve overall returns to all key stakeholders.

11 PROFIT FORECASTS OR ESTIMATES

The Prospectus does not contain any profit forecast or estimates.

12 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

12.1 THE BOARD

As at the date of this Prospectus, the Board of Directors is composed of the persons detailed in section 12.1.1 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.

The Directors as at the date of this Prospectus and their respective first year of appointment to the Board are as follows:

Director	Year when first appointed
John C. Grech (Chairman)	2004
Rogers David LeBaron	2006
Masaud M. J. Hayat	2013
Mohamed Fekih Ahmed	2013
Adrian Alejandro Gostuski	2013
Eduardo Eguren Linsen	2013
Majed Essa Ahmed Al-Ajeel	2013
Rabih Soukarieh	2013
Osama Talat Al Ghoussein	2014
Edmond Brincat	2017
Hussain A. Lalani	2017

The current term of office of the Directors listed above commenced on the 11 May 2017 and shall end at the closure of the next annual general meeting as per the provisions of the Articles of Association of the Issuer.

12.1.1 Curriculum Vitae of the Directors

Dr John C. Grech, (Chairman)

Dr John C. Grech is a Maltese National. He graduated from the University of Malta in 1971 and 1974. In 1978 he also 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. He is currently Chairman of the Board of Mizzi Organisation, Chairman of the MelitaUnipol Insurance Agency Limited, Chairman of Central Cement Limited and Chairman of the Board of Class Optical Ltd. He also served as visiting professor at the University of Malta.

Masaud M.J. Hayat, (Vice-Chairman)

Masaud M.J. Hayat is a Kuwaiti National. He obtained the Bachelor of Science (Economics) from the University of Kuwait and a Diploma in Banking from the Institute of Banking Studies in Kuwait. Between 1998 and 2010 he was the Chairman of KAMCO Investment Company K.S.C.P. in Kuwait. Mr Hayat currently holds the position of Chief Executive Officer – Banking at KIPCO, which is one of the largest diversified holding companies in the Middle East and North Africa with holdings in commercial banking, investment banking, asset management, insurance, media, real estate and manufacturing.

Majed Essa Ahmed Al-Ajeel

Majed Essa Ahmed Al-Ajeel is a Kuwaiti National. He obtained a Bachelor of Science and a Master Degree from the Catholic University of America in Washington, DC. Mr Al-Ajeel occupied the position of Director of Technical Office for Investment at the General Organization for Social Insurance before joining Burgan Bank as Vice Chairman in 2007, where he was promoted to Chairman in 2010 till the present day. Mr Al-Ajeel was also a Board member of Burgan Bank between 1998 and 2004.

Eduardo Eguren Linsen

Eduardo Eguren Linsen is an Uruguay National. He is a Chartered Accountant and has obtained the Bachelor of Administration from the University of the Republic of Uruguay – Faculty of Economic Sciences and Administration. He served as Chief Financial Officer for Emerging Markets at Citi Bank, COO for Asia Consumer, Chief Operating Officer of GRCB Barclays Bank in London, following which he occupied the position of Chief Executive Officer for the Global Commercial Bank also in Barclays. Currently, he is the Group Chief Executive Officer of Burgan Bank in Kuwait which he joined in 2010.

Adrian Alejandro Gostuski

Adrian Alejandro Gostuski is a French National. He obtained his CPA from the University of Buenos Aires, Argentina, and his MBA from Escuela Superior de Economía y Administración de Empresas, Argentina. He started his career at PWC before joining Citibank, where he occupied various positions in Buenos Aires, New York and Singapore, being the latest in Mexico City, as Managing Director and Chief Financial Officer for Corporate Bank, Latin America. He joined Barclays Bank in London in 2008 as Chief Financial Officer- Operations and Technology, Global Retail Bank. Mr Gostuski joined Burgan Bank in 2011 where he currently occupies the position of Group Chief Financial Planning & Strategic Business Development Officer, and is presently a director at Burgan Bank Turkey and Latam Factors.

Rabih Soukarieh

Rabih Soukarieh is a Lebanese National. He is the Chief Executive Officer of Algeria Gulf Bank (“AGB”), Algeria since August 2015 having previously held various senior executive positions at United Gulf Bank in Bahrain including the post of Chief Executive Officer between March 2012 and August 2015. During his ten-year tenure at UGB, between 2003 until 2004 and 2008 until 2015, Mr Soukarieh also acted as Chairman and Chief Executive Officer of Millennium Private Equity in Dubai and Chief Executive Officer of United Gulf Financial Services in Qatar. Between 2004 and 2007, he occupied the position of Group Chief Financial Officer of Wataniya Telecom Group of companies. He is currently the Chairman of Syria Gulf Bank- Syria; a member of the board of directors of Tunis International Bank in Tunis and also of FIMBank. Mr Soukarieh has held a number of directorships of banks and companies in the past, including: AGB, Bank of Baghdad and Asia Cell Telecommunications Company in Iraq, where he was a member of the board executive committee; Wataniya Telecom Algeria in Algeria; Kuwait Energy Company and North Africa Holding Company in Kuwait; Virgin Mobile Middle East Company, Millennium Finance Corporation and MENA Factors in Dubai. Mr Soukarieh has a Masters of Business Administration from Northeastern University in Boston and a Bachelors of Sciences in Finance from Indiana University, Bloomington.

Mohamed Fekih Ahmed

Mohamed Fekih Ahmed is a Tunisian National. He graduated from the University of Law, Political Economic Studies of Tunis and holds a Diploma of Higher Management Studies from the Higher Institute of Management of Tunis. He is the Chief Executive Officer of TIB. He has been Senior Officer at Citibank Tunis prior to joining TIB. Mr Mohamed Fekih Ahmed also serves as: Board and Executive Committee Member of Gulf Bank Algeria, Algiers; Chairman of United Gulf Financial Services - North Africa, Tunisia (an asset management company); Chairman of SACEM Industries, Tunisia (a leading electrical distribution transformer manufacturer in Tunisia); Member of the Board Audit Committee of Ooredoo, Tunisia (a telecommunications company); and as Board Member of Hannibal Lease, Tunisia (a leasing company).

Rogers D. Le Baron

Rogers D. LeBaron is a UK and US national. He was a Director of Financial Institutions in the European Bank for Reconstruction and Development in London from 1996 until 2004. He also held the position of Principal Financial Advisor, Global Financial Markets Department within the International Finance Corporation.

Osama Talat Al Ghousein

Osama Talat Al Ghousein joined KIPCO in 2013. With over 35 years of banking experience, he is a senior member of the team responsible for the strategy and supervision of KIPCO's regional banking operations. Prior to joining KIPCO, Mr. Al Ghousein was Regional Managing Director of Citigroup Global Markets and previously Regional Managing Director and CEO of The Standard Chartered Private Bank based in Dubai. He has also held senior managerial positions with Credit Suisse, Pictet, The National Bank of Kuwait and The Commercial Bank of Kuwait. Mr Al Ghousein holds a Bachelor of Arts degree in Business Administration and Political Science from The George Washington University, Washington DC.

Hussain A. Lalani

Hussain Lalani is acting Chief Executive Officer of United Gulf Bank - Bahrain. His career extends over 20 years. He has worked extensively with the Board of Directors on advisory transactions in his previous capacity as UGB's Chief Financial Officer, and partnered with business divisions to support growth and business plans. Mr Lalani was previously employed by Ernst & Young (Bahrain) and PriceWaterhouse Coopers (Pakistan). He is a Board Member of Takaful Savings & Pensions B.S.C. (c), Bahrain; Global Banking Corporation, Bahrain; United Gulf Financial Services North Africa, Tunisia; and Assoufid B.V. He is also a non-executive director of Takaful Savings & Pensions (DIFC). A Chartered Accountant and a Certified Information Systems Auditor, Mr Lalani holds a Bachelor of Commerce degree from the University of Karachi, Pakistan.

Edmond Brincat

Edmond Brincat is a Maltese National. He obtained a Bachelor of Arts degree in accounts from the University of Malta in 1991 and is a Certified Public Accountant and a Fellow of the Malta Institute of Accountants. After working for a major audit firm, Mr Brincat joined the GO group in 1999, part of the team entrusted to set up and launch Go Mobile, Malta's second mobile operator. Until 31 January 2018, Mr Brincat held the position of Group Chief Finance Officer of GO p.l.c.

A list of all current and past directorships of Board members is set out in Annex III of this Prospectus.

12.1.2 Private Interests held and Potential Conflicts of Interest

The number of shares in FIMBank held directly in the name of the current Directors as at the Record Date is as follows:

Dr John C. Grech * (Chairman)	1,080,000
Masaud M.J. Hayat *	Nil
Majed Essa Ahmed Al-Ajeel *	Nil
Eduardo Eguren Linsen*	Nil
Adrian Alejandro Gostuski *	Nil
Rabih Soukarieh *	Nil
Mohamed Fekih Ahmed *	Nil
Rogers David LeBaron	Nil
Osama Talat Al Ghousein	Nil
Hussain A. Lalani	Nil
Edmond Brincat	Nil

Aside from these direct interests in the shareholding of FIMBank, the Directors marked above with an * are considered to be associated with companies that hold a beneficial interest in FIMBank's shareholding.

Dr John C. Grech holds the position of director of MelitaUnipol Insurance Agency Limited, which is a shareholder in FIMBank.

Messrs. Eduardo Eguren Linsen and Adrian Alejandro Gostuski hold senior management positions with Burgan Bank. Mr Rabih Soukarieh holds a senior management position with AGB. Mr Masaud M.J. Hayat and Osama Talat Al Ghousein hold senior management positions within KIPCO.

Mr Majed Essa Ahmed Al-Ajeel holds the position of Chairman of Burgan Bank whilst Mr Mohamed Fekih holds the position of Deputy Chairman of TIB.

Mr Hussain A. Lalani holds the position of acting Chief Executive Officer of United Gulf Bank - Bahrain.

In view of the above roles and position, the above-mentioned Directors may be subject to conflicts of potentially diverging interests of the shareholders they are associated with and their position as Directors of FIMBank.

No Shareholder is entitled to any automatic right to nominate or appoint a director on the Board.

The above disclosed shareholdings and associations with companies holding a direct or indirect interest in FIMBank may give rise to conflicts of interests which are managed by the Issuer in terms of section 12.1.3 below. Other than the above private interests and conflicts of interest, the Issuer is not aware of any other facts and circumstances which may give rise to conflicts of interest or potential conflicts of interest.

Furthermore, as at the date of this Prospectus, none of the Directors held any share options in the Company.

12.1.3 Managing Conflicts of Interests

While the overall tone for instilling a strong culture about the proper management of conflicts of interest is set at the top, situations of potential conflicts of interest with Board members are in the first instance specifically regulated by the Companies Act and by clauses 119 and 120 of FIMBank's Articles of Association. In terms of the Articles of Association, whenever a conflict of interest situation, real or potential, arises in connection with any matter, the interest has to be declared. In particular, the Director concerned refrains from taking part in proceedings relating to the matter and his vote is excluded from the count of the decision. The minutes of Board meetings, as well as those of Board Committees, invariably include a suitable record of such declaration and of the action taken by the individual Director concerned. Similar arrangements apply to management in the course of the conduct of their duties at Board Committees. Furthermore, where Directors and management have related party involvements, these are reported and it is an integral part of the Audit Committee's terms of reference to provide oversight on related party transactions.

12.1.4 Loans to Directors

As at the date of this Prospectus, there are no loans outstanding by the Issuer to any of its Directors, or any guarantees issued for their benefit by the Issuer.

12.2 BOARD COMMITTEES

FIMBank's Articles of Association establish that the Directors may delegate certain powers, authorities and discretions to any person and/or Committee appointed by them. The composition of such Committees, is decided upon by the Board.

Accordingly, the Board has established the following committees:

- Executive Committee
- Audit Committee
- Board Risk Committee
- Asset-Liabilities Committee
- Nomination and Remuneration Committee
- Board Credit Committee
- Corporate Governance Committee
- Operational Risk Management Committee
- IT Steering Committee

12.2.1 Executive Committee

The Executive Committee acts as the 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 as at February 2018 are the following:

Murali Subramanian (*Chairman*)
 John C. Grech (*Vice Chairman*)
 Hussain A. Lalani (*Member*)
 Mohamed Fekih Ahmed (*Member*)
 Howard Gaunt (*Member*)
 Simon Lay (*Member*)
 Michael Davis (*Member*)
 Ronald Haverkorn (*Member*)
 Nilanjan Ray (*Member*)
 Andrea Batelli (*Member*)

12.2.2 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, include:

- a) the monitoring of the financial reporting process, including the interim and annual audited and consolidated financial statement;
- b) the monitoring of the effectiveness of the Group's internal control structure, internal audit function, risk management systems and governance framework;
- c) acting as the principal point of contact between the internal auditors, the statutory auditors and the Board of Directors in order to ensure that in addition to having an effective working relationship with the management, both internal and statutory auditors are guaranteed free access to the Board of Directors;
- d) the monitoring and reviewing of the statutory auditor's independence, and its performance;
- e) the reviewing of the Group's transactions with related parties; and
- f) the review of the adequacy and effectiveness of the Group's compliance function, and MLRO duties and the review of their performance.

The Audit Committee also considers the arm's length nature of related party transactions, vets and approves them. Both the Audit Committee and the Head of Internal Audit's term 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 Head of Compliance also has direct access to the Audit Committee Chairman and attends all meetings. In addition, the composition of the members of the Audit Committee includes an individual who is also a member of the Board Risk Committee.

The members of the Audit Committee as at February 2018 are the following:

Rogers David LeBaron (*Chairman*)
 Hussain A. Lalani (*Vice Chairman*)
 Edmond Brincat (*Member*)

Further to Listing Rule 5.117.3, the members of the Audit Committee who are designated as independent and competent in auditing and/or accounting are Mr Rogers David LeBaron and Mr Edmond Brincat. Mr LeBaron was appointed as Audit Committee Chairman from 02 May 2013 whereas Mr Brincat has been appointed since May 2017.

Mr Lalani serves as executive of other such institutions and is consequently deemed to be competent in the sectors in which FIMBank operates.

The majority of the members of the Audit Committee satisfy the independence criteria set out in the Listing Rules, and the members of the Audit Committee have signed a written declaration of independence. In effect, the Board of Directors consider these members to be independent.

The Audit Committee normally requests members of Management to attend its meetings.



12.2.3 Board Risk Committee

The Board Risk Committee (“**BRC**”) is responsible for overseeing the Group’s risk management strategy, systems and policies, and for recommending country limits for approval by the Board of Directors. The Board Risk Committee is also responsible for the oversight of operational and legal risk matters.

The BRC members as at February 2018 are the following:

Adrian Alejandro Gostuski (*Chairman*)
 Osama Talat Al Ghousein (*Vice Chairman*)
 Hussain A. Lalani (*Member*)

12.2.4 Asset-Liabilities Committee

The Asset-Liabilities Committee (“**ALCO**”) is responsible for establishing appropriate asset and liability management policies, monitoring their application and reviewing financial information on the basis of which investment and funding decisions are taken.

The Asset-Liabilities Committee is mainly made up only of members forming part of the management team and the members as at February 2018 are the following:

Michael Davakis (*Chairman*)
 Murali Subramanian (*Member*)
 Simon Lay (*Member*)
 Howard Gaunt (*Member*)
 Ronald Haverkorn (*Member*)
 Ronald Mizzi (*Member*)
 Robert Frost (*Member*)
 Giovanni Bartolotta (*Invitee*)
 Christian Trapani (*Invitee*)

12.2.5 Credit Committee

The Board Credit Committee (“**BCC**”) is a Committee appointed by the Board of Directors of FIMBank. The BCC is directly responsible and accountable to the Board. The Board may delegate any of its authorities and powers in relation to the BCC to the BRC. The BCC’s main powers and duties are to:

- Review credit applications and approve credit limits and specific transactions, up to the legal lending limit of FIMBank and within the guidelines specified in the Group’s credit policy procedures;
- Recommend credit limits to the BRC or the Board for approval, as the case may be, when this is required according to FIMBank’s credit policy procedures; in particular, the BCC will analyse and recommend country limits for approval by the Board;
- Inform and recommend about other risk (including but not limited to market, liquidity, operational and reputational risk) when this is deemed relevant for the credit decisions to be taken by the BCC.

