

NEW YORK SAO PAULO LONDON MALTA ISTANBUL MOSCOW DUBAI CAIRO SINGAPORE

www.fimbank.com

Interim Financial Statements

30 June 2008



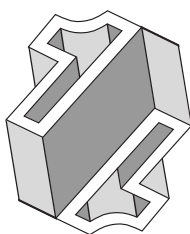
FIMBank p.l.c.

7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640 - Malta
Tel : +356 21322100 Fax : +356 21322122
info@fimbank.com

www.fimbank.com



A GLOBAL FORCE IN TRADE FINANCE



FIMBANK

G R O U P

FIMBank p.l.c.

7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640 - Malta
Tel : +356 21322100 Fax : +356 21322122
www.fimbank.com info@fimbank.com

Company Registration Number C 17003

Condensed Interim Financial Statements

30 June 2008

	<i>Page(s)</i>
Directors' Report pursuant to Listing Rule 9.44k.2 issued by the Listing Authority	2
Condensed Interim Financial Statements:	
<i>Condensed Interim Balance Sheets</i>	5
<i>Condensed Interim Statements of Changes in Equity</i>	7
<i>Condensed Interim Income Statements</i>	8
<i>Condensed Interim Statements of Cash Flows</i>	9
<i>Notes to the Condensed Interim Financial Statements</i>	11
Statement pursuant to Listing Rule 9.44k.3 issued by the Listing Authority	16
Independent Report on Review of Condensed Interim Financial Statements	17
FIMBank Group Contact Details	18

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44k.2

For the six months ended 30 June 2008

The Directors ("Board" or "Directors") are pleased to present their Report pursuant to the terms of Chapters 8 and 9 of 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 for the Group and the Bank for the six months ended 30 June 2008, including the Notes thereto, forms part of the Half-Yearly Report of FIMBank p.l.c., drawn up in terms of 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") together with its wholly-owned subsidiary Menafactors Limited ("Menafactors").

The Bank is a public limited company registered under the laws of Malta and listed on the Malta Stock Exchange. It is a licensed credit institution under the Banking Act, 1994 with its principal activity continuing to be the provision of short-term international trade finance to corporate traders and to act as an intermediary to other financial institutions for international settlements; and forfaiting, factoring and loan syndications. The Bank acquired full control of LFC in 2003 and incorporated FIMFactors and FBS during 2005. During the six months ended 30 June 2008, the Bank incorporated FPI, acquired full control of Menafactors with a view to dispose a substantial part of the investment within one year from the date of acquisition, and transferred its holding in Menafactors to FIMFactors as part of a reorganisation of its holdings in its factoring associates. The Group is supervised on a solo and consolidated basis by the Malta Financial Services Authority, whilst Menafactors and FIMBank's representative office in Dubai are licensed and regulated by the Dubai Financial Services Authority.

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 these offices have distinct corporate status in the various jurisdictions where they are providing the service. FIMFactors, a wholly-owned subsidiary registered in Netherlands, serves as a corporate vehicle for FIMBank's holding 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 its principle business the holding of the property assets of FIMBank p.l.c.. Menafactors is incorporated in the United Arab Emirates and 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. Egypt Factors is active in providing international factoring and forfaiting services to Egyptian and other Middle Eastern exporting companies.

On 28 March 2008, the Bank concluded the sale of its 38.5% investment in Global Trade Finance Limited ("GTF") to State Bank of India ("SBI"). The sale of the Bank's 29.7 million ordinary shares in GTF was executed at a price of 73 Indian Rupees per ordinary share, for a gross consideration of 2.168 billion Indian Rupees (USD 54.1 million). Further details are provided in Notes 6 and 9 to these condensed interim financial statements.

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 2008, as approved by the Board of Directors on 21 August 2008.

For the half-year ended 30 June 2008, the FIMBank Group posted an after tax-profit of USD 23.81 million, a significant increase over the USD 3.46 million registered for the same period in 2007.

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44k.2 (Cont.)

