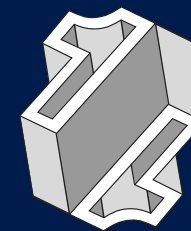


Interim Financial Statements

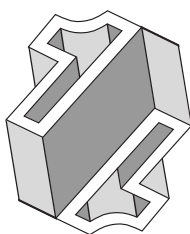
for the period 1 January 2007 to 30 June 2007



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FIMBANK
GROUP



FIMBANK

G R O U P

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Company Registration Number C 17003

Condensed Interim Financial Statements

for the period 1 January 2007 to 30 June 2007

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DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44.2 ISSUED BY THE LISTING AUTHORITY

For the six months ended 30 June 2007

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 2007, 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 9.42 *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"), FIMFactors B.V. ("FIMFactors") and FIM Business Solutions Ltd ("FBS").

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, forfaiting, factoring and loan syndications. The Bank acquired full control of LFC in 2003 and incorporated FIMFactors and FBS during 2005. The Group is supervised on a solo and consolidated basis by the Malta 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.

The Bank holds equity investments in the following associate and joint-venture companies:

- 38.5% in Global Trade Finance Limited (GTF), a company incorporated in Mumbai, India which is predominantly engaged in factoring and forfaiting business. The other shareholders in this associated company are Export-Import Bank of India (EXIMBank), Bank of Maharashtra and International Finance Corporation (IFC), the latter also a shareholder of the Bank.
- 40% in Egypt Factors, a company incorporated in Egypt, where the other shareholders are Commercial International Bank (Egypt) and IFC. Egypt Factors focuses on the provision of international factoring services to Egyptian exporting companies.

During the period under review and in line with the Group's strategy of developing further its mix of trade-related services through geographic and product diversification, the Board confirmed the investment of up to USD 10 million for the establishment of a joint venture undertaking in Dubai, UAE, for the provision of international factoring and forfaiting services in the MENA and Gulf Regions, the other shareholder in the venture being National Bank of Dubai. The company was incorporated on 10 May 2007 in the Dubai International Financial Centre (DIFC) and is awaiting authorisation by the Dubai Financial Services Authority (DFSA). The Bank contributed its first USD 5 million in equity, after the Interim Balance Sheet date. Furthermore, the Board also resolved to approve an investment of up to USD 8 million in an entity to be incorporated for the provision of international factoring and forfaiting services in the Maghreb region.

Review of Performance

The condensed consolidated 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 condensed separate interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These published figures have been extracted from the FIMBank p.l.c Group's unaudited financial statements for the six months ended 30 June 2007, as approved by the Board of Directors on 23 August 2007.

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44.2 ISSUED BY THE LISTING AUTHORITY (Cont.)

For the six months ended 30 June 2007

For the half-year ended 30 June 2007, the FIMBank Group posted an after-tax profit of USD 3.46 million, an increase of 11% over the USD 3.13 million registered for the same period in 2006.

Income Statement

Group Net Interest Income increased by 22% on 2006, to USD 4.97 million. Net Fee and Commission Income increased by 24% to USD 6.14 million, being largely the result of improved performance both at Bank and LFC. On the other hand, Net Trading Income booked by the Group for the period under review remained at same levels as 2006. Net Impairment Losses for the Group stood at USD 0.44 million, reflecting mainly an increase in collective impairment allowances. Group Net Operating Income grew by 22% from USD 10.04 million to USD 12.22 million. Group Operating Expenses before the Adjustment to Goodwill increased by 23%, highlighting the increased activity and operating base of the Group, which include the start-up costs of new associated ventures, further recruitment and increases in performance-based compensation.

