FIMBANK
GROUP

condensed interim financial statements 2010

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Contents | Page

directors' report pursuant to listing rule 9.44k.2

For the six months ended 30 June 2010

The Directors ("Board" or "Directors") are pleased to issue their Report pursuant to the Malta Financial Services Authority Listing Rules and the Prevention of Financial Markets Abuse Act, 2005. This Report, which shall be read in conjunction with the condensed interim financial statements of the Group and the Bank for the six months ended 30 June 2010, including the Notes thereto, forms part of the Half-Yearly Report of FIMBank p.l.c., drawn up in accordance with the requirements of Listing Rules 9.44j et seq.

principal activities

The FIMBank Group of Companies (the "Group") includes FIMBank p.l.c. (the "Bank"), and its wholly owned subsidiaries London Forfaiting Company Limited ("LFC"), FIM Business Solutions Limited ("FBS"), FIM Property Investment Limited ("FPI") and FIMFactors B.V. ("FIMFactors"). LFC, in turn, is the parent company of a group of subsidiaries, incorporated in various jurisdictions but acting mainly as marketing offices, whilst FIMFactors has as its subsidiary Menafactors Limited ("Menafactors").

The Bank is a public limited company incorporated in accordance with the laws of Malta and listed on the Malta Stock Exchange. It is a licensed credit institution under the Banking Act, 1994 and its principal activities are the provision of international trade finance services to corporate traders and financial institutions, international banking transactions, factoring and loan syndications. The Bank acquired full control of LFC in 2003 and incorporated FIMFactors and FBS during 2005. In 2008 the Bank incorporated FPI and acquired full control of Menafactors.

LFC is registered in the United Kingdom as a private limited liability company. It was founded in 1984 and provides international trade finance services, particularly focusing on forfaiting business through an international network of offices – some of which have a distinct legal status in the jurisdictions where they operate. FIMFactors, a wholly owned subsidiary registered in the Netherlands, serves as a corporate vehicle for FIMBank's holdings in factoring subsidiaries and associated companies. FBS, a wholly owned subsidiary registered in Malta, focuses on the provision of information technology services to the Group and its associated companies as well as to correspondent banks. FPI, a wholly owned subsidiary registered in Malta, has as its primary objective the planning, construction and completion of the FIMBank Group's head office in Malta. Menafactors is licensed by the Dubai Financial Services Authority to provide international factoring and forfaiting services in the Gulf and MENA countries.

The Bank also holds a 40% equity investment in The Egyptian Company for Factoring SAE ("Egypt Factors"), a company incorporated in Egypt, which is active in providing international factoring and forfaiting services to Egyptian and other Middle Eastern exporting companies. The Group, through FIMFactors, also holds 40% in CIS Factors Holdings B.V. ("CIS Factors"), a company set-up under the laws of the Netherlands with the aim of serving as an investment vehicle for a factoring company, FactorRus, incorporated under the laws of the Russian Federation and which will provide factoring services in Russia. The Group also holds 49% in India Factoring and Finance Solutions Private Limited ("India Factors"), a newly-established company incorporated in Mumbai, India, to carry out the business of factoring, forfaiting and trade finance and related activities in India.

The Group is supervised on a solo and consolidated basis by the Malta Financial Services Authority. Menafactors and FIMBank's Branch in Dubai are licensed and regulated by the Dubai Financial Services Authority whilst India Factors will be licensed and regulated by the Reserve Bank of India.

salient developments

After the difficult and challenging conditions that marked most of 2009, more favourable economic forecasts fuelled a more optimistic outlook for 2010. World trade started showing signs of recovery during the first half of 2010, while capital started flowing to emerging markets. As global credit risk perceptions slowly started to improve, international financial markets started to stabilize and liquidity has shown gradual signs of easing, improving prospects especially for banking business. However, as clear signs of a rebound in main emerging powers like China, Brazil and India continued, the recovery in other emerging markets where the Group is particularly active remains challenging and certainly not helped by protracted concerns in the developed economies, not least the Eurozone.

With liquidity and capital adequacy ratios at healthy levels and a more stable access to funding, the Group sought to capitalise on the current business sentiment, continue with its strategy of pursuing factoring investments and projects, with a qualitative focus on profitability. In the first half of 2010, the Group continued to expand its client and product base in both existing and new geographical markets. Efforts to recover fully-impaired past losses continued through legal proceedings and other recovery actions while steps aimed at resolving credit issues related to marked-down debt securities continued to be pursued. On the funding side, the Group continued with its efforts to grow a more diversified deposit base, aiming for short to medium-term deposits across a mix in terms of size, sector and industry relationships. Efforts were also directed at tapping new sources of funding both by the parent as well as its main subsidiaries, LFC and Menafactors.

During the first half of 2010, the Group re-assessed its time-lines for disposing of its controlling interest in Menafactors. While the Board remains committed to seeking an important partner for a significant holding in this entity, it is not probable that the disposal will take place within the year, and is therefore ceasing to classify it as "held for sale". For the six months ended 30 June 2010, consolidation of Menafactors' results is being done on a "line-by-line" basis. During the period under review, Menafactors continued to experience a steady increase in activity but was still under the effect of credit issues which hit the region in 2009 and persisted during 2010. LCI Factors S.A.L., a small factoring company in Lebanon, in which the Group holds a stake of 25% through Menafactors, has also seen an encouraging pick-up in activity. Elsewhere, Egypt Factors continued to register growth in business volumes and turnovers. In India FIMBank is in partnership with Punjab National Bank, one of India's leading public-sector banks, and Italy's Banca IFIS, amongst others; the company is formed and starting up in Mumbai as regulatory approval is awaited from the Reserve Bank of India. In Russia, the Group is partnered with Transacapitalbank (40%) and International Finance Corporation (20%). FactorRus is expected to be operational in the second half of 2010.

review of performance

The condensed interim financial statements have been prepared in accordance with EU adopted IAS 34 Interim Financial Reporting. These published figures have been extracted from the FIMBank p.l.c. Group's unaudited accounts for the six months ended 30 June 2010 as approved by the Board of Directors on 05 August 2010.

