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FIMBANK

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 9.44j *et seq*.

Quote

The Board of Directors of FIMBank p.l.c. met in London on 13th August 2009, to approve the Condensed Interim Financial Statements for the period from 1 January 2009 to 30 June 2009. The Half-Yearly Report is attached to this Company Announcement pursuant to Listing Rule 9.44j.

In accordance with Listing Rule 9.50 the Half-Yearly Report is available for public viewing on the Company's website at www.fimbank.com.

Unquote

Raffaella Bonadies
Company Secretary
13 August 2009

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Company Registration Number: C 17003

Condensed Interim Financial Statements
30 June 2009

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44K.2

For the six months ended 30 June 2009

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 2009, 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"), incorporated in the Dubai International Financial Centre in Dubai, United Arab Emirates.

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 with a view to dispose a substantial part of the investment within one year from the date of acquisition.

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 Netherlands, serves as a corporate vehicle for FIMBank's holdings in factoring joint ventures 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 principal business the holding of the property assets of FIMBank p.l.c. and the lease-management of such assets. 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, where the other shareholders are Commercial International Bank (Egypt) and International Finance Corporation ("IFC"). Egypt Factors is active in providing international factoring and forfaiting services to Egyptian and other Middle Eastern exporting companies.

The Group is supervised on a solo and consolidated basis by the Malta Financial Services Authority, whilst Menafactors and FIMBank's Branch in Dubai are licensed and regulated by the Dubai Financial Services Authority.

Salient Developments

The difficult and challenging economic conditions that characterised the last months of 2008 also set the general tone for the first half of 2009. Weakening economic cycles, financial market dislocation and a generally spread lack of confidence continued to hamper liquidity and to cause trade to slow down. Against a background of negative economic trends in the major economies and markets, including emerging markets where the Bank is particularly active, Governments continued to demonstrate a certain determination to secure cross-border normality promptly and a cautious disposition to stability started to return. However indicators of an acceleration and return to full scale activities remained limited as potential credit issues made the prospects of growing the business activity more challenging. As liquidity started to come back slowly to normal levels with pricing remaining tight, the Bank took steps to reflect such costs in the pricing to its clients, including its own subsidiaries.

In the second half of April the Bank saw its combined Euro and US Dollar 7% 2012-2019 Subordinated Bond Issue heavily over-subscribed within minutes of opening. Investment interest came from a wide cross-section of private, corporate and institutional investors, and well over EUR30 million or USD equivalent were raised. EUR23.6 million and USD8.1 million

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44K.2

For the six months ended 30 June 2009

in Bonds were issued, counting over 2,600 investors. The Directors consider the results of the Bond Issue to be a vote of confidence in the Group's business model and strategy, which continues to be underpinned by selective international expansion in the form of joint ventures and acquisitions.

During the period under review FIMBank executed a Mandate Letter with the IFC and the Joint Stock Bank Transcapitalbank ("TCB"), Russia, for the establishment of a joint venture company offering factoring services in Russia. The ownership structure for this new venture is intended to be 40% FIMBank, 40% TCB and 20% IFC and is still subject to the final corporate and regulatory approvals by the respective boards and authorities. TCB is a well-regarded partner, it has total assets of USD2 billion and equity of about USD200 million, and its principal shareholders include the European Bank for Reconstruction and Development ("EBRD") and Deutsche Entwicklungsgesellschaft ("DEG"), one of Europe's and Germany's largest government-sponsored development institutions. TCB has strong SME lending and trade finance operations.

Elsewhere, in Dubai and Egypt, the Group's factoring joint-venture companies continued to register steady and encouraging progress. The Group is also seeing the gradual emergence of LCI Factors S.A.L., a small factoring company in Lebanon, in which a 25% stake was acquired in March through Menafactors. In the second quarter substantial progress was registered in discussions with prospective partners and the regulatory authorities in India which should pave the way for a return to the Indian factoring market. An authorisation 'in principle' was received from the Foreign Investment Promotion Board ("FIPB") for a holding of up to 49% in the issued share capital of a new Indian factoring company.

Review of Performance

The condensed interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (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 2009, as approved by the Board of Directors on 13 August 2009.

