

Preliminary Statement of Annual Results

For the Year Ended 31 December 2007

FIMBANK

General

The Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rule 9.39. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2007, as approved by the Board of Directors on 2 March 2008 and audited by KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (or the "Group"), comprising FIMBank p.l.c. (or the "Bank"), London Forfaiting Company Limited ("LFC"), together with its subsidiary companies, FIMFactors B.V., FIM Business Solutions Limited, and the associated undertakings Global Trade Finance Limited, The Egyptian Company for Factoring SAE ("Egypt Factors") and Menafactors Limited.

Review of Performance

The FIMBank Group posted an after-tax profit of US\$10.5 million in 2007 (2006: US\$ 7.6 million). As explained in the following additional information extracted from a review of the full Audited Financial Statements of the Group, the results for 2007 reflect the Group's continuous efforts to develop further the strategic mix of trade-finance related products and services through geographic and product diversification.

The Bank increased its net interest income by 19%, from US\$5.1 million to US\$6.0 million. Both interest income and expense increased in absolute terms, in line with the increase in Bank's activity through availability of more bank lines, customer and bank deposits and longer term funding sources. During the year, the Bank registered a further growth of 23% in net fee and commission income, from US\$ 9.3 million in 2006 to US\$ 11.5 million. The turbulence in financial markets corrected the Bank's bond portfolio during the second half of the financial year, however the realized/unrealized losses incurred on financial assets designated at fair value through profit or loss have been more than offset by realized and unrealized profits resulting from foreign exchange activities. FIMBank also recorded dividends of US\$ 0.6 million, mainly from one of its associated undertakings. Impairment losses decreased from US\$ 0.9 million to US\$ 0.7 million, mainly due to a decrease in specific impairment losses, compensated by an increase in collective impairment charges. Net operating income for the Bank grew by 16% from US\$16.0 million to US\$ 18.5 million. Operating expenses, largely made up of staff and administrative overheads, also grew by 23%, which compares favourably with the growth of 46% in cost base experienced in 2006. Pre-tax profit for the Bank decreased by 8% from US\$ 3.8 million in 2006 to US\$ 3.5 million.

At the Group level, Net interest income increased by 14% from US\$9.2 million to US\$10.5 million while Net fee income increased by 31%. This was largely the result of improved performance at both Bank level (as above) and LFC, so much that fee income booked by LFC in 2007 doubled over 2006 to US\$ 3.5 million. On the other hand, net trading income decreased by 37%. Apart from the adverse impact of the financial markets correction on the Bank's holding of the bond portfolio, realized/unrealized gains on forfaiting assets decreased from US\$ 1.8 million to US\$ 0.8 million. Group impairment losses decreased by 58% to US\$ 0.8 million, mirroring the trend in specific and collective impairment charges at the Bank. Group net operating income grew by 18% to US\$ 25.9 million. Group Operating Expenses before the adjustment to goodwill increased by 22%.

During the year under review LFC recognised a further deferred tax asset of US\$1.4 million. Of this amount, US\$ 1.1 million adjusted the carrying amount of goodwill thus eliminating completely this Intangible Asset from the Group's Consolidated Balance Sheet. During 2007, the Group accounted for US\$ 4.6 million in Share of Profits from associated companies and jointly-controlled entities, an increase of 82% over the same period last year. Pre-tax profit increased to US\$9.7 million, with post-tax profit for the year increasing by 38% from US\$ 7.6 million to US\$10.5 million.

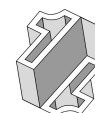
Total equity increased to US\$ 86.1 million (Bank) and US\$ 97.9 million (Group), reflecting the US\$ 25 million proceeds from the Rights Offer made in December 2007 as well as improved profitability and dividend retention in the form of scrip issue. Total Bank assets increased by 25%, from US\$ 438 million to US\$ 550 million while total assets for the Group increased from US\$ 463 million to US\$ 571 million, a growth of 23%. Commitments outstanding for the Group at Balance Sheet date, mainly under documentary credits, commitments to purchase assets and confirmed letters of credit, were of US\$ 308 million (2006: US\$ 245 million), a growth of 26%. All the Group's main earnings ratios, such as Return on Average Equity (ROAE), Return on Average Assets (ROAA) and Earnings per Share show strong improvement on 2006. Group Solvency Ratio "Basle I" (calculated in accordance with the requirements of the Banking Act) at year-end stood at 34.23% for Tier 1, and 36.93 % for Tier 2.