For the six months ended 30 June 2010, the FIMBank Group posted an after-tax profit of USD3.39 million compared to USD2.92 million registered for the same period in 2009. In line with the decision to cease classifying Menafactors as "held for sale", comparative results for 2009 in the Interim Income Statement are also restated on a "line-by-line" basis; however the comparative Interim Statement of

Financial Position for 31 December 2009 is not reclassified and the investment is shown under "Non-current assets classified as held for sale".

income statement

Allowing for the effects arising from the reclassification of Menafactors (as above) the Group's Operating Income after Net Impairment losses increased by 8% over the same period in 2009, from USD14.54 million to USD15.64 million. Net Fee and Commission Income increased by 8% to USD10.28 million. Net Interest Income has not shown the same levels of improvement as for the same period last year, dropping by 6% to USD6.09 million, albeit the Net Interest Margin improved further and accounted for 58% of Gross Interest Income (2009 – 57%). Fair Values of the Group's Trading Assets, mainly the forfaiting book, marked downwards negligibly by USD0.08 million (2009 - USD 1.76 million) during the first six months of 2010, in line with the improved global credit risk perceptions and the gradual return of confidence and normalization in financial markets and trade flows. This was offset by net realised gains from traded assets of USD0.05 million (2009 – USD0.24 million) and realised and unrealised Exchange profits of USD2.29 million (2009 – USD0.51 million) resulting from increased foreign exchange activity in the Bank's niche markets. The Group reported realised gains on other Financial Assets carried at fair value of USD0.20 million for the first six months under review, while realised losses and downward mark-to-market adjustments on derivative instruments, mainly currency forward and swap contracts, held for risk management amounted to USD1.07 million. Net Impairment charges for the Group amounted to USD2.13 million, an increase of 19% over same period in 2009. This was mainly the result of an increase in specific impairment charges on Menafactors' factoring book alone of USD1.63 million, when compared to the same period in 2009 - a result of the credit issues which persist in the MENA region, especially Dubai. Conversely, specific impairment allowances for the Bank were USD1.27 million less than 2009, actually resulting in a net reversal of provisions of USD0.16 million. Total Operating Costs for the first six months ended 30 June 2010 amounted to USD11.97 million, increasing slightly above the levels incurred during same period in 2009.

The Share of Losses, resulting from the Group's investment in factoring equity accounted investees, amounted to USD0.31 million (2009 – USD0.24 million), with Egypt Factors' negative contribution dropping to USD0.13 million from USD0.21 million incurred during the first half of 2009, the remainder being the share of expenditure incurred within the newly set-up factoring ventures in Russia, India and Lebanon.

2010 marks the first financial year for the Bank since its 15-year tax Exemption Order expired on 31 December 2009, booking a tax credit for the first half of 2010 as a result of previously unrecognised temporary differences.

The Group posted an after-tax Profit for the period under review of USD3.39 million (2009 – USD2.92 million), with the Group's basic Earnings per Share amounting to US cents 2.50.

The Bank's Operating Income after Impairments Allowances increased by 9%, over the same period in 2009, to USD10.35 million. Net Fees and Commission Income increased by 14%, while Net Interest Income dropped from USD2.91 million to USD2.28 million. Foreign Exchange profits amounted to USD2.01 million, while realised and mark-to-market losses on derivative instruments held for risk management purposes amounted to USD1.32 million. Net Impairment Allowances at the level of the Bank dropped to USD0.24 million (2009 – USD1.53 million), reflecting a drop in specific impairment charges on the Bank's exposures of USD1.27 million, when compared to 2009. Total Operating Costs increased slightly above the levels booked during the same period in 2009. As a result, the Bank posted an after-tax profit for the six months ended 30 June 2010 of USD1.92 million (2009 – USD1.22 million).

balance sheet

At 30 June 2010, total Consolidated Assets stood at USD770 million, an increase of 11% over the levels reported at end-2009. Loans and Advances to Banks increased by 20% while Loans and Advances to Customers dropped by 6% when compared to the levels at 31 December 2009 and after adjusting for the factoring exposures, held by Menafactors and included as Non-Current Assets held for Sale at year-end. The Group's Trading Assets, made up mainly of LFC's forfaiting portfolio, increased by USD33 million, in large part reflecting the improved appetite for business and the gradual return of confidence in the markets. Investments in equity accounted investees increased to USD10 million as at 30 June 2010, mainly attributable to the new equity investment in India Factoring and Finance Solutions Private Limited as well as new equity of USD1.2 million injected in Egypt Factors. The Russian factoring venture and the new India Associate remain companies in their start-up phases and therefore still accumulating costs without generating operational revenue.

