



# FIMBANK

FIMBANK PLC  
COMPANY SECRETARIAT  
7<sup>TH</sup> FLOOR, THE PLAZA COMMERCIAL CENTRE  
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## COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. (the "Company") pursuant to Malta Financial Services Authority Listing Rules 8.7 and 9.35.

### *Quote*

The Board of Directors of FIMBank p.l.c. met in Cairo, Egypt, on 9<sup>th</sup> March 2009, to approve the Audited Financial Statements for the financial year ended 31<sup>st</sup> December 2008. A Preliminary Statement of Results for the financial year ended 31<sup>st</sup> December 2008 is attached to this Company Announcement pursuant to Listing Rule 9.35 and has been made available for public view on the Company's website at [www.fimbank.com](http://www.fimbank.com).

The Board of Directors resolved that the Audited Financial Statements be submitted for approval of the shareholders at the forthcoming Annual General Meeting to be held in Malta on 23<sup>rd</sup> April 2009.

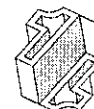
At that Meeting, the Board of Directors will be recommending the payment of a scrip dividend of US\$ 3,035,907 (*i.e.* US\$ cents 2.251215 per ordinary share). Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange as at the close of trading on 24<sup>th</sup> March 2009 (the 'Record Date') will be entitled to receive:

- a) the notice of the Annual General Meeting; and
- b) the scrip dividend, to be paid either in cash or by the issue of new shares, at each shareholder's option as from Thursday 30<sup>th</sup> April 2009.

The Board of Directors also considered and approved a Bond Issue to take place in the second quarter of the year 2009. Formal application has been made with the competent authorities. Further details will be communicated as soon as the relevant regulatory approvals have been obtained.

*Unquote*

Raffaella Bonadies  
Company Secretary  
10<sup>th</sup> March 2009



#### General

The Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rules 8.7 and 9.35. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2008, as approved by the Board of Directors on 9 March 2009 and audited by KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (or the "Group"), comprising FIMBank p.l.c. (or the "Bank"), London Forfaiting Company Limited ("LFC"), FIM Business Solutions Limited ("FBS"), FIM Property Investment Limited ("FPI") and FIMFactors B.V. ("FIMFactors"). FIMFactors is the parent of the fully owned subsidiary Menafactors Limited ("Menafactors").

#### Review of Performance

The FIMBank Group posted an after-tax profit of USD24.8 million in 2008 (2007: USD10.5 million). As explained in the following additional information extracted from a review of the Audited Financial Statements of the Group, during 2008, the Group continued developing its trade finance strategy across a wider matrix of products, clients and geographies. The strong and fast growth of the first 9 months of the year was contrasted by the financial turmoil and uncertainty which characterised the last quarter of the year.

During the year under review, the Bank increased its Net Interest Income from USD6.01 million to USD8.51 million, an increase of 41%. Increases in short-term money market placements, trade loans and advances, as well as in the factoring book contributed to all-round growth in interest receivable. This was partly offset by the increase in interest payable due to the availability of higher customer and bank deposits. Net Fee and Commission Income increased by 29% over 2007, from USD11.47 million to USD14.84 million. The turbulence in financial markets which characterized the last quarter of 2008 impacted on the Bank's financial assets carried at fair value which resulted in an aggregate downward mark-to-market adjustment of USD7.18 million, all of which is unrealised as at 31 December 2008. The Bank is confident that these unrealised mark-downs will be recovered in time as they are not related to any foreseeable substantive deterioration in credit quality, and in good part refer to instruments of proximate maturity. The above fair value adjustments were partly offset by profits resulting from foreign exchange operations, which amounted to USD3.61 million (2007: USD1.16 million).

During 2008, FIMBank also received a dividend of USD1.53 million from LFC while the disposal of shares in Global Trade Finance Limited ("GTF") in March 2008 resulted in a realised profit at the level of the Bank of USD43.09 million. Net Impairment Losses increased by USD0.35 million to USD1.08 million, largely reflecting an increase in collective impairment allowances of USD0.32 million. During 2008, the Bank recognised a provision of USD1.73 million in respect of a payment under documentary credit for which court proceedings had been instituted in 2006 and which judgment is being appealed in court. Operating costs also grew by 33%

and include a significant absorption of the support given to start-up activities, further recruitment, and increases in performance-based compensation. Pre-tax profit for the Bank increased from USD3.50 million in 2007 to USD 40.50 million with a tax charge of USD9.96 million, out of which USD9.81 million are taxes held at source on the disposal of GTF investment.