The Directors will be recommending to the Annual General Meeting of shareholders the payment of a scrip dividend amounting to US\$ 4,184,820 (2006: US\$ 3,036,929), representing a net dividend per ordinary share of US cents 3.80232493 (2006: US cents 3.5244). Moreover, the Directors will be also recommending a 1 for 5 Bonus Issue of Ordinary Shares by way of capitalisation of the Share Premium account. All shareholders on the register as at close of trading on 13 March 2008 shall be entitled to receive the dividend and bonus shares.

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Income Statements

For the Year Ended 31 December 2007



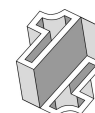
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	Group		Bank	
	2007 US\$	2006 US\$	2007 US\$	2006 US\$
Interest income	28,418,274	22,339,437	22,870,430	17,800,866
Interest expense	(17,936,912)	(13,156,003)	(16,858,192)	(12,728,467)
Net interest income	10,481,362	9,183,434	6,012,238	5,072,399
Fee and commission income	16,156,674	12,055,540	12,420,609	10,326,421
Fee and commission expense	(1,945,941)	(1,202,509)	(946,703)	(1,011,842)
Net fee and commission income	14,210,733	10,853,031	11,473,906	9,314,579
Net trading income	1,972,316	3,107,887	1,158,310	1,383,919
Net (loss) / income from other financial instruments carried at fair value	(68,468)	48,685	(14,926)	(46,996)
Dividend income	371	581,956	600,123	1,167,161
Other operating income	165,738	103,431	51,537	22,122
Operating income before net impairment losses	26,762,052	23,878,424	19,281,188	16,913,184
Net impairment losses	(820,782)	(1,939,894)	(732,089)	(884,565)
Operating income	25,941,270	21,938,530	18,549,099	16,028,619
Administrative expenses	(18,980,268)	(15,611,680)	(14,528,885)	(11,826,533)
Depreciation and amortisation	(807,318)	(636,113)	(517,125)	(388,855)
Impairment loss on property, plant and equipment	-	(142,000)	-	-
Adjustment to goodwill	(1,129,726)	(3,423,789)	-	-
Total operating expenses	(20,917,312)	(19,813,582)	(15,046,010)	(12,215,388)
Operating profit	5,023,958	2,124,948	3,503,089	3,813,231
Share of profit of equity accounted investees (net of tax)	4,632,878	2,550,770	-	-
Profit before income tax	9,656,836	4,675,718	3,503,089	3,813,231
Taxation	805,214	2,916,623	(394,689)	(335,671)
Profit for the year	10,462,050	7,592,341	3,108,400	3,477,560
Basic earnings per share	11.82c	8.83c	3.51c	4.04c
Diluted earnings per share	11.49c	8.60c	3.75c	4.19c