For the six months ended 30 June 2008

Income Statement

Group Net Interest Income increased by 42% on 2007, to USD 7.04 million. Net Fee and Commission Income increased by 64% to USD 10.05 million, being largely the result of improved performance both at Bank and LFC. Net Trading Income and Gains from Financial Instruments carried at Fair Value increased by 44% from USD 1.43 million to USD 2.06 million. Net Impairment Losses for the Group increased by USD 0.62 million to USD 1.06 million, reflecting mainly an increase in collective impairment allowances of USD 0.37 million and specific impairment allowances of USD 0.26 million. The disposal of shares in Global Trade Finance Ltd in March 2008 contributed to a consolidated profit on disposal of USD 29.15 million. Group Net Operating Income grew from USD 12.22 million to USD 47.30 million. Group Operating Expenses before the Adjustment to Goodwill and Provisions for Liabilities and Charges increased by 46%, highlighting the increased activity and operating base of the Group. These include costs related to the start-up of new associated ventures, further recruitment, increases in performance-based compensation as well as a one-time bonus to staff paid from the extraordinary profit arising out of the disposal of shareholding in GTF.

During the period ended 30 June 2008, the Group recognised a provision of USD 1.73 million in respect of a court decision against FIMBank. This judgement was delivered by the court of first instance and the Bank is in the process of formalising its appeal submissions, as further detailed in Note 9(b) to these condensed interim financial statements.

The net contribution of associated undertakings - GTF and Menafactors for the first quarter only and Egypt Factors for the entire six months - to the Group results continued to improve by 46% to USD 2 million. Subsequent to the temporary acquisition of the entire shareholding of Menafactors Limited, the Group started measuring this investment in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" which resulted in a loss for the Group of USD 0.15 million.

The Group's Profit for the period under review increased to USD 23.81 million, with Group basic Earnings per Share for 2008 amounting to US cents 20.02 (2007 - US cents 4.01).

The Group's performance largely mirrors that of the Bank which continued to support the operations and start-up activities of its subsidiaries and associates as the case may be. However, when compared to the Group, the Bank recognised a higher "profit on disposal" of GTF shares since the Group reflects the results of the associate on an equity basis whilst the Bank carries this investment at cost. As a result, the Bank's Profit for the period under review increased from USD 1.8 million in 2007 to USD 31.0 million in 2008.

Balance Sheet Developments

At 30 June 2008, Total Group Assets stood at USD 756 million, an increase of 32% over the results reported at 31 December 2007. Loans and Advances to Banks and to Customers increased by USD 168 million to USD 494 million, whilst Trading Assets, made up mainly of LFC's forfaiting portfolio, increased from USD 157 million to USD 178 million at Balance Sheet date.

Group funding trends largely mirror those of the Bank with total liabilities being 35% above those at 31 December 2007. Increases were registered in lines from banks and deposits from customers, while LFC continued to develop own funding resources through further issues of promissory notes guaranteed by the parent. Amounts owed to Banks and Customers increased by 30% from USD 446 million to USD 578 million.

Group equity as at Balance Sheet date stood at USD 118 million, an increase of 20% on the Equity at the 2007 year end, reflecting largely the half year performance as well as some earnings retention as a result of the scrip dividend approved in April. Group commitments, consisting mainly of confirmed letters of credit, documentary credits and commitments to purchase forfaiting assets, stood at USD 351 million at mid year (USD 308 million as at 31 December 2007).

The IFC Subordinated Convertible Term Loan remained unchanged at USD 6 million, with no conversions taking place. Otherwise, the Bank's position continued to mirror that of the Group.

Dividends and reserves

The Directors, after considering the extraordinary nature of the gain made by the Company from the disposal of its shareholding in Global Trade Finance Limited ("GTF"), are declaring an extraordinary dividend of USD 4,397,685, representing a net dividend per ordinary share of USD cents 3.2909240.

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44k.2 (Cont.)

For the six months ended 30 June 2008

Annual General Meeting 2007

The Bank convened its Annual General Meeting on 10 April 2008. 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 Bonus Issue of 22,012,168 shares of USD 0.50 cents per share. Furthermore, four 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) amendment to the Company's Memorandum and Articles of Association to increase the Authorised Share Capital from USD 100 million to USD 200 million divided into 400 million Ordinary Shares of USD 0.50 cents each. At the Annual General Meeting, Mr Duco Reinaut Hooft Graafland retired as director and did not offer himself for re-election. Mr John R. Freeman was elected by the Meeting to fill the vacancy created by Mr Graafland. All the other directors who were in office at the end of 2007 continue to serve as members of the Board during the period under review.