At the Group level, Net Interest Income increased by 35% from USD10.48 million to USD14.19 million, while Net Fee & Commission Income increased by 33%, reflecting improved performance at both Bank level and its subsidiaries – LFC and FIM Business Solutions Limited. The disposal of shares in GTF contributed to a consolidated profit on disposal of USD33.63 million. The Group's Impairment Losses mirror the trend in specific and collective impairment charges of the Bank. The Group booked a Net Operating Income (net of impairments) of USD59.25 million, significantly higher than that recorded in 2007 which amounted to USD25.94 million. Operating Expenses before the Provisions for Liabilities and Charges increased by 26%, reflecting the increased activity and operating base of the Group.

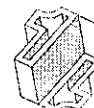
The net contribution of equity accounted investees decreased to USD1.74 million (2007: USD4.63million) due to the disposal of GTF and the full-acquisition of Menafactors. Subsequent to the temporary acquisition of the entire shareholding of Menafactors, the Group started measuring this investment in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" which resulted in a profit for the Group of USD0.01 million. Group pre-tax profit increased to USD34.37 million, with post-tax profit for the year increasing from USD10.46 million to USD24.78 million

Total equity increased to USD112.06 million (Bank) and USD116.64 million (Group), reflecting the improved profitability and dividend retention in the form of scrip issues. Total Bank assets increased by 7%, from USD550 million to USD589 million while total assets for the Group increased from USD571 million to USD624 million, a growth of 9%. Group commitments stood at USD240 million at 31 December 2008, a drop of 22% when compared to the levels recorded at the end of 2007, reflecting drops in commitments to purchase forfaiting assets, documentary credits and undrawn credit facilities which were partially offset by an increase in unfunded credit-linked notes.

#### Dividends

The Directors will be recommending to the Annual General Meeting of shareholders the payment of a scrip dividend amounting to USD3,035,907 (2007: USD4,184,820), representing a net dividend per ordinary share of US cents 2.251215 (2007: US cents 3.8023249). All shareholders on the register as at close of trading on 24 March 2009 shall be entitled to receive the dividend. The Directors note that this distribution, together with the extraordinary dividend paid in September 2008, will result in a total net dividend for the year of US cents 5.542139 per ordinary share.

# FIMBank p.l.c.



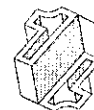
## Income Statements

For the Year Ended 31 December 2008

**FIMBANK**

	Group		Bank	
	2008 USD	2007 USD	2008 USD	2007 USD
Interest income	32,815,017	28,418,274	26,111,791	22,870,430
Interest expense	(18,620,789)	(17,936,912)	(17,606,671)	(16,858,192)
Net interest income	14,194,228	10,481,362	8,505,120	6,012,238
Fee and commission income	20,557,357	16,156,674	16,128,175	12,420,609
Fee and commission expense	(1,625,947)	(1,945,941)	(1,288,088)	(946,703)
Net fee and commission income	18,931,410	14,210,733	14,840,087	11,473,906
Net trading income	2,077,831	1,972,316	3,610,220	1,158,310
Net loss from other financial instruments carried at fair value	(8,578,025)	(68,468)	(8,469,022)	(14,926)
Dividend income	564	371	1,530,101	600,123
Profit on disposal of associated undertaking	33,626,234	-	43,085,785	-
Other operating income	77,405	165,738	69,788	51,537
Operating income before net impairment losses	60,329,647	26,762,052	63,172,079	19,281,188
Net impairment losses	(1,079,697)	(820,782)	(1,079,697)	(732,089)
<b>Operating income</b>	<b>59,249,950</b>	<b>25,941,270</b>	<b>62,092,382</b>	<b>18,549,099</b>
Administrative expenses	(24,080,233)	(18,980,268)	(19,324,672)	(14,528,885)
Depreciation and amortisation	(810,713)	(807,318)	(534,636)	(517,125)
Adjustment to goodwill	-	(1,129,726)	-	-
Provision for liabilities and charges	(1,733,104)	-	(1,733,104)	-
<b>Total operating expenses</b>	<b>(26,624,050)</b>	<b>(20,917,312)</b>	<b>(21,592,412)</b>	<b>(15,046,010)</b>
<b>Operating profit</b>	<b>32,625,900</b>	<b>5,023,958</b>	<b>40,499,970</b>	<b>3,503,089</b>
Share of profit of equity accounted investees (net of tax)	1,743,495	4,632,878	-	-
<b>Profit before income tax</b>	<b>34,369,395</b>	<b>9,656,836</b>	<b>40,499,970</b>	<b>3,503,089</b>
Taxation	(9,598,495)	805,214	(9,963,462)	(394,689)
<b>Profit from continuing operation</b>	<b>24,770,900</b>	<b>10,462,050</b>	<b>30,536,508</b>	<b>3,108,400</b>
Discontinued operations	7,740	-	-	-
<b>Profit for the year</b>	<b>24,778,640</b>	<b>10,462,050</b>	<b>30,536,508</b>	<b>3,108,400</b>
Basic earnings per share	18.60c	9.85c	22.92c	2.93c
Diluted earnings per share	17.85c	9.57c	21.94c	3.12c