For the six months ended 30 June 2009, the FIMBank Group posted an after-tax profit of USD2.92 million, compared to USD23.81 million registered for the same period in 2008. However it must be highlighted that in 2008 the Group booked an outlier after-tax profit on disposal of its shareholding in Global Trade Finance Limited ("GTF") of USD19.35 million.

Income Statement

During the six months under review, the Group's interest and fee-based operating sources of income decreased over the same period for 2008. Net Interest Income decreased by 25% to USD5.31 million, albeit the Net Interest Margin improved to 54% of Gross Interest Income (2008 - 43%). Net Fee and Commission Income dropped by 9% to USD9.15 million. The continued pressure on global credit risk perception had a negative impact on the fair value adjustments of the Group's Trading Assets, which resulted in an aggregate downward mark-to-market adjustment of USD1.76 million, all of which unrealised as at 30 June 2009. This was partly offset by realised gains on trading assets of USD0.24 million and foreign exchange profits of USD0.47 million, for a net negative trading result of USD1.05 million. The Group reported unrealised gains on other Financial Assets carried at fair value of USD1.11 million for the first six months of 2009. Prospects of any substantive write-backs of unrealised mark-downs in financial assets, which marked the Group's performance in 2008, are good and being helped by improved trends in the bond markets and restructurings currently under way; however timing is still difficult as the outlook on credit and impairment issues remains guarded. Net Impairment Losses for the Group increased to USD1.53 million, reflecting movements in both specific and collective impairment allowances. Group Net Operating Income of USD13 million was helped by improvements in efficiencies and cost management, with Administrative Expenses decreasing by 25% - which costs continue to include expenditure related to the start-up and acquisitions of new ventures.

In 2008 the Group booked USD1.98 million in net Share of Profits from equity accounted investees, mainly the contribution from the investment in GTF before its disposal in the second quarter. For 2009 this has been replaced by a Share of Loss from Egypt Factors of USD0.21 million. The Group continued to measure the shareholding in Menafactors in accordance with IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations". This investment produced a profit for the Group of USD0.47 million, a good indication that the company is now on the right path to growth and profitability.

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44K.2

For the six months ended 30 June 2009

The Group remains committed to the further development of Menafactors as a leading trade finance establishment in the Gulf through disposing of a substantial holding in the company in favour of strong institutional partners.

The Group posted an after-tax Profit for the period under review of USD2.92 million, with Group basic Earnings per Share amounting to US cents 2.15.

The Group's performance is largely mirrored in that of the Bank which, as the parent, continued to support the operations and start-up activities of its subsidiaries and associates as the case may be. As a result, the Bank's Profit for the period under review was of USD1.22 million. For the same period in 2008 the Bank's post-tax Profit was USD30.95 million, however this again included the after-tax gain of USD28.81 million made on the Bank's disposal of its shareholding in GTF.

Balance Sheet Developments

At 30 June 2009, total Group assets stood at USD613 million, compared to USD624 million at 31 December 2008. Loans and Advances to Banks dropped by USD9 million to USD260 million while Loans and Advances to Customers increased by USD5 million. Group Trading Assets, made up mainly of LFC's forfaiting portfolio, decreased by USD32 million, from USD177 million reported at 31 December 2008 to USD145 million at Balance Sheet date, while Financial Assets carried at Fair Value increased to USD36 million.

Funding trends for both the Group and the Bank moved in parallel. Amounts owed to Banks dropped by 23% to USD163 million, while maturing promissory notes ("debt securities in issue") were not renewed. Amounts Owed to Customers increased by USD21 million to USD272 million, mainly through increases in call and term deposits from customers. During the period under review the Group successfully raised USD40 million in 2012-2019 Subordinated Bonds. This issue is eligible for inclusion as Tier 2 Capital, thus strengthening the Group's and Bank's eligible Own Funds. Furthermore, the IFC Subordinated Convertible Term Loan remained unchanged at USD6 million with no conversion taking place.

Group equity as at Balance Sheet date stood at USD117 million, a marginal increase over the Equity of 31 December 2008, reflecting largely the half year performance as well as earnings retention as a result of the scrip dividend approved in April. Group commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfaiting assets and unfunded credit linked notes, stood at USD200 million at mid-year (USD240 million as at 31 December 2008), while Contingent Liabilities remained at same levels of December 2008.