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Balance Sheets

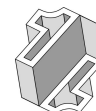
As at 31 December 2007



FIMBANK

	Group		Bank	
	2007 US\$	2006 US\$	2007 US\$	2006 US\$
ASSETS				
Balances with the Central Bank of Malta and cash	15,149,627	112,626	15,137,885	93,322
Trading assets	157,181,282	125,256,467	-	-
Derivative assets held for risk management	1,057,929	142,926	1,057,929	353,749
Financial assets designated at fair value through profit or loss	36,278,285	20,385,362	36,278,285	20,385,362
Loans and advances to banks	242,680,313	211,660,418	234,875,967	200,848,606
Loans and advances to customers	83,689,609	81,708,042	205,566,411	166,021,629
Investments available-for-sale	149,029	149,029	149,029	149,029
Investments in equity accounted investees	21,646,962	11,115,152	13,567,359	8,553,934
Investments in subsidiaries	-	-	37,392,666	37,392,666
Property and equipment	1,743,871	2,483,517	1,441,827	1,261,650
Intangible assets	1,041,451	2,212,879	463,678	397,782
Current tax recoverable	-	159,324	-	159,324
Deferred tax asset	7,812,096	5,890,139	1,206,759	734,945
Other assets	1,466,659	1,020,420	1,134,150	806,120
Prepayments and accrued income	1,424,467	1,200,308	1,503,348	1,203,991
Total assets	571,321,580	463,496,609	549,775,293	438,362,109
LIABILITIES AND EQUITY				
Liabilities				
Derivative liabilities held for risk management	45,834	-	255,540	263,248
Amounts owed to banks	270,259,724	243,124,011	272,381,082	246,296,826
Amounts owed to customers	176,468,204	122,683,664	180,034,363	121,995,315
Debt securities in issue	11,554,888	19,514,000	1,000,000	-
Subordinated convertible loan	6,000,000	6,000,000	6,000,000	6,000,000
Provisions	1,155,072	809,371	-	-
Current tax payable	637,144	-	637,144	-
Other liabilities	1,768	44,727	1,769	44,727
Accruals and deferred income	7,263,839	8,669,275	3,359,395	4,072,521
Total liabilities	473,386,473	400,845,048	463,669,293	378,672,637
Equity				
Called up share capital	54,946,953	43,084,340	54,946,953	43,084,340
Share premium	18,136,923	3,654,479	18,136,923	3,654,479
Currency translation reserve	1,501,139	(12,229)	-	-
Other reserve	8,988,067	2,681,041	2,681,041	2,681,041
Retained earnings	14,362,025	13,243,930	10,341,083	10,269,612
Total equity	97,935,107	62,651,561	86,106,000	59,689,472
Total liabilities and equity	571,321,580	463,496,609	549,775,293	438,362,109
MEMORANDUM ITEMS				
Contingent liabilities	8,804,574	6,825,473	19,804,574	26,339,473
Commitments	308,451,886	244,471,666	239,187,505	214,271,759

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Statements of Changes in Equity

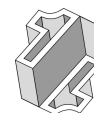
For the Year Ended 31 December 2007

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Group	Called up issued share capital US\$	Share premium US\$	Currency translation reserve US\$	Other reserve US\$	Retained earnings US\$	Total US\$
At 1 January 2006	35,586,870	10,231,432	(176,774)	2,681,041	6,463,467	54,786,036
Exercised share options	134,804	106,826	-	-	-	241,630
Bonus issue	7,136,298	(7,136,298)	-	-	-	-
Currency translation difference	-	-	164,545	-	-	164,545
Profit for the year	-	-	-	-	7,592,341	7,592,341
Dividend paid	-	-	-	-	(811,878)	(811,878)
Scrip issue of ordinary shares	226,368	452,519	-	-	-	678,887
At 31 December 2006	43,084,340	3,654,479	(12,229)	2,681,041	13,243,930	62,651,561
At 1 January 2007	43,084,340	3,654,479	(12,229)	2,681,041	13,243,930	62,651,561
Issue of share capital	11,447,350	13,756,486	-	-	-	25,203,836
Share issue costs	-	(86,096)	-	-	-	(86,096)
Currency translation reserve	-	-	1,513,368	-	-	1,513,368
Transfer to other reserves	-	-	-	6,307,026	(6,307,026)	-
Exercised share options	47,658	40,355	-	-	-	88,013
Profit for the year	-	-	-	-	10,462,050	10,462,050
Dividend paid	-	-	-	-	(3,036,929)	(3,036,929)
Scrip issue of ordinary shares	367,605	771,699	-	-	-	1,139,304
As at 31 December 2007	54,946,953	18,136,923	1,501,139	8,988,067	14,362,025	97,935,107

