



**FIMBANK**

**FIMBANK PLC**

COMPANY SECRETARIAT

7<sup>TH</sup> FLOOR, THE PLAZA COMMERCIAL CENTRE

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**COMPANY ANNOUNCEMENT**

The following is a Company Announcement issued by FIMBank p.l.c. (or the “Company”) pursuant to the Malta Financial Services Authority Listing Rules 9.51 *et seq.*

***Quote***

**INTERIM DIRECTORS’ STATEMENT**

In their Report accompanying the unaudited financial results for the six months ended 30 June 2008, the Directors expressed confidence that despite challenging outlooks in most of the OECD and the inevitable effect which trade linkages could have on emerging markets, including major developing countries, improving economic prospects in these markets, as well as high commodity, shipping and oil prices, would continue to present opportunities for the FIMBank Group (or the “Group”) to profit and grow. By September, global financial markets conditions had deteriorated, with governments around the world taking action and measures to support their banking systems and provide liquidity, and a global concerted move by major central banks to cut interest rates being the latest measure to restore calm in the markets. In this respect, the Board welcomes with satisfaction the statements made by the Maltese authorities about the soundness of the banking and financial system, their readiness to support the banks as well as the measures to strengthen confidence by, amongst other things, increasing the levels of deposit protection beyond the minimum agreed at the ECOFIN in Luxembourg on 7<sup>th</sup> October 2008.

In this difficult global environment, and despite drops, and ensuing volatility, in commodity, freight and oil prices, the FIMBank Group’s performance for the second half of 2008 is strong and continues to show improvement over the same period last year and in line with the trend experienced for the first half of 2008. The resilience of operating revenues is in many ways a consequence of the diversification strategies of recent years, and of the fact that trade, especially in essential and important commodities, including in emerging markets, will continue to flow even in challenging economic conditions. Moreover, liquidity ratios remain high and well above regulatory requirements, and no liquidity pressures have materialised as the Group’s funding is now more diversified, more deposit-based than in the past as our correspondents continue to support the Group. Asset quality also continues to be good as the Group became more selective with corporate risks, tenors and security of transactions. As already indicated in the review of the Half-Yearly Results the steady performance in both banking and forfaiting business is still expected to compensate overall for the absence of a contribution from the results of GTF, our former associated company in Mumbai, India, sold in March of this year.

There have been no changes in the operating strategies of the Dubai and Egypt factoring joint-ventures and progress continues to be encouraging. Plans to develop factoring business in Latin America remain on course, although the joint-venture intentions with BLADDEX are no longer binding as originally announced. No material events and/or transactions have taken place that would have an impact on the financial position of the Company and/or the Group. As is normally the case, any such material events/transactions would be specifically disclosed and announced, and/or communicated to shareholders by means of Circulars, pursuant to the applicable Listing Rules.

During the period under review the financial position of the Group has remained sound and, based on the unaudited and unpublished consolidated management accounts for the nine months ended 30 September 2008 and other financial information available, the performance of the Group to date, even after excluding the one-off gain on the disposal of the holding in GTF India, confirms that the strategic decisions made by the Company, particularly the diversification through new investments, products and markets, have been the right ones. This is a source of great encouragement to the Board who would like to see this positive sentiment better reflected in terms of shareholder value and market price of FIMBank equity. The Board notes that while the recent drops in FIMBank equity prices, on small volumes of activity, may be a reaction to the general sentiment arising from the financial market crises, they are not supported by any relationship or reference whatsoever to the financial health of the Group. On the contrary, the Board considers that the strong trade finance fundamentals of the Group and its operating and financial soundness continue to provide much opportunity for value accretion and still have room to be reflected in the market pricing of FIMBank equities.

In conclusion, the Board wishes to reassure that FIMBank's business remains resilient, its performance strong and the financial position of the Group sound, and looks at the crises as a time of opportunity for when market dislocation eventually turns around.

*Unquote*



Dr. Raffaella Bonadies  
Company Secretary

10th October, 2008