Total Consolidated Liabilities as at 30 June 2010 stood at USD653 million, an increase of USD74 million when compared to the levels reported as at 31 December 2009. The more significant increases in Amounts Owed to the Banks were recorded in term, collateral and callable deposits from banks. Amounts Owed to Customers stood at USD281 million, with increases recorded in both collateral and callable deposits which were partly offset by a drop in factoring creditors. Both the Subordinated Liabilities as well as Promissory Notes remained at same levels reported at 31 December 2009, with the movements resulting largely from currency fluctuations in the Euro-denominated Bonds.

Group Equity as at Balance Sheet date stood at USD117 million, marginally up from the Equity levels of 31 December 2009, reflecting in large part the half year performance as well as earnings retention as a result of the scrip dividend approved in May.

The Group's Basle II Capital Adequacy Ratio reported at 26% at end of June 2010 remained very robust and well above the regulatory minimum of 8%. Liquidity remained healthy with liquidity ratios averaging 59% during the first six months of the year and consistently above the 30% required regulatory threshold. Group commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfaiting assets and factoring commitments stood at USD245 million, which compares positively with the levels as at 31 December 2009. Contingent liabilities decreased from USD26 million to USD17 million at mid-year as USD10 million in unfunded notes, still outstanding at year-end, matured during the first six months ended 30 June 2010.

dividends and reserves

The Directors do not recommend the payment of an interim dividend for the period under review.

In May, a scrip dividend of USD1,565,047 was paid in respect of the financial year ended 31 December 2009. Of this amount, USD487,970 was paid through the issue of 488,240 new ordinary shares.

annual general meeting 2010

The Bank convened its Annual General Meeting on 6 May 2010. Along with the statutory Ordinary Resolutions, the Meeting approved Resolutions presented as special business to the shareholders, namely: the disclosure of unpublished price-sensitive information under certain circumstances, a new Executive Share Option Scheme & Rules for the years 2011-2015, and authority to the Directors to issue and allot new Equity Securities. Furthermore, two Extraordinary Resolutions were approved, namely (a) renewal of the Directors' authority to restrict or withdraw statutory pre-emption rights and (b) authority to the Bank to acquire its own shares.

related party transactions

Consistent with the 2009 Annual Report and Audited Financial Statements, the Bank maintained a related party relationship with its subsidiaries, associates, shareholders, directors and executive officers. In particular, the following related party balances and/or transactions were undertaken during the period under review:

1. Loans & Advances to Subsidiaries as at 30 June 2010 amounted to USD146 million (31 December 2009: USD122 million). Interest earned from subsidiaries for the period ended 30 June 2010 amounted to USD1.21 million (six months ended 30 June 2009: USD1.80 million).

2. No dividend was received by the Bank from any of its subsidiary undertakings or equity accounted investees (six months ended 30 June 2009: NIL).

Related party transactions with shareholders and directors were undertaken in the ordinary course of business arising out of or in connection with loans, advances, and deposit relationships. No material events occurred during the period under review. The nature of fees in respect of business, consultancy and professional services, charged by companies owned by Directors was also consistent with that disclosed in the 2009 Annual Report, and no material events occurred during the period under review.

Related party transactions carried out by the Bank and its wholly owned subsidiaries are reported to the Audit Committee which reviews them and assesses their nature and arm's-length consideration. This responsibility arises from the Committee's Charter, which is drafted in accordance with the listing rules as well as current best recommendations and practices of good corporate governance.

the second half of 2010

The conditions of the six months under review called for a continued cautious approach in developing new banking and structured trade finance business, and a conservative risk policy. There has been prudent growth in the forfaiting portfolio as the outlook for last year's fair value write-downs became cautiously more positive. Elsewhere in the Group, the business environment for factoring in Dubai remains difficult while the performance at Egypt Factors continues to show signs of growth in a new and challenging market. The Indian and Russian factoring joint-ventures are now set up and will become fully operational in the second half of 2010.

In this challenging environment the FIMBank Group continues to enjoy strong capital and liquidity ratios and a renewed appetite for business as emerging market conditions are expected to alleviate and the flow of trade picks up. The balance sheet is healthy and growing, as is the general pipeline of business. The performance for the period under review is very satisfactory and supported by an outlook of improved cost management, control over new impairments and recoveries in fair value write-downs and losses of prior years.

Approved by the Board on 5 August 2010 and signed on its behalf by:

Najeeb H.M. Al-Saleh	John C. Grech
Chairman	Vice Chairman

condensed interim statements of financial position

At 30 June 2010

	Note	Group		Bank	
		30 Jun 10	31 Dec 09	30 Jun 10	31 Dec 09
		USD	USD	USD	USD
ASSETS					
Balances with the Central Bank of Malta and cash		10,408,250	8,844,589	10,361,975	8,833,204
Trading assets		159,725,273	126,931,253	-	-
Derivative assets held for risk management		2,011,284	721,728	2,011,284	721,728
Financial assets designated at fair value through profit or loss		22,458,547	23,558,628	16,750,000	23,558,628
Loans and advances to banks		376,001,325	312,665,003	367,995,633	315,235,568
Loans and advances to customers		158,905,080	133,136,026	278,953,560	255,714,115
Investments available-for-sale		174,448	39,595	174,448	39,595
Investments in equity accounted investees	7	10,196,372	4,554,353	3,213,425	2,013,425
Non-current assets classified as held for sale	8	-	52,120,843	-	-
Investments in subsidiaries		-	-	58,691,325	53,412,291
Property and equipment		13,717,358	10,400,335	2,002,157	2,241,239
Intangible assets		1,318,957	1,319,006	503,626	549,270
Current tax recoverable		336,515	508,275	336,515	508,275
Deferred tax asset		8,601,029	8,341,764	1,942,448	1,683,183
Other assets		3,373,488	9,779,650	3,090,137	1,870,871
Prepayments and accrued income		2,955,484	2,312,378	3,410,682	2,110,959
Total assets		770,183,410	695,233,426	749,437,215	668,492,351
LIABILITIES AND EQUITY					
Liabilities					
Derivative liabilities held for risk management		2,549,812	1,026,810	2,923,036	1,152,782
Amounts owed to banks		307,273,185	222,813,489	308,372,093	227,151,376
Amounts owed to customers		281,078,419	270,270,939	278,143,907	271,532,067
Liabilities directly associated with non-current assets classified as held for sale	8	-	11,775,785	-	-
Debt securities in issue	9	7,255,767	7,745,568	-	4,931,904
Subordinated debt	10	41,909,736	47,062,828	41,909,736	47,062,828
Provisions		2,483,426	2,618,708	1,733,104	1,733,104
Other liabilities		43,640	113,806	43,640	113,806
Accruals and deferred income		10,289,822	16,176,912	4,810,302	4,101,948
Total liabilities		652,883,807	579,604,845	637,935,818	557,779,815
Equity					
Called up share capital		67,968,397	67,713,477	67,968,397	67,713,477
Share premium		10,233,166	9,986,355	10,233,166	9,986,355
Currency translation reserve		(739,944)	(146,618)	-	-
Fair value reserve		(66,827)	-	(66,827)	-
Other reserve		7,152,835	6,495,973	2,681,041	2,681,041
Retained earnings		32,751,976	31,579,394	30,685,620	30,331,663
Total equity		117,299,603	115,628,581	111,501,397	110,712,536
Total liabilities and equity		770,183,410	695,233,426	749,437,215	668,492,351

condensed interim statements of financial position

At 30 June 2010

	Group		Bank	
	30 Jun 10	31 Dec 09	30 Jun 10	31 Dec 09
	USD	USD	USD	USD
MEMORANDUM ITEMS				
Contingent liabilities	16,539,516	25,565,381	16,646,433	27,021,667
Commitments	245,498,434	191,902,440	212,952,064	167,848,294

The condensed interim financial statements set out on pages 8 to 20 were approved by the Board of Directors on 5 August 2010 and were signed on its behalf by:

Najeeb H.M. Al-Saleh
Chairman

John C. Grech
Vice Chairman

condensed interim statements of changes in equity

For the six months ended 30 June 2010

Group

	Share capital USD	Share premium USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Retained earnings USD	Total USD
At 1 January 2009	67,428,196	9,658,098	3,790	-	9,311,248	30,234,978	116,636,310
Transfer to retained earnings	-	-	-	-	(1,032,216)	1,032,216	-
Profit for the period	-	-	-	-	-	2,915,071	2,915,071
Other comprehensive income							
Currency translation reserve	-	-	(119)	-	-	-	(119)
Total other comprehensive income	-	-	(119)	-	-	-	(119)
Total comprehensive income for the period	-	-	(119)	-	(1,032,216)	3,947,287	2,914,952
Transactions with owners, recorded directly in equity							
Shares issued on exercise of options	4,320	1,185	-	-	-	-	5,505
Dividends to equity holders	-	-	-	-	-	(3,035,907)	(3,035,907)
Scrip issue of ordinary shares	270,161	323,915	-	-	-	-	594,076
Total contributions by and distributions to owners	274,481	325,100	-	-	-	(3,035,907)	(2,436,326)
As at 30 June 2009	67,702,677	9,983,198	3,671	-	8,279,032	31,146,358	117,114,936
At 1 January 2010	67,713,477	9,986,355	(146,618)	-	6,495,973	31,579,394	115,628,581
Transfer to other reserves	-	-	-	-	656,862	(656,862)	-
Profit for the period	-	-	-	-	-	3,394,491	3,394,491
Other comprehensive income							
Change in fair value of available-for-sale financial assets	-	-	-	(66,827)	-	-	(66,827)
Currency translation reserve	-	-	(593,326)	-	-	-	(593,326)
Total other comprehensive income	-	-	(593,326)	(66,827)	-	-	(660,153)
Total comprehensive income for the period	-	-	(593,326)	(66,827)	656,862	2,737,629	2,734,338
Transactions with owners, recorded directly in equity							
Shares issued on exercise of options	10,800	2,961	-	-	-	-	13,761
Dividends to equity holders	-	-	-	-	-	(1,565,047)	(1,565,047)
Scrip issue of ordinary shares	244,120	243,850	-	-	-	-	487,970
Total contributions by and distributions to owners	254,920	246,811	-	-	-	(1,565,047)	(1,063,316)
As at 30 June 2010	67,968,397	10,233,166	(739,944)	(66,827)	7,152,835	32,751,976	117,299,603