Dividends and reserves

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

In April 2009, a scrip dividend of USD3,035,907 was paid in respect of the financial year ended 31 December 2008. Of this amount, USD594,076 was paid through the issue of 540,322 ordinary new shares.

Annual General Meeting 2009

The Bank convened its Annual General Meeting on 23 April 2009. Along with the statutory Ordinary Resolutions, the Meeting also approved Resolutions presented as special business to the shareholders, namely: the disclosure of unpublished price-sensitive information under certain circumstances and a new Executive Share Option Scheme for the year 2010. Furthermore, the following Extraordinary Resolutions were approved, namely (a) renewal of the Directors' authority to: (i) issue new equity securities and to (ii) restrict or withdraw statutory pre-emption rights, (b) authority to the Bank to acquire its own shares and (c) amendments to various provisions of the Bank's Memorandum and Articles of Association.

The amendments to the Memorandum of Association included an increase in the number of Directors from 11 to 12, subsequent to which Mr Gerard Lohier was appointed Director by co-option. All the other directors who were in office at the end of 2008 were re-appointed at the Annual General Meeting and continued to serve on the Board during the period under review.

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44K.2

For the six months ended 30 June 2009

Related Party Transactions

Consistent with the 2008 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 2009 amounted to USD133 million (31 December 2008: USD116 million). Interest earned from subsidiaries for the period ended 30 June 2009 amounted to USD1.80 million (six months ended 30 June 2008: USD2.57 million). During the period under review the Bank adjusted the pricing of facilities granted to its subsidiary undertakings to reflect better the liquidity premia arising from the difficult market conditions that were prevalent for the financial sector.

2. No dividend was received by the Bank from any of its subsidiary undertakings or equity accounted investees (six months ended 30 June 2008: USD1.53 million).

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 insurance services, consultancy and professional services, respectively, charged by companies owned by Directors was also consistent with that disclosed in the 2008 Annual Report, and no material events occurred during the period under review.

The Audit Committee reviews related party transactions carried out by the Bank and its wholly owned subsidiaries 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 provisions as well as current best recommendations and practices of good corporate governance.

The Second Half of 2009

For the Group, the first half of 2008 – with still fairly buoyant and calm market conditions before the stormy developments of the second half of the financial year, as well as the discontinued profits and extraordinary gains made from the sold investment in GTF – can in no manner be compared to the difficult and challenging first part of 2009. However, with liquidity and capital adequacy ratios at healthy levels and well above the minimum required by regulations, more available and diversified access to funding and a gradual return of confidence and normalisation of market conditions, there is room for optimism that the business will return to its normal levels and will also stabilise. The Board is confident that certain credit issues related to some of the financial assets (mainly debt securities and credit linked notes exposures), for which unrealised mark-to-market write-downs remain in the books, should be resolved through restructurings that are being currently negotiated. The Board is confident that the remainder of 2009 promises that these mark-downs could be reversed. Improvements in efficiency and positive trends in cost management that have helped the Bank to keep to budgets and targets are expected to continue. The outlook for the second half of the year is therefore one of increased pick-up in business and improved profitability. The Board is also optimistic that the continued progress of the Group entities, the planned investment in Russia, a timely return to the Indian factoring market and developments in the Group's private banking offering will further provide opportunities for growth and long-term profit.

Approved by the Board on 13 August 2009 and signed on its behalf by:

Najeeb Al-Saleh

Najeeb H.M. Al-Saleh
Chairman

John C. Grech
Vice Chairman

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

At 30 June 2009

		GROUP		BANK	
	Notes	**30 Jun 09 USD**	31 Dec 08 USD	**30 Jun 09 USD**	31 Dec 08 USD
ASSETS					
Balances with the Central Bank of Malta and cash		**8,782,986**	8,820,337	**8,772,493**	8,811,029
Trading assets		**144,871,692**	177,329,308	**-**	-
Derivative assets held for risk management		**1,026,407**	726,199	**1,026,407**	726,199
Financial assets designated at fair value through profit or loss	6	**36,187,591**	25,623,116	**36,187,591**	25,623,116
Loans and advances to banks		**259,650,798**	268,569,116	**236,132,804**	264,614,667
Loans and advances to customers		**103,520,431**	98,499,302	**260,397,859**	229,640,248
Investments available-for-sale		**61,789**	61,789	**61,789**	61,789
Investments in equity accounted investees		**866,499**	1,073,715	**2,013,425**	2,013,425
Investments in subsidiaries		**-**	-	**49,394,666**	49,394,666
Non-current assets classified as held for sale	7	**37,476,382**	27,397,646	**-**	-
Property and equipment		**7,819,201**	3,531,500	**1,858,406**	1,631,305
Intangible assets		**1,381,862**	1,193,393	**677,754**	589,825
Current tax recoverable		-	210,811	-	210,811
Deferred tax asset		**8,429,981**	8,007,358	**1,707,878**	1,285,255
Other assets		**1,135,494**	1,498,224	**1,335,268**	2,359,199
Prepayments and accrued income		**1,971,945**	1,872,718	**3,675,646**	2,044,412
Total assets		**613,183,058**	624,414,532	**603,241,986**	589,005,946
LIABILITIES AND EQUITY					
Liabilities					
Derivative liabilities held for risk management		**577,944**	1,058,376	**692,451**	1,159,079
Amounts owed to banks		**162,643,564**	210,169,468	**165,432,226**	211,163,939
Amounts owed to customers		**272,164,404**	251,494,010	**273,307,194**	252,147,811
Liabilities directly associated with non-current assets classified as held for sale	7	**1,788,077**	294,528	**-**	-
Debt securities in issue	8	**-**	24,754,490	**-**	-
Subordinated liabilities	9	**46,376,233**	6,000,000	**46,376,233**	6,000,000
Provisions		**2,601,670**	2,600,320	**1,733,104**	1,733,104
Current tax payable		**31,230**	-	**31,230**	-
Other liabilities		**-**	2,280	**-**	2,280
Accruals and deferred income		**9,885,000**	11,404,750	**4,823,324**	4,737,313
Total liabilities		**496,068,122**	507,778,222	**492,395,762**	476,943,526
Equity					
Called up issued share capital		**67,702,677**	67,428,196	**67,702,677**	67,428,196
Share premium		**9,983,198**	9,658,098	**9,983,198**	9,658,098
Currency translation reserve		**3,671**	3,790	**-**	-
Other reserves		**8,279,032**	9,311,248	**2,681,041**	2,681,041
Retained earnings		**31,146,358**	30,234,978	**30,479,308**	32,295,085
Total equity		**117,114,936**	116,636,310	**110,846,224**	112,062,420
Total liabilities and equity		**613,183,058**	624,414,532	**603,241,986**	589,005,946

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

At 30 June 2009

	GROUP		BANK	
	30 Jun 09	31 Dec 08	**30 Jun 09**	31 Dec 08
	USD	USD	**USD**	USD
MEMORANDUM ITEMS				
Contingent liabilities	**10,798,398**	11,148,490	**10,798,398**	36,148,490
Commitments	**200,312,584**	240,121,052	**283,091,248**	235,844,877

The condensed interim financial statements set out on pages 6 to 17 were approved by the Board of Directors on 13 August 2009 and were signed on its behalf by:

Najeeb H.M. Al-Saleh
Chairman

John C. Grech
Vice Chairman

CONDENSED INTERIM INCOME STATEMENTS

For the six months ended 30 June 2009

		GROUP		BANK	
		2009 USD	2008 USD	**2009 USD**	2008 USD
Interest income		**9,924,141**	16,250,804	**7,504,325**	12,890,043
Interest expense		**(4,613,022)**	(9,211,528)	**(4,589,981)**	(8,737,026)
Net interest income		**5,311,119**	7,039,276	**2,914,344**	4,153,017
Fee and commission income		**9,610,335**	10,546,101	**7,195,456**	8,733,724
Fee and commission expense		**(460,668)**	(491,816)	**(632,090)**	(404,038)
Net fee and commission income		**9,149,667**	10,054,285	**6,563,366**	8,329,686
Net trading results		**(1,047,597)**	814,217	**466,142**	554,794
Net income from other financial instruments carried at fair value		**1,105,062**	1,246,521	**1,091,305**	1,228,323
Dividend income		**604**	564	**604**	1,530,101
Profit on disposal of associated undertaking		**-**	29,152,697	**-**	38,612,248
Other operating income		**9,904**	53,081	**9,904**	53,082
Operating income before net impairment losses		**14,528,759**	48,360,641	**11,045,665**	54,461,251
Net impairment losses		**(1,529,586)**	(1,056,805)	**(1,529,586)**	(1,056,805)
Operating income		**12,999,173**	47,303,836	**9,516,079**	53,404,446
Administrative expenses		**(9,943,723)**	(13,187,262)	**(8,049,959)**	(10,459,455)
Depreciation and amortisation		**(444,270)**	(402,868)	**(293,469)**	(257,899)
Provision for liabilities and charges		**-**	(1,733,104)	**-**	(1,733,104)
Total operating expenses		**(10,387,993)**	(15,323,234)	**(8,343,428)**	(12,450,458)
Operating profit		**2,611,180**	31,980,602	**1,172,651**	40,953,988
Share of (loss) / profit of equity accounted investees (net of tax)		**(207,216)**	1,985,877	**-**	-
Profit before income tax		**2,403,964**	33,966,479	**1,172,651**	40,953,988
Taxation		**46,086**	(10,002,514)	**47,479**	(10,001,902)
Profit from continuing operations		**2,450,050**	23,963,965	**1,220,130**	30,952,086
Discontinued operations	7	**465,021**	(150,852)	**-**	-
Profit for the period		**2,915,071**	23,813,113	**1,220,130**	30,952,086
Basic earnings per share		**2.15c**	20.02c	**0.90c**	26.03c
Diluted earnings per share		**2.17c**	19.22c	**0.95c**	24.93c

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	GROUP		BANK	
	2009 USD	2008 USD	**2009 USD**	2008 USD
Profit for the period	**2,915,071**	23,813,113	**1,220,130**	30,952,086
Other comprehensive income:				
Exchange differences on translating foreign operations	**(119)**	(1,502,777)	**-**	-
Total comprehensive income for the period	**2,914,952**	22,310,336	**1,220,130**	30,952,086

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the six months ended 30 June 2009

GROUP	Called up issued share capital USD	Share premium USD	Currency translation reserve USD	Other reserves USD	Retained earnings USD	Total USD
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	-	-	(1,502,777)	-	-	(1,502,777)
Transfer to other reserves	-	-	-	2,464,761	(2,464,761)	-
Shares issued on exercise of options	162,303	77,615	-	-	-	239,918
Profit for the period	-	-	-	-	23,813,113	23,813,113
Dividend paid	-	-	-	-	(4,184,821)	(4,184,821)
Scrip issue of ordinary shares	526,317	1,182,160	-	-	-	1,708,477
At 30 June 2008	**66,641,657**	**8,390,614**	**(1,638)**	**11,452,828**	**31,525,556**	**118,009,017**
At 1 January 2009	67,428,196	9,658,098	3,790	9,311,248	30,234,978	116,636,310
Currency translation reserve	-	-	(119)	-	-	(119)
Transfer to other reserves	-	-	-	(1,032,216)	1,032,216	-
Shares issued on exercise of options	4,320	1,185	-	-	-	5,505
Profit for the period	-	-	-	-	2,915,071	2,915,071
Dividend paid	-	-	-	-	(3,035,907)	(3,035,907)
Scrip issue of ordinary shares	270,161	323,915	-	-	-	594,076
At 30 June 2009	**67,702,677**	**9,983,198**	**3,671**	**8,279,032**	**31,146,358**	**117,114,936**

BANK	Called up issued share capital USD	Share premium USD	Other reserves USD	Retained earnings USD	Total USD
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	162,303	77,615	-	-	239,918
Profit for the period	-	-	-	30,952,086	30,952,086
Dividend paid	-	-	-	(4,184,821)	(4,184,821)
Scrip issue of ordinary shares	526,317	1,182,160	-	-	1,708,477
At 30 June 2008	**66,641,657**	**8,390,614**	**2,681,041**	**37,108,348**	**114,821,660**
At 1 January 2009	67,428,196	9,658,098	2,681,041	32,295,085	112,062,420
Shares issued on exercise of options	4,320	1,185	-	-	5,505
Profit for the period	-	-	-	1,220,130	1,220,130
Dividend paid	-	-	-	(3,035,907)	(3,035,907)
Scrip issue of ordinary shares	270,161	323,915	-	-	594,076
At 30 June 2009	**67,702,677**	**9,983,198**	**2,681,041**	**30,479,308**	**110,846,224**