Related Party Transactions

Consistent with the 2007 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 major related party balances and/or transactions were undertaken during the period under review:

1. Loans & Advances to Subsidiaries as at 30 June 2008 amounted to USD 119.9 million (31 December 2007: USD 121.9 million). Interest earned from subsidiaries for the period ended 30 June 2008 amounted to USD 2.57 million (six months ended 30 June 2007: USD 2.56 million).
2. The Bank received a dividend of USD 1.5 million (2007: NIL) from one of its subsidiary undertakings.


Related party transactions with shareholders and directors were 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 2007 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 2008

Earlier in the year the Directors had expressed confidence that, despite challenging economic growth forecasts in most OECD countries and the inevitable effect which strong trade linkages would have on emerging markets, the continued expansion of major developing nations, as well as high commodity, shipping and oil prices would continue to provide opportunities for the Group to profit and grow. In many ways this has now been demonstrated for the first half of 2008 and continues to hold true for the remainder of the year. Although the significant contribution of GTF share of profits to the Group performance is absent since the second calendar quarter of this year, there are positive trends that the increase in Group business activity will continue to have an overall compensating effect. For the remainder of 2008, the performance of the two factoring undertakings - Menafactors in Dubai, and Egypt Factors in Cairo - is also expected to maintain its promising trend of recent months. Later in the year, the Board will again consider choices to enlarge the Group's equity base, a necessary step to support its further growth and international investment plans.

Approved by the Board on 21 August 2008 and signed on its behalf by:


Najeeb H.M. Al-Saleh
 Chairman


John C. Grech
 Vice Chairman

CONDENSED INTERIM BALANCE SHEETS

At 30 June 2008

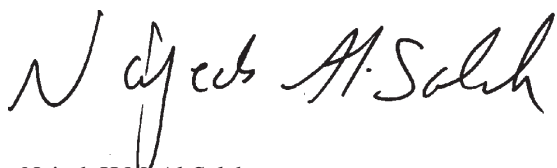
	Notes	Group		Bank	
		30 Jun 2008 USD	31 Dec 2007 USD	30 Jun 2008 USD	31 Dec 2007 USD
Assets					
Balances with the Central Bank of Malta and cash		8,587,357	15,149,627	8,581,074	15,137,885
Trading assets		178,865,300	157,181,282	-	-
Derivative assets held for risk management		1,817,486	1,057,929	1,817,486	1,057,929
Financial assets at fair value through profit or loss		37,552,548	36,278,285	37,552,548	36,278,285
Loans and advances to banks		312,695,798	242,680,313	307,981,776	234,875,967
Loans and advances to customers		181,676,531	83,689,609	301,513,649	205,566,411
Investments available-for-sale		61,789	149,029	61,789	149,029
Investments in equity accounted investees	6	1,316,097	21,646,962	2,013,425	13,567,359
Investments in subsidiaries		-	-	49,394,666	37,392,666
Non-current assets classified as held for sale	7	18,684,929	-	-	-
Property and equipment		2,024,773	1,743,871	1,707,146	1,441,827
Intangible assets		1,108,053	1,041,451	584,079	463,678
Deferred tax asset		7,919,598	7,812,096	1,314,261	1,206,759
Other assets		1,933,680	1,466,659	2,978,269	1,134,150
Prepayments and accrued income		2,002,522	1,424,467	4,447,593	1,503,348
Total assets		756,246,461	571,321,580	719,947,761	549,775,293
Liabilities					
Derivative liabilities held for risk management		119,008	45,834	346,912	255,540
Amounts owed to banks		323,062,963	270,259,724	330,485,256	272,381,082
Amounts owed to customers		255,278,981	176,468,204	256,137,095	180,034,363
Liabilities directly associated with non-current assets classified as held for sale	7	344,585	-	-	-
Debt securities in issue	8	29,480,671	11,554,888	-	1,000,000
Subordinated convertible loan		6,000,000	6,000,000	6,000,000	6,000,000
Provisions for liabilities and other charges	9	8,001,056	1,155,072	6,782,242	-
Current tax payable		878,495	637,144	878,495	637,144
Other liabilities		9,896	1,768	9,896	1,769
Accruals and deferred income		15,061,789	7,263,839	4,486,205	3,359,395
Total liabilities		638,237,444	473,386,473	605,126,101	463,669,293
Equity					
Called up issued share capital		66,641,657	54,946,953	66,641,657	54,946,953
Share premium		8,390,614	18,136,923	8,390,614	18,136,923
Currency translation reserve		(1,638)	1,501,139	-	-
Other reserves		11,452,828	8,988,067	2,681,041	2,681,041
Retained earnings		31,525,556	14,362,025	37,108,348	10,341,083
Total equity		118,009,017	97,935,107	114,821,660	86,106,000
Total liabilities and equity		756,246,461	571,321,580	719,947,761	549,775,293