condensed interim statements of changes in equity

For the six months ended 30 June 2010

Bank	Share capital USD	Share premium USD	Fair value reserve USD	Other reserve USD	Retained earnings USD	Total USD
At 1 January 2009	67,428,196	9,658,098	-	2,681,041	32,295,085	112,062,420
Profit for the period	-	-	-	-	1,220,130	1,220,130
Total comprehensive income for the period	-	-	-	-	1,220,130	1,220,130
Transactions with owners, recorded directly in equity						
Shares issued on exercise of options	4,320	1,185	-	-	-	5,505
Dividends to equity holders	-	-	-	-	(3,035,907)	(3,035,907)
Scrip issue of ordinary shares	270,161	323,915	-	-	-	594,076
Total contributions by and distributions to owners	274,481	325,100	-	-	(3,035,907)	(2,436,326)
As at 30 June 2009	67,702,677	9,983,198	-	2,681,041	30,479,308	110,846,224
At 1 January 2010	67,713,477	9,986,355	-	2,681,041	30,331,663	110,712,536
Profit for the period	-	-	-	-	1,919,004	1,919,004
Other comprehensive income						
Change in fair value of available-for-sale financial assets	-	-	(66,827)	-	-	(66,827)
Total other comprehensive income	-	-	(66,827)	-	-	(66,827)
Total comprehensive income for the period	-	-	(66,827)	-	1,919,004	1,852,177
Transactions with owners, recorded directly in equity						
Shares issued on exercise of options	10,800	2,961	-	-	-	13,761
Dividends to equity holders	-	-	-	-	(1,565,047)	(1,565,047)
Scrip issue of ordinary shares	244,120	243,850	-	-	-	487,970
Total contributions by and distributions to owners	254,920	246,811	-	-	(1,565,047)	(1,063,316)
As at 30 June 2010	67,968,397	10,233,166	(66,827)	2,681,041	30,685,620	111,501,397

condensed interim income statements

For the six months ended 30 June 2010

	Note	Group 2010 USD	Group 2009 USD	Bank 2010 USD	Bank 2009 USD
Interest income		10,486,016	11,392,527	6,590,950	7,504,325
Interest expense		(4,400,616)	(4,889,217)	(4,308,697)	(4,589,981)
Net interest income		6,085,400	6,503,310	2,282,253	2,914,344
Fee and commission income		11,069,791	9,978,526	7,861,611	7,195,456
Fee and commission expense		(793,188)	(465,668)	(367,460)	(632,090)
Net fee and commission income		10,276,603	9,512,858	7,494,151	6,563,366
Net trading results		2,255,128	(1,027,183)	2,006,088	466,142
Net income from other financial instruments carried at fair value		(872,797)	1,330,378	(1,205,214)	1,091,305
Dividend income		-	604	-	604
Other operating income		26,011	9,904	11,996	9,904
Operating income before net impairment losses		17,770,345	16,329,871	10,589,274	11,045,665
Net impairment losses		(2,129,804)	(1,789,777)	(237,499)	(1,529,586)
Operating income		15,640,541	14,540,094	10,351,775	9,516,079
Administrative expenses		(11,338,847)	(10,924,901)	(8,070,794)	(8,049,959)
Depreciation and amortisation		(627,073)	(509,944)	(391,644)	(293,469)
Total operating expenses		(11,965,920)	(11,434,845)	(8,462,438)	(8,343,428)
Operating profit		3,674,621	3,105,249	1,889,337	1,172,651
Share of loss of equity accounted investees (net of tax)		(309,525)	(236,264)	-	-
Profit before income tax		3,365,096	2,868,985	1,889,337	1,172,651
Taxation	6	29,395	46,086	29,667	47,479
Profit for the period		3,394,491	2,915,071	1,919,004	1,220,130
Basic earnings per share		2.50c	2.15c	1.42c	0.90c
Diluted earnings per share		2.50c	2.17c	1.41c	0.95c

condensed interim statements of comprehensive income

For the six months ended 30 June 2010

	Group		Bank	
	2010	2009	2010	2009
	USD	USD	USD	USD
Profit for the period	3,394,491	2,915,071	1,919,004	1,220,130
Other comprehensive income:				
Foreign currency translation differences for foreign operations	(593,326)	(119)	-	-
Net change in fair value of available-for-sale financial assets	(66,827)	-	(66,827)	-
Total comprehensive income for the period	2,734,338	2,914,952	1,852,177	1,220,130