The BCC members as at February 2018 are the following:

John C. Grech (*Chairman*)
 Rabih Soukarieh (*Vice-Chairman*)
 Mohamed Fekih Ahmed (*Member*)
 Murali Subramanian (*Invitee*)
 Ronald Haverkorn (*Invitee*)

12.2.6 Nomination and Remuneration Committee

The Nomination and Remuneration Committee was set up in 2015 to carry out the following tasks:

- a) present recommendations to the Board regarding nomination to the Board's membership in accordance with approved policies, standards, and instructions on nomination regulations for the Board of Director's membership;
- b) perform an annual review of the needs required with regard to suitable skills for Board membership and prepare a description of the skills and qualifications required for Board membership. Perform an annual review of the Board of Director's structure and present recommendations on the changes which can be performed in accordance with FIMBank's interest; and
- c) perform an annual evaluation of the Board's overall performance and the performance of each member. This evaluation should include the knowledge and experience of the members and assess their authorities and their leadership skills.

In addition to the above, the Nomination and Remuneration Committee provides information and summaries on the background of some important issues of FIMBank and presents the reports and information to the Board. It shall ensure that the Board are continuously updated on the latest issues related to the banking profession. In this regard, the Board undertakes to have in place a system to encourage its members to attend seminars as well as other occasions that give them the opportunity to meet with local and global companies and institutions in order to develop their skills in the financial banking and business fields.

The Nomination and Remuneration Committee members as at February 2018 are the following:

Masaud M.J. Hayat (*Chairman*)
 Majed Essa Al-Ajeel (*Vice Chairman*)
 Rogers David LeBaron (*Member*)
 John C. Grech (*Permanent Invitee*)

12.2.7 Governance Committee

The purpose of the Governance Committee is to review FIMBank's internal delegations, policies and procedures to ensure compliance with legislative and regulatory requirements and alignment to industry's best practice.

The Governance Committee also serves as the Evaluation Committee, a Committee created to evaluate the performance of Directors.

The Governance Committee members as at February 2018 are the following:

Majed Essa Al-Ajeel (*Chairman*)
 John C. Grech (*Vice-Chairman*)
 Rogers David LeBaron (*Member*)

12.2.8 Operational Risk Management Committee

The Operational Risk Management Committee ("**ORMC**"), appointed by the Board of Directors, was set up to ensure the implementation of the Operational Risk Management Framework and related Operational Risk policies and procedures in the Group. In addition to this, the ORMC also ensures operational risk identification and measurement and that risk control and risk origination decisions are properly informed.

The ORMC members as at February 2018 are the following:

Ronald Haverkorn (*Chairman*)
 Murali Subramanian (*Member*)
 Howard Gaunt (*Member*)
 Michael Davakis (*Member*)
 Ronald Mizzi (*Member*)
 Gilbert Coleiro (*Member*)
 Michael Davis (*Member*)
 Christine Coleiro (*Member*)
 Lorraine Pace (*Member*)
 Andrea Batelli (*Member*)

12.2.9 IT Steering Committee

The IT Steering Committee ("**ITSC**") is a management vehicle to implement, control and prioritise IT investments to support the business purpose of FIMBank Group including subsidiaries and joint ventures. Furthermore, the ITSC aims to ensure that IT strategic decisions are aligned with the overall Group's business strategy, to prioritise and maximise expenditure incurred on IT projects. The ITSC was set up to carry out the following tasks:

- a. Reviews, selects and prioritises major IT initiatives for execution and delivery and resolves any resource conflicts;
- b. Ensures alignment and support of all selected IT initiatives with the major goals, strategy and overall direction of the organisation;
- c. Obtains organisational acceptance of risks associated with selected IT initiatives, and ensures continuing oversight and containment of these risks;
- d. Maintains continual oversight for all major IT initiatives in execution and for ongoing decision-making associated with this oversight to approve initiatives' continuation and continued funding. Initiatives must provide a well-managed, good value for funding and show likelihood that expected benefits and value will in fact be received.

The ITSC members as at February 2018 are the following:

Howard Gaunt (*Chairman*)
 Ronald Haverkorn (*Member*)
 Lorraine Pace (*Member*)
 Gilbert Coleiro (*Member*)
 Ronald Mizzi (*Member*)
 Stefan Galea (*Member*)

12.3 EXECUTIVE MANAGEMENT

12.3.1 Curriculum Vitae of Executive Management

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

Murali Subramanian, CEO

Murali Subramanian is a results-oriented senior banker with a proven track record in developing and executing growth strategies on a global basis. Prior to joining FIMBank, Mr Subramanian was Executive Vice President at Abu Dhabi Commercial Bank for 6 years, where he held the position of Head of Transaction Banking of the Group. His key responsibilities at this financial institution included the management of trade and supply chain growth business where he oversaw the growth and return to profitability of this USD250 million revenue business. This followed a 21-year career at Citibank and earlier ABN Amro, where he occupied various posts in several geographies, ending his career at Citi as Managing Director, Global Head of Domestic Payables. At Citibank, Mr Subramanian built the Trade, Supply Chain and Cash Management businesses in MENA, West Africa, Russia and the CIS, extended the company's domestic payables capabilities in over 100 countries. Mr Subramanian holds a Bachelor of Technology in Mechanical Engineering degree from the Indian Institute of Technology, as well as a Masters in Business Administration, Finance and International Business from the Indian Institute of Management. He was appointed Chief Executive Officer of the FIMBank Group on the 06 August 2015.

Howard Gaunt, First Executive Vice President, Group Chief Operating Officer

Howard Gaunt is an American from New York and joined the FIMBank group in November 2015 as the Group Chief Operating Officer. He is responsible for the overall operations related functions across the group and sits on several committees including: the Executive Committee, Credit Committee, Asset-Liability Committee and the IT Steering Committee. Mr Gaunt is also a director of FIM Property Investment Ltd and FIM Business Solutions.

Before joining the FIMBank group, Mr Gaunt was the General Manager for the Wholesale Banking Group activities in the Abu Dhabi, Al Ain and GCC regions at ADCB between 2007 and 2015. He was responsible for the strategic development and end-to-end management of the Commercial (SME), Corporate (TTL) and Government (GRE) businesses across the local, GCC and Indo-Arab trade corridor. Mr Gaunt successfully integrated the customer coverage and analytics units allowing for the industry and customer segmentation, single banker customer coverage and the creation of the Client Service Team.

Mr Gaunt's banking career spans over 31 years in senior national and international assignments with Wells Fargo and Company, Citibank, Citicorp, Citigroup and Samba Financial Group. He has a Bachelor's degree in Political Science and International Relations from the University of Southern California (USC) and is a Certified Investment Manager, CIMC, with the Investment Management Consultants Association, IMCA.

Simon Lay, FCEO, London Forfaiting Company Ltd

Simon Lay started his career with the Midland Bank/HSBC Banking Group, where he worked in a number of areas, including those of International Banking, Corporate Finance, Controller of Lending, Trade Finance and Forfaiting. Subsequently, he was given responsibility for leading Midland's forfaiting subsidiary, Mid Aval. Mr Lay joined London Forfaiting Company Ltd (LFC) in 1991. In the various senior positions he occupied at LFC, he was entrusted with the expansion of the company's operations, including in the Americas, the Middle East and Turkey. Mr Lay was appointed to the company's Board of Directors in 1997. Following LFC's acquisition by FIMBank plc in 2003, Mr Lay was appointed as its Managing Director, with global responsibility for the company's business, including its overseas branches and subsidiaries. During this period, he managed to transform the company from making losses to one which has consistently contributed to the profitability of the FIMBank Group. Today, LFC has established a proven reputation for providing fast, efficient, tailor made non-recourse finance solutions to importers and exporters worldwide. Mr Lay enjoys a reputation as an authority on forfaiting and trade finance, having written numerous articles and been a regular speaker on the subject.

On 01 January 2015, in the face of unprecedented challenges for the FIMBank Group, he was appointed Acting CEO and tasked with leading the Group on a course which would enable it to meet the performance expectations of its shareholders. In the space of seven months, Mr Lay managed to implement an effective turnaround strategy, fine-tuning FIMBank's strategic focus, overseeing the transition towards a more efficient deployment of resources, and consolidating the Group's global operations. Mr Lay, who is a member of FIMBank's Executive Committee, is also FIMBank's Representative Officer in the United Kingdom. Mr Lay is now currently the CEO of LFC.

Michael Davis, Executive Vice President, Chief Operating Officer & MLRO

Michael Davis began his banking career in the UK in 1986 after a 6-year period as a secondary school teacher in Gibraltar where he was born. Mr Davis has over 23 years regulatory and compliance experience and joined FIMBank in July 2011 as Head of Compliance and MLRO. Prior to that he was EMEA Head of Compliance for the Macquarie Group based in London. During his 11 years at Macquarie Mr Davis was responsible for setting up Macquarie's compliance infrastructure throughout the region during a period of extraordinary growth from 45 members of staff in 2000 to over 1500 in 2011. He was also responsible for managing relationships with key regulators throughout the UK, Europe, South Africa and the Middle East and was responsible for the licensing of several Macquarie branches and subsidiaries.

Mr Davis has also played active roles on various industry association committees in the UK specializing in compliance and regulatory issues. Prior to specialising in compliance his early banking experience was spent trading foreign exchange, money market instruments and commodity derivatives. He joined LME Ring Dealing and founder member, Rudolf Wolff & Co Ltd in 1990 as a Treasury Trader and in 1992 became their Compliance Officer and MLRO. Mr Davis is a skilled trainer in compliance and anti-money laundering matters and has been an examiner for the Futures and Options Association Diploma in Compliance in the UK.

Ronald Haverkorn, Executive Vice President, Chief Risk Officer

Ronald Haverkorn joined FIMBank in May of 2015 as the Chief Risk Officer and Executive Vice President. He is responsible for the risk related functions in the group. Mr Haverkorn sits on several board and committees including; Board Risk Committee, ALCO, Group Executive Committee and Credit Risk Committee. Before joining FIMBank, Mr Haverkorn had

a 22-year career in the International Division of Wells Fargo Bank where he worked in the United States as well as in the United Kingdom and Germany while managing global teams.

During his career he has held various global positions in financial institutions and corporate banking with a focus on the Emerging Markets. Responsibilities included; trade finance, structured finance, syndications, risk mitigation, asset trading, portfolio management, risk reporting and relationship management. He was a member of several divisional committees, risk committees and ALCO.

Mr Haverkorn was born in the Netherlands and moved to the USA to go to pilot school and attend university. He graduated from the University of Texas with a B.A. degree in business administration.

Avv. Andrea Batelli, Executive Vice President, Head of Legal & Company Secretary

Andrea Batelli joined FIMBank in June 2010 as Head of Legal & Compliance of the Group. Avv. Batelli has more than twenty years of experience in the banking sector with a particular focus on trade finance and compliance. Avv. Batelli was appointed FIMBank's Company Secretary in 2013. Before joining FIMBank, Avv. Batelli has occupied the position of Head of Legal Department and General Counsel at Banca UBAE SpA, Rome (Italy), where he also acted as member of the Oversight Body with a compliance role. During his career at Banca UBAE, Avv. Batelli has acquired extensive international expertise in the banking activity particularly in the Mediterranean, Middle and Far East Area together with a thorough knowledge of these markets, their culture and the associated challenges.

Avv. Batelli received his Degree of Law from the University of Perugia (Italy) in 1997 and a Master in International Company Law in 2000. He has been certified by the Rome Bar as an eligible lawyer and is qualified to appear before the Italian Courts. Avv. Batelli is a member of the board of directors of Egypt Factors and chairman of the board of FIMFactors BV.

Nilanjan Ray, CEO, FIMBank DIFC Branch

Nilanjan Ray joined FIMBank on 19 February, 2017 as Chief Executive Officer of DIFC Branch in Dubai. Mr Ray is a commercial banker with over 19 years of diverse experience, serving a wide range of Commercial, Corporate, SME and MNC customers in India and the Middle East.

In his previous stint at the National Bank of Abu Dhabi, Mr Ray led a transformation of the Commercial Banking business in his role of Managing Director – Global Commercial Banking. He was responsible for delivering the commercial banking mandate across UAE, Oman, Egypt, Jordan, Kuwait and Bahrain. Mr Ray had previously transitioned the Commercial (SME) segment in Abu Dhabi Commercial Bank into a major business for the bank, over a period of six years. Prior to joining ADCB in October 2007, Mr Ray had worked in ICICI Bank, Bahrain as Vice President - Corporate & Commercial Banking, where he was in charge of launching the Commercial banking proposition for ICICI Bank in GCC. During his tenure in India he worked with ICICI Bank, HDFC Bank and Agriculture Finance Corporation. Mr Ray was engaged in various leadership roles in the SME segment, in coverage as well as risk functions, and also has experience in Project Evaluation and Monitoring as well as Fixed Income Sales through the roles he held in the initial stages of his banking career. Mr Ray holds a post graduate business degree and a graduate degree in Economics.

Executive management are bound by the Issuer's compliance manual, which enforces upon employees to disclose any conflicts of interest to the Group's compliance department which will take reasonable steps to manage accordingly.

12.3.2 Private Interest of Executive Management and Executive Share Option Schemes

Insofar as the executive management is concerned, as at Record Date the number of Shares and share options held directly by the members of executive management were as follows:

Executive Management	Shares	Share options
Simon Lay	-	104,699
Michael Davis	-	26,176
Andrea Batelli	-	39,262

The Issuer has in place various Executive Share Option Scheme Rules which set out the framework enabling the Issuer to issue Executive Share Option Schemes in order to incentivise and rewards executives who are instrumental in obtaining

the Issuer's success. The Executive Share Option Schemes have been approved by the shareholders by extraordinary resolutions at different General Meetings.

All of the Executive Share Option Scheme Rules regulate the granting of share options (the "**Share Options**") to qualifying executives ("**Qualifying Executives**") for targeted performances based on the results of the preceding year at the exercise price established at grant date. The award of Share Options to Qualifying Executives is subject to the attainment of the stipulated performance criterion for that year. Under the terms of the various Share Option Scheme Rules, the Board of Directors (or any of its delegates) announces to the Qualifying Executives:

- the maximum total number of Share Options which are available for that year (the "**Maximum Award**");
- the performance target;
- the exercise period; and
- the maximum award to individual Qualifying Executives which may be expressed as a percentage of the Maximum Award or as an absolute amount of Share Options.

As at 31 December 2017, there was one scheme under which awarded options are still unexercised. The share options scheme covering the years 2011 to 2015 regulated in accordance with the Executive Share Option Scheme Rules dated 06 May 2010 approved at the Annual General Meeting held on the 06 May 2010 as amended by the Annual General Meeting held on the 08 May 2014.

	exercise period 2011 scheme 01/01/14 to 31/12/18
Exercise price per USD0.50 share	USD0. 5903
Number of share options unexercised at 01 January 2017	1,762,867
Additional share options as a result of capital restructuring	(170,135)
Forfeited due to termination of employment	(230,336)
Number of share options unexercised at 31 December 2017	1,362,396

12.4 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 FY 2017 the maximum aggregate emoluments of the Directors were increased to USD450,000 (previously USD350,000). The fees paid to Directors for sitting on the Board and on any Board Committee for FY 2017 amounted to USD375,594.

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.

Apart from a fixed annual emolument, Directors are also remunerated depending upon which committee they sit on.

For Executive Management, namely the CEO and the Executive Vice Presidents mentioned in section 12.3 above, the remuneration package ensures the right qualities and skills for the proper management of the Group as well as the proper execution of the strategy devised by the Board of Directors. In addition to salaries and bonuses, the Issuer also provides non-cash benefits to the CEO 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.