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2009

	GROUP		BANK	
	2009	2008	**2009**	2008
	USD	USD	**USD**	USD
Cash flows from operating activities				
Interest and commission receipts	**21,232,493**	33,410,292	**13,578,111**	19,168,363
Exchange received	**126,753**	1,425,070	**582,325**	614,195
Interest and commission payments	**(4,720,426)**	(9,536,723)	**(4,481,912)**	(9,199,352)
Payments to employees and suppliers	**(11,507,201)**	(12,516,327)	**(9,186,280)**	(9,759,839)
Operating profit before changes in operating assets / liabilities	**5,131,619**	12,782,312	**492,244**	823,367
Decrease / (increase) in operating assets:				
- Trading assets	**28,854,612**	(22,306,280)	**-**	-
- Financial assets at fair value through profit or loss	**(9,889,561)**	(864,899)	**(9,889,561)**	(864,899)
- Loans and advances to customers and banks	**(601,409)**	(111,231,628)	**(26,080,039)**	(115,692,427)
- Other assets	**362,730**	(467,021)	**1,023,932**	(1,813,434)
Increase / (decrease) in operating liabilities:				
- Amounts owed to customers and banks	**30,926,062**	90,780,566	**30,690,570**	94,642,487
- Other liabilities	**(2,280)**	8,127	**(2,280)**	8,129
Net cash inflows / (outflows) from operating activities before income tax	**54,781,773**	(31,298,823)	**(3,765,134)**	(22,896,777)
Income tax paid	**(134,496)**	(61,653)	**(133,103)**	(61,040)
Net cash inflows / (outflows) from operating activities	**54,647,277**	(31,360,476)	**(3,898,237)**	(22,957,817)
Cash flows from investing activities				
- Payments to acquire property and equipment	**(4,591,412)**	(581,777)	**(455,684)**	(478,650)
- Payments to acquire intangible assets	**(329,028)**	(164,969)	**(152,815)**	(164,969)
- Purchase of shares in subsidiary undertakings	**-**	-	**-**	(2,000)
- Purchase of shares in equity accounted investees	**-**	(1,300,000)	**-**	(1,300,000)
- Acquisition of control in previously equity accounted investees	**-**	(5,250,000)	**-**	(7,000,000)
- Increase in net assets classified as held for sale	**(8,120,165)**	(8,437,308)	**-**	-
- Proceeds from disposal of shares in associated undertakings	**-**	41,749,235	**-**	41,749,235
- Proceeds from disposal of other investment	**-**	87,239	**-**	87,239
- Receipt of dividend	**604**	564	**604**	1,530,101
Net cash flows (used in) / from investing activities	**(13,040,001)**	26,102,984	**(607,895)**	34,420,956
Cash flows from financing activities				
- Proceeds from issue of subordinated bonds	**39,061,686**	-	**39,061,686**	-
- (Repayment of) / proceeds from debt securities	**(24,754,490)**	17,925,783	**-**	(1,000,000)
- Proceeds from issue of share capital on exercise of options	**5,505**	239,918	**5,505**	239,918
- Dividends paid	**(2,441,831)**	(2,476,344)	**(2,441,831)**	(2,476,344)
Net cash flows from / (used in) financing activities	**11,870,870**	15,689,357	**36,625,360**	(3,236,426)
Increase in cash and cash equivalents c/f	**53,478,146**	10,431,865	**32,119,228**	8,226,713

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2009

	GROUP		BANK	
	2009	2008	**2009**	2008
	USD	USD	**USD**	USD
Increase in cash and cash equivalents b/f	**53,478,146**	10,431,865	**32,119,228**	8,226,713
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	**1,607,171**	(357,651)	**1,322,400**	(402,980)
- Net increase in cash and cash equivalents	**51,870,975**	10,789,516	**30,796,828**	8,629,693
Increase in cash and cash equivalents	**53,478,146**	10,431,865	**32,119,228**	8,226,713
Cash and cash equivalents at beginning of period	**90,549,528**	10,845,127	**85,591,300**	907,681
Cash and cash equivalents at end of period	**144,027,674**	21,276,992	**117,710,528**	9,134,394

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the six months ended 30 June 2009

1 REPORTING ENTITY

FIMBank p.l.c. ("the Bank") is a credit institution domiciled in Malta with 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 2009 include the Bank and its subsidiaries and interests in equity accounted investees (together referred to as the "Group").