During the period ended 30 June 2007, LFC recognised a deferred tax asset amounting to USD 0.48 million. This amount adjusted the gross carrying amount of goodwill to the amounts that would have been recorded if the deferred tax asset had been recognised as an identifiable asset at LFC's acquisition date, and such reduction in the carrying amount is recognised in the Income Statement at Balance Sheet date. The net contribution of associated undertakings - Global Trade Finance Limited and the start-up Egypt Factors - to the Group results continued to improve for the half-year under review. The share of profits from Global Trade Finance increased by 46% to USD 1.59 million, which increase was partly offset by the incurred share of expenditure arising from Egypt Factors in its first few months of operations. Group Pre-tax Profit increased by 10% to USD 3.80 million, with Group Basic Earnings per Share for 2007 amounting to 4.01 cents (2006 - 4.02 cents).

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. Bank Pre-tax Profit increased by 7% to USD 2.17 million for the period under review.

Balance Sheet Developments

At 30 June 2007, Total Group Assets stood at USD 474 million, a marginal increase on the figure reported by the Group at 31 December 2006. While Loans and Advances to Banks and to Customers decreased in absolute terms, Financial Assets at Fair Value through Profit or Loss, made up mainly of LFC's forfeiting portfolio, increased from USD 145.8 million to USD 200 million at Balance Sheet date, an increase of 37%. Group funding trends largely mirror those of the Bank with Total Liabilities being 2% above those at 31 December 2006. 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 against its parent's aval.

Group Equity as at Balance Sheet date stood at USD 65.2 million, an increase of 4% on the Equity at the 2006 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 forfeiting assets stood at USD 176 million at mid-year (USD 244 million as at 31 December 2006).

The relatively unchanged situation in Amounts Owed to Banks conceals the fact that, during the period under review, the Bank repaid the USD 60 million Syndicated International Trade Finance Facility, and instead replaced it with funding lines, in many cases on a bilateral basis, on more competitive terms. 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.

Annual General Meeting 2007

The Bank convened its Annual General Meeting on 12 April 2007. Along with the statutory Ordinary Resolutions, the Meeting approved Resolutions presented as special business to the shareholders. The members approved an Ordinary Resolution consenting to the disclosure of unpublished price-sensitive information under certain circumstances. Furthermore, four Extraordinary Resolutions were approved, namely renewal of the Directors' authority to (a) issue new equity securities and to (b) restrict or

DIRECTORS' REPORT PURSUANT TO LISTING RULE 9.44.2 ISSUED BY THE LISTING AUTHORITY (Cont.)

For the six months ended 30 June 2007

withdraw statutory pre-emption rights, and (c) authority to the Bank to acquire its own shares. Additionally, changes to the Executive Share Option Scheme Rules (2006 - 2009) were approved applicable for the years 2007 - 2009. At the above Annual General Meeting, Mr Medhi Ouazzani retired as director and did not offer himself for re-election. Mr Pierre Oliver Fragnière was elected by the Meeting to fill the vacancy created by Mr Ouazzani. All the other directors who were in office at the end of 2006 continued to serve as members of the Board during the period under review.

Related Party Transactions

Consistent with what was reported in the 2006 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 are being highlighted for the period under review:

- Loans & Advances to Subsidiaries as at 30 June 2007 amounted to USD 129.6 million (2006: USD 84.3 million). Interest earned from subsidiaries for the period ended 30 June 2007 amounted to USD 2.56 million (2006: USD 2.09 million).
- The Bank received a dividend of USD 0.6 million (2006: USD 0.5 million) from one of its associated companies. There were no further transactions with associated companies other than in the ordinary course of business during the period under review.

Related party transactions with shareholders and directors were in the ordinary course of business arising from loans and advances, and deposit relationships. No major or material events occurred during the period under review. The nature of fees in respect of insurance services and consultancy and professional services, respectively, charged by companies owned by Directors was also consistent with that disclosed in the 2006 Annual Report, and no major or material events were reported for 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 in turn reflects the requirements of the Listing Rules as well as current best recommendations and practices of good corporate governance.