For FY 2017, the total emoluments received by Senior Executive Management were:

Fixed remuneration	USD2,889,298
Variable remuneration	USD472,004
Executive share options	NIL
Expenses/fringe benefits	USD1,060,497

None of the members of the administrative, management or supervisory bodies of the Issuer have service contracts with the Issuer or any of its Subsidiaries which provide for benefits upon termination of employment.

12.5 CORPORATE GOVERNANCE

The Board firmly believes that strong corporate governance permits the Issuer and the Group to benefit from greater transparency in its activities as well as in its relations with the market, thereby enhancing integrity and confidence. Although principles set out in 'The Code of Principles of Good Corporate Governance' published as Appendix 5.1 to Chapter 5 of the Listing Rules (the "**Principles**") are not mandatory, the MFSA has recommended that listed entities endeavour to adopt such Principles. The Issuer has considered this to be in the best interests of the shareholders because they commit the Directors, Management and employees of FIMBank to internationally-recognised standards of corporate governance and as a result complies with the majority of the Principles.

Whilst the Issuer complies with the majority of the recommendations set out in the Principles, there are some areas of non-compliance, which are disclosed in the 2016 Annual Report, which is being incorporated by reference into this Prospectus, under the heading 'Statement of Compliance with the Principles of Good Corporate Governance'.

12.6 DECLARATION

None of the above members of the Board and management has:

- a) any convictions in relation to fraudulent offences for at least the previous 5 years;
- b) been associated with any bankruptcies, receiverships or liquidations for at least the previous 5 years;
- c) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous 5 years.

13 EMPLOYEES

The average number of persons employed by the Group during each financial year was as follows:

	2017 No. of employees	2016 No. of employees	2015 No. of employees
Executive and senior managerial	34	32	30
Other managerial, supervisory and clerical	368	361	341
Other staff	15	16	16
	417	409	387

14 MAJOR SHAREHOLDERS

The following shareholders hold in excess of five per cent of the Issuer's Ordinary Shares at the date of this Prospectus:

	Number of Shares	Percentage Holding
United Gulf Holding Company B.S.C.	192,395,274	61.17%
Burgan Bank S.A.K.	61,997,304	19.71%

The shares of the major shareholders of the Issuer do not entitle such shareholders to any different voting rights.

Each of UGH, Burgan Bank and TIB has entered into separate Subscription Agreements with the Issuer whereby each of them has irrevocably undertaken to:

- (i) exercise its rights to subscribe to the New Ordinary Shares it is entitled to under the Rights Issue in accordance with the terms and conditions set out in the Prospectus; or
- (ii) procure that a KIPCO Group entity subscribes to the New Ordinary Shares to which it is entitled.

15 RELATED PARTY TRANSACTIONS

The Group's annual reports including audited financial statements for the years ended 31 December 2015, 31 December 2016 and 31 December 2017, which are available as described in section 19 "Reference Documents", contain related party information required to be included in this Prospectus.

No material changes have taken place since 31 December 2017. The transactions with related parties during the period from 01 January 2018 up to the date of this Prospectus are a continuation of the transactions referenced in the table above and no new types of transactions have been entered into.

16 FINANCIAL INFORMATION

16.1 AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION

The annual financial statements of the Issuer and the Group for FY 2015, 2016 and 2017 respectively have been audited by Messrs KPMG, Certified Public Accountants, Malta. The audited financial statements of the Issuer and Group for FY 2015, 2016 and 2017 are available for inspection on the Issuer's website www.fimbank.com.

The annual financial statements of the Issuer and the Group for FY 2017 are due for review, and, if deemed fit, approval by FIMBank at the forthcoming Annual General Meeting to be held on the 09 May 2018.

16.2 DIVIDEND POLICY

The Issuer may, in accordance with Articles 134 to 143 of the Articles of Association, pay dividends in the general meeting, but no dividend may exceed the amount recommended by the Directors. The Directors may from time to time pay to the Shareholders such interim dividends as appear to the Directors to be justified by the profits of the Issuer. The extent of any dividend distribution depends upon many factors, amongst which the profit for the year, market outlook, any loan covenants in place, regulatory requirements related to capital adequacy and distributions – specifically the CRR and the CRD IV - and the availability of distributable reserves in terms of law. It has been the practice for the Issuer to give the option to Shareholders of receiving dividends either in cash or through the issue of new shares by way of scrip dividend.

No dividend has been paid since May 2013, relative to the results of the FY 2012. At 31 December 2017 the Issuer does not have any distributable reserves and has accumulated losses of USD35,768,147. Under the Companies Act a distribution of dividends may only be made out of profits available for the purpose. The Issuer is currently exploring a number of options with the intention of reducing its accumulated losses and be in a position to consider a dividend payment in future financial periods.

16.3 LEGAL AND ARBITRATION PROCEEDINGS

16.3.1 FIMBANK

16.3.1.1 FIMBank p.l.c. Vs PJSC Bank UralSib

On 06 June 2017, a final award from the LCIA was decided in favour of FIMBank and VTB Bank Austria, whereby the defendant PJSC Bank UralSib was condemned to pay the sums due, together with the outstanding interests and a large proportion of the legal costs. From such litigation, FIMBank received the sums of US\$20,450,757.30 and GBP42,644.48.



16.3.1.2 FIMBank p.l.c. Vs Klesch Group Limited

On 01 January 2017, FIMBank filed proceedings before the Maltese courts against Klesch Group Limited acting as guarantor of Leali Steel S.p.A. for the amount of EUR6,993,914.97 representing the balance due under a facility granted by FIMBank. No provision has yet been made, however, FIMBank will be considering whether provision should be made.

16.3.1.3 FIMBank p.l.c. Vs Amsel Navigation Co. Limited

On 07 May 2015 Amsel Navigation Co. Limited ("**Amsel Navigation**") and FIMBank entered into a loan agreement whereby FIMBank agreed to make available to Amsel Navigation a loan of up to US\$4,317,000. Amsel Navigation repaid to FIMBank only US\$350,000 of the principal loan.

Accordingly, on 22 November 2017 FIMBank commenced proceedings against Amsel Navigation and its personal guarantor in the High Court of Justice, England and Wales claiming, inter alia, the remaining unpaid amount, interest and costs. Negotiations are currently underway in order for Amsel Navigation to settle all outstanding debts through the private sale of its assets.

16.3.2 LONDON FORFAITING COMPANY LIMITED

16.3.2.3 London Forfaiting Company Limited et al. Vs Unnamed defendant

On 28 February 2017, a group of lenders including LFC, filed arbitration proceedings against a defendant (which needs to remain unnamed due to applicable contractual confidentiality clauses) for the recovery of the sum of USD10 million representing LFC's principal participation in a syndicated loan facility. LFC has an exposure of GBP10 million of which provision has been made for GBP7.1 million.

16.3.3 FIMFACTORS BV

16.3.3.1 FIMFactors BV Vs Unnamed defendant

On 27 March 2014, an Indian registered bank (which needs to remain unnamed due to applicable contractual confidentiality clauses), and FIMFactors BV entered into a share purchase agreement with India Factoring. The unnamed defendant failed to satisfy a number of conditions precedent under the agreement. As a result, FIMFactors BV has commenced arbitration proceedings against the unnamed defendant in an attempt to reverse the transaction and to recover the amounts paid under the agreement. The preliminary hearing took place on 20 June 2017, and the proceedings are now in the stage of collation and examination of documentary evidence.

16.4 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL POSITION

There has been no significant change in the financial or trading position and no significant change impacting the operations and activities of the Issuer or the Group which has occurred since 31 December 2017.

17 ADDITIONAL INFORMATION

17.1 SHARE CAPITAL

The current authorised share capital of the Company is US\$500,000,000 dividend into 1,000,000,000 ordinary shares having a nominal value of US\$0.50 each.

The following information highlights the changes in share capital in US\$ for the period 01 January 2015 to 31 December 2017:

	FY2017 USD	FY2016 USD	FY2015 USD
At 01 January	155,239,263	149,268,322	135,698,296
Exercise of options	85,067	-	-
Bonus Issue	1,941,232	5,970,941	13,570,026
At 31 December	157,265,562	155,239,263	149,268,322

There have been no changes to the issued share capital of the Issuer during the period 01 January 2018 up to the date of the Prospectus.

17.2 ADDITIONAL INFORMATION RELATING TO THE CAPITAL OF THE ISSUER

Other than the options set out in paragraph 12.3.2 of this Prospectus, there are no convertible securities, exchangeable securities or securities with warrants in relation to Shares in the Issuer.

17.3 MEMORANDUM AND ARTICLES OF ASSOCIATION

The following is a summary and explanation of the current Memorandum and Articles of Association, which are available for inspection as set out in section 19 of this Prospectus. The Memorandum and Articles of Association have been last amended at the annual general meeting of the Company on 11 May 2017.

17.3.1 Objects

The objects for which the Company is established are:

- a) To carry on the business of banking, from within the Republic of Malta and to undertake, carry on and execute all kinds of financial and banking operations with persons, companies or entities wherever resident, as may be allowed by the competent authorities.
- b) To engage in foreign commercial trade, barter and countertrade, whether of a wholesale or retail nature and whether on its own account or on a commission basis, including the purchase, acquisition and sale of all types of goods and commodities.
- c) To generate and engage in trade transactions and to underwrite such transactions, independently or jointly with other financial institutions, corporate entities, individual investors and specialised investment funds.
- d) To acquire, deal in, and hold either for itself or as agent of any firm, corporation, company or person, by purchase, lease, hire purchase, concession, grant, licence or otherwise such businesses, options, rights, privileges, land, buildings, leases, underleases, stocks, shares, units, debentures, debenture stock, bonds, obligations, securities, commodities, reversionary interests, annuities, policies of assurance, book debts or any other financial instruments, claims, choses in action, mortgages, charges and other property and rights and interests in property as the Company shall deem fit and generally to hold, manage, develop, lease, factor, sell or dispose of the same and to vary any of the investments of the Company, to deal in foreign exchange transactions of every description, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations or any other financial instruments and to deal with and grant hire purchase contracts of all types to any persons as the Company shall deem fit.
- e) To engage in international financial business, including the acceptance and making of deposits in foreign currencies.
- f) To engage in investment banking business, providing for the issue and confirmation of letters of credit, bridging finance and equity financing, credit or financial accommodation and the issuing of guarantees, performance bonds and bid bonds and to act as investment managers and brokers.

- g) To lend and advance money or give credit on any terms and with or without security to any person, firm or company, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any performance of any obligation by any person, firm or company and to provide credit finance for the acquisition and movement of all types of goods and commodities, in any manner, including but not limited to factoring, whether on a disclosed or undisclosed basis, forfeiting and other recourse or non-recourse trade financing.
- h) To undertake and carry on project financing, whether on a recourse, limited recourse or non-recourse basis.
- i) To receive and hold funds pending investment, maintain accounts for, provide safe custody services, handle transfers of securities and other similar matters and to raise loans and receive securities and valuables of all kinds.
- j) To engage in the provision of various financial initiatives including pre-export finance, post-shipment finance, warehouse finance, structured trade finance as well as the financing of agricultural and other industrial or financial activities.
- k) To undertake the business of investment services as defined in the Investment Services Act, in accordance with the terms and conditions of the Investment Services licence granted under the same act.
- l) To act as agents, brokers, trustees, advisors or consultants to any person, whether corporate or unincorporate and including any government, authority or parastatal body, and to undertake and perform sub-contracts.
- m) To borrow or raise money, with or without security, in such manner as the Company shall deem fit, and in particular by the issue of bonds, debentures, debenture stock (perpetual or otherwise) or any other financial instruments and to secure the repayment of any money borrowed, raised or owing, by hypothec, charge or lien upon all or any of its assets or property, whether present or future including its uncalled capital, if any, and also similar hypothec, charge or lien, to secure and guarantee the performance by the Company or any or any other person or company of any obligation undertaken by the Company or any other person or company, as the case may be, and to contract for public or private loans, and to negotiate, underwrite and issue the same, and to acquire any shares, stocks, debentures, debenture stocks, rents, bonds, mortgages, obligations and any other financial instruments by original subscription, syndicate participation, tender, purchase, exchange or otherwise, and to subscribe for the same either conditionally or otherwise, and to guarantee the subscription thereof.
- n) To draw, make, accept, endorse, grant, discount, confirm, acquire, subscribe, or tender for, buy, sell, issue, execute, guarantee, negotiate, transfer, hold, invest or deal in, honour, retire, pay, secure, or otherwise dispose of bills of exchange, promissory notes, bills of lading, warrants, stocks, shares, debentures, letters of credit and other obligations, or any other financial instruments, (whether transferable, negotiable or otherwise), and securities of any kind.
- o) To organise, incorporate, re-organise, finance, manage, aid, assist, supervise, market, promote, establish, manage and carry on any business, trade, fund, syndicate, partnership, company, group of companies, unit trust, investment trust or company or other scheme of whatsoever nature for any purpose and where soever situated.
- p) To act as promoters or founders of any company or undertaking, and to underwrite or guarantee the issue of a subscription to the capital, debentures, debenture stock or obligations or any other financial instruments of any such company upon commission or otherwise, and to expend money in law expenses, in the payment of fees, in preparing, circulating and advertising notices and prospectuses, and in doing all other things which may be necessary or convenient for successfully promoting, forming and floating any such company or undertaking.
- q) To procure the Company to be registered or recognised in any country or place, and to obtain any provisional order or Act of Parliament, or any enactment, decree or other legislative or executive act, of any Republic, Kingdom, State, Municipality or other authority for enabling the Company to place any of its objects into effect.

- r) To enter into any arrangements with any government, authority or corporation(s), companies, firms or persons that may seem conducive to the Company's objects or any of them and to obtain from such governments, authorities, corporations, companies, firms or persons, any contracts, grants, rights or privileges and concessions which the Company may consider desirable, and perform, carry out, exercise and comply with any such contracts, grants, rights, privileges and/or concessions.
- s) To enter into any amalgamation, partnership, joint venture or any other arrangement for the sharing of profits, union of interests or co-operation with any company, firm or persons carrying on or proposing to carry on any business within the objects of the Company, and to acquire, hold, sell, deal with or dispose of shares, stocks or securities or any other financial instruments of any such company, firm or persons and to guarantee the contracts and liabilities or payments of dividends, interest or capital of any shares, stocks, debentures or securities or any other financial instruments and to subsidise or otherwise assist such company, firm or person.
- t) To invest and deal with the moneys of the Company not immediately required, in any manner deemed profitable by the Company.
- u) To establish and promote or concur in establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company and to place or guarantee the placing of, underwrite, subscribe for or otherwise acquire all or part of the shares, debentures or other securities or any other financial instruments of any such other company and otherwise to act in the promotion or establishment thereof and to pay or receive any commission, brokerage or other remuneration in consideration thereof.
- v) To vary any investments and holdings of the Company as may from time to time be desirable.
- w) To sell, lease, hypothecate, give in exchange, dispose of or otherwise realise, turn to account, abandon or otherwise deal with, on any terms which may be deemed fit, the whole or any part of the business, property, assets, investments, securities or any other financial instrument and rights of the Company and for such consideration as the Company may deem fit and without derogating from the generality of the foregoing including shares, stock, debentures, debenture stock or securities or rights of any kind over the property or assets of any other company, undertaking or person having objects altogether or in part similar to those of the Company.
- x) To distribute among members of the Company any property of the Company, whether by way of dividend or otherwise and in particular any shares, debentures or other securities of other companies belonging to the Company or of which the Company has the power of disposing.
- y) To take part in the formation, management, supervision or control of any company, undertaking or enterprise as the Company may deem fit and for that purpose to appoint and remunerate any directors, accountants or other experts or agents.
- z) To support or subscribe to or otherwise aid benevolent, philanthropic, charitable, national or otherwise, institutions or objects of a public character.
 - aa) To act as registrars and transfer agents for any company and to maintain for any company any records and accounts which may be required for the purpose, and to undertake any duties in relation to the registration of transfers, the issue and deposit of certificates or other documents evidencing title to securities or otherwise.
 - bb) To purchase, acquire or otherwise hold immovable property or any right thereon where it is reasonably necessary for the purpose of conducting its business.
 - cc) To provide agency services, in relation to the winding up of estates, the receipt or collection of any principal, interests, rents, debts, debentures or other securities, evidence of debts or demands of any nature as well as in relation to the acquisition and sale of any immovable or movable property.
 - dd) To do whatever may be necessary or expedient to enable the Company to be registered as a body corporate or otherwise to establish a legal domicile or representation and to enable the affairs and operations of the Company to be effectively carried on in any part of the world.

