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Chairman's Message

If 2008 was deemed as an "Annus Horribilis" by many financial institutions and one which many would like to have the possibility to erase from their historic calendar, 2009 was undoubtedly a year of two halves. In effect, the first six months very much following on the heels of 2008 with financial markets in a state of flux due to the financial crisis which eventually mutated into an economic one, whilst the second half brought with it a remarkable recovery of the world's financial markets which significantly contrasted with the sluggish global recessionary environment.



Mr Kenneth Farrugia

As expected, Malta's open market economy was not immune to the global recession and although the impact has been relatively mild, the fragility of the international economy has caused Malta's own economy to deteriorate somewhat particularly affecting the tourism and manufacturing sectors. Conversely the financial services industry continued to experience strong growth wherein financial intermediation accounted for a GDP contribution of 6% this reflecting a 22% growth over that registered

in the previous year. Within this context, highly encouraging financial sector statistics for 2009 have duly emerged. Suffice to mention that over the period under review, 105 new investment funds were licensed by the MFSA whilst 20 new investment services licences were granted. Likewise, the insurance sector continued to attract international insurance business as have the trusts and banking sectors.

In its endeavours to strengthen the brand value of Malta as an



international financial services jurisdiction, over 2009, FinanceMalta has organised numerous promotional initiatives across various media. Three conferences were organised in London and Frankfurt apart from the sponsorship of various specialist sector driven publications, participation in various conferences as well as a promotional drive in various initiatives organised by Malta Enterprise. The support from the industry was clearly evident in all the initiatives and in no small way was a strong contributor to

their successful outcome. I must also mention the commitment and hard work of the management and administrative team at FinanceMalta and I wish to take this opportunity to extend my personal appreciation.

On a final note, I wish to take this opportunity to express my appreciation to Government, the regulator, practitioners and operators for their continuous support to the initiatives organised by FinanceMalta and look forward to their continued contribution in the years ahead.

Board of Governors

Chairman

Mr Kenneth Farrugia

Vice-Chairman

Prof Joseph V. Bannister

Governors

Mr Alan Caruana

Dr Michael Xuereb

Mr Vince Callus

Mr Andrew Manduca

Mr Albert Mamo

Mr Alan Richards

Secretary to the Board

Dr Bernice Buttigieg

Board Members from the Financial Services Industry represent the following Associations:

Mr Kenneth Farrugia represents:
 Malta Funds Industry Association [MFIA]
 College of Stockbroking Firms [CoS]

Mr Alan Richards represents:
 Malta Bankers Association [MBA]

Mr Albert Mamo represents:
 Malta Insurance Association [MIA]
 Association of Insurance Brokers [AIB]

Mr Andrew Manduca represents:
 Institute of Financial Services Practitioners [IFSP]

