

FIMBANK PLC
7TH FLOOR, THE PLAZA COMMERCIAL CENTRE
BISAZZA STREET
SLIEMA SLM 1640, MALTA
TEL: +356 23280171
FACSIMILE: +356 23280107
www.fimbank.com
company.secretary@fimbank.com
Company Registration Number : C 17003



FIMBANK

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. ("FIMBank" or the "Group" as the case may be) pursuant to Malta Financial Services Authority Listing Rules 5.86 *et seq.* covering the period between 1 January 2011 and the date of this Announcement:

Quote

Interim Directors' Statement

The period under review started with reasonable expectations that wide-ranging monetary and fiscal measures across major economies could help revive confidence in international trade and bring back some stability in the financial markets. However, this has not been helped by the political turmoil that has unfolded across North Africa and the Middle East, the extent to which it may dampen business development in these markets remains to be seen. While the Group's exposures in Libya and Egypt are well under control, we will continue to monitor the situation and look ahead to the opportunities that may present themselves once things become more stable, knowing that we are well positioned to support trade and attract new business in the region.

In these conditions, FIMBank's approach to developing new banking and structured trade finance business remained selective and focused. FIMBank recently signed a loan agreement for USD60 million with the International Finance Corporation (IFC), which includes a 75% participation from the Saudi Fund for Development. This agreement, which will help FIMBank finance trade transactions for emerging market firms in consumer goods, small machinery, raw materials and components, signals an important vote of confidence in the Group.

Elsewhere in the Group, London Forfaiting Company maintained its consistently strong trading performance. As for our Factoring strategy, conditions for Menafactors, our Dubai-based subsidiary, continued to stabilise as market sentiment improves. India Factoring, our new Mumbai joint-venture with Punjab National Bank and Italian Banca Ifis, got off to a fine start and, in a way, this evinces our past positive experience in factoring on the Indian continent. FactorRus, in Moscow, is still starting up while Beirut-based Levant Factors, while still small, continued to increase its portfolio and revenue base. Negotiations have meanwhile been concluded with the IFC and private financial group BICBANCO for the creation of Brasil Factors, our new joint venture for Factoring in Brazil.

During the period under review FIMBank initiated a project which has seen the incorporation of a new holding company, FIM Holdings p.l.c. and the issuing of its prospectus for a share-for-share Exchange Offer to the shareholders of FIMBank p.l.c.. The necessary statutory and regulatory approvals have been sought from the Annual General Meeting of shareholders and the MFSA, respectively, while the process is continuing. This project, when concluded, should see an optimization of the Group



FIMBANK

corporate structure and in profit efficiency, which will benefit the Group and its shareholders.

Otherwise, no material events or transactions have taken place that would have an impact on the financial position of the Group or require specific disclosure. Overall, the Group performance for the period under review is satisfactory and remains supported by strong risk management, low impairments, a healthy balance-sheet and strong capital and liquidity ratios.

Unquote

M Cassar
Company Secretary

17 May 2011