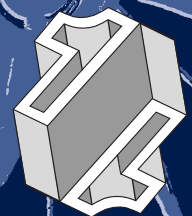




*Interim
Financial
Statements*

*for the
six month period*

*1 January
to 30 June 2003*



FIMBANK

Review of Performance

The published figures, which are in compliance with IAS34, 'Interim Financial Reporting', have been extracted from FIMBank's p.l.c. unaudited management accounts for the six months ended 30 June 2003, and have been drawn up according to the accounting policies used in the preparation of the 2002 audited financial statements. These figures are being published in terms of section 6.05.06 (i) of the Malta Stock Exchange Bye-Laws.

During the six months ended 30 June 2003, FIMBank p.l.c. recorded a profit on ordinary activities before tax of USD873,975. This represents an increase of USD245,980 or 39%, over the USD627,995 earned during the same period in 2002. Earnings per share increased to 1.93 cents from 0.85 cents for the same period last year.

Profit after tax, attributable to shareholders, amounted to USD889,165 an increase of USD497,550 over the USD391,615 reported on 30 June last year.

The generation of fee and commission income is a key indicator of the Bank's progress in its core business activities. During the first six months of 2003, the Bank generated 13.2% or USD329,840 more than the comparative period last year, reaching aggregate earnings of USD2,827,164 (inclusive of USD 255,000 forex). Net interest income was lower at USD1,046,952 compared to USD1,335,051 of last year. Core interest rates continued to fall throughout 2002 and 2003.

Administrative overheads for the six months increased by USD743,455. Increased expenditure was allocated towards the appointment of key personnel and essential resources aimed towards accelerating growth. This included the reorganisation of the Bank's marketing and business development area and also in risk administration.

The change in net impairment allowances of USD90,980 is mainly attributed to the revaluation of impaired assets denominated in currencies other than the US Dollar. No new cases warranted provisions during the period under review.

Balance sheet footings remained relatively in line with last year's but one positive change worth noting is the USD6,176,341 increase in customer's deposits, reaching USD51.9m compared to the USD45.7m on 31 December 2002. The credit balance of USD889,165 in the profit and loss account increased shareholders funds to USD31.3m.

No interim dividend is being proposed in respect of the six months to 30 June 2003.

Income Statement

for the period 1 January to 30 June 2003

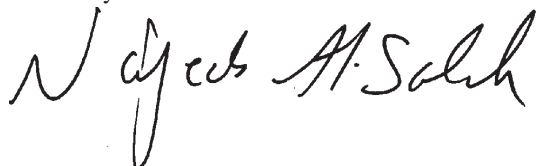
	6 months to 30 June 2003	6 months to 30 June 2002
	<i>USD</i>	<i>USD</i>
Interest income on loans and advances and balances held with Central Bank of Malta	1,596,746	1,955,944
Interest payable	(547,794)	(620,893)
Net interest income	1,048,952	1,335,051
Fees and commissions receivable	2,562,201	2,401,530
Fees and commissions payable	(132,187)	(181,781)
Trading profit from foreign exchange activities	255,650	227,575
Other Operating Income	51,500	50,000
Operating income	3,786,116	3,832,375
Administrative expenses	(2,681,140)	(1,937,685)
Depreciation	(140,021)	(106,562)
Net impairment losses	(90,980)	(1,160,133)
Profit on ordinary activities before tax	873,975	627,995
Tax on profit on ordinary activities	15,190	(236,380)
Profit for the period	889,165	391,615
Earnings per share (cents)	1.93	0.85

Balance Sheet

as at 30 June 2003

	June 2003	Dec 2002
	USD	USD
ASSETS		
Balances with Central Bank of Malta and cash	3,102,721	2,758,724
Financial Assets held-for-trading	2,267	10,072
Investments	133,599	133,600
Loans and advances to banks	88,423,469	90,458,355
Loans and advances to customers	25,077,620	24,403,487
Tangible fixed assets	1,316,467	1,180,518
Deferred tax asset	730,645	618,777
Other assets	236,528	205,658
Prepayments and accrued income	301,627	329,217
Total assets	119,324,943	120,098,408
LIABILITIES		
Amounts owed to banks	35,344,587	43,197,825
Amounts owed to customers	51,901,477	45,725,136
Other liabilities	259,270	135,996
Accruals and deferred income	515,784	624,791
	88,021,118	89,683,748
SHAREHOLDERS' FUNDS		
Called up issued share capital	23,000,000	23,000,000
Share Premium	4,021,575	4,021,575
Other Reserve	2,681,041	2,681,041
Profit and loss account	1,601,209	712,044
	31,303,825	30,414,660
Total Liabilities	119,324,943	120,098,408
MEMORANDUM ITEMS		
Contingent Liabilities	1,571,466	3,174,578
Commitments	84,551,262	128,993,598