FinanceMalta Staff

Dr Bernice Buttigieg – Head of Administration

Mr Bruno Lecuyer – Head of Business Development

Ms Lindsey Piccinino

Ms Lizianne Gauci

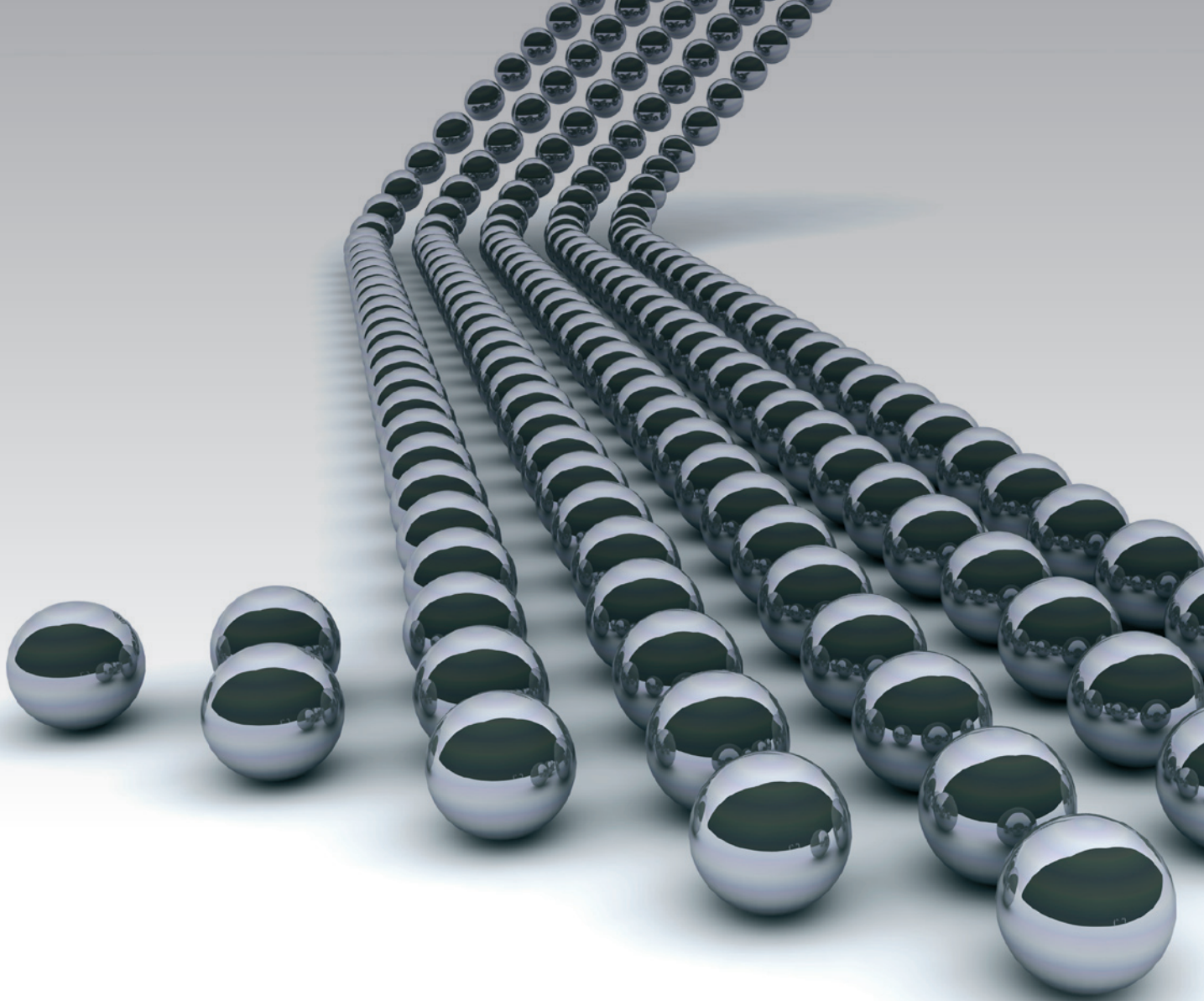
Mrs Mary Darmanin

FinanceMalta Membership

During the year under review, the number of members registered with FinanceMalta has increased to 121, that is 25 new member companies over 2008. Members benefit from regular updates that are periodically circulated by FinanceMalta as well as the opportunity to participate in periodic events and initiatives organized by FinanceMalta at fully or partially subsidized rates. Moreover, the Business Directory of the FinanceMalta website features

the full details and coordinates of the members together with a link to their corporate website. Members also have the facility to post articles or other information related to the various sectors of the financial services industry. Last but not least, members are also provided with access to the 'Registered User Area' through which members may avail themselves of various information documents and marketing tools.







our culture
is getting
things done



FinanceMalta Promotional Initiatives

The following report provides a broad overview of the promotional initiatives that were undertaken by FinanceMalta during the period under review:

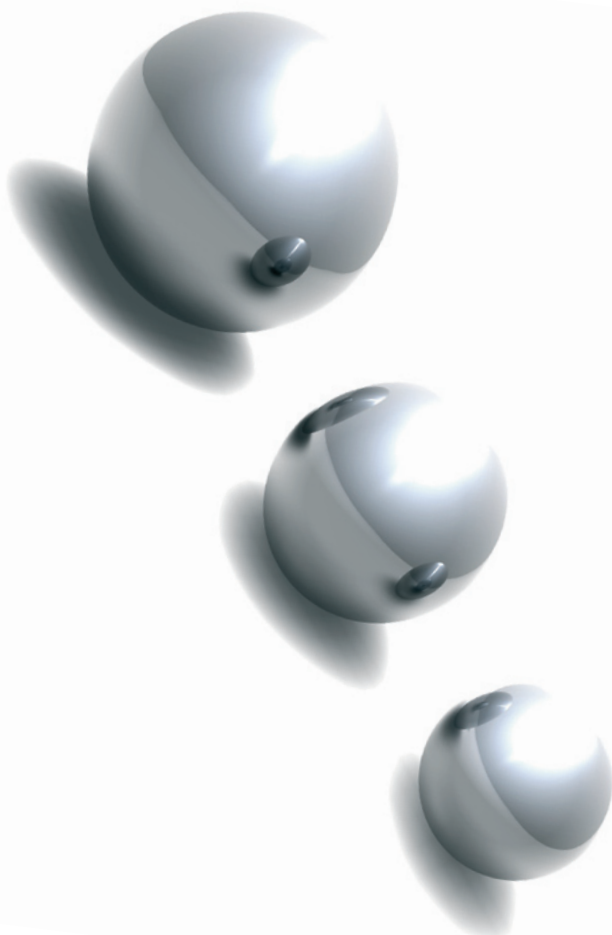
PROMOTIONAL INITIATIVES HELD IN MALTA

February 2009 - Brazilian Business Delegation

A Brazilian Delegation consisting of 15 high-ranking government officials, mainly from the Ministry of Industry and Foreign Commerce, visited Malta between the 26th February and 2nd March 2009. This visit was organised by the Ministry of Foreign Affairs as part of a tour of several European countries under the Project PAIPME (UE – Brazil). The purpose of this visit was to discuss the internationalisation of SMEs and to foster trade and business relations between Brazil and Malta. During the visit, the delegation also visited FinanceMalta which described what Malta has to offer in the financial services field.

February 2009 - Malta College of Arts, Science and Technology

On the 26th February 2009, Dr Bernice Buttigieg made a 40 minute presentation titled “Winning Characteristics of Personnel within a Dynamic Financial Services Sector” at an Annual Thematic Conference organised by the Institute of Business & Commerce at MCAST. Ms Lizianne Gauci, being an ex-MCAST student, shared her experience of working within the financial services sector. The presentations were made to around 70 students at a conference room within the Water Services Corporation building in Luqa. The Investment Guide and Business Directory 2008 was distributed during the conference. Very positive comments were received following the event and the students also requested a copy of the power-point presentation which was sent to them immediately upon request.



March 2009 - Malta Insurance Rendezvous

The Malta Insurance Rendezvous was held over the 4th - 5th March 2009 to discuss Malta as a maturing captive jurisdiction, and explore insurance issues both in the region and globally. This year's event provided an insight into the latest developments in Solvency II, catastrophe risk, and the impact of the 'credit crunch' on the insurance industry. During the conference, experts also discussed what the year ahead had in store, and the future of captive and alternative structures, as well as a selection of case studies from companies with headquarters in Malta, revealing their reasons behind their choice and experience of the domicile. FinanceMalta's promotional presence was driven inter alia by the presence of a stand during this event.

founding associations, other financial services associations, the faculty of law and the department of Banking and Finance within the University of Malta, ELSA, Ghsl, some University lecturers and visiting lecturers. Furthermore, a couple of full page adverts were issued in The Times and Sunday Times of Malta. 146 persons attended this event.

Coinciding with this event, arrangements were made for the Honourable Prime Minister Dr Lawrence Gonzi and the Minister of Finance, the Economy and Investment to be interviewed by



May 2009 - FinanceMalta 2nd Annual Conference

FinanceMalta's 2nd Annual Conference, held at the Hilton Malta on the 29th May 2009, was another successful event. The conference was marketed with all FinanceMalta members, the MFSA, the



Mr Michael Imeson, contributing Editor for 'The Banker'. Both articles were published in the July issue of 'The Banker'.

October 2009 – Networking Reception

On the 9th October, FinanceMalta held a networking reception at Lo Squero in Floriana for its members and a number of guests. Some 100 persons from senior managerial positions in the financial services sector met to network and discuss ways of collaboration and to update themselves with recent trends in this growing sector.

FinanceMalta believes that domestic networking is an equally important ingredient within the context of the various promotional initiatives that it organizes. The event also had a noble cause. Prospective investors are invariably impressed with what Malta has to offer, and this, not only in terms of workforce and the legal and regulatory framework, but also the history and culture which gives us our national identity. It is for this reason that FinanceMalta decided to contribute the proceeds of this networking event to Heritage Malta.