The Second Half of 2007

While the continued expansion of major developing economies is expected to continue fuelling emerging market growth and high commodity prices, FIMBank's risks remain that emerging economies can still present unforeseen reversals. Sustained high oil prices and rising interest rates accentuate the risks, although improving fundamentals in these markets tend to reduce the extent of downside. A major challenge for the Group is to enlarge its equity base with a view to support its international expansion plans as well as to strengthen its risk-based solvency, particularly in view of Basle II considerations. Efforts to secure the interest of reputable and strategic institutional investors in the Group continue, while arrangements for a Rights Issue by the end of 2007 are also proceeding as planned.

Approved by the Board on 23 August 2007 and 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 2007

	GROUP		BANK	
	2007 USD	2006 USD	2007 USD	2006 USD
Interest income	13,587,460	8,907,295	11,041,021	6,989,065
Interest expense	(8,621,339)	(4,847,864)	(8,113,424)	(4,726,451)
Net interest income	4,966,121	4,059,431	2,927,597	2,262,614
Fee and commission income	6,897,358	5,441,346	5,513,561	4,731,037
Fee and commission expense	(753,480)	(494,829)	(433,739)	(458,166)
Net fee and commission income	6,143,878	4,946,517	5,079,822	4,272,871
Net trading income	1,427,537	1,428,052	938,652	672,606
Dividend income	371	482,311	600,123	987,304
Other operating income	126,323	84,343	29,090	17,068
	1,554,231	1,994,706	1,567,865	1,676,978
Net operating income before net impairment losses	12,664,230	11,000,654	9,575,284	8,212,463
Net impairment losses	(442,347)	(961,982)	(442,347)	(540,869)
Net operating income	12,221,883	10,038,672	9,132,937	7,671,594
Administrative expenses	(3,448,414)	(2,981,499)	(2,955,893)	(2,569,423)
Staff costs	(5,452,470)	(4,334,007)	(3,744,901)	(2,939,364)
Depreciation and amortisation	(406,765)	(229,040)	(262,884)	(132,959)
Adjustment to goodwill	(477,616)	(144,082)	-	-
Operating profit	2,436,618	2,350,044	2,169,259	2,029,848
Share of results of equity accounted investees	1,359,248	1,085,557	-	-
Profit before tax	3,795,866	3,435,601	2,169,259	2,029,848
Tax expense	(332,485)	(306,605)	(332,413)	(306,605)
Profit for the period	3,463,381	3,128,996	1,836,846	1,723,243
Basic earnings per share	4.01c	4.02c	2.12c	2.21c
Diluted earnings per share	3.94c	3.90c	2.20c	2.26c