The interim financial statements were approved by the Board of Directors on 1 September 2003 and signed on its behalf by:



Najeeb Al-Saleh
Chairman



Mehdi Ouazzani
Vice Chairman

Statement of Changes in Equity

for the period 1 January to 30 June 2002 and for the period 1 January to 30 June 2003

	TOTAL	Called up Issued Share Capital	Share Premium	Other Reserve	Dividend Reserve	Profit & Loss Account
	USD	USD	USD	USD	USD	USD
At 1 January 2002	37,416,510	23,000,000	4,034,140	2,689,427	852,000	6,840,943
Dividends paid in cash	(838,540)	-	-	-	(838,540)	-
Share issue costs	(20,942)	-	(12,565)	8,377	-	-
Profit for the six months	391,615	-	-	-	-	391,615
As at 30 June 2002	36,948,643	23,000,000	4,021,575	2,681,050	13,460	7,232,558
At 01 January 2003	30,414,660	23,000,000	4,021,575	2,681,041	-	712,044
Profit for the six months	889,165	-	-	-	-	889,165
As at 30 June 2003	31,303,825	23,000,000	4,021,575	2,681,041	-	1,601,209

Cash Flow Statement

for the period 1 January to 30 June 2003

	6 months to 30 June 2003	6 months to 30 June 2002
	USD	USD
Cash flows from operating activities		
Interest and commission receipts	4,599,004	4,361,393
Exchange Gain received	263,455	227,575
Interest and commission payments	(788,979)	(810,387)
Cash paid to suppliers and employees	(2,597,615)	(2,073,755)
	<hr/>	<hr/>
Operating profit before changes in operating assets/liabilities	1,475,865	1,704,826
(Increase) / decrease in operating assets:		
- Reserve deposit with Central Bank of Malta	(371,594)	(287,700)
- Loans and advances to customers and banks	(11,933,108)	1,425,228
Increase in operating liabilities:		
- Amounts owed to customers and banks	8,229,067	10,039,833
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Cash (used in)/generated from operating activities before tax	(2,599,770)	12,882,187
Tax Paid	(70,609)	(39,463)
	<hr/>	<hr/>
Net cash (used in)/from operating activities	(2,670,379)	12,842,724
	<hr/>	<hr/>
Cash flow from investing activities		
- Payments to acquire fixed assets	(294,507)	(96,018)
- Purchase of equity shares	-	(13,650)
	<hr/>	<hr/>
Net cash used in investing activities	(294,507)	(109,668)
	<hr/>	<hr/>
Cash flows from financing activities		
- Payment of share issue costs	-	(20,942)
- Dividends paid	-	(838,540)
	<hr/>	<hr/>
Net cash used in financing activities	-	(859,482)
	<hr/>	<hr/>
(Decrease)/Increase in cash and cash equivalents	(2,964,886)	11,873,574
	<hr/>	<hr/>
- Effect of exchange rate changes on cash and cash equivalents	757,628	702,363
- Net (decrease)/increase in cash and cash equivalents	(3,722,514)	11,171,211
	<hr/>	<hr/>
(Decrease)/Increase in cash and cash equivalents	(2,964,886)	11,873,574
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	36,563,521	31,576,549
	<hr/>	<hr/>
Cash and cash equivalents at the end of period	33,598,635	43,450,123
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Our Offices

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Mr Bashir Omar Hagul

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Head Forfaiting/Trading

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Mr Reuben Xuereb

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Mr Robert L. Potts

Deputy Risk Management Officer

Mr Vince Farrugia

Head of Operations

Mr Renald Theuma

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Mr Josman Cilia

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Ms Doreen Saliba

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Mission Statement

FIMBank will strive to be recognised as a dynamic boutique specialty trade finance bank which remains receptive to customer needs by serving their requirements efficiently, adopting creative solutions for total quality service, adding value, and in so doing achieve a superior return to its shareholders.