These funds served to purchase a 42" LCD screen and DVD player for the National Museum of Fine Arts in South Street, Valletta. Special thanks are due to Regus, the main sponsor for this event, for making this networking reception possible.



INTERNATIONAL EVENTS ORGANISED BY FINANCEMALTA

March 2009 - FT Conference in London, UK

A conference titled 'Financial Services in Malta: Where Opportunities Become Realities' was organised in London on the 26th March 2009. This was hosted by Financial Times Global Events and sponsored by FinanceMalta and the MFSA. Around 120 delegates from a broad cross-section of leading banks, asset managers, regulatory bodies, accountancy firms and other representatives of the UK financial community attended this event. Besides the speakers, Maltese delegates were limited to 15 - one from each company being a FinanceMalta member - in order to ensure that seating was primarily reserved for foreign delegates. The event, which commenced at 13.15 hours on the day ended at 17.15 hours with a cocktail reception.





During this event presentations covering Malta's economy and the financial services industry were delivered by Hon. Tonio Fenech, Minister of Finance, the Economy and Investment, Mr Joseph Zammit Tabona, Chairman of FinanceMalta, Mr Michael C. Bonello, Governor of the Central Bank of Malta and Professor Joe V. Bannister, Chairman of the Malta Financial Services Authority.

Two panel sessions featured a number of senior executives from the private sector. The session on banking and wealth management opportunities included Mr Tonio Depasquale, Chief Executive Officer of Bank of Valletta; Alan Richards, Chief Executive of HSBC Bank Malta; Margrith Lütischg-Emmenegger, President of FIMBank; and Malcolm Becker, Chief Executive Officer of Butterfield Trust (Malta). The panel session on opportunities in fund management, fund administration and pensions featured Charles Azzopardi, Vice Chairman of the Malta Funds Industry Association; Dermot Butler, Chairman of Custom House Global Fund Services; Gus Black, a Partner at Dechert; and David Butler, Founding Member of Kinetic Partners.

The conference was chaired by Mr Michael Imeson, Contributing Editor for 'The Banker' magazine, a member of the FT Group. Mr Imeson's article on how well Malta has weathered the global financial crisis was made available to attendees during the event. FinanceMalta folders containing copies of the

Investment Guide and Business Directory were distributed to all delegates.

The conference was a resounding success and apart from the event being fully booked weeks ahead of the event date, around fifty people remained on the waiting list. Equally important was the seniority of the delegates, the quality of the institutions represented during the event, and the interest they expressed in what Malta had to offer.

September 2009 – Round Table Discussion, New York, USA

On the 24th September, AmCham Malta, in collaboration with FinanceMalta, successfully organised a two-hour high-profile event at the Down Town Association in the Financial District of New York City. The event, entitled "Malta – Europe's Strategic Platform for Financial Services & International Business" was addressed by the Hon. Dr. Lawrence Gonzi, Prime Minister of Malta. This was followed by a presentation delivered by Mr Kenneth Farrugia on the various opportunities that were emerging in Malta's financial services industry. During this presentation interventions were also made by Mr Andrew Manduca, and representatives from AmCham Malta, Dr Anton Tabone and Dr Robert D'Alessandro.

November 2009 – The Family Wealth Management Seminar, London, UK

On the 12th November, FinanceMalta in

conjunction with Campden Conferences, a division of Campden Media which is a specialist business-to-business information provider specialising in Wealth Management, organised in London a seminar aimed at Family Offices and Family businesses. The half day business forum attracted some 80 foreign families in business, high net worth private investors, executives from private investment and family offices, and their close advisors. Over 20 local members of FinanceMalta also attended the event as speakers or delegates in order to maximise on the networking opportunities.

Mr Kenneth Farrugia, Chairman of FinanceMalta, introduced the forum and provided an overview of the developments and milestones that have shaped the financial services industry over these last twenty years to where it stands today and the vision going forward.

This session was followed by a panel consisting of Mr Francis Vassallo and Dr Ramona Piscopo covering the advantages to be considered by European Family Businesses and Family Offices when investing in Malta. Mr Alan Camilleri, Executive Chairman of Malta Enterprise spoke about the opportunities and incentives available in Malta.