CONDENSED INTERIM BALANCE SHEETS

At 30 June 2007

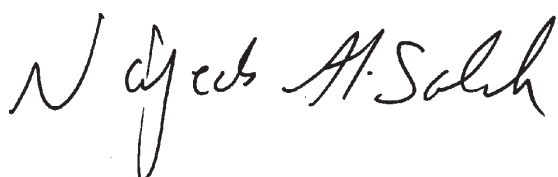
	Notes	GROUP		BANK	
		30 Jun 2007 USD	31 Dec 2006 USD	30 Jun 2007 USD	31 Dec 2006 USD
Assets					
Balances with the Central Bank of Malta and cash		75,763	112,626	60,164	93,322
Financial assets at fair value through profit or loss		199,967,282	145,784,755	20,741,580	20,739,111
Investments available-for-sale		149,029	149,029	149,029	149,029
Loans and advances to banks		177,692,111	211,660,418	174,622,267	200,848,606
Loans and advances to customers		69,530,363	81,708,042	199,164,359	166,021,629
Investments in subsidiaries		-	-	37,392,666	37,392,666
Investments in associates	6	12,843,758	11,115,152	8,609,113	8,553,934
Intangible assets	7	1,826,951	2,212,879	543,269	397,782
Property and equipment		2,501,636	2,483,517	1,330,705	1,261,650
Current tax recoverable		-	159,324	-	159,324
Deferred tax asset		5,889,006	5,890,139	733,813	734,945
Other assets		1,804,729	1,020,420	1,505,282	806,120
Prepayments and accrued income		1,425,734	1,200,308	4,272,189	1,203,991
Total assets		473,706,362	463,496,609	449,124,436	438,362,109
Liabilities					
Financial liabilities at fair value through profit or loss		-	-	360,080	263,248
Amounts owed to banks		247,210,434	243,124,011	250,931,930	246,296,826
Amounts owed to customers		127,659,470	122,683,664	127,026,200	121,995,315
Debt securities in issue	8	21,135,707	19,514,000	1,000,000	-
Current tax payable		305,575	-	305,575	-
Other liabilities		64,962	44,727	64,962	44,727
Accruals and deferred income		5,295,580	8,669,275	3,736,264	4,072,521
Provisions for liabilities and other charges		827,255	809,371	-	-
Subordinated convertible loan		6,000,000	6,000,000	6,000,000	6,000,000
Total liabilities		408,498,983	400,845,048	389,425,011	378,672,637
Equity					
Called up issued share capital		43,490,287	43,084,340	43,490,287	43,084,340
Share premium		4,458,568	3,654,479	4,458,568	3,654,479
Currency translation reserve		907,101	(12,229)	-	-
Other reserves	9	9,466,589	2,681,041	2,681,041	2,681,041
Retained earnings		6,884,834	13,243,930	9,069,529	10,269,612
Total equity		65,207,379	62,651,561	59,699,425	59,689,472
Total liabilities and equity		473,706,362	463,496,609	449,124,436	438,362,109

CONDENSED INTERIM BALANCE SHEETS (Cont.)

At 30 June 2007

	GROUP		BANK	
	30 Jun 2007 USD	31 Dec 2006 USD	30 Jun 2007 USD	31 Dec 2006 USD
Memorandum items				
Contingent liabilities	<u>5,141,635</u>	<u>6,825,473</u>	<u>25,448,635</u>	<u>26,339,473</u>
Commitments	<u>176,444,995</u>	<u>244,471,166</u>	<u>149,241,616</u>	<u>214,271,759</u>

The condensed interim financial statements set out on pages 5 to 16 were approved by the Board of Directors on 23 August 2007 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 2007

GROUP	Called up issued	Share	Currency	Other	Retained	Total
	share capital	premium	translation	reserves	earnings	
	USD	USD	reserves	reserves	USD	USD
At 1 January 2006	35,586,870	10,231,432	(176,774)	2,681,041	6,463,467	54,786,036
Profit for the period	-	-	-	-	3,128,996	3,128,996
Currency translation difference	-	-	(250,400)	-	-	(250,400)
Expense recognised directly in equity	-	-	(250,400)	-	-	(250,400)
Total recognised income for the period	-	-	(250,400)	-	3,128,996	2,878,596
Exercised share options	120,002	93,745	-	-	-	213,747
Bonus issue	7,136,298	(7,136,298)	-	-	-	-
Dividend paid	226,369	452,519	-	-	(811,878)	(132,990)
At 30 June 2006	43,069,539	3,641,398	(427,174)	2,681,041	8,780,585	57,745,389
At 1 January 2007	43,084,340	3,654,479	(12,229)	2,681,041	13,243,930	62,651,561
Profit for the period	-	-	-	-	3,463,381	3,463,381
Currency translation difference	-	-	919,330	-	-	919,330
Income recognised directly in equity	-	-	919,330	-	-	919,330
Total recognised income for the period	-	-	919,330	-	3,463,381	4,382,711
Transfer to Other Reserves	-	-	-	6,785,548	(6,785,548)	-
Exercised share options	38,343	32,390	-	-	-	70,733
Dividend paid	367,604	771,699	-	-	(3,036,929)	(1,897,626)
At 30 June 2007	43,490,287	4,458,568	907,101	9,466,589	6,884,834	65,207,379

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (Cont.)