Bank

	Called up issued share capital US\$	Share premium US\$	Other reserve US\$	Retained earnings US\$	Total US\$
At 1 January 2006	35,586,870	10,231,432	2,681,041	7,603,930	56,103,273
Exercised share options	134,804	106,826	-	-	241,630
Bonus issue	7,136,298	(7,136,298)	-	-	-
Profit for the year	-	-	-	3,477,560	3,477,560
Dividends paid	-	-	-	(811,878)	(811,878)
Scrip issue of ordinary shares	226,368	452,519	-	-	678,887
At 31 December 2006	43,084,340	3,654,479	2,681,041	10,269,612	59,689,472
At 1 January 2007	43,084,340	3,654,479	2,681,041	10,269,612	59,689,472
Issue of share capital	11,447,350	13,756,486	-	-	25,203,836
Share issue costs	-	(86,096)	-	-	(86,096)
Exercised share options	47,658	40,355	-	-	88,013
Profit for the year	-	-	-	3,108,400	3,108,400
Dividends paid	-	-	-	(3,036,929)	(3,036,929)
Scrip issue of ordinary shares	367,605	771,699	-	-	1,139,304
At 31 December 2007	54,946,953	18,136,923	2,681,041	10,341,083	86,106,000



Cash Flow Statements

For the Year Ended 31 December 2007

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	Group		Bank	
	2007 US\$	2006 US\$	2007 US\$	2006 US\$
Cash flows from operating activities				
Interest and commission receipts	43,174,272	36,959,175	34,857,650	27,949,402
Exchange received	1,293,800	1,224,518	813,113	1,125,511
Interest and commission payments	(19,428,567)	(13,292,877)	(17,270,325)	(12,963,649)
Payments to employees and suppliers	(19,226,020)	(14,127,489)	(14,899,108)	(11,683,045)
Operating profit before changes in operating assets / liabilities	5,813,485	10,763,327	3,501,330	4,428,219
Decrease / (increase) in operating assets:				
- Financial assets at fair value through profit or loss	(48,374,816)	(25,824,478)	(16,611,897)	(10,255,362)
- Loans and advances to customers and banks	(348,529)	(63,904,516)	(559,353)	(63,466,471)
- Other assets	(446,243)	136,138	(328,020)	441,657
(Decrease) / increase in operating liabilities:				
- Amounts owed to customers and banks	4,898,814	63,460,289	5,628,236	84,465,775
- Other liabilities	(42,956)	36,991	(42,956)	42,276
Net cash (outflows)/inflows from operating activities before income tax	(38,500,245)	(15,332,249)	(8,412,660)	15,656,094
Income tax paid	(70,525)	(243,463)	(70,035)	(243,466)
Net cash (outflows)/inflows from operating activities	(38,570,770)	(15,575,712)	(8,482,695)	15,412,628
Cash flows from investing activities				
- Payments to acquire property and equipment	(626,931)	(696,768)	(597,122)	(253,983)
- Payments to acquire intangible assets	(166,076)	(565,862)	(166,076)	(442,674)
- Proceeds on disposal of property and equipment	828,644	31,208	5,940	-
- Net advance to subsidiary companies	-	-	(34,743,686)	(23,173,879)
- Purchase of shares in equity accounted investees	(5,013,425)	(2,257,303)	(5,013,425)	(2,294,746)
- Purchase of other investment	-	(15,429)	-	(15,429)
- Receipt of dividend	600,123	1,036,375	600,123	1,167,161
Net cash flows used in investing activities	(4,377,665)	(2,467,779)	(39,914,246)	(25,013,550)
Cash flows from financing activities				
- Proceeds from issue of share capital	25,291,849	241,630	25,291,849	241,630
- Share issue costs	(86,096)	-	(86,096)	-
- Debt securities in issue	(7,959,112)	18,569,898	1,000,000	(944,102)
- Dividends paid	(1,897,625)	(132,991)	(1,897,625)	(132,991)
Net cash flows from/(used in) financing activities	15,349,016	18,678,537	24,308,128	(835,463)
Increase/(decrease) in cash and cash equivalents	(27,599,419)	635,046	(24,088,813)	(10,436,385)
- Effect of exchange rate changes on cash and cash equivalents	385,217	1,407,472	217,847	1,292,419
- Net decrease in cash and cash equivalents	(27,984,636)	(772,426)	(24,306,660)	(11,728,804)
(Decrease)/increase in cash and cash equivalents	(27,599,419)	635,046	(24,088,813)	(10,436,385)
Cash and cash equivalents at beginning of year	38,444,546	37,809,500	24,996,494	35,432,879
Cash and cash equivalents at end of year	10,845,127	38,444,546	907,681	24,996,494