- ee) To sell, lease, hypothecate or otherwise dispose of the whole or any part of the property or assets of the Company.
- ff) To construct, improve and manage offices, stores or other buildings which may be required in connection with the Company's business.
- gg) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with its business and calculated directly or indirectly to enhance the value of the Company's property or rights.
- hh) To issue any shares of the Company as fully paid up in consideration of any property acquired or to be acquired, or services rendered to or to be rendered to the Company.
- ii) To pay, satisfy or compromise any claims made against the Company, which it may seem expedient to pay, satisfy or compromise, notwithstanding that the Company may be under no legal obligation to pay, satisfy or compromise such claims.
- jj) To establish and maintain share option schemes in relation to the shares of the Company under such terms and conditions as the Company may determine from time to time and to issue securities which are convertible into shares or which carry the right to subscribe for shares.
- kk) To carry out all or any of the foregoing objects in any part of the world either as principals, agents, contractors, trustees, or otherwise.
- ll) To do all other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

17.3.2 Directors

- a) The administration and management of the Issuer shall be vested in a Board of Directors consisting of not less than five and not more than eleven directors, all of which shall be individuals who shall be elected in accordance with the Articles of Association of the Company.
- b) An election of Directors pursuant to Article 95 of the Articles of Association shall take place at every annual general meeting unless circumstances require otherwise. The Directors of the Company shall be elected on an individual basis by ordinary resolution of the Company in general meeting. The said ordinary resolution shall be determined and decided by means of a poll.
- c) Directors shall hold office from the close of the general meeting at which they are appointed until the end of the annual general meeting after their appointment. Any Directors howsoever appointed in the interim, whether to fill a vacancy or otherwise, shall hold office for the remainder of the term of the Board to which they are appointed and shall retire together with the other serving directors.
- d) The Company, may, by ordinary resolution, remove a director before the expiration of his term of office.
- e) The maximum aggregate emoluments of all Directors in any one financial year, as well as any increase of such emoluments, shall be such amount as may from time to time be determined by the Company in a general meeting, and any notice convening the general meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact.
- f) A Director shall not be required to have a shareholding qualification, but this notwithstanding, a director who is not a member shall be entitled to attend and speak at general meetings of the Company.

17.3.3 Classes of Shares

The Company only has Ordinary Shares in issue.

17.3.4 Variation of Rights

The rights attached to any class of shares, as is currently in force, or other classes of shares that may be created in the future may only be varied with the consent in writing of the holders of not less than 80% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

17.3.5 Annual and other General Meetings

- a) The annual general meetings of the Company shall be held at such time and place as the Directors shall appoint.
- b) The Directors may convene an extraordinary general meeting whenever they think fit. Extraordinary general meetings may also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by Article 129 of the Companies Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, any Director, or any two members of the Company, may convene an extraordinary general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors.
- c) A notice convening an annual general meeting shall specify the meeting as such and a notice convening a meeting to pass an extraordinary resolution shall specify the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof.
- d) Notice of every general meeting shall be given to:
 - (a) every registered member except those members who (having no registered address in Malta) have not supplied the Company an address for the giving of notices to them; and
 - (b) the Directors; and
 - (c) the auditor/s for the time being of the Company.

No other persons shall be entitled to receive notice of general meetings.

- e) No business shall be transacted at any general meeting unless a quorum of members is present, in person or by proxy, at the time when the meeting proceeds to business; save as herein otherwise provided members, present in person or by proxy, entitled to attend and vote at the general meeting and holding in aggregate not less than 50% plus one (50% + 1) votes of the shares having voting rights in the Company shall constitute a quorum. If within half an hour from the time appointed for the commencement of the meeting, a quorum is not present, the meeting howsoever called, shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not yet present within half an hour from the time appointed for the meeting, the members present shall constitute a quorum.

18 MATERIAL CONTRACTS

18.1 UNDERWRITING AGREEMENT

The Underwriting Agreement has been entered into by and between UGH and the Company. UGH has, subject to the satisfaction of a number of conditions, undertaken in favour of the Company to subscribe to such number of New Ordinary Shares under the Rights Issue at the Share Offer Price, as are not subscribed to by the last day of the Lapsed Rights Offer Period. The obligation of UGH shall be to subscribe to such number of New Ordinary Shares necessary for the Company to have raised, pursuant to the Rights Issue, a sum equal to one hundred and five million United States Dollars (US\$105,000,000).

The obligations of UGH under the Underwriting Agreement are subject to inter alia the following conditions:

- (a) There shall have been, as of the date of the signing of the Underwriting Agreement, and as at the end of the Offer Period and the Lapsed Rights Offer Period, no event making any of the representations and warranties granted by the Company under the Underwriting Agreement untrue or incorrect in any material respect on the aforementioned date and the Company shall have performed all the obligations to be performed under the Underwriting Agreement on or before the said date.
- (b) Subsequent to the respective dates as of which information is given in the Prospectus and up to the date of the Prospectus, there shall not have been any material change, on a consolidated basis, in the capital, short-term debt (other than in the ordinary course of business) or long-term debt of the Company and its subsidiaries, except as contemplated in the Prospectus, or any material adverse change, or any event or development involving a potential material adverse change, in the condition (financial or other), earnings, business, prospects, net worth, results of operations or properties of the Company and its subsidiaries, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Prospectus.

In the event that any of the foregoing conditions is not satisfied on or before the date when the allotment of the New Ordinary Shares becomes unconditional pursuant to Article 101 of the Companies Act, this Underwriting Agreement shall terminate with effect from such date, provided that the Underwriter may in its discretion and by notice to the Company, waive satisfaction of any of the above conditions or of any part of them.

In addition, the Underwriter shall have the right to terminate the Underwriting Agreement by giving notice at any time at or prior to the allocation of shares becoming unconditional in terms of Article 101 of the Companies Act if:

- (i) The Company shall have failed, refused or been unable, at or prior to that date, to perform any material agreement on its part to be performed hereunder;
- (ii) Any other material condition of the Company's obligations under the Underwriting Agreement is not fulfilled;
- (iii) An application for the New Ordinary Shares to be admitted to listing on the Official List of the Malta Stock Exchange has been refused.

As at the date of this Prospectus and to the best of the Issuer's knowledge, there are no facts or circumstances which would entitle UGH to withdraw from its commitments under the Underwriting Agreement.

The Underwriter and the Company form part of the same group of companies having KIPCO as their ultimate parent company. FIMBank has obtained a determination in writing by the MFSA that the Underwriter qualifies for an exemption from the requirement to obtain an investment services licence under the Investment Services Act to carry out such underwriting services.

18.2 SUBSCRIPTION AGREEMENTS

Each of UGH, Burgan Bank and TIB has entered into a separate Subscription Agreement with the Company whereby it has irrevocably undertaken to:

- (i) exercise its rights to subscribe to the New Ordinary Shares it is entitled to under the Rights Issue in accordance with the terms and conditions set out in the Prospectus; or
- (ii) procure that one or more KIPCO Group entity subscribe to the New Ordinary Shares to which it is entitled.

In terms of the respective Subscription Agreements, in the event that UGH, Burgan Bank, TIB and/or the respective KIPCO Group entity is owed any subordinated debt by FIMBank, each of UGH, Burgan Bank, TIB and/or the respective KIPCO Group entity, shall have the option to set-off the subscription price or part thereof against any outstanding amount owed by FIMBank to such entity.

18.3 SUBORDINATED LOAN AGREEMENT

Burgan Bank and the Issuer entered into the Subordinated Loan Agreement dated 07 September 2015 and wherein Burgan Bank provided the Issuer with a US\$50,000,000 subordinated loan facility.

The Subordinated Loan Agreement has been entered into to allow the Issuer to finance its general corporate activities and to enable it to include the subordinated loan as Tier 2 capital in accordance with the CRR. The Subordinated Loan Agreement has been amended and supplemented from time to time. As a result the due date for repayment of the Subordinated Loan Agreement is 29 August 2022.

18.4 OTHER MATERIAL CONTRACTS

Other than the above, the Issuer has not entered into any material contract, other than contracts entered into in the ordinary course of business, to which the Issuer or any member of the Group is a party, for the last year immediately preceding publication of the registration document, other than as disclosed in this Prospectus.

19 REFERENCE DOCUMENTS

The following Reference Documents are incorporated by reference into this Prospectus and are available for inspection at the Issuer's registered office for the duration of the Prospectus and on the Issuer's website (www.fimbank.com):

- a. The Memorandum and Articles of Association; and
- b. The annual reports, including the audited financial statements of the Issuer and the Group for FY 2015, FY 2016 and FY 2017.

20 ESSENTIAL INFORMATION

20.1 WORKING CAPITAL STATEMENT

The Board of Directors is of the opinion that the working capital available to the Issuer and the Group is sufficient for its business requirements over the coming twelve months of operations.

20.2 CAPITALISATION AND INDEBTEDNESS

20.2.1 Capitalisation and Indebtedness of FIMBank

The following tables show the capitalisation and indebtedness of the Issuer at 31 December 2017.

Capitalisation	USD
Called up issued share capital	157,265,562
Share premium	173,113
Other reserve	2,870,270
Reserve for general banking risks	608,284
Total equity¹	160,917,229
Indebtedness – Unsecured	
Loans from banks	143,635,379
Loans from customers	-
Debt securities in issue	54,653,654
Total indebtedness -unsecured	198,289,033
Indebtedness – Secured	
Loans from banks	65,000,000

¹Excludes retained earnings, fair value reserve and currency translation reserve.

20.2.2 IFRS 9 Financial Instruments

The Group will adopt the new standard on 1 January 2018 and in line with the requirements of International Financial Reporting Standards 9 ("IFRS 9"), it will not restate the comparative financial information. The Group has assessed the estimated impact that the initial application of IFRS 9 will have on its consolidated financial statements based on currently available information which may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018. Overall, the Group expects no significant impact on its statement of financial position and equity except for the effect of applying the "impairment" requirements of IFRS 9 (see below).

The group has estimated that application of IFRS 9's impairment requirements at 1 January 2018 results in additional impairment losses impacting equity. It is estimated that the new impairment methodology will result in higher impairment provisions ranging between USD7.5 million to USD10.0 million, predominantly for loans and advances to banks and customers, recognised on the Group's balance sheet.

The Group has also adopted Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 as regards transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds and for the large exposures treatment of certain public sector exposures denominated in the domestic currency of any Member State. As a result of this, the impact on Common Equity Tier 1 (CET1) for the financial year ended 31 December 2018 will be 5% of the IFRS9 impairment adjustment.

20.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The following interests of natural and legal persons involved in the issue are being disclosed:

- Information on the interest of members of the Board and executive management has been disclosed in sections 12.1.2 and 12.1.3 of the Prospectus.
- UGH has undertaken to underwrite a sum equal to one hundred and five million United States Dollars (US\$105,000,000) of the Rights Issue as further described in section 18.1 above. Both UGH and TIB form part of the KIPCO Group.
- As at Record Date, Rizzo, Farrugia & Co (Stockbrokers) Ltd held 10,223,927 Shares as agent on behalf of its clients both on an execution-only basis and on a portfolio management basis.

20.4 REASONS FOR THE OFFER AND USE OF PROCEEDS

The net proceeds from the issue of New Ordinary Shares will be used by the Issuer as follows:

- to extinguish the outstanding principal sum of US\$50,000,000 borrowed by the Issuer, and applicable interest thereon, under the Subordinated Loan Agreement by setting-off the amounts owed by the Issuer thereunder against the consideration due by Burgan Bank (or its lawful transferee) for the issuance of an equivalent sum in value of New Ordinary Shares; and
- to strengthen its capital base and support the general growth of the Group.

The proceeds of the New Ordinary Shares will constitute Common Equity Tier 1 (CET1) capital forming part of the Issuer's Own Funds in terms of the CRR.

20.5 PUBLIC FLOAT

The current level of Shares in the Company held by the public is below the required minimum of 25%. It is anticipated that, as a result of the Rights Issue, and in the event that some members of the public do not exercise their Rights, there is a likelihood that the Shares in public hands will continue to decrease. The Listing Authority has communicated with FIMBank to the effect that should the level of shares in the hands of the public decrease further below the current level of circa 16%, as a result of this Rights Issue and Intermediaries' Offer, this may impact FIMBank's listing on the MSE. The Listing Authority reserves the right to take any measures it may generally take with regards to listed companies achieving the free float threshold set in Listing Rule 3.26.

21 INFORMATION ON HOLDINGS

Significant Subsidiaries

As defined in section 4.4, the Company has the following significant subsidiaries and subsidiary undertakings (each of which is considered by the Company to be likely to have a significant effect on the assessment of its assets and liabilities, financial position or profits and losses):

Name of Company	Country of incorporation	Principal activities	% holding
LFC	UK	Forfaiting	100*
FIMFactors	The Netherlands	Factoring	100*
Menafactors (in liquidation)	United Arab Emirates	Factoring	100
India Factoring	India	Factoring	86.05
BRASILFACTORS	Brazil	Factoring	50
Egypt Factors	Egypt	Factoring	100*
FIM Holdings (Chile) S.p.A.	Chile	Factoring	100*
LATAM Factors	Chile	Factoring	51
FactorRus LLC (in liquidation)	Russia	Factoring	100
FIM Business Solutions	Malta	IT Services	100*
FPI	Malta	Property Management	100*

Investments in subsidiaries held directly by the Issuer are marked with *.

22 INFORMATION CONCERNING THE SECURITY

22.1 GENERAL

Each New Ordinary Share forms part of the duly authorised issue by way of Rights to 209,687,428 New Ordinary Shares (of a nominal value of US\$0.50 each) which, if subscribed to in full at the Offer Price, will amount to gross principal proceeds of approximately one hundred and fifteen million United States Dollars (US\$115 million). The Issuer's ISIN number is MT0000180100.

22.2 APPLICABLE LAWS

The New Ordinary Shares are issued in accordance with the requirements of the Listing Rules, the Banking Act, the Companies Act, the Prospectus Directive and the Prospectus Regulation.

22.3 REGISTRATION, DENOMINATION, FORM AND TITLE

The Issuer will not issue share certificates representing the fully paid up New Ordinary Shares as the New Ordinary Shares will be represented in uncertificated form by the appropriate entry in the electronic register of the Issuer's members maintained on behalf of the Issuer at the Malta Stock Exchange. There will be entered into such electronic register the names and addresses of the holders of the New Ordinary Shares and the number of New Ordinary Shares held by them. A notice is expected to be issued by MSE upon listing of the Shares.

Any shareholder in whose name the New Ordinary Shares are registered may (to the fullest extent permitted by the applicable laws) be deemed and treated at all times and for all purposes as the owner of the New Ordinary Shares. Title to the New Ordinary Shares is transferred in accordance with the provisions of section 22.7 of this Prospectus.