For the six months ended 30 June 2007

BANK	Called up issued share capital USD	Share premium USD	Other reserves USD	Retained earnings USD	Total USD
At 1 January 2006	35,586,870	10,231,432	2,681,041	7,603,930	56,103,273
Profit for the period	-	-	-	1,723,243	1,723,243
Exercised share options	120,002	93,745	-	-	213,747
Bonus issue	7,136,298	(7,136,298)	-	-	-
Dividend paid	226,369	452,519	-	(811,878)	(132,990)
At 30 June 2006	43,069,539	3,641,398	2,681,041	8,515,295	57,907,273
At 1 January 2007	43,084,340	3,654,479	2,681,041	10,269,612	59,689,472
Profit for the period	-	-	-	1,836,846	1,836,846
Exercised share options	38,343	32,390	-	-	70,733
Dividend paid	367,604	771,699	-	(3,036,929)	(1,897,626)
At 30 June 2007	43,490,287	4,458,568	2,681,041	9,069,529	59,699,425

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

For the six-months ended 30 June 2007

	GROUP		BANK	
	2007 USD	2006 USD	2007 USD	2006 USD
Cash flows from operating activities				
Interest and commission receipts	19,228,963	12,609,528	13,482,795	9,403,136
Exchange received	861,806	296,338	707,442	201,124
Interest and commission payments	(9,379,431)	(4,639,174)	(8,571,383)	(4,591,839)
Payments to employees and suppliers	(9,912,873)	(6,478,165)	(7,320,400)	(5,085,013)
Operating profit/(loss) before changes in operating assets/liabilities	798,465	1,788,527	(1,701,546)	(72,592)
(Increase)/decrease in operating assets:				
- Financial assets at fair value through profit or loss	(54,793,842)	(62,002,516)	(19,492)	(7,981,241)
- Loans and advances to customers and banks	27,034,686	(26,201,164)	(18,160,934)	(96,234,696)
- Other assets	(839,488)	(197,779)	(754,341)	(54,412)
(Decrease)/increase in operating liabilities:				
- Amounts owed to customers and banks	(41,338,054)	62,358,969	(41,338,055)	62,866,373
- Other liabilities	20,236	36,978	20,236	37,419
Net cash outflows from operating activities before tax	(69,117,997)	(24,216,985)	(61,954,132)	(41,439,149)
Net tax refund/(paid)	133,546	(142,571)	133,618	(142,571)
Net cash outflows from operating activities	(68,984,451)	(24,359,556)	(61,820,514)	(41,581,720)
Cash flows from investing activities				
- Payments to acquire property and equipment	(318,518)	(215,479)	(279,360)	(144,316)
- Payments to acquire intangible assets	(198,067)	(814,296)	(198,066)	(390,929)
- Purchase of shares in subsidiary company	-	-	-	(388)
- Purchase of shares in associated company	-	(1,557,303)	-	(1,557,303)
- Purchase of other investment	-	(15,430)	-	(15,430)
- Dividend received	600,123	966,239	600,123	966,239
Net cash flows from/(used in) investing activities	83,538	(1,636,269)	122,697	(1,142,127)
Cash flows from financing activities				
- Proceeds from issue of share capital	70,733	213,747	70,733	213,747
- Debt securities in issue	1,621,707	5,224,023	1,000,000	-
- Dividend paid	(1,897,626)	(132,990)	(1,897,626)	(132,990)
Net cash flows (used in)/from financing activities	(205,186)	5,304,780	(826,893)	80,757
Decrease in cash and cash equivalents c/f	(69,106,099)	(20,691,045)	(62,524,710)	(42,643,090)

CONDENSED INTERIM STATEMENTS OF CASH FLOWS (Cont.)