CONDENSED INTERIM BALANCE SHEETS (Cont.)

At 30 June 2008

	Group		Bank	
	30 Jun 2008 USD	31 Dec 2007 USD	30 Jun 2008 USD	31 Dec 2007 USD
Memorandum items				
Contingent liabilities	<u>11,963,473</u>	<u>8,804,574</u>	<u>28,755,082</u>	<u>19,804,574</u>
Commitments	<u>351,025,372</u>	<u>308,451,886</u>	<u>327,682,284</u>	<u>239,187,505</u>

The condensed interim financial statements set out on pages 5 to 15 were approved by the Board of Directors on 21 August 2008 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 2008

Group	Called up issued	Share	Currency	Other	Retained	Total
	share capital	premium	translation	reserves	earnings	
	USD	USD	reserve	USD	USD	USD
At 1 January 2007	43,084,340	3,654,479	(12,229)	2,681,041	13,243,930	62,651,561
Currency translation difference	-	-	919,330	-	-	919,330
Transfer to Other Reserves	-	-	-	6,785,548	(6,785,548)	-
Exercised share options	38,343	32,390	-	-	-	70,733
Profit for the period	-	-	-	-	3,463,381	3,463,381
Dividends	-	-	-	-	(3,036,929)	(3,036,929)
Scrip issue of ordinary shares	367,604	771,699	-	-	-	1,139,303
At 30 June 2007	43,490,287	4,458,568	907,101	9,466,589	6,884,834	65,207,379
At 1 January 2008	54,946,953	18,136,923	1,501,139	8,988,067	14,362,025	97,935,107
Bonus issue of shares	11,006,084	(11,006,084)	-	-	-	-
Currency translation difference	-	-	(1,502,777)	-	-	(1,502,777)
Transfer to Other Reserves	-	-	-	2,464,761	(2,464,761)	-
Exercised share options	162,303	77,615	-	-	-	239,918
Profit for the period	-	-	-	-	23,813,113	23,813,113
Dividends	-	-	-	-	(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
Bank		Called up issued	Share	Other	Retained	Total
		share capital	premium	reserves	earnings	Total
		USD	USD	USD	USD	USD
At 1 January 2007		43,084,340	3,654,479	2,681,041	10,269,612	59,689,472
Exercised share options		38,343	32,390	-	-	70,733
Profit for the period		-	-	-	1,836,846	1,836,846
Dividends		-	-	-	(3,036,929)	(3,036,929)
Scrip issue of ordinary shares		367,604	771,699	-	-	1,139,303
At 30 June 2007		43,490,287	4,458,568	2,681,041	9,069,529	59,699,425
At 1 January 2008		54,946,953	18,136,923	2,681,041	10,341,083	86,106,000
Bonus issue of shares		11,006,084	(11,006,084)	-	-	-
Exercised share options		162,303	77,615	-	-	239,918
Profit for the period		-	-	-	30,952,086	30,952,086
Dividends		-	-	-	(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