A panel discussion was then held to provide information on the legal and regulatory framework, the Banking Sector in Malta, Trusts, and the Funds Industry. The panel consisted of Dr Max Ganado, Mr Charles Borg, Dr Diane Vella Bianco, and Mr Charles Azzopardi and moderated by Geneva-based Mr Lee Thistlethwaite, an independent non-executive director and consultant to several family groups. The panellists provided information on their respective sectors of the Maltese wealth management industry as well as the wide range of services and products created to meet the growing demands of family businesses and family offices.

Mr Josef Formosa Gauci, Chief Executive at the Malta Tourism Authority concluded the proceedings through a presentation which highlighted the lifestyle and quality of life in Malta driven by the diverse range of cultural and leisure events that would compliment the quality of life of the personnel operating their business from Malta.

December 2009 – ‘Financial Services in Malta: Where opportunities become realities for German Business’, Frankfurt, Germany.

Malta continued to step up its efforts in attracting more investment, business and employment opportunities in the growing financial sector through a half-day event organised by the Financial Times Global Events of London in collaboration with FinanceMalta in Frankfurt. The German city is the financial centre of Europe's largest economy and is home to most of the players in the financial sector, such as banks, insurance and investment companies.





PARTICIPATION IN EVENTS ORGANISED BY THIRD PARTIES

January 2009 - Warsaw, Poland

On the 26th January 2009, President Emeritus, H.E. Dr Edward Fenech Adami and his Polish counterpart H.E. Lech Kaczynski discussed in Warsaw Poland the Lisbon Treaty, the world financial crisis and bilateral relations. Dr Fenech Adami was accompanied to Poland by representatives from about 60 Maltese companies from various economic sectors, including consumer goods, industrial and general services. This visit was organised by the Ministry of Foreign Affairs and Malta Enterprise and was deemed as the largest ever Maltese business delegation to visit Poland.



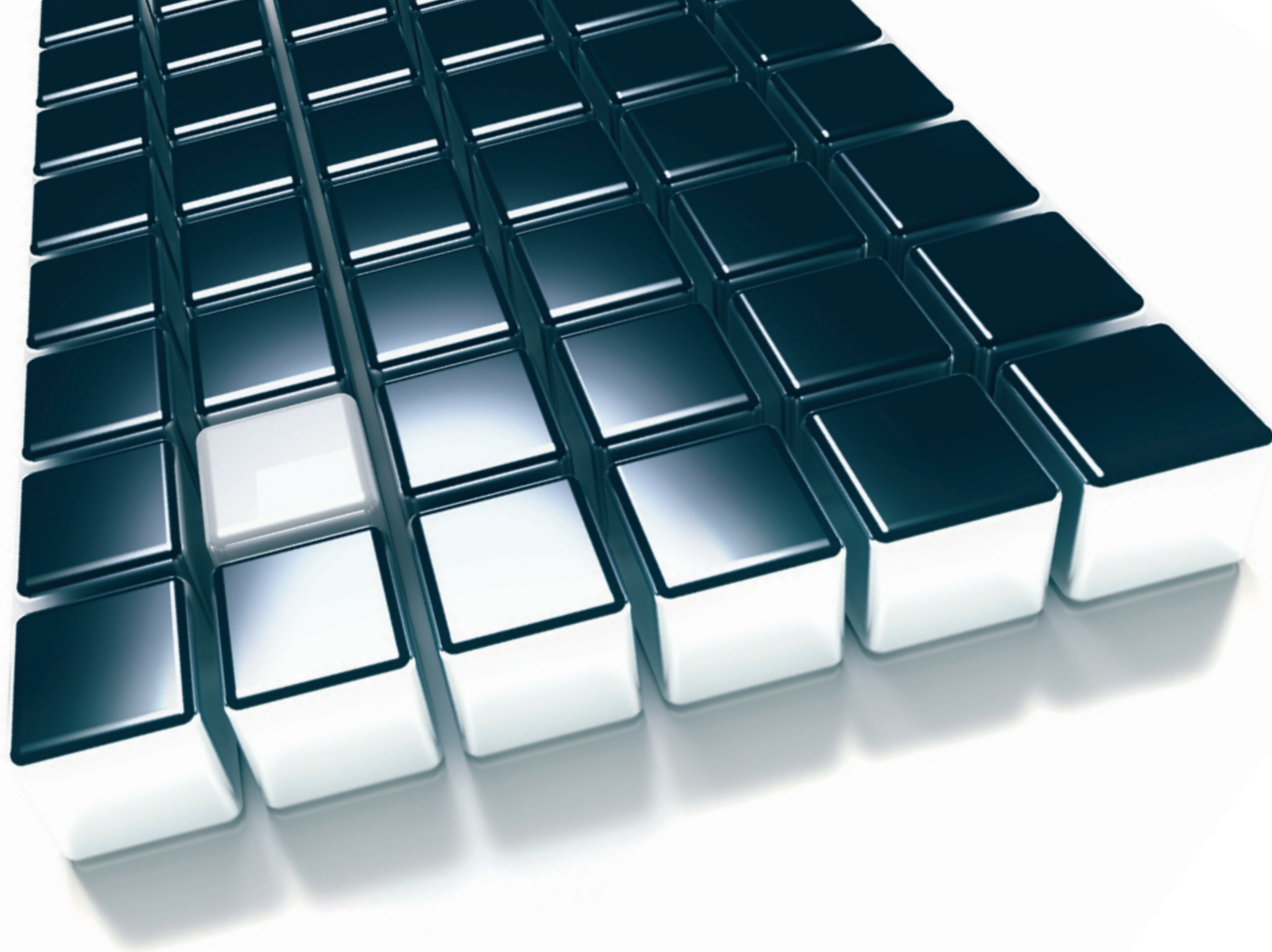
During the seminar, Minister of Finance, the Economy and Investment, Tonio Fenech promoted Malta's financial sector to the German financial community by highlighting the key benefits that Malta stands to offer to the international investor. Other presentations were delivered by MFSA Chairman Prof Joe V. Bannister and by Dr Gordon Cordina, while panel discussions on insurance, banking, wealth and investment management were also held by FinanceMalta members. Around a hundred senior executives from German law firms, banks, wealth management firms, fund managers and administrators and other financial companies looking for international business and investment opportunities as well as to learn more about what Malta has to offer, attended this event.