For the six months ended 30 June 2007

	GROUP		BANK	
	2007 USD	2006 USD	2007 USD	2006 USD
Decrease in cash and cash equivalents b/f	(69,106,099)	(20,691,045)	(62,524,710)	(42,643,090)
- Effect of exchange rate changes on cash and cash equivalents	240,231	746,791	198,850	737,910
- Net decrease in cash and cash equivalents	(69,346,330)	(21,437,836)	(62,723,560)	(43,381,000)
Decrease in cash and cash equivalents	(69,106,099)	(20,691,045)	(62,524,710)	(42,643,090)
Cash and cash equivalents at beginning of period	38,444,546	37,809,500	24,996,501	35,432,879
Cash and cash equivalents at end of period	(30,661,553)	17,118,455	(37,528,209)	(7,210,211)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2007

1 Reporting entity

FIMBank p.l.c. (“the Bank”) is a company domiciled in Malta. The condensed interim financial statements of the Bank as at and for the six months ended 30 June 2007 comprise the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

The consolidated financial statements of the Group as at and for the year ended 31 December 2006 are available upon request from the Bank’s registered office at 7th Floor, The Plaza Commercial Centre, Bisazza Street, Sliema, SLM 1640, Malta.

2 Statement of compliance

The condensed consolidated 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 condensed separate interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

There are no incompatibilities between the provisions of the Companies Act, 1995 and the requirements of EU Regulation in relation to the preparation of the interim financial statements.

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 2006.

The condensed interim financial statements were approved by the Board of Directors on 23 August 2007.

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 2006.

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 estimating uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont.)

For the six months ended 30 June 2007

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	
	01.01.07 to 30.06.07 USD	01.01.06 to 30.06.06 USD	01.01.07 to 30.06.07 USD	01.01.06 to 30.06.06 USD	01.01.07 to 30.06.07 USD	01.01.06 to 30.06.06 USD
Interest income originated from:						
Trade finance	409,803	164,307	7,591,380	4,729,941	8,001,183	4,894,248
Forfeiting activities	-	-	5,586,277	3,107	5,586,277	3,107
Fee and commission income originated from:						
Trade finance	182,859	154,898	5,330,701	4,576,139	5,513,560	4,731,037
Forfeiting activities	-	-	1,383,798	710,309	1,383,798	710,309
Trading income originated from:						
Trade finance	-	-	914,048	672,606	914,048	672,606
Forfeiting activities	-	-	513,489	4,765,385	513,489	4,765,385
Gross income	592,662	319,205	21,319,693	15,457,487	21,912,355	15,776,692
Interest, fee and commission expense originated from:						
Trade finance	(618,124)	(316,382)	(7,928,561)	(4,868,235)	(8,546,685)	(5,184,617)
Forfeiting activities	-	-	(828,134)	(158,076)	(828,134)	(158,076)
	(618,124)	(316,382)	(8,756,695)	(5,026,311)	(9,374,819)	(5,342,693)
Segmental (loss)/profit:						
Trade finance	(25,462)	2,823	5,907,568	5,110,451	5,882,106	5,113,274
Forfeiting activities	-	-	6,655,430	5,320,725	6,655,430	5,320,725
	(25,462)	2,823	12,562,998	10,431,176	12,537,536	10,433,999
Share of profits						
Factoring					1,359,248	1,085,557
Dividend and other operating income					126,694	566,654
Common costs:						
Trade finance					(6,015,315)	(4,797,307)
Forfeiting activities					(2,690,829)	(2,321,235)
IT Solutions					(99,778)	(34,053)
Factoring					(501,727)	(391,950)
Adjustment to goodwill					(477,616)	(144,082)
Profit before tax and net impairment losses and provisions					4,238,213	4,397,583

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (Cont.)