CONDENSED INTERIM INCOME STATEMENTS

For the six months ended 30 June 2008

	Notes	Group		Bank	
		2008 USD	2007 USD	2008 USD	2007 USD
Interest income		16,250,804	13,587,460	12,890,043	11,041,021
Interest expense		(9,211,528)	(8,621,339)	(8,737,026)	(8,113,424)
Net interest income		7,039,276	4,966,121	4,153,017	2,927,597
Fee and commission income		10,546,101	6,897,358	8,733,724	5,513,561
Fee and commission expense		(491,816)	(753,480)	(404,038)	(433,739)
Net fee and commission income		10,054,285	6,143,878	8,329,686	5,079,822
Net trading income		814,217	841,015	554,794	448,962
Net income from other financial instruments carried at fair value		1,246,521	586,522	1,228,323	489,690
Dividend income		564	371	1,530,101	600,123
Profit on disposal of associated undertaking	6	29,152,697	-	38,612,248	-
Other operating income		53,081	126,323	53,082	29,090
Net operating income before net impairment losses		48,360,641	12,664,230	54,461,251	9,575,284
Net impairment losses		(1,056,805)	(442,347)	(1,056,805)	(442,347)
Net operating income		47,303,836	12,221,883	53,404,446	9,132,937
Administrative expenses		(4,762,672)	(3,448,414)	(4,338,531)	(2,955,893)
Staff costs		(8,424,590)	(5,452,470)	(6,120,924)	(3,744,901)
Depreciation and amortisation		(402,868)	(406,765)	(257,899)	(262,884)
Adjustment to goodwill		-	(477,616)	-	-
Provisions for liabilities and charges		(1,733,104)	-	(1,733,104)	-
Total operating expenses		(15,323,234)	(9,785,265)	(12,450,458)	(6,963,678)
Operating profit		31,980,602	2,436,618	40,953,988	2,169,259
Share of results of equity accounted investees		1,985,877	1,359,248	-	-
Profit before tax		33,966,479	3,795,866	40,953,988	2,169,259
Tax expense		(10,002,514)	(332,485)	(10,001,902)	(332,413)
Profit from continuing operations		23,963,965	3,463,381	30,952,086	1,836,846
Loss for the period from discontinuing operations	7	(150,852)	-	-	-
Profit for the period		23,813,113	3,463,381	30,952,086	1,836,846
Basic earnings per share		20.02c	4.01c	26.03c	2.12c
Diluted earnings per share		19.22c	3.94c	24.93c	2.20c

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the six months ended 30 June 2008

	Group		Bank	
	2008 USD	2007 USD	2008 USD	2007 USD
Cash flows from operating activities				
Interest and commission receipts	33,410,292	19,228,963	19,168,363	13,482,795
Exchange received	1,425,070	861,806	614,195	707,442
Interest and commission payments	(9,536,723)	(9,379,431)	(9,199,352)	(8,571,383)
Payments to employees and suppliers	(12,516,327)	(9,912,873)	(9,759,839)	(7,320,400)
Operating profit/(loss) before changes in operating assets / liabilities	12,782,312	798,465	823,367	(1,701,546)
(Increase)/decrease in operating assets:				
- Financial assets at fair value through profit or loss	(23,171,179)	(54,793,842)	(864,899)	(19,492)
- Loans and advances to customers and banks	(111,231,628)	27,034,686	(115,692,427)	(18,160,934)
- Other assets	(467,021)	(839,488)	(1,813,434)	(754,341)
Increase/decrease in operating liabilities:				
- Amounts owed to customers and banks	90,780,566	(41,338,054)	94,642,487	(41,338,055)
- Other liabilities	8,127	20,236	8,129	20,236
Net cash outflows from operating activities before tax	(31,298,823)	(69,117,997)	(22,896,777)	(61,954,132)
Net tax (paid)/refund	(61,653)	133,546	(61,040)	133,618
Net cash outflows from operating activities	(31,360,476)	(68,984,451)	(22,957,817)	(61,820,514)
Cash flows from investing activities				
- Payments to acquire property and equipment	(581,777)	(318,518)	(478,650)	(279,360)
- Payments to acquire intangible assets	(164,969)	(198,067)	(164,969)	(198,066)
- 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	(8,437,308)	-	-	-
- Proceeds from disposal of shares in associated undertakings	41,749,235	-	41,749,235	-
- Proceeds from disposal of shares in other investments	87,239	-	87,239	-
- Dividends received	564	600,123	1,530,101	600,123
Net cash flows from investing activities	26,102,984	83,538	34,420,956	122,697
Cash flows from financing activities				
- Proceeds from issue of share capital	239,918	70,733	239,918	70,733
- Debt securities in issue	17,925,783	1,621,707	(1,000,000)	1,000,000
- Dividends paid	(2,476,344)	(1,897,626)	(2,476,344)	(1,897,626)
Net cash flows from/(used in) financing activities	15,689,357	(205,186)	(3,236,426)	(826,893)
Increase/(decrease) in cash and cash equivalents c/f	10,431,865	(69,106,099)	8,226,713	(62,524,710)

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (Cont.)