22.4 CURRENCY OF THE NEW ORDINARY SHARES

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



22.5 RIGHTS ATTACHED TO THE NEW ORDINARY SHARES

22.5.1 Ranking

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

22.5.2 Class of New Ordinary Shares

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

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

22.5.3 Dividends

In accordance with the Companies Act, the authority to declare dividends lies with the Issuer's shareholders in the general meeting. However, in terms of the Issuer's Memorandum and Articles of Association, no dividend shall exceed the amount recommended by the Directors. As stated in section 16.2, the Issuer's policy on dividend distributions has been one aimed at balancing payouts from cash profits with prudent retentions. It is also guided by the observance of provisions and covenants in loan agreements which invariably require any proposed payment or distribution to be made out of net income of the current financial year, excluding any amount resulting from the revaluation of any of the Issuer's assets, while ensuring that no event of default or potential event of default has occurred or is then continuing. The dividend policy is also influenced by the impact of revised MFSA Banking Rule 09, which requires the build-up of a reserve for General Banking Risks calculated as a percentage of non-performing facilities. This reserve is required to be funded from planned dividends and may consequently affect the level of future distributions.

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

22.5.4 Voting Rights

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

22.5.5 Meetings of Shareholders

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

In terms of Listing Rule number 12.4, notice in writing shall be given to each shareholder at least twenty-one days before the meeting (excluding the day on which the notice is given and the day for which it is given). The notice shall specify the date, time and location of the meeting and whether there will be required decisions of ordinary or special business. If the latter, the notice has to specify the general nature of the business. The instrument appointing a proxy shall be deposited at least 24 hours before the time fixed for the meeting at such place as the Issuer shall designate or approve.

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

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

not present within 30 minutes from the time fixed for a meeting so adjourned the members present shall constitute a quorum.

22.5.6 Pre-emption rights in respect of new issues of shares

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

The Shareholders, in Annual General Meeting on the 11 May 2017, have granted authority to the Board of Directors that:

“pursuant to Article 18 of the Articles of Association of the company, that the Board of Directors be generally authorised (with full powers of delegation) to restrict or withdraw the statutory pre-emption rights of the Company’s equity securities holders for as long as the Board of Directors remains authorised to issue and allot Equity Security in terms of Article 85 of the Companies Act.”

22.6 AUTHORISATIONS AND APPROVALS FOR THE RIGHTS ISSUE

The Shareholders, in the Annual General Meeting on 11 May 2017, have granted the following authority in relation to the Rights Issue:

“to make one or more rights issues over a period of three (3) years to raise in aggregate a minimum of USD100,000,000 (the “Rights Issues”) by the issuance of ordinary shares to its Members on such terms and conditions as may be determined by the Board of Directors”

22.7 TRANSFERABILITY OF NEW ORDINARY SHARES

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

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

22.8 RESTRICTIONS AND TAKEOVER BIDS

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

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

22.9 TAXATION

22.9.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation in respect of the New Ordinary Shares, including their acquisition, holding and transfer as well as on any income derived there from or on any gains derived on the transfer of such New Ordinary Shares. The following is a summary of the anticipated tax treatment applicable to the holders of the fully paid up New Ordinary Shares. This information, which does not constitute legal or tax advice, and which does not purport to be exhaustive refers only to the holders of the New Ordinary Shares who do not deal in securities in the course of their trading activity or business.

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 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.

The information is being given solely for the general information of investors. The precise implications for investors will depend on their particular circumstances and professional advice in this respect should be sought accordingly.

22.9.2 Dividends

The Issuer is subject to tax in Malta on its worldwide profits at the corporate tax rate which currently stands at 35%.

The Issuer is obliged to withhold tax at 15% upon a distribution out of distributable profits allocated to its untaxed account to a shareholder who is:

- (i) a person resident in Malta (other than a company);
- (ii) a non-resident person (including a non-resident company) who is owned and controlled by, directly or indirectly, or who acts on behalf of, an individual who is ordinarily resident and domiciled in Malta;
- (iii) a trustee of a trust where the beneficiaries of such trust are persons referred to in (i) and (ii) above; and
- (iv) an EU/EEA individual (and his or her spouse where applicable) in specific circumstances referred to in the Income Tax Act (Cap. 123 of the laws of Malta).

A distribution by the Issuer out of distributable profits allocated to any other taxed account to any shareholder should not be subject to any further tax at the level of the shareholder.

The shareholder is not obliged to declare any dividend income derived from the Issuer in his/her tax return unless the shareholder is entitled to and opts to claim a credit, in whole or in part, of the income tax suffered by the Issuer on the distributed profits.

22.9.3 Capital Gains on the transfer of the New Ordinary Shares

In terms of Article 5(6)(b) of the Income Tax Act, any gains derived on a transfer of shares listed on a stock exchange recognised under the Financial Markets Act, should be exempt from income tax to the extent that such shares are held as capital assets by the investor.

Consequently, on the basis that the New Ordinary Shares are listed on the Malta Stock Exchange, no income tax should be chargeable on a capital gain arising on the transfer of the New Ordinary Shares, if such shares are held as capital assets.

22.9.4 Duty on Documents and Transfers

In terms of Article 50 of the Financial Markets Act, the transfer of shares which are listed on a Regulated Market should be exempt from duty.

Consequently, on the basis that the New Ordinary Shares are listed on the Malta Stock Exchange (a Regulated Market), no duty should be payable on a transfer of such New Ordinary Shares.

Prospective investors are urged to seek professional advice as regards both Maltese and foreign tax legislation applicable to the acquisition, holding and disposal of the ordinary shares, as well as dividend payments made by the Issuer.

23 EXPENSES OF THE ISSUER/OFFER

The Rights Issue and the Intermediaries' Offer will involve expenses including publicity, printing, listing, registration, legal, sponsor, management and registrar fees and other miscellaneous costs. Such expenses are estimated not to exceed US\$0.6 million and shall be borne by the Issuer. No expenses will be specifically charged by the Issuer to any Applicant who subscribes for New Ordinary Shares. The amount of the expenses will be deducted from the proceeds of the Rights Issue and the Intermediaries' Offer, which accordingly will bring the net proceeds from the Rights Issue and the Intermediaries' Offer to circa US\$114.4 million if all the entitlements to the New Ordinary Shares are validly taken up.

The following commissions shall be payable by the Issuer in connection with the Rights Issue and the Intermediaries' Offer:

- A commission of EUR75 per PAL shall be payable by the Issuer to Collecting Agents for the due completion and submission of PALs.
- In the event of the Intermediaries' Offer, a commission at the rate of 1% of the value of an accepted offer shall be payable by the Issuer to the Collecting Agents.
- A commission of 1.5% of the value of the New Ordinary Shares subscribed to by the Underwriter shall be payable to the Underwriter, with a minimum fee of US\$125,000.

All of the above commissions have been included in the calculation of expenses in relation to the Rights Issue and the Intermediaries' Offer. Other than the above, there are no other commissions which are payable by the Issuer in connection with the Rights Issue and the Intermediaries' Offer.

24 DILUTION

Pursuant to the Rights Issue and the Intermediaries' Offer 209,687,428 New Ordinary Shares will be issued at the Share Offer Price. This will result in the issued share capital of the Company increasing by approximately 67%. Eligible Shareholders who take up their pro rata entitlement in full will suffer no dilution to their interests in the Company. Eligible Shareholders who do not take up any of their rights to subscribe for the New Ordinary Shares will suffer an immediate dilution of 40% in their interests in the Company.

25 EXPECTED TIMETABLE OF THE PRINCIPAL EVENTS

Each of the times and dates (other than the Record Date) in the table below is indicative only and may be subject to change.

Availability of Provisional Allotment Letters	04 April 2018
Opening of Offer Period	04 April 2018
Closing of Offer Period	18 April 2018
Announcement of Rights Issue results	25 April 2018
Opening of Lapsed Rights Offer Period	27 April 2018
Allotment and expected admission to listing of New Ordinary Shares issued pursuant to the Rights Issue	30 April 2018
Expected commencement of trading of New Ordinary Shares issued pursuant to the Rights Issue	02 May 2018
Closing of Lapsed Rights Offer Period	04 May 2018
Announcement of the result of the Intermediaries' Offer and underwriting	08 May 2018
Allotment and expected admission to listing of New Ordinary Shares issued pursuant to the Intermediaries' Offer (if any)	14 May 2018
Expected commencement of trading of New Ordinary Shares issued pursuant to the Intermediaries' Offer (if any)	15 May 2018
Payment of premium (if any) to Lapsed Rights holders	15 May 2018

26 TERMS AND CONDITIONS OF THE RIGHTS ISSUE AND THE INTERMEDIARIES' OFFER

26.1 GENERAL

26.1.1 Introduction

The Company is proposing to raise proceeds by way of a Rights Issue, and in the event of any Lapsed Rights, an Intermediaries' Offer, through the issue of 209,687,428 New Ordinary Shares, in aggregate.

The New Ordinary Shares will be offered by way of nil-paid rights at US\$0.55 per New Ordinary Share, payable in full on acceptance by the Eligible Shareholder, on the basis of:

2 New Ordinary Shares for every 3 Existing Ordinary Shares

held on the Record Date on the terms and conditions as set out in this Prospectus and the Provisional Allotment Letter.

Application has been made to the Listing Authority to authorise the New Ordinary Shares to be admitted to trading on the Official List of the Malta Stock Exchange. It is expected that the issue date and allotment as well as the listing of the New Ordinary Shares will be as follows:

- (i) The New Ordinary Shares issued pursuant to the Rights Issue are expected to be listed on the 30 April 2018 and that dealings in the New Ordinary Shares will commence on the 02 May 2018; and
- (ii) The New Ordinary Shares issued pursuant to the Intermediaries' Offer are expected to be listed on the 14 May 2018 and that dealings in the New Ordinary Shares will commence on the 15 May 2018.

The New Ordinary Shares will, when issued and fully-paid, rank equally in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of this Prospectus.

The allotment of New Ordinary Shares pursuant to the Rights Issue is conditional upon a minimum of ninety million United States Dollars (US\$90,000,000) in New Ordinary Shares being subscribed for and raised by the Company in cash pursuant to the Rights Issue (but excluding for the avoidance of doubt any New Ordinary Shares subscribed for under the Intermediaries' Offer or pursuant to the Underwriting Agreement).

The allotment of New Ordinary Shares pursuant to the Intermediaries' Offer is not conditional upon a minimum amount of monies being raised. Accordingly, the allotment of New Ordinary Shares pursuant to the Intermediaries' Offer (and the Underwriting Agreement) shall be valid notwithstanding that not all the New Ordinary Shares which the Company was entitled to issue pursuant to this Prospectus have been issued.

In the event that either of UGH, Burgan Bank and TIB exercise its rights to subscribe to the New Ordinary Shares to which it is entitled, it shall not be required to submit a PAL and the provisions of the respective Subscription Agreement with the Company will apply in lieu thereof.

Save as provided in these Terms and Conditions, none of the New Ordinary Shares are being made available to the public other than pursuant to the Rights Issue or the Intermediaries' Offer, as the case may be.

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

It is the responsibility of the Eligible Shareholders wishing to apply for the New Ordinary Shares to inform themselves as to the legal requirements of so applying in Malta and in the countries of their nationality, residence or domicile.

The attention of Overseas Shareholders or any person who has a contractual or other legal obligation to forward this Prospectus or other related document into a jurisdiction other than Malta is drawn to section 26.6 below. The offer of New Ordinary Shares, the Rights Issue and the Intermediaries' Offer will not be made into the Excluded Territories.

26.1.2 Definitions

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

26.1.3 Notices

This Prospectus and accompanying documentation are expected to be mailed to Eligible Shareholders at their registered addresses as held by the Central Securities Depository (as at the Record Date) by the 22 March 2018 and for all Eligible Shareholders it shall be deemed to have been served at the expiration of two (2) days after such mailing.

26.1.4 Provisional Allotment Letters ("PAL(s)")

Provisional Allotment Letters are expected to be dispatched to Eligible Shareholders by the 03 April 2018. The Eligible Shareholders shall return the Provisional Allotment Letter(s) to any of the Collecting Agents (as listed in Annex I) during the period between 08:30 on 04 April 2018 and 10:00 on 18 April 2018 (the "**Offer Period**").

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

- (a) take up all of his Rights (PAL A); or
- (b) take only part of the Rights allotted to him (and may in addition also opt to transfer all or part of the remaining balance) (PAL B); or
- (c) transfer part or all of those Rights to a third party/ies (PAL C).

The Provisional Allotment Letter(s) must be returned by the Collecting Agents to the Registrar by 13:30. on the 18 April 2018, together with relevant evidence of full payment made to the Registrar's Account for the amount of New Ordinary Shares subscribed for, and any other documentation necessary.

It shall be the sole responsibility of the Collecting Agent to ensure that the PALs together with relevant evidence of full payment reach the Registrar on time.

26.1.5 Right to Reject

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

If any Provisional Allotment Letter is not accepted, and the Eligible Shareholder is resident in either Malta or Gozo, the payment monies will be returned by means of a cheque in US\$, without interest, and mailed at the Shareholders' own risk to the address appearing on the Provisional Allotment Letter. In the case of Eligible Shareholders residing overseas, payment monies will be returned by direct credit to the bank account provided by the respective applicant upon the request of the Registrar or the Issuer, and provided that the Applicant has inserted all requested contact details in the relevant PAL. Any expenses or charges connected with such return of monies shall be borne by the respective Eligible Shareholder.

The Company and the Registrar expressly disclaim any and all responsibility for any remittances that may be lost or otherwise mislaid.

26.1.6 Right to Revoke the Offer

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

The circumstances in which such revocation might occur are expected to be exceptional, for example in the case of extraordinary injection of capital exogenous to this Rights Issue or where a significant change in market conditions occurs.

In the event of a revocation of the Offer made by an eligible Shareholder residing in either Malta or Gozo, the payment monies will be returned by means of a cheque in US\$, without interest, and mailed at the shareholders' own risk to the address appearing on the Provisional Allotment Letter. In the case of Eligible Shareholders residing overseas, payment monies will be returned by direct credit to a bank account provided by the respective Applicant upon the request of the Registrar or the Issuer, and provided that the Applicant has inserted all requested contact details in the relevant PAL. The Company and the Registrar expressly disclaim any and all responsibility for any remittances that may be lost or otherwise mislaid.

26.1.7 Announcement of the Acceptance of Rights and Underwriting

The Issuer shall announce the result of the Rights Issue pursuant to the PALs received around 25 April 2018. Furthermore, pursuant to any Lapsed Rights, the Issuer is expected to make an announcement of the result of the Intermediaries' Offer on 08 May 2018.

26.2 REGISTRATION

The New Ordinary Shares shall be maintained in book-entry form in an electronic register maintained on behalf of the Issuer at the CSD. The New Ordinary Shares shall accordingly be evidenced by a book-entry in the register of members held by the CSD. Statements of holdings and/or registration advices issued by the CSD will be regulated in terms of the e-portfolio service offering of the CSD. To this extent, the Shareholders are expected to liaise directly with the CSD on this matter.

Upon submission of a PAL, the Eligible Shareholder who opts to subscribe for the online e-portfolio by ticking the appropriate box on the PAL will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Shareholder's statement of holdings evidencing entitlement to the New Ordinary Shares held in the register of members and registration advices evidencing movements in such Register of Members will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>

26.3 ACTION REQUIRED TO SUBSCRIBE TO THE RIGHTS ISSUE

26.3.1 Contents of PAL

Each Provisional Allotment Letter will set out:

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

The minimum number of New Ordinary Shares an Eligible Shareholder may take up when filling up either PAL B or PAL C is one.

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

If the Provisional Allotment Letter is signed by a third party on behalf of an Eligible Shareholder, the PAL should be accompanied by a certified true copy of a valid power of attorney mandate.

In all cases, it shall not be incumbent on the Registrar or FIMBank to verify whether the person/s signing the PAL is duly authorised to do so for and on behalf of the Eligible Shareholder.

The contract created by the signing of the Provisional Allotment Letter shall be subject to all the terms and conditions set out in this Prospectus and the PAL.

26.3.2 Joint Eligible Shareholders

In the case of Existing Ordinary Shares held jointly by several persons, the Company shall send a Provisional Allotment Letter only to the person/s entered on the register of the Central Securities Depository or to the first person of the joint holders entered on the register of the Central Securities Depository who shall, for all intents and purposes be deemed, vis-a-vis the Company, to be the registered holder of the Existing Ordinary Shares.