The consolidated financial statements of the Group as at and for the year ended 31 December 2008 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 accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 Interim Financial Reporting).

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 2008.

The condensed interim financial statements were approved by the Board of Directors on 13 August 2009.

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, 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 2008.

3.1 Determination and presentation of operating segments

As of 1 January 2009 the Group determines and presents operating segments based on the information that internally is provided to Executive Management. This change in accounting policy is due to the adoption of IFRS 8 "Operating Segments". Previously operating segments were determined and presented in accordance with IAS 14 "Segment Reporting". The new accounting policy in respect of segment operating disclosures is presented as noted below.

Comparative segment information has been re-presented in conformity with the transitional requirements of IFRS 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by Executive Management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to Executive Management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2009

3 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

3.2 Presentation of financial statements

The Group applied revised IAS 1 "Presentation of Financial Statements" (2007), which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 30 June 2009.

Comparative information has been re-presented so that it is also in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

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 consolidated financial statements as at and for the year ended 31 December 2008.

5 OPERATING SEGMENTS

The Group has 3 significant reportable segments, Trade Finance, 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 reportable segments

GROUP

	Trade Finance		Forfaiting		IT Solutions		Other		Total	
	2009 USD	2008 USD	**2009 USD**	2008 USD	**2009 USD**	2008 USD	**2009 USD**	2008 USD	**2009 USD**	2008 USD
External revenues	**13,406,388**	19,641,278	**5,265,590**	7,889,160	**229,639**	327,188	**(57,260)**	(2,138)	**18,844,357**	27,855,488
Inter-segment revenues	**1,759,535**	2,537,283	**215,710**	63,694	**26,913**	29,345	**-**	-	**2,002,158**	2,630,322
Reportable segment profit before income tax	**1,172,652**	2,341,740	**1,576,453**	2,115,850	**64,595**	159,892	**(66,265)**	(13,947)	**2,747,435**	4,603,535
Reportable segment assets	**603,241,986**	719,947,761	**156,086,719**	199,514,864	**1,651,541**	1,189,973	**16,810,268**	12,332,004	**777,790,514**	932,984,602

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2009

5 OPERATING SEGMENTS *(continued)*

Reconciliation of reportable segment profit or loss

GROUP

	2009 USD	2008 USD
Total profit or loss for reportable segments	**2,813,700**	4,617,482
Other profit or loss	**(66,265)**	(13,947)
	2,747,435	4,603,535
Disposal of shares in equity accounted investee	-	29,152,697
Share of (loss) / profit of equity accounted investees	**(207,216)**	1,985,877
Elimination of discontinued operations	**364,020**	(401,821)
Dividend received from subsidiary undertaking	-	(1,529,537)
Effect of other consolidation adjustments on segment results	**(35,254)**	4,876
Consolidated profit before income tax	**2,868,985**	33,815,627

6 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

At Balance Sheet date, the Bank is carrying a wholly-funded instrument classified as “Financial asset designated at fair value through profit and loss”, which instrument is being restructured as part of an overall debt restructuring exercise being undertaken by its Issuer. The investment is being carried at a value of USD17.50 million, which is USD2.50 million below the original face value of the instrument. As part of the restructuring exercise the Bank will exchange the instrument with a loan, which loan will have a longer maturity and will be expected to be repaid at the full face value of the instrument. The Bank, after considering the potential outcomes of the restructuring exercise and having assessed future repayment prospects by the Issuer, deems the carrying value of the instrument to be appropriate and fair.

7 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

7.1 In May 2008, the Group acquired the 100% shareholding of Menafactors Limited (“Menafactors”). This holding was deemed as temporary and the Board of Directors agreed to a plan to dispose of its controlling interest to an appropriate strategic partner within one year of the date of acquisition. Accordingly, the subsidiary has been accounted for in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, and the Group disclosed the results of this subsidiary as a single amount in the income statement under “Discontinued operations”.