For the six months ended 30 June 2008

	Group		Bank	
	2008 USD	2007 USD	2008 USD	2007 USD
Increase/(decrease) in cash and cash equivalents b/f	10,431,865	(69,106,099)	8,226,713	(62,524,710)
- Effect of exchange rate changes on cash and cash equivalents	(357,651)	240,231	(402,980)	198,850
- Net increase/(decrease) in cash and cash equivalents	10,789,516	(69,346,330)	8,629,693	(62,723,560)
Decrease in cash and cash equivalents	10,431,865	(69,106,099)	8,226,713	(62,524,710)
Cash and cash equivalents at beginning of period	10,845,127	38,444,546	907,681	24,996,501
Cash and cash equivalents at end of period	21,276,992	(30,661,553)	9,134,394	(37,528,209)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2008

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 2008 include the Bank and its subsidiaries and interests in associates (together referred to as the “Group”).

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 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 2007.

The condensed interim financial statements were approved by the Board of Directors on 21 August 2008.

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 financial statements as at and for the year ended 31 December 2007.

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 2007.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont.)

For the six months ended 30 June 2008

5 Segment reporting

The Group's identifiable business segments are trade finance, forfeiting activities, factoring and I.T. Solutions. The Group's business and geographical segments are analysed as follows:

Group Business/Geographical	Malta		Other countries		Total	
	01.01.08 to 30.06.08 USD	01.01.07 to 30.06.07 USD	01.01.08 to 30.06.08 USD	01.01.07 to 30.06.07 USD	01.01.08 to 30.06.08 USD	01.01.07 to 30.06.07 USD
Interest income originated from:						
Trade finance	635,019	409,803	9,693,831	7,591,380	10,328,850	8,001,183
Forfeiting activities	-	-	5,921,954	5,586,277	5,921,954	5,586,277
Fee and commission income originated from:						
Trade finance	1,051,589	182,859	7,799,630	5,330,701	8,851,219	5,513,560
Forfeiting activities	-	-	1,694,882	1,383,798	1,694,882	1,383,798
Trading income originated from:						
Trade finance	-	-	1,837,582	914,048	1,837,582	914,048
Forfeiting activities	-	-	223,155	513,489	223,155	513,489
Gross income	<u>1,686,608</u>	<u>592,662</u>	<u>27,171,034</u>	<u>21,319,693</u>	<u>28,857,642</u>	<u>21,912,355</u>
Interest, fee and commission expense originated from:						
Trade finance	(1,722,347)	(618,124)	(7,393,248)	(7,928,561)	(9,115,595)	(8,546,685)
Forfeiting activities	-	-	(587,748)	(828,134)	(587,748)	(828,134)
	<u>(1,722,347)</u>	<u>(618,124)</u>	<u>(7,980,996)</u>	<u>(8,756,695)</u>	<u>(9,703,343)</u>	<u>(9,374,819)</u>
Segmental (loss)/profit:						
Trade finance	(35,740)	(25,462)	11,937,794	5,907,568	11,902,054	5,882,106
Forfeiting activities	-	-	7,252,243	6,655,430	7,252,243	6,655,430
	<u>(35,740)</u>	<u>(25,462)</u>	<u>19,190,037</u>	<u>12,562,998</u>	<u>19,154,297</u>	<u>12,537,536</u>
Share of profits						
Factoring					1,985,877	1,359,248
Dividend and other operating income					53,646	126,694
Profit on disposal of investment in associate undertaking					29,152,697	-
Common costs:						
Trade finance					(11,785,470)	(6,015,315)
Forfeiting activities					(2,964,625)	(2,690,829)
IT Solutions					(136,889)	(99,778)
Factoring					(436,249)	(501,727)
Adjustment to goodwill					-	(477,616)
Loss from discontinued operations					(150,852)	-
Profit before tax and net impairment losses					<u>34,872,432</u>	<u>4,238,213</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont.)