For the six months ended 30 June 2007

5 Segment reporting (Cont.)

GROUP

Business/Geographical

	Malta		Other countries		Total	
	30.06.07 USD	30.06.06 USD	30.06.07 USD	30.06.06 USD	30.06.07 USD	30.06.06 USD
Segmental assets:						
Trade finance	9,118,690	21,295,421	262,863,646	296,807,159	271,982,336	318,102,580
Forfeiting assets	-	-	187,011,988	131,987,285	187,011,988	131,987,285
Factoring	-	-	12,942,226	11,487,086	12,942,226	11,487,086
IT Solutions	773,769	751,573	38,359	38,359	812,128	789,932
	<u>9,892,459</u>	<u>22,046,994</u>	<u>462,856,219</u>	<u>440,319,889</u>	<u>472,748,678</u>	<u>462,366,883</u>
Unallocated assets					957,684	1,129,726
					<u>473,706,362</u>	<u>463,496,609</u>

6 Investments in associates

During the six months ended 30 June 2007, there have been no further acquisitions or disposals in the associated companies, Global Trade Finance Limited and Egypt Factors.

7 Intangible Assets

The Group performed its annual impairment testing of goodwill on 31 December 2006.

Intangible assets include an amount of USD 652,110 (2006:USD 1,129,726), representing goodwill arising from acquisition of subsidiaries. During the six months ended 30 June 2007, one of the subsidiaries recognised a deferred tax asset amounting to USD 477,616 (six months ended 30 June 2006: USD 144,082). The Group adjusted the gross carrying amount of goodwill to the amounts that would have been recorded if the deferred tax asset had been recognised as an identifiable asset at acquisition date. The reduction in the carrying amount of goodwill was recognised in profit or loss accordingly.

8 Debt securities in issue

During the six months ended 30 June 2007 the Bank issued a promissory note amounting to USD 1,000,000 and a subsidiary issued promissory notes amounting to a net USD 621,707. These promissory notes have a maturity period ranging between six months and one year respectively from date of issue and bear interest between 5.89% and 6.33% per annum.

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

For the six months ended 30 June 2007

9 Other Reserves

These consist of the following:

- a. USD 2,681,041 (2006: USD 2,681,041) representing the difference between the net proceeds received on the sale of own shares and relative acquisition costs.
- b. USD 6,785,548 (2006: NIL) representing the appropriation from Retained Earnings to a Reserve for any unforeseen future risks which may affect the Group's financial assets held-for-trading.

Other Reserves are not distributable.

10 Financial commitments

In 2006, the Board reconfirmed the proposed investment of up to USD 10,000,000 in MENAFACTORS, a joint venture undertaking in Dubai, UAE, for the provision of international factoring and forfaiting services in the MENA and Gulf Regions. Out of this commitment, USD 5,000,000 were invested by the Bank in MENAFACTORS after the interim balance sheet date (see note 11).

The Board also reconfirmed the proposed investment of USD 2,000,000 in Egypt Factors, an associated company engaged in providing factoring activities from Egypt and out of which USD 700,000 was invested by the Bank during the financial year ended 31 December 2006.

During the period ended 30 June 2007 the Board approved an investment of up to USD 8,000,000 in an entity to be incorporated and engaged in providing international factoring and forfaiting services in the Maghreb region.

At 30 June 2007, the remaining commitments were still outstanding.

11 Subsequent events

Subsequent to the interim balance sheet date, the Bank invested USD 5,000,000 in MENAFACTORS (see note 10), representing a shareholding of 50% in the company and with the balance being subscribed by National Bank of Dubai.

12 Comparative figures

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

STATEMENT PURSUANT TO LISTING RULE 9.44.3 ISSUED BY THE LISTING AUTHORITY

I hereby confirm 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 2007, 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*) in respect of the Group, and in accordance with IAS 34 *Interim Financial Reporting* in respect of the Bank; and
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44.2.

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 condensed interim financial statements set out on pages 5 to 15 which comprise the condensed consolidated balance sheets of FIMBank p.l.c. ('the Bank') as at 30 June 2007, and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended (interim financial statements). Management is responsible for the preparation and presentation of the condensed consolidated 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*) and the condensed separate interim financial statements in accordance with 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 9.44 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 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*) in the case of the Group and in accordance with IAS 34 *Interim Financial Reporting* in the case of the Bank.



Noel Mizzi (Partner) for and on behalf of

KPMG

Certified Public Accountants
Registered Auditors

23 August 2007

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YOUR NOTES

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