In all cases where the Ordinary Shares are held jointly by several persons, the Provisional Allotment Letter must be signed by each joint holder. Similarly, where the Transferee/s are joint applicants, the PAL must be signed by each joint Transferee.

26.3.3 Legal Persons

Where the Eligible Shareholder is a legal person, the Provisional Allotment Letter must be signed by the person/s authorised to sign and bind such Eligible Shareholder. It shall not be incumbent on the Company or the Registrar to verify whether the person/s purporting to bind such an Eligible Shareholder is in fact so authorised.

26.3.4 Minors

If the name appearing on the register of the Central Securities Depository as at close of trading on the Record Date is that of a minor, and the Eligible Shareholder is still a minor at the date of closure of the Offer Period, the Provisional Allotment Letter must be signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor or evidence of legal guardianship, as the case may be. Any New Ordinary shares allotted pursuant to the Rights Issue shall be registered by the company in the name of the minor as a shareholder with dividends and any other entitlements payable to the parents/legal guardian/s signing the Provisional Allotment Letter until such time as the minor attains the age of eighteen (18) years. Upon the minor reaching such age, all dividends shall be payable directly to the registered holder, provided that the Company has been duly notified in writing that the minor has attained the age of eighteen (18) years.

26.3.5 Deceased Persons

If the name appearing on the register of the Central Securities Depository as at close of trading on the Record Date is that of a deceased Eligible Shareholder or if an Eligible Shareholder dies before the expiry of the Offer Period and prior to having completed the Provisional Allotment Letter, the Provisional Allotment Letter must be signed by the lawful successors in title of the deceased Eligible Shareholder. For this purpose, the successors in title of the deceased Eligible Shareholder must contact the Company or the Collecting Agent within the Offer Period in order to produce adequate

documentary proof to the satisfaction of the Company or the Collecting Agent, in order to enable them to verify their status as lawful successors of the deceased Eligible Shareholder.

It shall not be incumbent on the Company or the Registrar to verify whether the person/s signing the PAL is/are the lawful successor/s of the deceased Eligible Shareholder.

26.3.6 Shares subject to Usufruct

In respect of Existing Shares held subject to usufruct, the Offer shall be made and the Provisional Allotment Letter issued in the name of the bare owner, provided that any New Ordinary Shares allotted pursuant to an acceptance by a bare owner shall be subject to the same right of usufruct in favour of the usufructuaries who have such rights with respect to the Existing Ordinary Shares held by the said Eligible Shareholder as bare owner as at the Record Date.

26.3.7 Procedure for acceptance

Eligible Shareholders who wish to accept in full

Holders of Provisional Allotment Letter(s) who wish to take up all of their Rights should complete the Provisional Allotment Letter(s) (PAL(s) A) and return it to any of the Collecting Agents (listed in Annex I) together with proof of payment.

Eligible Shareholders who wish to accept in part and transfer remaining balance

Holders of Provisional Allotment Letter(s) who wish to take up only some but not all of their Rights (and in addition also opt to transfer all or part of the remaining balance) should complete the Provisional Allotment Letter (PAL(s) B) and return it to any of the Collecting Agents together with proof of payment.

Eligible Shareholders who wish to transfer their rights

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

In case the holder of the Provisional Allotment Letter(s) wishes to transfer all or part of his Rights to one or more transferee(s) he may do so by completing the Provisional Allotment Letter (PAL C) and then return it to any of the Collecting Agents in accordance to the terms and conditions pertaining to the PAL and Prospectus.

Further Procedures for Transferring Rights

In the case of Existing Ordinary Shares held jointly by several persons who wish to transfer all or part of their Rights, all joint shareholders are to sign the applicable PAL.

It shall be incumbent on the applicable Collecting Agent to ascertain that all applicable legal and regulatory requirements relating to the taking up of rights and consequent New Ordinary Shares by a transferee are complied with, including without limitation the obligation to comply with all applicable anti-money laundering and counter-terrorist financing rules and regulations, MiFIR requirements as well as all applicable MFSA Rules for investment services providers.

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

Eligible Shareholders who wish to transfer following payment of Share Offer Price

If, after following any of the procedures detailed above, but always before the closing of the Offer Period, the Eligible Shareholder who has already paid the Share Offer Price wishes to transfer them, fully paid, to one or more transferee(s), then the Eligible Shareholder shall apply in writing to the Collecting Agent specifying the details of the proposed transfer by and not later than 10:00 on 18 April 2018.

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

26.4 PAYMENT

26.4.1 Payment by Eligible Shareholders

Delivery of the Provisional Allotment Letter(s) together with proof of payment (in cleared funds and net of transfer charges) by the Eligible Shareholder to the Collecting Agent must be made as soon as possible and in any event so as to be received by the Collecting Agent by not later than 10:00 on 18 April 2018.

No interest will be paid on payments made before they are due.

26.4.2 Payment by Collecting Agents

Payment for the New Ordinary Shares by the Collecting Agents to the Registrar must be made in US\$ and must reach the Registrar's Account in cleared funds, net of transfer charges, and may be made by SWIFT (bank) or account transfer. Coordinates of the payment instructions are available with the Collecting Agent.

No interest will be paid on payments made before they are due.

26.5 Company's Acceptance

26.5.1 Issuer's discretion as to the validity of acceptance

If the Provisional Allotment Letters and proof of payment of cleared funds do not reach the Registrar by 13:30 on 18 April 2018, the provisional allotment will be deemed to have been declined and will lapse and it will be treated in accordance with the provisions detailed at section 26.6 below. The Company may, with the agreement of the Registrar, but shall not be obliged to, treat as valid Provisional Allotment Letters accompanied by proof of payment received later than 13:30 on 18 April 2018.

The Company may also, with the agreement of the Registrar, but shall not be obliged to, treat Provisional Allotment Letters as valid and binding on the person(s) by whom or on whose behalf it is lodged even if it is not completed in accordance with the relevant instructions or is not accompanied by a valid power of attorney where required.

26.6 PROCEDURE IN RESPECT OF RIGHTS NOT TAKEN UP (LAPSED RIGHTS)

26.6.1 Lapsed Rights

If an entitlement to New Ordinary Shares is not validly taken up by 10:00 on 18 April 2018, in accordance with the procedure laid down in this Prospectus for acceptance and payment of Rights, then that provisional allotment to the particular Eligible Shareholder will be deemed to have been renounced and will lapse. In such an event the nil paid Rights will become Lapsed Rights.

Pursuant to the Listing Rules, the Issuer will endeavour to sell the Lapsed Rights on behalf and for the account of the holders of the Lapsed Rights. In this regard, the Company intends to comply with this obligation under the Listing Rules by making an Intermediaries' Offer within the Lapsed Rights Offer Period. The Company will endeavour to dispose of the Lapsed Rights within the Lapsed Rights Offer Period, i.e. between 27 April 2018 and the 04 May 2018.

In accordance with the Listing Rules, any premium over the Share Offer Price, where such premium exceeds five US Dollars (USD5) on a per shareholder basis and net of any expenses which might be incurred by the Company, obtained by the Company from the disposal of the Lapsed Rights with any of the methods described above shall be paid as follows:-

- (i) where the entitlement to the New Ordinary Shares was, at the time of lapsing, represented by a Provisional Allotment Letter, to the person whose name and address appeared on the Provisional Allotment Letter; and

- (ii) where an entitlement to New Ordinary Shares is treated as not taken up by an Overseas Shareholder, to that Overseas Shareholder.

In the case of shareholders residing in Malta and Gozo, the said premium will be paid by means of a cheque in US\$, without interest, and mailed at the shareholders' own risk to the address appearing on the Provisional Allotment Letter. In the case of shareholders residing overseas, the Issuer or the Registrar will seek to contact the Shareholder for such premium to be paid by direct credit to a bank account to be provided by the respective Shareholder.

Any expenses or charges connected with such payment shall be borne by the respective Eligible Shareholder. The Company and the Registrar expressly disclaim any and all responsibility for any remittances that may be lost or otherwise mislaid.

26.6.2 Intermediaries' Offer

In the event of Lapsed Rights, and pursuant to the Collecting Agent and Intermediaries' Offer Agreements, the Issuer shall invite Financial Intermediaries to make an offer for such Lapsed Rights for their own account or for the account of their clients, provided that such offers may only be made by the Financial Intermediaries during the Lapsed Rights Offer Period. Pursuant to such Intermediaries' Offer, the Financial Intermediary may place offers to the Issuer to subscribe for such Lapsed Rights.

Offers will be accepted by the Issuer on behalf and for account of the Lapsed Rights Holders strictly on the basis of best price, and Lapsed Rights will be allocated accordingly. The Issuer however reserves the right not to accept any offer if, in its sole discretion, it considers such offer not to be in the interest of Lapsed Rights Holders. In the event that there are offers at the same price for more than there are Lapsed Rights available, these will be allocated pro rata to the respective Financial Intermediary, as the case may be. In respect of the Intermediaries' Offer, a determination by the Registrar as to the acceptance or otherwise by the Issuer of an offer shall be conclusive and binding on all Intermediaries.

In terms of Appendix 3.1 of the Listing Rules, the Listing Authority may require a list of the names of the Intermediaries to whom securities were allocated and a list of the names and addresses of the clients of each Financial Intermediary to whom securities were in turn allocated.

The minimum number of Lapsed Rights for which the Intermediary may submit one or more offers shall be 1,000 (one thousand) New Ordinary Shares in the aggregate.

The minimum price for which an offer may be submitted shall be the Share Offer Price of US\$0.55 per New Ordinary Share.

Acceptance and allocation of offers will be communicated to the Financial Intermediaries as soon as practicable but in any event not later than 17:00 on 08 May 2018.

The invitation to offer by the Issuer will be made pursuant to and as subject to the Prospectus and the Terms and Conditions set out herein.

The Lapsed Rights will not be admitted to trading on any regulated market in Malta or otherwise.

Any Lapsed Rights not subscribed to during the Intermediaries' Offers will be subject to the Underwriting Agreement, subject to the terms and conditions set out therein.

26.7 OVERSEAS SHAREHOLDERS AND EXCLUDED TERRITORIES

26.7.1 General

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

This section sets out the restrictions applicable to Eligible Shareholders who have registered addresses and/or who are citizens or residents of Excluded Territories.

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

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

Having considered the circumstances, the Directors have formed the view that it is necessary or expedient to restrict the ability of persons in the Excluded Territories to take up rights to New Ordinary Shares or otherwise participate in the Rights Issue due to the time and costs involved in the registration of this Prospectus and/or compliance with the relevant local legal or regulatory requirements in those jurisdictions.

Provisional Allotment Letters will not be sent to Eligible Shareholders with registered addresses in Excluded Territories, **except where in the absolute discretion of the Issuer** it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction. In these circumstances the New Ordinary Shares provisionally allotted to such Eligible Shareholders will be offered as if they were Lapsed Rights, in accordance with the provisions of section 26.6 of this Prospectus.

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

The provisions of this section 26.7.1 will apply generally to Overseas Shareholders who do not or are unable to take up New Ordinary Shares provisionally allotted to them on the basis that such action would result in a contravention of applicable legal or regulatory requirements in the relevant jurisdiction.

New Ordinary Shares which Eligible Shareholders with registered addresses in Excluded Territories would otherwise have been entitled to receive, will be offered as if they were Lapsed Rights under the Rights Issue, in accordance with section 26.6. Any premium obtained over the Share Offer Price will be paid to such Eligible Shareholders, save that individual amounts of less than five US Dollars (USD5) net of any expenses will not be distributed but will be retained for the benefit of the Issuer.

26.7.2 United States of America and Canada

This document and any Provisional Allotment Letter are intended only for use in connection with the Rights Issue outside of the United States of America and Canada and are not to be given or sent, in whole or in part, to any person within the United States of America or Canada.

26.8 REPRESENTATIONS AND WARRANTIES OF ELIGIBLE SHAREHOLDERS

By completing and delivering the Provisional Allotment Letter, each of the Eligible Shareholders:

- (a) subject to the right of the Company to reject, in whole or in part, a Provisional Allotment Letter and subject to the right of the Company to revoke the offer as each right is respectively set out in this Prospectus, agrees that it has entered into a contract with the Company as subject to all the terms and conditions set out in this Prospectus and the PAL;
- (b) agrees to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Company and the issue of the New Ordinary Shares contained therein;
- (c) confirms that in completing the Provisional Allotment Letter no reliance was placed on any information or representation in relation to the Company or the issue of the New Ordinary Shares other than those contained in this Prospectus and accordingly agrees 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;
- (d) agrees to provide the Registrar, the Collecting Agent and/or the Company, as the case may be, with any documents and/or information which they may request in connection with the Provisional Allotment Letter(s);
- (e) warrants, in connection with the Provisional Allotment Letter(s), to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Provisional Allotment Letter in any territory and that it 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 issue of the New Ordinary Shares or the Provisional Allotment Letter;
- (f) warrants that all applicable exchange control or other such regulations have been duly and fully complied with;
- (g) represents that the Eligible Shareholder is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the “**United States**”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- (h) represents that the Eligible Shareholder does not have his registered address and/or is not a citizen or resident of any Excluded Territory;
- (i) agrees that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. in its capacity as Sponsor and Registrar (but not in its capacity as Collecting Agent) will not treat the Eligible Shareholders as its customer by virtue of Eligible Shareholders completing the Provisional Allotment Letter to subscribe for the New Ordinary Shares;
- (j) agrees that all documents in connection with the issue of the New Ordinary Shares will be mailed at the Eligible Shareholders’ own risk and may be sent at the address (or, in the case of joint Provisional Allotment Letters, the address of the first named Eligible Shareholders) as set out in the Provisional Allotment Letter;
- (k) acknowledges that any New Ordinary Shares which may be allotted to Eligible Shareholders will be recorded by the CSD in the MSE account number quoted on the PAL, even if the details of the Eligible Shareholder as held by the MSE differ from any or all of the details appearing on the PAL;
- (l) for the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (S.L. 373.01), as amended, all appointed Collecting Agents are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “Members Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

26.9 COMMITMENTS BY UGH, BURGAN BANK AND TIB

Each of UGH, Burgan Bank and TIB has entered into a separate Subscription Agreement with the Company whereby it has irrevocably undertaken to:

- (i) exercise its rights to subscribe to the New Ordinary Shares it is entitled to under the Rights Issue in accordance with the terms and conditions set out in the Prospectus; or
- (ii) procure that one or more KIPCO Group entity subscribe to the New Ordinary Shares to which it is entitled.

In the event that either of UGH, Burgan Bank and TIB exercise its rights to subscribe to the New Ordinary Shares to which it is entitled, it shall not be required to submit a PAL and the provisions of the respective Subscription Agreement with the Company will apply in lieu thereof.

In the event that UGH, Burgan Bank, TIB and/or the respective KIPCO Group entity is owed any subordinated debt by FIMBank, each of UGH, Burgan Bank, TIB and/or the respective KIPCO Group entity, shall have the option to set-off the subscription price or part thereof against any outstanding amount owed by FIMBank to such entity, such that the equivalent number of shares shall be issued by means of a capitalisation of the said debt, following the fulfilment of all applicable requirements at law.

26.10 UNDERWRITING COMMITMENT

Pursuant to the terms of an Underwriting Agreement entered into by and between UGH and the Company, UGH has, subject to the satisfaction of a number of conditions, undertaken in favour of the Company to subscribe to such number of New Ordinary Shares under the Rights Issue at the Share Offer Price, as are not subscribed to by the last day of the Lapsed Rights Offer Period. The obligation of UGH shall be to subscribe to such number of New Ordinary Shares necessary for the Company to have raised, pursuant to the Rights Issue, a sum equal to one hundred and five million United States Dollars (US\$105 million).