For the six months ended 30 June 2008

5 Segment reporting (continued)

Group Business/Geographical	Malta		Other countries		Total	
	01.01.08 to 30.06.08 USD	01.01.07 to 30.06.07 USD	01.01.08 to 30.06.08 USD	01.01.07 to 30.06.07 USD	01.01.08 to 30.06.08 USD	01.01.07 to 30.06.07 USD
Segmental assets:						
Trade finance	43,160,117	51,264,162	492,380,481	323,119,426	535,540,598	374,383,588
Forfaiting assets	-	13,411,852	199,514,864	160,956,187	199,514,864	174,368,039
Factoring	-	-	20,001,026	21,811,962	20,001,026	21,811,962
IT Solutions	1,104,271	684,539	85,702	73,452	1,189,973	757,991
	<u>44,264,388</u>	<u>65,360,553</u>	<u>711,982,073</u>	<u>505,961,027</u>	<u>756,246,461</u>	<u>571,321,580</u>

6 Investments in associates

a. Global Trade Finance Limited ("GTF")

On 28 March 2008, the Bank completed the disposal of its 38.5% investment in one of the associated companies, Global Trade Finance Limited to State Bank of India for a total consideration of INR 2,168,100,000.

	Group USD	Bank USD
Sale proceeds	54,128,074	54,128,074
<i>less</i> Foreign exchange losses arising from the conversion of sale proceeds pending release of funds	(2,571,827)	(2,571,827)
Net sale proceeds	51,556,247	51,556,247
Cost of investment	7,853,934	7,853,934
Effect of equity accounting on consolidation	9,459,551	-
Gross profit on disposal of investment	34,242,762	43,702,313
Other directly attributable costs		
- Provision for any claims arising from the shares sale-purchase agreement (see Note 9)	(5,049,138)	(5,049,138)
- Other transaction costs	(40,927)	(40,927)
Net profit on disposal of investment	29,152,697	38,612,248
Taxation paid at source	(9,807,012)	(9,807,012)

6 Investments in associates (continued)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont.)

For the six months ended 30 June 2008

b. The Egyptian Company for Factoring SAE (“Egypt Factors”)

During the six months ended 30 June 2008, the Bank made a further investment of USD 1,300,000 in one of its associated undertakings, The Egyptian Company for Factoring SAE. This capital injection kept the Bank’s shareholding in the company at 40%.

7 Non-current assets classified as held for sale

During the six months ended 30 June 2008, the Bank made a further investment of USD 1,725,000 in Menafactors Limited (“Menafactors”).

In addition, the Bank acquired the remaining 50% holding held by the other shareholder in Menafactors for a consideration of USD 5,275,000. As a result of this transaction, Menafactors became a 100% owned subsidiary with a total investment of USD 12,000,000. This holding is of a temporary nature only 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 is accounted for in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, and the Bank disclosed the results of this subsidiary as a single amount in the income statement under *Loss for the period from discontinuing operations*.

As part of the overall Group’s strategy, the Bank transferred its holding in Menafactors Limited to FIMFactors B.V., a wholly owned subsidiary acting as the Group’s corporate vehicle holding factoring investments.

8 Debt securities in issue

During the six months ended 30 June 2008 the Bank repaid its promissory note of USD 1,000,000 outstanding as at 31 December 2007. In addition, a subsidiary undertaking issued promissory notes amounting to a net USD 18,925,783, having a maturity period of one year from date of issue and bearing interest between 3.67% and 5.73% per annum.

9 Provisions

a. Global Trade Finance Limited

As a result of the disposal of shares in Global Trade Finance Limited (see Note 6), the Bank provided State Bank of India with an indemnity for any future tax claims against GTF pertaining to the period prior to the disposal of the investment. The Bank’s indemnity, which is given severally with that of the other seller EXIMBank as well as GTF, is capped at 10% of the sale consideration, i.e. INR 216,810,000 and with the first INR 50,000,000 of any future claims to be met separately by GTF. The indemnity specifically covers any claim/s which are made to State Bank of India within six years from 28 March 2008, representing the disposal date. The Bank is providing for the above amount of INR 216,810,000 (USD 5,049,138 at 30 June 2008), and will review its position at each balance sheet date.

b. Pending litigation

In July 2008, a judgement was delivered by a court of first instance in respect of proceedings initiated against the Bank for the payment of USD 1,733,104 (inclusive of interest and court fees) under a documentary credit. In its judgement, the court found against FIMBank and ordered the Bank to pay the claimed amount. On the basis of legal advice and the merits of the case, the Bank is in the process of formalising its appeal submissions. It is expected that proceedings before the Court of Appeal will be commenced before the end of the year 2008.