At the end of the event, FinanceMalta Chairman Kenneth Farrugia was interviewed by the contributing editor for "The Banker", Mr Michael Imeson.

During this event, Dr Bernice Buttigieg delivered a presentation on the main benefits which Malta has to offer as a financial services centre to an audience of around 70 persons (Maltese and Polish nationals). The feedback received was extremely positive. Copies of the Investment Guide and Business Directory were also made available, together with other merchandising material.

FinanceMalta benefited from significant exposure as a result of this event which was covered on all Polish media: news on TV, radio and newspapers. Moreover, contacts were created with PAiZ, the Polish Information and Foreign Investment Agency, and the Polish Chamber of Commerce from Poland.

Maltese Diplomats, including former President, HE Dr Fenech Adami, the Deputy Prime Minister and Minister for Foreign Affairs, as well as HE Ambassador Gaetan Naudi appreciated FinanceMalta's participation at this event.



April 2009 - Milan, Italy

On the 6th April 2009, Malta Enterprise organised an Investment Seminar in Milan, Italy in collaboration with the Milan Chamber of Commerce. Various high profile speakers participated in this well-attended event, including Profs. Bega, Director of PROMOS who highlighted Malta's advantage as an EU member state and H.E. Walter Balzan, Malta's Ambassador to Italy who spoke of Malta's long standing and excellent cultural, social and commercial relationships.

Dr Louis Degabriele, representing FinanceMalta, delivered a presentation on Malta's financial services industry. The panel of speakers was also made up of representatives from Malta Enterprise, SmartCity and the BOV representative Office in Milan who highlighted the opportunities of investing in Malta. Other speakers included Federico Barilli, Direttore, ASSINFORM (Associazione Italiana per l'Information Technology) and Claudio Morpurgo, delegate to Dott. Roberto Formigoni, Presidente della Regione Lombardia.

June 2009 - GAIM Hedge Fund Conference, Monaco, France

Over 800 investors, asset managers and advisors gathered from around the globe in Monaco to

hear, meet and do business. With a ratio of 2:1 asset managers to investors this proved to be an exceptional opportunity for many.

Representatives from the Malta Funds Industry Association, the MFSA, and a number of practitioners were present during this event which was held in Monaco over the 16-18th June 2009. Preparations were made through the Malta Financial Services Authority for FinanceMalta to have an exhibition stand.