# FIMBank p.l.c.

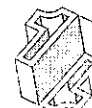


## Balance Sheets

For the Year Ended 31 December 2008

**FIMBANK**

	Group		Bank	
	2008 USD	2007 USD	2008 USD	2007 USD
<b>ASSETS</b>				
Balances with the Central Bank of Malta and cash	8,820,337	15,149,627	8,811,029	15,137,885
Trading assets	177,329,308	157,181,282	-	-
Derivative assets held for risk management	726,199	1,057,929	726,199	1,057,929
Financial assets designated at fair value through profit or loss	25,623,116	36,278,285	25,623,116	36,278,285
Loans and advances to banks	268,569,116	242,680,313	264,614,667	234,875,967
Loans and advances to customers	98,499,302	83,689,609	229,640,248	205,566,411
Investments available-for-sale	61,789	149,029	61,789	149,029
Investments in equity accounted investees	1,073,715	21,646,962	2,013,425	13,567,359
Non-current assets classified as held for sale	27,397,646	-	-	-
Investments in subsidiaries	-	-	49,394,666	37,392,666
Property and equipment	3,531,500	1,743,871	1,631,305	1,441,827
Intangible assets	1,193,393	1,041,451	589,825	463,678
Current tax recoverable	210,811	-	210,811	-
Deferred tax asset	8,007,358	7,812,096	1,285,255	1,206,759
Other assets	1,498,224	1,466,659	2,359,199	1,134,150
Prepayments and accrued income	1,872,718	1,424,467	2,044,412	1,503,348
<b>Total assets</b>	<b>624,414,532</b>	<b>571,321,580</b>	<b>589,005,946</b>	<b>549,775,293</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Derivative liabilities held for risk management	1,058,376	45,834	1,159,079	255,540
Amounts owed to banks	210,169,468	270,259,724	211,163,939	272,381,082
Amounts owed to customers	251,494,010	176,468,204	252,147,811	180,034,363
Liabilities directly associated with non-current assets classified as held for sale	294,528	-	-	-
Debt securities in issue	24,754,490	11,554,888	-	1,000,000
Subordinated convertible loan	6,000,000	6,000,000	6,000,000	6,000,000
Provisions	2,600,320	1,155,072	1,733,104	-
Current tax payable	-	637,144	-	637,144
Other liabilities	2,280	1,768	2,280	1,769
Accruals and deferred income	11,404,750	7,263,839	4,737,313	3,359,395
<b>Total liabilities</b>	<b>507,778,222</b>	<b>473,386,473</b>	<b>476,943,526</b>	<b>463,669,293</b>
<b>Equity</b>				
Called up share capital	67,428,196	54,946,953	67,428,196	54,946,953
Share premium	9,658,098	18,136,923	9,658,098	18,136,923
Currency translation reserve	3,790	1,501,139	-	-
Other reserve	9,311,248	8,988,067	2,681,041	2,681,041
Retained earnings	30,234,978	14,362,025	32,295,085	10,341,083
<b>Total equity</b>	<b>116,636,310</b>	<b>97,935,107</b>	<b>112,062,420</b>	<b>86,106,000</b>
<b>Total liabilities and equity</b>	<b>624,414,532</b>	<b>571,321,580</b>	<b>589,005,946</b>	<b>549,775,293</b>
<b>MEMORANDUM ITEMS</b>				
Contingent liabilities	11,148,490	8,804,574	36,148,490	19,804,574
Commitments	240,121,052	308,451,886	235,844,877	239,187,505