Further to this court decision, the amount of USD 1,733,104 is therefore being recognised as a liability in these financial statements.

10 Financial commitments

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS *(Cont.)*

For the six months ended 30 June 2008

During 2007, the Board approved the commencement of negotiations with selective strategic partners for the acquisition of equity stakes in established factoring and leasing companies in the Latin American region. Whilst the investment in Latin America will not be realised before the end of the financial year, the Group is still endeavouring on its strategy for diversification in new markets and product lines.

11 Subsequent events

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

12 Comparative figures

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

STATEMENT PURSUANT TO LISTING RULE 9.44k.3 ISSUED BY THE LISTING AUTHORITY

I hereby confirm that to the best of my knowledge as follows:

- 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 2008, 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

A handwritten signature in black ink, appearing to read 'M. Lütschg-Emmenegger', with a long horizontal stroke extending to the right.

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 5 to 15 which comprise the condensed balance sheets as at 30 June 2008, and the related condensed statements of 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 of the Malta Financial Services 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

21 August 2008

FIMBANK GROUP CONTACT DETAILS

MALTA

FIMBANK P.L.C.

7th Floor, The Plaza Commercial Centre,
Bisazza Street, Sliema SLM 1640, Malta
Tel: +356 21322100
Fax: + 356 21322122
Telex: 1775 FIMBNK MW
S.W.I.F.T.: FIMB MT MW
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 2347700
Fax: +356 2347777
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 21322100
Fax: + 356 21330804
E-Mail: info@fimbs.net
Contact: Gilbert Coleiro

BRAZIL

LONDON FORFAITING DO BRAZIL LTDA

World Trade Center,
Av. Das Nacoes Unidas 12551,
25th Floor, SP 04578-903, Sao Paulo,
Brazil
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,
Arabic Republic of Egypt
www.egyptfactors.com
E-Mail: info@egyptfactors.com
Contact: Bernard Arnebold

NETHERLANDS

FIMFACTORS B.V.

Telestone 8 - Teleport, Naritaweg 165
1043 BW Amsterdam, The Netherlands
P.O. Box 7241 - 1007 JE Amsterdam
Netherlands
Contact: Joey Hunsel

RUSSIA

LONDON FORFAITING COMPANY LIMITED

Representative Office,
15th Floor, Smolensky Passage,
3 Smolenskaya Square,
Moscow 121099, Russian Federation
Tel: +7 4 95 771 7142
Fax: +7 4 95 771 7140
E-mail: lfc.russia@forfaiting.com
Contact: Irina Babenko

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 LIMITED

Turkey Representative Office,
63 Ada, Gardenya 5-1, Block A, Floor:6,
No:13, Atasehir, Istanbul
Tel: +90 216 580 9160
Fax: +90 216455 3132
E-Mail: lfc.turkey@forfaiting.com
Contact: Yonca Basaran 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 4 4242660
Fax: +971 4 455740
e-mail: info@menafactors.com
Contact: Sudeb Sarbadhikary

UNITED KINGDOM

FIMBANK P.L.C.

Representative Office - London,
4th Floor, Pellipar House,
9 Cloak Lane, London EC4R 2RU,
United Kingdom
Tel: +44 20 7651 4060
Fax: +44 20 7651 4061
E-Mail: steve.wilkinson@fimbank.com
Contact: Steve Wilkinson

LONDON FORFAITING COMPANY LIMITED

Pellipar House,
9 Cloak Lane, London EC4R 2RU,
United Kingdom
Tel: +44 20 7618 1040 (switchboard)
Fax: +44 20 7618 1041
www.forfaiting.com
E-Mail: lfc@forfaiting.com
Contact: Simon Lay

UNITED STATES OF AMERICA

LONDON FORFAITING AMERICAS INC.

1180 Avenue of the Americas,
Suite 2020, New York, NY 10036,
U.S.A.
Tel: +1 212 759 1919
Fax: +1 212 377 2018
E-Mail: lfa@forfaiting.com
Contact: Gregory Bernardi

Your Notes

Your Notes