June 2009 - The 12th European Captive Rendezvous, Luxembourg

The 12th European Captive Rendezvous - formerly the Luxembourg Rendezvous - was held at the LuxExpo Exhibition and Congress Center in Luxembourg, on the 16-17 June 2009. The conference addressed developments in captive insurance, risk management and alternative risk, which topics were debated by a high calibre list of speakers from some of Europe's most prominent businesses, the captive and ART industry, and regulatory bodies.

Prof Joe V. Bannister and Mr Joe Demanuele from the MFSA attended the Luxembourg conference. Moreover, Dr Ian Stafrace represented MIMA at

the event. A FinanceMalta stand was set up by the MFSA.

June 2009 - Transcontinental Trusts Conference, Geneva, Switzerland

IBC's Transcontinental Trusts conference is the longest-running and largest event of its kind to be held in Europe and is unequivocally known as the conference to attend and learn about the latest developments in the trust, private banking and regulatory worlds.

FinanceMalta was one of the silver sponsors at this Conference which was held in Geneva over the 22nd and 23rd June 2009. Dr Ruth Brancalone and Mr Austin Demajo attended the conference on behalf of FinanceMalta. An exhibition stand was set up with a display of the FinanceMalta Investment Guide and Business Directory 2009, as well as the brochure on trusts and foundations, published by FinanceMalta in collaboration with the IFSP. Mr Demajo was nominated by the IFSP to represent FinanceMalta for a 45-minute briefing titled 'Malta: another option for trusts?' on the 22nd June 2009.

September 2009 – Malta Enterprise Promotional Initiative - Hamburg, Germany

On the 15th September, FinanceMalta participated at a Business Workshop titled 'MALTA – European Efficiency and Mediterranean Lifestyle' organised by Malta Enterprise, the Hamburg Chamber of Commerce and Malta's Honorary Consul in Hamburg. The event was held at the Hamburg Chamber of Commerce Adlophsplatz 1, 20457 Hamburg and was attended by some 30 foreign delegates.

December 2009 – Malta Enterprise Promotional Initiative, Zaragoza, Spain

Dr James Muscat Azzopardi represented FinanceMalta at a seminar in Zaragoza, Spain, organized by Malta Enterprise on the 10th of

December, 2009. The Seminar, which was held in Spanish at the Zaragoza Chamber of Commerce, was held over a morning and included a series of one-to-one meetings with attendees. The Maltese delegation consisted of three persons – Lara Fiott representing Malta Enterprise, Claude Vella Bonanno representing Solea Pharma Limited and Dr Muscat Azzopardi representing FinanceMalta. The seminar was attended by around thirty persons, most of whom were representing companies that are members of the Zaragoza Chamber of Commerce.



FinanceMalta Publications

Investment Guide and Business Directory, 2009 edition

The second edition of the Investment Guide and Business Directory was published in accordance with the agreement signed between FinanceMalta and CountryProfiler on the 23rd January 2008. This second edition was launched at the event

which FinanceMalta organized in conjunction with the Financial Times at the London Stock Exchange on the 26th March 2009. During the period under review, the amount of printed copies was increased to 15,000 enabling FinanceMalta to do better marketing.

Media Articles/Advertorials

During 2009, FinanceMalta has submitted a number of media articles and advertorials in reputable international as well as local journals. A table summarising these initiatives is reproduced hereunder.

Publication	Month
Captive Review	January 2009
Skylife Magazine	January 2009
The Banker	February 2009
PocketMalta	March 2009
The Business Guide	March 2009
Skylife Magazine	April 2009
HFM Week	April 2009
HFM Week	June 2009
Captive Review	July 2009
The Banker	July 2009
Campden FO	July 2009
Skylife	August 2009
The Economic Update	August 2009
Strategic Risk	September 2009
Captive Review	November 2009
Campden FO – Issue 4	Autumn 2009
Wohnung & Haus – Issue 4	Autumn 2009
The Malta Independent – First Magazine	December 2009
Times of Malta - Sunday Circle Christmas Special	December 2009
The Economic Update	December 2009
Hedge Funds Review - 2009/2010 Malta Supplement	December 2009
Global Reinsurance Magazine	December 2009



Furthermore, FinanceMalta has ensured continuous exposure through numerous press releases as well as a number of adverts placed in the Financial Times of London.

Equally important were the quarterly newsletters which FinanceMalta issued in August and December 2009 which were circulated both in Malta and abroad.

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