condensed interim statements of cash flows

For the six months ended 30 June 2010	Group		Bank	
	2010 USD	2009 USD	2010 USD	2009 USD
Cash flows from operating activities				
Interest and commission receipts	11,957,677	21,232,493	13,276,666	13,578,111
Exchange received	1,182,140	126,753	1,171,748	582,325
Interest and commission payments	(4,770,846)	(4,720,426)	(4,324,879)	(4,481,912)
Payments to employees and suppliers	(11,163,544)	(11,507,201)	(8,151,152)	(9,186,280)
Operating profit before changes in operating assets / liabilities	(2,794,573)	5,131,619	1,972,383	492,244
(Increase) / decrease in operating assets:				
- Trading assets	(30,406,401)	28,854,612	-	-
- Financial assets at fair value through profit or loss	14,969,849	(9,889,561)	6,559,297	(9,889,561)
- Loans and advances to customers and banks	(29,799,031)	(601,409)	(54,647,693)	(26,080,039)
- Other assets	6,559,005	362,730	(1,219,266)	1,023,932
Increase / (decrease) in operating liabilities:				
- Amounts owed to customers and banks	53,518,056	30,926,062	56,675,199	30,690,570
- Other liabilities	(70,166)	(2,280)	(53,405)	(2,280)
Net cash inflows / (outflows) from operating activities before income tax	11,976,739	54,781,773	9,286,515	(3,765,134)
Income tax paid	(58,110)	(134,496)	(57,838)	(133,103)
Net cash inflows / (outflows) from operating activities	11,918,629	54,647,277	9,228,677	(3,898,237)
Cash flows from investing activities				
- Payments to acquire property and equipment	(3,649,618)	(4,591,412)	(84,763)	(455,684)
- Payments to acquire intangible assets	(157,544)	(329,028)	(22,155)	(152,815)
- Purchase of shares in subsidiary companies	-	-	(5,279,035)	-
- Purchase of shares in equity accounted investees	(6,479,035)	-	(1,200,000)	-
- Proceeds from disposal of property and equipment	14,017	-	-	-
- Increase in net assets classified as held for sale	-	(8,120,165)	-	-
- Receipt of dividend	-	604	-	604
Net cash flows used in investing activities	(10,272,180)	(13,040,001)	(6,585,953)	(607,895)
Cash flows from financing activities				
- Proceeds from issue of subordinated bonds	-	39,061,686	-	39,061,686
- Repayment of debt securities	(489,801)	(24,754,490)	(4,931,904)	-
- Proceeds from issue of shares on exercise of options	13,761	5,505	13,761	5,505
- Dividends paid	(1,077,077)	(2,441,831)	(1,077,077)	(2,441,831)
Net cash flows (used in) / from financing activities	(1,553,117)	11,870,870	(5,995,220)	36,625,360
Increase / (decrease) in cash and cash equivalents	93,332	53,478,146	(3,352,496)	32,119,228
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	(16,582,288)	1,607,171	(16,503,888)	1,322,400
- Net increase in cash and cash equivalents	16,675,620	51,870,975	13,151,392	30,796,828
Increase / (decrease) in cash and cash equivalents	93,332	53,478,146	(3,352,496)	32,119,228
Cash and cash equivalents at beginning of period	105,474,073	90,549,528	103,695,367	85,591,300
Reclassification of cash and cash equivalent previously held as a discontinued operation	1,137,116	-	-	-
	106,611,189	90,549,528	103,695,367	85,591,300
Cash and cash equivalents at end of period	106,704,521	144,027,674	100,342,871	117,710,528

notes to the condensed interim financial statements

For the six months ended 30 June 2010

1 reporting entity

FIMBank p.l.c. ("the Bank") is a credit institution domiciled in Malta with its registered address at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM 1640, Malta. The condensed interim financial statements of the Bank as at and for the six months ended 30 June 2010 include the Bank and its subsidiaries (together referred to as the "Group") and individually as "Group Entities".

The consolidated financial statements of the Group as at and for the year ended 31 December 2009 are available upon request from the Bank's registered office and are available for viewing on its website at www.fimbank.com.

2 statement of compliance

The condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, adopted by the EU.

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of FIMBank p.l.c. as at and for the year ended 31 December 2009.

The condensed interim financial statements were approved by the Board of Directors on 5 August 2010.

3 significant accounting policies

The accounting policies applied by the Group in these condensed interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2009.

4 estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2009.

5 operating segments

Subsequent to the reclassification of Menafactors from Discontinued Operations (see Note 8), the Group identified four significant reportable segments; Trade Finance, Factoring, Forfaiting and IT Solutions, which are represented by different Group entities. For each of the entities, Executive Management reviews internal management reports on a monthly basis.

information about operating segments

GROUP - 2010

USD

	Trade Finance	Factoring	Forfaiting	IT Solutions	Other	Total
External revenue:						
Interest income	5,291,043	1,974,207	3,220,766	-	-	10,486,016
Fees & commission income	7,745,620	998,397	2,192,725	133,049	-	11,069,791
Trading income	1,991,035	31,935	(267,725)	7,189	492,694	2,255,128
	15,027,698	3,004,539	5,145,766	140,238	492,694	23,810,935
Intersegment revenue:						
Interest receivable	1,211,695	-	-	114	-	1,211,809
Fees & commission receivable	-	-	39,665	130,000	-	169,665
	1,211,695	-	39,665	130,114	-	1,381,474
Reportable segment profit before income tax	2,027,451	(852,984)	2,129,500	11,171	459,888	3,775,026
Reportable segment assets	740,471,716	48,229,585	171,049,317	994,254	30,073,258	990,818,130

GROUP - 2009
USD

	Trade Finance	Factoring	Forfaiting	IT Solutions	Other	Total
External revenue:						
Interest income	5,257,337	1,691,071	4,444,119	-	-	11,392,527
Fees & commission income	7,038,982	524,665	2,281,684	133,195	-	9,978,526
Trading income	459,086	20,414	(1,444,867)	(4,556)	(57,260)	(1,027,183)
	12,755,405	2,236,150	5,280,936	128,639	(57,260)	20,343,870
Intersegment revenue:						
Interest receivable	2,024,302	-	-	1,913	-	2,026,215
Fees & commission receivable	-	-	215,710	126,000	-	341,710
Trading income	-	-	(12,124)	-	-	(12,124)
	2,024,302	-	203,586	127,913	-	2,355,801
Reportable segment profit before income tax	1,564,038	1,682	1,576,453	64,595	(66,265)	3,140,503
Reportable segment assets	587,278,108	53,846,674	156,086,719	1,651,541	16,810,268	815,673,310

reconciliation of reportable segment profit or loss

GROUP

	2010 USD	2009 USD
Total profit or loss for reportable segments	3,315,138	3,206,768
Other profit or loss	459,888	(66,265)
	3,775,026	3,140,503
Share of loss of equity accounted investees	(309,525)	(236,264)
Effect of other consolidation adjustments on segment results	(100,405)	(35,254)
Consolidated profit before income tax	3,365,096	2,868,985

6 taxation

The Tax Exemption Order, issued in terms of Article 12(2) of the Income Tax Act (Chapter 123, of the Laws of Malta) and under which the Bank benefited from an effective reduced rate of income tax on its business conducted wholly outside Malta, expired during year of assessment 2010 (financial year ending 31 December 2009). Under this Exemption Order, the taxable income from business conducted wholly outside Malta was calculated as a percentage (0.25%) of such gross assets as at the end of the relevant year. The taxable profit thus calculated was then subject to tax at 35%.