## Statements of Changes in Equity

For the Year Ended 31 December 2008

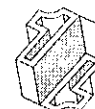
**FIMBANK**

### Group

	Called up issued share capital USD	Share premium USD	Currency translation reserve USD	Other reserve USD	Retained earnings USD	Total USD
At 1 January 2007	43,084,340	3,654,479	(12,229)	2,681,041	13,243,930	62,651,561
Issue of share capital	11,447,350	13,756,486	-	-	-	25,203,836
Share issue costs	-	(86,096)	-	-	-	(86,096)
Currency translation reserve	-	-	1,513,368	-	-	1,513,368
Transfer to other reserves	-	-	-	6,307,026	(6,307,026)	-
Shares issued on exercise of options	47,658	40,355	-	-	-	88,013
Profit for the year	-	-	-	-	10,462,050	10,462,050
Dividend paid	-	-	-	-	(3,036,929)	(3,036,929)
Scrip issue of ordinary shares	367,605	771,699	-	-	-	1,139,304
<b>As at 31 December 2007</b>	<b>54,946,953</b>	<b>18,136,923</b>	<b>1,501,139</b>	<b>8,988,067</b>	<b>14,362,025</b>	<b>97,935,107</b>
At 1 January 2008	54,946,953	18,136,923	1,501,139	8,988,067	14,362,025	97,935,107
Issue of share capital	11,006,084	(11,006,084)	-	-	-	-
Currency translation reserve	-	-	(1,497,349)	-	-	(1,497,349)
Transfer to other reserves	-	-	-	323,181	(323,181)	-
Shares issued on exercise of options	404,043	147,069	-	-	-	551,112
Profit for the year	-	-	-	-	24,778,640	24,778,640
Dividend paid	-	-	-	-	(8,582,506)	(8,582,506)
Scrip issue of ordinary shares	1,071,116	2,380,190	-	-	-	3,451,306
<b>As at 31 December 2008</b>	<b>67,428,196</b>	<b>9,658,098</b>	<b>3,790</b>	<b>9,311,248</b>	<b>30,234,978</b>	<b>116,636,310</b>

### Bank

	Called up issued share capital USD	Share premium USD	Other reserve USD	Retained earnings USD	Total USD
At 1 January 2007	43,084,340	3,654,479	2,681,041	10,269,612	59,689,472
Issue of share capital	11,447,350	13,756,486	-	-	25,203,836
Share issue costs	-	(86,096)	-	-	(86,096)
Shares issued on exercise of options	47,658	40,355	-	-	88,013
Profit for the year	-	-	-	3,108,400	3,108,400
Dividend paid	-	-	-	(3,036,929)	(3,036,929)
Scrip issue of ordinary shares	367,605	771,699	-	-	1,139,304
<b>At 31 December 2007</b>	<b>54,946,953</b>	<b>18,136,923</b>	<b>2,681,041</b>	<b>10,341,083</b>	<b>86,106,000</b>
At 1 January 2008	54,946,953	18,136,923	2,681,041	10,341,083	86,106,000
Issue of share capital	11,006,084	(11,006,084)	-	-	-
Shares issued on exercise of options	404,043	147,069	-	-	551,112
Profit for the year	-	-	-	30,536,508	30,536,508
Dividend paid	-	-	-	(8,582,506)	(8,582,506)
Scrip issue of ordinary shares	1,071,116	2,380,190	-	-	3,451,306
<b>At 31 December 2008</b>	<b>67,428,196</b>	<b>9,658,098</b>	<b>2,681,041</b>	<b>32,295,085</b>	<b>112,062,420</b>