The obligations of UGH under the Underwriting Agreement are subject to *inter alia* the following conditions:

- (a) there shall have been, as of the date of the signing of the Underwriting Agreement, and as at the end of the Offer Period and the Lapsed Rights Offer Period, no event making any of the representations and warranties granted by the Company under the Underwriting Agreement untrue or incorrect in any material respect on the aforementioned date and the Company shall have performed all the obligations to be performed under the Underwriting Agreement on or before the said date.
- (b) Subsequent to the respective dates as of which information is given in the Prospectus and up to the date of the Prospectus, there shall not have been any material change, on a consolidated basis, in the capital, short-term debt (other than in the ordinary course of business) or long-term debt of the Company and its subsidiaries, except as contemplated in the Prospectus, or any material adverse change, or any event or development involving a potential material adverse change, in the condition (financial or other), earnings, business, prospects, net worth, results of operations or properties of the Company and its subsidiaries, whether or not arising from transactions in the ordinary course of business, except as set forth or contemplated in the Prospectus.

In the event that any of the foregoing conditions is not satisfied on or before the date when the allotment of the New Ordinary Shares becomes unconditional pursuant to Article 101 of the Companies Act, this Agreement shall terminate with effect from such date, provided that the Underwriter may in its discretion and by notice to the Company, waive satisfaction of any of the above conditions or of any part of them.

In addition, the Underwriter shall have the right to terminate the Underwriting Agreement by giving notice at any time at or prior to the allocation of shares becoming unconditional in terms of Article 101 of the Companies Act if:

- (i) The Company shall have failed, refused or been unable, at or prior to that date, to perform any material agreement on its part to be performed hereunder;
- (ii) Any other material condition of the Company's obligations under the Underwriting Agreement is not fulfilled;

- (iii) An application for the New Ordinary Shares to be admitted to listing on the Official List of the Malta Stock Exchange has been refused.

As at the date of this Prospectus and to the best of the Issuer's knowledge, there are no facts or circumstances which would entitle UGH to withdraw from its commitments under the Underwriting Agreement.

The Underwriter and the Company form part of the same group of companies having KIPCO as their ultimate parent company. FIMBank has obtained a determination in writing by the MFSA that the Underwriter qualifies for an exemption from the requirement to obtain an investment services licence under the Investment Services Act to carry out such underwriting services.

26.11 TIMES AND DATES

The Company shall in its discretion be entitled to amend the dates that the PAL is despatched or amend or extend the latest date for acceptance or instruction under the Rights Issue and all related dates set out in this Prospectus and the PAL and in such circumstances shall notify the Listing Authority and make a company announcement. **In the event that such a company announcement is made, Eligible Shareholders may not receive any further written communication in respect of such amendment or extension of the dates included in this Prospectus.**

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full for the New Ordinary Shares under the Rights Issue specified in the Prospectus, the latest date for acceptance or instruction under the Rights Issue and the Intermediaries' Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

In any event the Offer Period will not be less than fourteen (14) days as per the requirements of the applicable Listing Rules.

26.12 GOVERNING LAW

The Terms and Conditions as set out in this Prospectus and the Provisional Allotment Letter and any non-contractual obligations arising out of or in relation to the Rights Issue or the Intermediaries' Offer shall be governed by, and construed in accordance with, Maltese law.

26.13 JURISDICTION

The courts of Malta are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Rights Issue or the Intermediaries' Offer, this Prospectus or the Provisional Allotment Letter (including any dispute relating to any non-contractual obligations arising out of or in connection with any of them).

By accepting rights under the Rights Issue or the Intermediaries' Offer, as the case may be, in accordance with the instructions set out in the Prospectus and the Provisional Allotment Letter, Eligible Shareholders and any other person who participates in the Rights Issue or the Intermediaries' Offer, irrevocably submit to the jurisdiction of the courts of Malta and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

Annex I – List of Collecting Agents

Name	Address	Telephone
APS Bank Ltd	APS Centre, Tower Road, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri & Co Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara	25688130
Charts Investment Management Service Ltd	The Centre, Tigné Point, Sliema TPO 0001	25574400
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	The Bastions, Office no. 2, Emvin Cremona Street, Floriana FRN 1281	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta' Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265696



Name	Address	Telephone
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD1838	21332200
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	22583000

Annex II – Provisional Allotment Letters (PALs) & Instructions Sheet


FIMBANK

PAL A - ALL

Form Number:

Rights Issue of 209,687,428 New Ordinary Shares Offered at US\$0.55 per Share

PROVISIONAL ALLOTMENT LETTER ("PAL") - A

Your Rights to the New Ordinary Shares of FIMBank p.l.c. arises as follows:

Eligible Shareholder:	MSE Account Number:	MSE Indicator:
Address:	ID Document No/Co Reg No: <i>(mandatory)</i>	
	Document Type (ID Card/Passport/etc): <i>(mandatory for individuals)</i>	
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>	
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No: <i>(kindly complete where available)</i>	
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i>		
Email: <i>(kindly complete where available)</i>	Mobile No: <i>(kindly complete where available - mandatory for e-Portfolio facility)</i>	
Shareholding as at 22 March 2018 <i>(Record Date)</i> :		
Rights to New Ordinary Shares <i>(Fractional share Rights are rounded to the nearest whole share)</i> :		

ADDITIONAL ACCOUNT HOLDER DETAILS *(in case of joint accounts – please provide details for any additional holders separately)*

Additional Eligible Shareholder/s:	ID Document No: <i>(mandatory)</i>
Nationality: <i>(mandatory for individuals)</i>	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>

☐ I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.

By completing **ALL** the above relevant boxes, signing this **PAL A** and returning it to the Collecting Agent by 18 April 2018 by 10:00, you will be confirming your election to take up **ALL** your Rights to the New Ordinary Shares.

I/We accept to purchase and acquire **ALL** of my/our Rights:

TOTAL NUMBER OF NEW SHARES <i>(in figures)</i>	TOTAL AMOUNT PAYABLE <i>(US\$0.55 per share)</i>

DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to take all the Rights is taken by a third-party on behalf of the Eligible Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Decision Maker / Parent / Legal Guardian 2

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

SIGNATURE (BOTH PARENTS OR LEGAL GUARDIAN/S ARE/IS TO SIGN IF ELIGIBLE SHAREHOLDER/S IS A MINOR. ALL PARTIES ARE TO SIGN IN THE CASE OF JOINT ELIGIBLE SHAREHOLDERS.)

I/we hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 23 March 2018. Furthermore, I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorize the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this PAL A to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature

Signature

Date

FOR COLLECTING AGENT USE ONLY:

In relation to this PAL, has the Collecting Agent: ☐ acted as Principal (for own account) or ☐ acted under a discretionary mandate?

Where any of the above apply, the following information needs to be completed in respect of the individual taking the decision:

Name and Surname:	Date of Birth:
Nationality:	ID Document Number:
Document Type (ID/Passport/etc):	Country of Issue of ID Document:
LEI (Legal Entity Identifier) of Collecting Agent:	

Collecting Agent Stamp

**FIMBANK****PAL B - SPLIT**

Form Number:

Rights Issue of 209,687,428 New Ordinary Shares Offered at US\$0.55 per Share

PROVISIONAL ALLOTMENT LETTER ("PAL") - B

Your Rights to the New Ordinary Shares of FIMBank p.l.c. arises as follows:

Eligible Shareholder:	MSE Account Number:	MSE Indicator:
Address:	ID Document No/Co Reg No: <i>(mandatory)</i>	
	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>	
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>	
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No: <i>(kindly complete where available)</i>	
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i>		
Email: <i>(kindly complete where available)</i>	Mobile No: <i>(kindly complete where available - mandatory for e-Portfolio facility)</i>	
Shareholding as at 22 March 2018 <i>(Record Date)</i> :		
Rights to New Ordinary Shares <i>(Fractional share Rights are rounded to the nearest whole share)</i> :		

ADDITIONAL ACCOUNT HOLDER DETAILS (in case of joint accounts)

Additional Eligible Shareholder/s:	ID Document No: <i>(mandatory)</i>
Nationality: <i>(mandatory for individuals)</i>	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>

☐ I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.

By completing **ALL** the above relevant boxes, signing this **PAL B** and returning it to the Collecting Agent by 18 April 2018 by 10:00, you will be confirming your election to take up only **PART** of your Rights to the New Ordinary Shares and **TRANSFER** or **LAPSE** the remaining part of your Rights to the New Ordinary Shares.

I/We accept to purchase and acquire **PART** of my/our Rights:

PARTIAL TAKE UP		
NUMBER OF NEW SHARES ACCEPTED (in figures)	NUMBER OF NEW SHARES ACCEPTED (in words)	TOTAL AMOUNT PAYABLE (US\$0.55 per share)
BALANCE OF NEW SHARES NOT TAKEN UP		
(in figures)	(in words)	
BALANCE OF NEW SHARES TRANSFERRED TO TRANSFEREE/S		
NUMBER OF NEW SHARES ACCEPTED (in figures)	NUMBER OF NEW SHARES ACCEPTED (in words)	TOTAL AMOUNT PAYABLE (US\$0.55 per share)
BALANCE OF LAPSED RIGHTS		
(in figures)	(in words)	

PAL B - SPLIT

DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to take part of the Rights is taken by a third-party on behalf of the Eligible Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Decision Maker / Parent / Legal Guardian 2

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

SIGNATURE (BOTH PARENTS OR LEGAL GUARDIAN/S ARE/IS TO SIGN IF ELIGIBLE SHAREHOLDER/S IS A MINOR. ALL PARTIES ARE TO SIGN IN THE CASE OF JOINT ELIGIBLE SHAREHOLDERS.)

I/we hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 23 March 2018. Furthermore, I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorize the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this PAL B to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature

Signature

Date

FOR COLLECTING AGENT USE ONLY:

In relation to this PAL, has the Collecting Agent: ☐ acted as Principal (for own account) or ☐ acted under a discretionary mandate?

Where any of the above apply, the following information needs to be completed in respect of the individual taking the decision:

Name and Surname:	Date of Birth:
Nationality:	ID Document Number:
Document Type (ID/Passport/etc):	Country of Issue of ID Document:
LEI (Legal Entity Identifier) of Collecting Agent:	

Collecting Agent Stamp

PAL B - SPLIT

DECLARATION BY TRANSFEREE/S

I/We have irrevocably agreed to acquire that portion of the Rights of the Eligible Shareholder/s to the New Ordinary Shares as detailed below:

DETAILS OF TRANSFEREE/S 1

Title (Mr/Mrs/Ms...)	Name and Surname:
Address:	ID Document No/Co Reg No: <i>(mandatory)</i>
	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No: <i>(kindly complete where available)</i>
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i>	
Email: <i>(kindly complete where available)</i>	Mobile No: <i>(kindly complete where available - mandatory for e-Portfolio facility)</i>
Number of New Shares acquired:	Total amount payable (US\$0.55 per share)
<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate	MSE Account No:
DIVIDEND MANDATE BY DIRECT CREDIT: Please provide your USD bank account details below for the processing of the payment of any dividend or interest payment due:	
Bank Name:	Bank SWIFT/BIC Code:
Account Name:	Account Number:
IBAN:	
<input type="checkbox"/> I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.	

DETAILS OF TRANSFEREE/S 2

Title (Mr/Mrs/Ms...)	Name and Surname:
Address:	ID Document No/Co Reg No: <i>(mandatory)</i>
	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No: <i>(kindly complete where available)</i>
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i>	
Email: <i>(kindly complete where available)</i>	Mobile No: <i>(kindly complete where available - mandatory for e-Portfolio facility)</i>
Number of New Shares acquired:	Total amount payable (US\$0.55 per share)
<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate	MSE Account No:

PAL B - SPLIT

DIVIDEND MANDATE BY DIRECT CREDIT: Please provide your USD bank account details below for the processing of the payment of any dividend or interest payment due:

Bank Name:	Bank SWIFT/BIC Code:
Account Name:	Account Number:
IBAN:	
<input type="checkbox"/> I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.	

TRANSFEREE DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to accept the transfer of Rights is taken by a third-party on behalf of the Eligible Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Decision Maker / Parent / Legal Guardian 2

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Signature/s of Transferee/s *(Both parents or legal guardian/s are/is to sign if Transferee/s is a minor. All parties are to sign in the case of a joint transfer.)*

I/we hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 23 March 2018. Furthermore, I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorize the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this PAL B to the Malta Financial Services Authority as competent authority ("**Transaction Reporting**"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature of Transferee/s 1

Signature of Transferee/s 2

Date



FIMBANK

PAL C - TRANSFER

Form Number:

Rights Issue of 209,687,428 New Ordinary Shares Offered at US\$0.55 per Share

PROVISIONAL ALLOTMENT LETTER ("PAL") - C

Your Rights to the New Ordinary Shares of FIMBank p.l.c. arises as follows:

Eligible Shareholder:	MSE Account Number:	MSE Indicator:
Address:	ID Document No/Co Reg No: (mandatory)	Document Type (ID/Passport/etc): (mandatory for individuals)
	Nationality: (mandatory for individuals)	Country of Issue of ID Document: (mandatory for individuals)
Date of Birth: (mandatory for individuals)	Telephone No: (kindly complete)	
LEI (Legal Entity Identifier): (mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)		
Email: (kindly complete where available)	Mobile No: (kindly complete where available - mandatory for e-Portfolio facility)	
Shareholding as at 22 March 2018 (Record Date):		
Rights to New Ordinary Shares (Fractional share Rights are rounded to the nearest whole share):		

ADDITIONAL ACCOUNT HOLDER DETAILS (in case of joint accounts)

Additional Eligible Shareholder/s:	ID Document No: (mandatory)
Nationality: (mandatory for individuals)	Document Type (ID/Passport/etc): (mandatory for individuals)
Date of Birth: (mandatory for individuals)	Country of Issue of ID Document: (mandatory for individuals)

☐ I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.

By completing **ALL** the above relevant boxes, signing this **PAL C** and returning it to the Collecting Agent by 18 April by 10:00, you will be confirming your election to **TRANSFER ALL** of your Rights to the New Ordinary Shares or **TRANSFER PART AND LAPSE** the remaining part of your Rights to the New Ordinary Shares.

I/We irrevocably agree to transfer **ALL** or **PART OF** the Rights as follows:

TRANSFER		
NUMBER OF NEW SHARES ACCEPTED (in figures)	NUMBER OF NEW SHARES ACCEPTED (in words)	TOTAL AMOUNT PAYABLE (US\$0.55 per share)
BALANCE OF LAPSED RIGHTS		
(in figures)	(in words)	

PAL C - TRANSFER

DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to transfer the Rights is taken by a third-party on behalf of the Eligible Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Decision Maker / Parent / Legal Guardian 2

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

SIGNATURE (BOTH PARENTS OR LEGAL GUARDIAN/S ARE/IS TO SIGN IF ELIGIBLE SHAREHOLDER/S IS A MINOR. ALL PARTIES ARE TO SIGN IN THE CASE OF JOINT ELIGIBLE SHAREHOLDERS.)

I/we hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 23 March 2018. Furthermore, I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorize the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this PAL C to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature

Signature

Date

FOR COLLECTING AGENT USE ONLY:

In relation to this PAL, has the Collecting Agent: ☐ acted as Principal (for own account) or ☐ acted under a discretionary mandate?

Where any of the above apply, the following information needs to be completed in respect of the individual taking the decision:

Name and Surname:	Date of Birth:
Nationality:	ID Document Number:
Document Type (ID/Passport/etc):	Country of Issue of ID Document:
LEI (Legal Entity Identifier) of Collecting Agent:	

Collecting Agent Stamp

PAL C - TRANSFER

DECLARATION BY TRANSFEREE/S

I/We have irrevocably agreed to acquire that portion of the Rights of the Eligible Shareholder/s to the New Ordinary Shares as detailed below:

DETAILS OF TRANSFEREE/S 1

Title (Mr/Mrs/Ms...)	Name and Surname:
Address:	ID Document No/Co Reg No: <i>(mandatory)</i>
	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No: <i>(kindly complete)</i>
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i>	
Email: <i>(kindly complete where available)</i>	Mobile No: <i>(kindly complete where available - mandatory for e-Portfolio facility)</i>
Number of New Shares acquired:	Total amount payable (US\$0.55 per share)
<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor <input type="checkbox"/> Body Corporate	MSE Account No:
DIVIDEND MANDATE BY DIRECT CREDIT: Please provide your USD bank account details below for the processing of the payment of any dividend or interest payment due:	
Bank Name:	Bank SWIFT/BIC Code:
Account Name:	Account Number:
IBAN:	
<input type="checkbox"/> I/we wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.	