As from 1 January 2010, the Bank is subject to income tax in Malta under the applicable regime of income tax laws and regulations. Taxation for the six month period ended 30 June 2010, amounts to a credit of USD29,667 mainly a result of previously unrecognised temporary differences of USD746,132.

7 investment in equity accounted investees

Movement in investment in equity accounted investees during the six months ended 30 June 2010 is analysed as follows:

	Group	Bank
	2010	2010
	USD	USD
At 1 January	4,554,353	2,013,425
Investment in Egypt Factors S.A.L.	1,200,000	1,200,000
Investment in India Factoring and Finance Solutions Private Limited	5,279,035	-
Reclassification of investment in LCI Factors held through Menafactors Limited (see Note 8)	81,295	-
Net share of losses	(309,525)	-
Currency translation differences	(608,786)	-
At 30 June	10,196,372	3,213,425

8 non-current assets classified as held for sale

During the six months ending 30 June 2010, the Group re-assessed its decision to dispose of its controlling interest in Menafactors Limited ("Menafactors") and the consequential disclosure of the investment in this subsidiary undertaking as a "Non-current asset classified as held for sale". Whilst the Group is still determined to seek a strategic partner for Menafactors, this disposal is not highly probable to take place within a year, and is therefore ceasing to classify it as "held for sale". For the six months ended 30 June 2010, the financial position and the result of operations of Menafactors are being consolidated on a "line-by-line" basis whilst the result of operations of the subsidiary for the six months ended 30 June 2009 have been reclassified and included in income from continuing operations. In line with IFRS 5 no reclassification was made for non-current assets and liabilities classified as held for sale at 31 December 2009.

9 debt securities in issue

During the six months ended 30 June 2010 the Bank repaid its promissory notes outstanding at 31 December 2009 of USD4,931,904 and a subsidiary undertaking issued net promissory notes of USD4,442,103.

10 subordinated debt

On 22 June 2010, the conversion option granted to International Finance Corporation under the Subordinated Conversion Loan Agreement expired. Accordingly, the loan balance of USD6,000,000 is repayable by 22 June 2013.

11 contingent liabilities

No events occurred that require any changes to the contingent liabilities disclosed in the financial statements for the year ended 31 December 2009.

12 financial commitments

The Group has committed further investments in its associated companies of USD6 million in CIS Factors Holdings B.V. and 490 million Indian Rupees (cc USD10.5 million as at 30 June 2010) in India Factoring and Finance Solutions Private Limited respectively.

The timing of these further injections is dependant on the satisfaction of all conditions laid down in the associates' incorporation agreements, including the approval by regulatory authorities.

13 capital commitments

At balance sheet date the Group had the following capital commitments:

	Group	
	2010 USD	2009 USD
Authorised and contracted for	7,276,891	10,597,932
Authorised but not contracted for	7,700,238	10,726,405
	14,977,129	21,324,337

Group capital commitments relate to the development of a plot of land in Pendergardens, St Julian's, into premises where the Group intends to house its head office. The expected completion year for this project is 2012.

14 events after balance sheet date

There were no material events which occurred subsequent to the balance sheet date.

15 comparative figures

Certain comparative amounts have been reclassified to reflect the reclassification of Discontinued Operations (see Note 8).

statement pursuant to listing rule 9.44k.3

I hereby confirm that to the best of my knowledge:

- the condensed interim financial statements give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2010, as well as of the financial performance and cash flows for the said period, fully in compliance with IAS 34, Interim Financial Reporting, adopted by the EU; and

- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 9.44k.2

Margrith Lütschg-Emmenegger
President

independent auditors' report on review of condensed interim financial statements

To the Board of Directors of

FIMBank p.l.c.

introduction

We have reviewed the accompanying condensed interim financial statements of FIMBank p.l.c. ("the Bank") and of the Group of which the Bank is the parent ("the Condensed Interim Financial Statements") set out on pages 8 to 20 which comprise the condensed statements of financial position as at 30 June 2010, and the related condensed statements of income, condensed statements of comprehensive income, condensed statements of changes in equity and condensed cash flow statements for the six-month period then ended. Management is responsible for the preparation and presentation of the condensed interim financial statements in accordance with IAS 34, Interim Financial Reporting, adopted by the EU. Our responsibility is to express a conclusion on these interim financial statements based on our review.

This report is made solely to the Board of Directors in accordance with the terms of our engagement and is released for publication in compliance with the requirements of Listing Rule 9.44k.4 issued by the Listing Authority. Our review has been undertaken so that we might state to the Board of Directors those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors for our review work, for this report, or for the conclusions we have expressed.

scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements for the six month period ended 30 June 2010 are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, adopted by the EU.