## Cash Flow Statements

For the Year Ended 31 December 2008

**FIMBANK**

	Group		Bank	
	2008 USD	2007 USD	2008 USD	2007 USD
<b>Cash flows from operating activities</b>				
Interest and commission receipts	53,624,287	43,174,272	41,735,510	34,857,650
Exchange received	6,119,977	1,293,800	2,737,417	813,113
Interest and commission payments	(19,096,580)	(19,428,567)	(17,935,654)	(17,270,325)
Payments to employees and suppliers	(23,809,394)	(19,226,020)	(18,898,306)	(14,899,108)
Operating profit before changes in operating assets / liabilities	16,838,290	5,813,485	7,638,967	3,501,330
(Increase) / decrease in operating assets:				
- Financial assets at fair value through profit or loss	(18,762,818)	(48,374,816)	3,390,681	(16,611,897)
- Loans and advances to customers and banks	1,330,946	(348,529)	(17,898,324)	(559,353)
- Other assets	(31,577)	(446,243)	(1,225,050)	(328,020)
Increase / (decrease) in operating liabilities:				
- Amounts owed to customers and banks	57,860,113	4,898,814	62,685,574	5,628,236
- Other liabilities	510	(42,956)	510	(42,956)
- Net advance to subsidiary companies	-	-	3,108,947	(34,743,686)
Net cash inflows / (outflows) from operating activities before income tax	57,235,464	(38,500,245)	57,701,305	(43,156,346)
Income tax paid	(1,084,448)	(70,525)	(1,082,901)	(70,035)
<b>Net cash inflows / (outflows) from operating activities</b>	<b>56,151,016</b>	<b>(38,570,770)</b>	<b>56,618,404</b>	<b>(43,226,381)</b>
<b>Cash flows from investing activities</b>				
- Payments to acquire property and equipment	(2,388,698)	(626,931)	(623,495)	(597,122)
- Payments to acquire intangible assets	(361,765)	(166,076)	(226,765)	(166,076)
- Proceeds on disposal of property and equipment	14,388	828,644	6,589	5,940
- Purchase of shares subsidiary companies	-	-	(2,000)	-
- Purchase of shares in equity accounted investees	(1,300,000)	(5,013,425)	(8,300,000)	(5,013,425)
- Proceeds from disposal of shares in equity accounted investees	41,173,634	-	41,173,634	-
- Increase in net assets classified as held for sale	(22,291,491)	-	-	-
- Proceeds from disposal of other investment	87,239	-	87,239	-
- Receipt of dividend	564	600,123	1,530,101	600,123
<b>Net cash flows from / (used) in investing activities</b>	<b>14,933,871</b>	<b>(4,377,665)</b>	<b>33,645,303</b>	<b>(5,170,560)</b>
<b>Cash flows from financing activities</b>				
- Proceeds from issue of share capital	-	25,203,836	-	25,203,836
- Share issue costs	-	(86,096)	-	(86,096)
- Proceeds from issue of on exercise of options	551,112	88,013	551,112	88,013
- Debt securities in issue	13,199,602	(7,959,112)	(1,000,000)	1,000,000
- Dividends paid	(5,131,200)	(1,897,625)	(5,131,200)	(1,897,625)
<b>Net cash flows from/(used in) financing activities</b>	<b>8,619,514</b>	<b>15,349,016</b>	<b>(5,580,088)</b>	<b>24,308,128</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>79,704,401</b>	<b>(27,599,419)</b>	<b>84,683,619</b>	<b>(24,088,813)</b>
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	(799,676)	385,217	(634,111)	217,847
- Net increase / (decrease) in cash and cash equivalents	80,504,077	(27,984,636)	85,317,730	(24,306,660)
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>79,704,401</b>	<b>(27,599,419)</b>	<b>84,683,619</b>	<b>(24,088,813)</b>
Cash and cash equivalents at beginning of year	10,845,127	38,444,546	907,681	24,996,494
<b>Cash and cash equivalents at end of year</b>	<b>90,549,528</b>	<b>10,845,127</b>	<b>85,591,300</b>	<b>907,681</b>