DETAILS OF TRANSFEREE/S 2

Title (Mr/Mrs/Ms...)	Name and Surname:
Address:	ID Document No/Co Reg No: <i>(mandatory)</i>
	Document Type (ID/Passport/etc): <i>(mandatory for individuals)</i>
Nationality: <i>(mandatory for individuals)</i>	Country of Issue of ID Document: <i>(mandatory for individuals)</i>
Date of Birth: <i>(mandatory for individuals)</i>	Telephone No: <i>(kindly complete)</i>
LEI (Legal Entity Identifier): <i>(mandatory for non-individuals including companies/partnerships/organisations/trusts/foundations/religious orders/etc)</i>	
Email: <i>(kindly complete where available)</i>	Mobile No: <i>(kindly complete where available - mandatory for e-Portfolio facility)</i>
Number of New Shares acquired:	Total amount payable (US\$0.55 per share)

PAL C - TRANSFER

<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor	<input type="checkbox"/> Body Corporate	MSE Account No:
DIVIDEND MANDATE BY DIRECT CREDIT: Please provide your USD bank account details below for the processing of the payment of any dividend or interest payment due:			
Bank Name:		Bank SWIFT/BIC Code:	
Account Name:		Account Number:	
IBAN:			
<input type="checkbox"/> I/We wish to register for the Malta Stock Exchange's e-Portfolio facility and hereby authorize the Registrar to apply on my/our behalf.			

TRANSFEEE DECISION MAKER / LEGAL GUARDIAN DETAILS (if applicable)

Where the decision to accept the transfer of Rights is taken by a third-party on behalf of the Eligible Shareholder/s, such as attorneys, portfolio management companies, or parents/legal guardians in the case of minors, completion of the below information in respect of **each** decision maker is **mandatory**:

Decision Maker / Parent / Legal Guardian 1

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Decision Maker / Parent / Legal Guardian 2

Name/Company Name:	Surname: <i>(Where the decision maker is an individual)</i>
Nationality: <i>(Where the decision maker is an individual)</i>	ID Document Number: <i>(Where the decision maker is an individual)</i>
Document Type (ID Card/Passport/etc): <i>(Where the decision maker is an individual)</i>	Country of Issue of ID Document: <i>(Where the decision maker is an individual)</i>
Date of Birth: <i>(Where the decision maker is an individual)</i>	
LEI (Legal Entity Identifier): <i>(Where the decision maker is a corporate)</i>	

Signature/s of Transferee/s (Both parents or legal guardian/s are/is to sign if Transferee/s is a minor. All parties are to sign in the case of a joint transfer.)

I/we hereby declare that I/we have fully understood the instructions for the completion of this PAL on the basis of the Prospectus dated 23 March 2018. Furthermore, I/we confirm that I/we have returned this PAL on my/our behalf, or as a legal guardian, or on behalf of the company or entity that I/we represent.

I/We hereby authorize the Registrar to forward all my/our details to the Malta Stock Exchange for the purposes of registering the New Shares in my/our MSE account, to register for the e-Portfolio facility (if applicable), and to enable the reporting of all necessary transaction and personal information provided in this PAL C to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Registrar and/or the Collecting Agent may require additional information for Transaction Reporting purposes.

Signature of Transferee/s 1

Signature of Transferee/s 2

Date

INSTRUCTIONS SHEET

RIGHTS ISSUE OF 209,687,428 NEW ORDINARY SHARES OFFERED AT US\$0.55 PER SHARE

Instructions for completion of the

PROVISIONAL ALLOTMENT LETTER ("PAL")

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

ALL CAPITALISED TERMS HAVE THE SAME MEANING ASSIGNED TO THEM IN THE PROSPECTUS ISSUED BY FIMBANK P.L.C. DATED 23 MARCH 2018 UNLESS THE CONTEXT REQUIRES OTHERWISE.

1. There are three (3) PALs:
 - a. **'PAL A - ALL'** (white copy) is to be completed by the Eligible Shareholder/s wishing to take up **ALL** of the Rights;
 - b. **'PAL B - SPLIT'** (blue copy) is to be completed by the Eligible Shareholder/s wishing to take up **PART** of, and **TRANSFER** or **LAPSE** the remaining part of the Rights;
 - c. **'PAL C - TRANSFER'** (yellow copy) is to be completed by the Eligible Shareholder/s wishing to **TRANSFER ALL** of the Rights or **TRANSFER PART** and **LAPSE** the remaining Rights.
2. The PAL is to be completed in BLOCK CHARACTERS.
3. The relevant PAL must be accompanied by payment IN CLEARED FUNDS AND NET OF BANK TRANSFER CHARGES for the corresponding amount in United States Dollars of the New Ordinary Shares subscribed for. Payment may be made by SWIFT or account transfer and shall be made to the Collecting Agents as per instructions received from them.
4. The Rights Issue opens on 04 April 2018 at 08:30 while the latest date for acceptance of the PALs will be 18 April 2018 at 10:00. The Registrar, Collecting Agents and/or the Issuer may reject any PALs:
 - a. received after the Offer Period closes; and/or
 - b. for which funds are still uncleared after the Offer Period closes.

Eligible Shareholder/s are to ensure that payment for their take up of Rights reach the Collecting Agent net of bank transfer charges.

Only PALs submitted in original will be accepted. Photocopies, scanned copies or facsimile copies will not be accepted.
5. The relevant fields and details of the Eligible Shareholder/s already held by the Central Securities Depository (CSD) of the Malta Stock Exchange as at Record Date are pre-printed in each PAL. Each Eligible Shareholder must complete all other details as required in the PAL.
6. With respect to PALA, the Eligible Shareholder/s need only complete, sign and date the PAL and submit to the Collecting Agent the PALA along with proof of payment.
7. PAL B is to be used only by the Eligible Shareholder/s wishing to take up part of the Rights and transfer the remaining Rights to a Transferee and/or lapse the remaining Rights.
8. PAL C is to be used when the Eligible Shareholder/s wishes to transfer all or part of the Rights (and lapse the Rights not transferred).
9. Transferee/s are to insert full personal details in the respective panels within the PAL. In the case of a transfer to more than one Transferee, full details of all Transferees must be provided in the fields indicated. Where the Eligible Shareholder wishes to assign the Rights to more than two Transferees, an

attachment (in the form of a continuation sheet for PAL B or PAL C) shall be supplied by the Bank through the Collecting Agent. The continuation sheet has to be signed by the Eligible Shareholder/s and stamped by the Collecting Agent.

10. In the case of an Eligible Shareholder or a Transferee who is a minor, the respective PAL should be signed by the parents or the legal guardian/s as applicable. Furthermore, a Public Registry birth certificate must be provided where a Transferee is a minor and does not already hold securities listed on the MSE. Details of the parents or legal guardian/s are to be provided in the respective panel in PALs B or C, as applicable.
11. In case the Eligible Shareholder/s is a body corporate, the respective PAL must be signed by the duly authorised representatives indicating the capacity in which they are signing. Particular attention should be made where the Transferee/s is a body corporate to indicate the name of the entity, exactly as registered, the Legal Entity Identifier (LEI), and the registration number in the appropriate field of the PAL. A person signing on behalf of that body corporate on any of the PALs shall bind that body corporate.
12. Transferee/s who already hold securities listed on the MSE are to indicate their MSE account number. If details provided in this respect on the PAL differ, or are discrepant, from existing account details held with the CSD, the Registrar reserves its rights to open a new MSE account for this allotment.
13. Completed PALs are to be delivered to the Collecting Agent of choice of the Eligible Shareholder/s. Any remittance by post is made at the risk of the Eligible Shareholder/s. The Registrar and the Issuer disclaim all responsibility for any such remittance not received by the closing of the Offer Period.
14. In the case of Existing Ordinary Shares held jointly by several persons, the PAL must be signed by each joint holder. Similarly, where the Transferee/s are joint applicants, the PAL must also be signed by each joint Transferee.
15. If the PAL is signed by a third party on behalf of an Eligible Shareholder, the PAL should be accompanied by a certified true copy of a valid power of attorney.
16. The Collecting Agent, Registrar and/or the Issuer reserve the right to refuse any PALs which are not completed in their entirety, or which otherwise appear to be in breach of the terms and conditions of the Prospectus.
17. Should any PAL be lost or destroyed or otherwise defaced and/or invalidated, the Eligible Shareholder/s shall inform the Issuer on the details provided hereunder, who will provide a duplicate to be used in such instance.

Details of the Issuer: FIMBank p.l.c. - Company Secretariat
 Tel: +356 21322100
 Email: csec@fimbank.com

18. Eligible Shareholder/s wishing to transfer their Rights to a Transferee/s before the closing of the Offer Period, must apply to do so in writing to the Collecting Agent.
19. By completing and delivering the PAL each Eligible Shareholder acknowledges that:
 - a. the Collecting Agent, Registrar and/or the Issuer may process the personal data in the PAL in accordance with the Data Protection Act (Cap 440 of the laws of Malta);
 - b. the Collecting Agent, Registrar and/or the Issuer may process such personal data for all purposes, including regulatory, necessary for and related to the Rights Issue;
 - c. he/she has the right to request access to and rectification of the personal data relating to him/her, as processed by the Collecting Agent, Registrar and/or the Issuer. Any such request must be signed by the Eligible Shareholder/s and made in writing to the CSD at the MSE;
 - d. all terms and conditions of the Prospectus, including but not limited to the representations and warranties contained in the Prospectus, have been read and understood.

Annex III – CURRENT AND PAST DIRECTORSHIPS OF BOARD MEMBERS

Dr John C. Grech (Chairman)

Present Directorships

- FIMBank p.l.c.
- Central Cement Limited FIMBank p.l.c.
- Jumbo Bags Limited
- London Forfaiting Company Ltd.
- Class Optical Limited
- MelitaUnipol Insurance Agency Limited
- Mizzi Organisation Finance Plc
- SBR Holdings Ltd.
- SBR Real Estate Ltd.
- Unipol Holdings Limited

Past Directorships

- Bank of Valletta p.l.c.
- Malta Tourism Authority
- Mediterranean Bank Network
- Middlesea Insurance p.l.c.
- Middle Sea Valletta Life Assurance Ltd
- Action IT Ltd
- Addone I.T. Services Ltd
- Economic & Management Consultancy Services Limited
- EMCS International Services Limited
- EMCS Investments Limited
- EMCSI Corporate Services Limited
- EMCSI Directors Limited
- EMCSI Holdings Limited
- FIM Holdings p.l.c.

Masaud M.J. Hayat (Vice Chairman)

Present Directorships

- FIMBank p.l.c.
- Kuwait Projects Co.
- United Gulf Bank B.S.C
- United Gulf Holding Co.
- Tunis International Bank
- United Gulf Financial Services
- Gulf Bank Algeria
- Bank of Baghdad
- North Africa Holding Company
- Jordan Kuwait Bank
- Masharea AlKhair
- KAMCO
- Burgan Bank

Past Directorships

- Syria Gulf Bank
- Royal Capital Company

Majed Essa Al-Ajeel

Present Directorships

- Burgan Bank S.A.K.
- Burgan Bank Turki
- FIMBank p.l.c.

Past Directorships

- United Projects Co.
- Kuwait and Middle East Financial Investment Company
- Kuwait Real Estate Investment Consortium
- International Leasing and Investment Co.
- Kuwait Finance and Investment Company (KFIC)
- Kuwait Banks Association
- Kuwait's Institute of Banking Studies

Eduardo Eguren Linsen

Present Directorships

- Burgan Bank S.A.K.
- FIMBank p.l.c.
- Vita Group
- Eggerton (BVI)
- Merkleit (BVI)

Past Directorships

None

Adrian Alejandro Gostuski

Present Directorships

- Burgan Bank, Turkey
- FIMBank p.l.c.
- Latam Factors S.A

Past Directorships

- Banco Naccional De Mexico

Rabih Soukarieh

Present Directorships

- FIMBank p.l.c.
- Saidal Nora Manufacturing
- Tunis International Bank S.A.
- United Gulf Financial Services Company NA
- Syria Gulf Bank

Past Directorships

- Gulf Bank Algeria
- Kuwait Energy Company
- Watanija Telecom Algeria
- Bank of Baghdad
- Virgin Mobile Middle East & Africa
- Sprint Nextel Middle East
- WARF Telecom
- North Africa Holding Company
- International Innovative Technologies
- Millenium Private Equity
- Millenium Finance Corporation
- Millenium TMT Fund
- Millenium India Fund
- Millenium Global Energy Fund
- Hannibal Lease Company

Mohamed Fekih Ahmed

Present Directorships

- FIMBank p.l.c.
- Gulf Bank Algeria, Algiers
- Hannibal Leasing Company
- London Forfaiting, United Kingdom
- Ooredoo, Tunisia
- SACEM Industries, Tunisia
- Tunis International Bank
- UGFS, Tunisia

Past Directorships

- UGFS, North Africa

Rogers Le Baron

Present Directorships

- FIMBank p.l.c.

Past Directorships

- European Bank for Reconstruction and Development
- MainStreet Partners Ltd, London
- United Bulgarian Bank, Bulgaria
- Slovenska Sporitlna, Slovakia
- Indus Venture Capital Fund, India
- Deutsche Bank (Asia Pacific) Limited, Singapore
- DB Asia Finance (HK) Limited, Hong Kong

Hussain A. Lalani

Present Directorships

- FIMBank p.l.c.
- Takaad Savings & Pensions B.S.C. (c), Bahrain
- Takaad Savings & Pensions (DIFC)
- Global Banking Corporation, Bahrain
- United Gulf Financial Services North Africa, Tunisia
- Assoufid B.V.

Past Directorships

None

Osama Talat Al Ghoussein

Present Directorships

- FIMBank p.l.c.
- Takaad DIFC
- Burgan Wealth DIFC
- KAMCO DIFC
- Burgan Bank Turkey, Istanbul
- United Gulf Financial Services, Tunis

Past Directorships

- The Standard Chartered Private Bank, Dubai
- Credit Suisse, Dubai
- Banque Pictet & Cie SA, Dubai

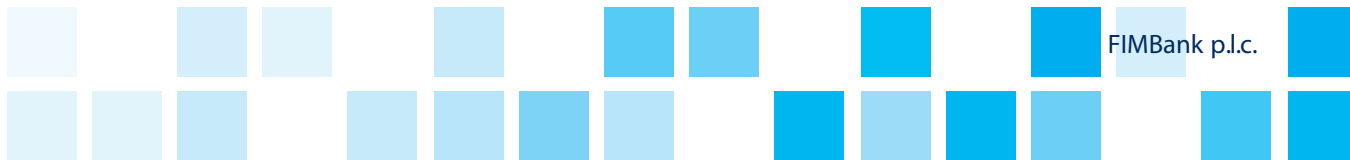
Edmond Brincat

Present Directorships

- FIMBank p.l.c.
- Cablenet Communications Systems Limited, Cyprus
- Selmun Properties Limited

Past Directorships

- Synchronoss Technologies Holdings Limited
- Synchronoss Technologies Europe Limited
- Land Development Holdings Limited
- Sliema Apartments Limited
- Malta Properties Company p.l.c.



ISSUER

FIMBank p.l.c.

Mercury Tower, The Exchange Financial & Business Centre,
Elia Zammit Street, St. Julian's STJ 3155, Malta

SPONSOR, MANAGER and REGISTRAR

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Valletta, VLT 1455, Malta