During the year following the full acquisition of Menafactors, the Group actively marketed the company and received genuine interest from potential buyers to invest in Menafactors. However, due to the exceptional market circumstances experienced since the last quarter of 2008, which circumstances were considered unlikely at the time of acquiring the entire shareholding in Menafactors, the Group did not dispose of its investment in the company. The Group took the necessary and appropriate action to respond to the change in market circumstances and remains committed to its original plan to dispose of a substantial holding in Menafactors.

In view of this, the Group extended the sale-period of its investment in Menafactors by an additional one year and keeps measuring the same investment in accordance with IFRS 5.

7.2 In March 2009, Menafactors acquired 25% of LCI Factors S.A.L., a factoring company incorporated in Beirut, Lebanon, for a total consideration of USD100,000. The associate is being accounted for in Menafactors by applying the *Equity Method* and consolidated in FIMBank together with the results of Menafactors in “Discontinued operations”.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2009

8 DEBT SECURITIES IN ISSUE

During the six months ended 30 June 2009 a subsidiary undertaking repaid its promissory notes outstanding as at 31 December 2008 totalling USD 24,754,490.

9 SUBORDINATED LIABILITIES

9.1 During the six months ended 30 June 2009, the Bank issued an aggregate of EUR30 million Subordinated Bonds 2012-2019 in a combination of 7% EUR Bonds of a nominal value of EUR100 per bond and 7% USD Bonds of a nominal value of USD100 per bond. The Subordinated Bonds are redeemable at par on 30 April 2019 or earlier, at the Bank's option, starting from 1 May 2012 up to maturity date. The Subordinated Bonds are listed on the Malta Stock Exchange and trade on its Official List.

	GROUP and BANK
	2009
	USD
7% EUR Subordinated Bonds 2012-2019	**33,356,203**
7% USD Subordinated Bonds 2012-2019	**8,107,800**
	41,464,003
Unamortised issue costs	**(1,087,770)**
	40,376,233

9.2 As at 30 June 2009, the balance on the IFC Subordinated Loan stood at USD6 million (31 December 2008: USD6 million).

10 CONTINGENT LIABILITIES

No events occurred that require any changes to the contingent liabilities disclosed in the financial statements for the year ended 31 December 2008.

11 FINANCIAL COMMITMENTS

In April 2009, the Board approved a total commitment of EUR10 million (USD14.1 million at 30 June 2009) representing the Bank's share of capital investment in the establishment of a joint venture company offering factoring services in Russia. To this effect a Mandate Letter was signed by FIMBank with the Joint Stock Bank Transcapitalbank ("TCB"), Russia, and the International Finance Corporation ("IFC") with an agreed ownership structure for this new venture to be 40% FIMBank, 40% TCB and 20% IFC. This investment is still subject to the final corporate and regulatory approvals, as applicable, of the respective shareholders. The Bank's initial investment is expected to amount to EUR4 million with the remaining capital commitment to be injected depending on its future performance and growth.

The Group also reconfirmed its commitment to a further investment of USD4 million in Egypt Factors. The timing of this further injection is dependant on the performance and growth requirements of the company.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2009

12 CAPITAL COMMITMENTS

During the six months ended 30 June 2009 the Group settled a further EUR2.80 million in respect of the acquisition of land, head office construction and related facilities at The Exchange, Pendergardens, St. Julian's, Malta. This amount brings the total payments made under the promise of sale agreement *(konvenju)* for the same property to EUR3.70 million. The balance of EUR0.90 million is due upon the signing of the deed of acquisition which date is in turn dependant on the reaching of certain milestones including the completion of excavation works.

The expiry date of the *konvenju* has been extended to 15 September 2009.

13 EVENTS AFTER BALANCE SHEET DATE

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

14 COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current period's presentation.

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 2009, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, Interim Financial Reporting); 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 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 6 to 17 which comprise the condensed statements of financial position as at 30 June 2009, 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 accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 Interim Financial Reporting). 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 are not prepared, in all material respects, in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 Interim Financial Reporting).

Noel Mizzi (Partner) for and on behalf of

KPMG
Registered Auditors

13 August 2009

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