Noel Mizzi
(Partner) for and on behalf of
KPMG
Registered Auditors

5 August 2010

fimbank group contact details

MALTA

FIMBANK p.l.c.
7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640, Malta
Tel: +356 2132 2100
Fax: + 356 2132 2122
S.W.I.F.T.: FIMB MT M3
www.fimbank.com
E-Mail: info@fimbank.com

LONDON FORFAITING COMPANY LIMITED
M4, No. 12, Tigne Place,
Tigne Street, Sliema SLM 3173, Malta
Tel: +356 2347 700
Fax: +356 2347 777
E-Mail: lfc.malta@forfaiting.com
Contact: Lorna Pillow

FIM BUSINESS SOLUTIONS LIMITED
7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640, Malta
Tel: +356 2132 2100
Fax: + 356 2133 0804
E-Mail: info@fimbs.net
Contact: Gilbert Coleiro

FIM PROPERTY INVESTMENT LIMITED
7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640, Malta
Tel: +356 2132 2100
Fax: + 356 2328 0127
E-Mail: info@fimproperty.com
Contact: Silvio Mifsud

BRASIL

LONDON FORFAITING DO BRASIL LTDA
Av. das Nacoes Unidas 12551,
25th Floor, CEP 04578-903,
Sao Paulo, SP, Brasil
Tel: +55 11 3043 7400
Fax: +55 11 3043 7249
E-Mail: lfc.brasil@forfaiting.com
Contact: Alexandre Ozzetti

EGYPT

THE EGYPTIAN COMPANY FOR FACTORING S.A.E.
(Associated Company)
Nasr City, Public Free Zone, Block G/11,
Cairo, Egypt
www.egyptfactors.com
E-Mail: info@egyptfactors.com
Contact: Marius Savin

INDIA

INDIA FACTORING FINANCE & SOLUTIONS PRIVATE LIMITED
(Associated Company)
6th Floor, Vaibhav Chambers.
Bandra- Kurla Complex,
Bandra(E).
Mumbai- 400051, India
Tel: + 91 224 412 5555
Fax: + 91 224 412 5556
E-Mail: info@indiafactors.in
Contact: Sudeb Sarbadikhary

LEBANON

LCI FACTORS S.A.L.
Sodeco Square
Block B, 15th Floor
Damascus Street
Beirut, Lebanon
Tel: +961 1 615616
Fax: +961 1 611044
E-Mail: karim.nasrallah@lcifactors.com
Contact: Karim Nasrallah

NETHERLANDS

FIMFACTORS B.V.
Telestone 8 - Teleport, Naritaweg
165 1043 BW Amsterdam,
The Netherlands P.O. Box 7241 - 1007 JE

RUSSIA

LONDON FORFAITING COMPANY LIMITED
Representative Office
15th Floor,
Smolensy Passage,
3 Smolenskaya Square, Moscow 121099,
Russian Federation
Tel: +749 5771 7142
Fax: +749 5771 7140
E-mail: lfc.russia@forfaiting.com
Contact: Irina Babenko

FACTORRUS
(Associated Company)
1st Kolobovsky per. 6/3
Moscow, Russia
Tel: +71 6512 9367
E-mail: boris.melnikov@rambler.ru
Contact: Boris Melnikov

SINGAPORE

LONDON FORFAITING COMPANY LIMITED
Singapore Branch, 3 Temasek Avenue,
34-00 Centennial Tower,
Singapore 039190
Tel: +65 6549 7778
Fax: +65 6549 7011
E-Mail: lfc.singapore@forfaiting.com
Contact: Sean Aston

TURKEY

LONDON FORFAITING COMPANY LTD
Representative Office Barbaros Mahallesi, Dereboyu Caddesi,
Feslegen Sokak, UPHILL Court Towers A1-B,
Kat:11 Daire:62, 34746 Ataehir, Istanbul, TURKEY
Tel: +90 216 688 9160 (3 lines)
Fax: +90 216 688 9163
E-mail: lfc.turkey@forfaiting.com
Contact: Yonca Sarp

UNITED ARAB EMIRATES

FIMBANK P.L.C. (DIFC) BRANCH
Dubai International Financial Centre,
Level 1,
Gate Village 06,
P.O. Box 506554, Dubai,
United Arab Emirates
Tel: +971 4 424 2680
Fax: + 971 4 425 5741
E-Mail: nigel.harris@fimbank.com
Contact: Nigel Harris

MENAFACTORS LIMITED
P.O. Box 506554, Gate Village 06,
Level 1, Offices 3 & 4,
Dubai International Financial Centre,
Dubai, United Arab Emirates
Tel: +971 4424 2660
Fax: +971 4425 5740
e-mail: info@menafactors.com
Contact: Anand Padmanaban

UNITED KINGDOM

FIMBANK P.L.C.
Representative Office - London,
3rd Floor, 11 Ironmonger Lane
London, EC2V 8EY
Tel: +442 0 7710 0030
Fax: +442 0 7710 0039
E-Mail: steve.wilkinson@fimbank.com
Contact: Steve Wilkinson

LONDON FORFAITING COMPANY LIMITED
3rd Floor, 11 Ironmonger Lane
London. EC2V 8EY
Tel: +442 0 7397 1510
Fax: +442 0 7397 1511
www.forfaiting.com
E-Mail: lfc@forfaiting.com
Contact: Simon Lay

UNITED STATES OF AMERICA

LONDON FORFAITING AMERICAS INC.
1, East 52nd Street,
Suite 602
New York, NY 10022
Fax: +1 212 377 2018
E-Mail: lfa@forfaiting.com
Contact: Gregory Bernardi

FIMBank p.l.c.
7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640, Malta.
Tel: +356 2132 2100 E-mail: info@fimbank.com
www.fimbank.com