



FIMBANK

**First International
Merchant Bank p.l.c.**

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Company Registration No : C 17003

COMPANY ANNOUNCEMENT

Announcement by First International Merchant Bank p.l.c. pursuant to Malta Stock Exchange Bye-laws 6.05.04 (iii) and 6.05.06 (i).

At the meeting held on the 10th August 2002, the Board of Directors of First International Merchant Bank p.l.c. approved the half-yearly Accounts for the six month period 1st January 2002 to 30th June 2002. The Board decided not to pay an interim dividend.

**Francesco Apap Bologna
Company Secretary**

12.08.2002

Report on the Interim Financial Results

for the six month period 1 January to 30 June 2002

INTERIM FINANCIAL STATEMENTS

The published figures, which are in compliance with IAS34, 'Interim Financial Reporting', have been extracted from FIMBank p.l.c.'s unaudited management accounts for the six months ended 30 June 2002 and have been drawn up according to the accounting policies used in the preparation of the 2001 audited financial statements. These figures are being published in terms of the Bye-Laws of the Malta Stock Exchange, Section 6.05.06 (i). The format used conforms with that specified in the Banking Directive BD/07/1994.01 issued by the Central Bank of Malta.

Report on the financial results for the six month period 1 January to 30 June 2002

During the first six months of this financial year the Bank's ordinary activities continued to grow at a consistent rate in line with monthly average increases in business recorded during the preceding twelve months to 31 December 2001.

This growth in business is reflected in the operating income of the past six months compared to last year's initial period. Because FIMBank has essentially remained a fee income driven, short-term trade finance bank, commission earnings have always been retained as the best indicator to assess its level of growth.

In the past six months the Bank generated USD592,774 more in net fees and commissions and USD90,436 more from foreign exchange trading. With net interest income at practically the same level as last year, the net increase in operating income of USD650,721 or 20%, is therefore attributed to increased business activity.

In order to sustain such increases in transaction volume, the servicing of new customers and its marketing objectives, the Bank continued to employ more resources. The expense added USD302,667 to administrative overheads.

The interim Balance Sheet also denotes increases in business activity. While the Balance Sheet footings have not changed much, the changes in the composition of assets and liabilities do reflect a lower reliance on borrowing from banks which is gradually being replaced by increased funding from customer deposits. If one looks at off-balance sheet memorandum items, the Bank's outstanding position of current business has reached a level of USD127 million. This figure is USD39 million, i.e. 44% higher than that recorded in the results of 31 December 2001.

In preparing the financial statements for this interim report, the Bank has assessed its exposures and retained it prudent to put aside USD1,160,133 of its operating income. Delays experienced during the realisation of expected proceeds inherent in the short-term nature of the Bank's business, give rise to impairment in assets on particular reporting dates, which might well be recovered by the subsequent reporting date.

No interim dividend is being paid or proposed in respect of the six months ended 30 June 2002.

Profit & Loss Account

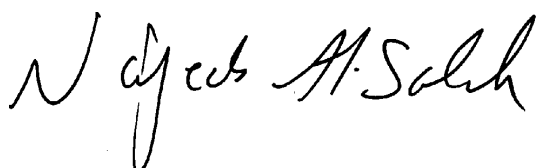
for the period 1 January to 30 June 2002

	6 months to 30 June 2002	6 months to 30 June 2001
	USD	USD
Interest income on loans and advances and balances held with Central Bank of Malta	1,955,944	2,408,455
Interest payable	(620,893)	(1,090,915)
Net interest income	1,335,051	1,317,540
Fees and commissions receivable	2,401,530	1,829,690
Fees and commissions payable	(181,781)	(202,715)
Trading profit from foreign exchange activities	227,575	137,139
Other operating income	50,000	100,000
Operating income	3,832,375	3,181,654
Administrative expenses	(1,937,685)	(1,643,112)
Depreciation	(106,562)	(98,468)
Impairment allowance	(1,160,133)	(47,930)
Profit on ordinary activities before tax	627,995	1,392,144
Provision for tax	(236,380)	(202,701)
Profit for the period	391,615	1,189,443
Earnings per share (cents)	0.85	2.59

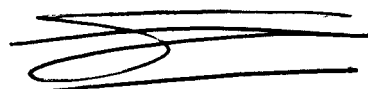
Balance Sheet

as at 30 June 2002

	6 months to 30 June 2002	12 months to 31 Dec 2001
	USD	USD
ASSETS		
Balances with Central Bank of Malta and cash	2,463,001	2,477,758
Investments	99,188	85,538
Loans and advances to banks	73,881,767	76,857,419
Loans and advances to customers	32,580,274	25,368,400
Tangible fixed assets	884,461	895,004
Deferred tax asset	63,155	29,855
Other assets	187,731	225,249
Prepayments and accrued interest	363,487	262,998
Total assets	110,523,063	106,202,221
LIABILITIES		
Amounts owed to banks	37,029,016	42,383,463
Amounts owed to customers	35,613,125	25,573,293
Other liabilities	584,829	183,687
Accruals and deferred income	347,450	645,268
	73,574,420	68,785,711
SHAREHOLDERS' FUNDS		
Called up issued share capital	23,000,000	23,000,000
Share premium	4,021,575	4,034,140
Other reserve	2,681,050	2,689,427
Dividend reserve	13,460	852,000
Profit and loss account	7,232,558	6,840,943
	36,948,643	37,416,510
Total liabilities	110,523,063	106,202,221
MEMORANDUM ITEMS		
Contingent liabilities	4,927,441	7,277,376
Commitments	127,273,719	88,337,309



Mr. Najeeb H.M. Al-Saleh
Chairman



Mr. Mehdi Ouazzani
Vice Chairman

Statement of Changes in Equity

for the period 1 January to 30 June 2001 and for the period 1 January to 30 June 2002

	Total	Called up Issued Share Capital	Share Premium Account	Reserve for own Shares	Other Reserve	Dividend Reserve	Profit & Loss Account
	USD	USD	USD	USD	USD	USD	USD
At 1 January 2001	25,555,393	20,000,000	-	-	-	-	5,555,393
Own shares acquired	(2,000,000)	-	-	(2,000,000)	-	-	-
Own shares sold	4,815,110	-	-	2,000,000	2,815,110	-	-
Issue of share capital	7,222,665	3,000,000	4,222,665	-	-	-	-
Profit for the six months	1,189,443	-	-	-	-	-	1,189,443
As at June 2001	36,782,611	23,000,000	4,222,665	-	2,815,110	-	6,744,836
At 1 January 2002	37,416,510	23,000,000	4,034,140	-	2,689,427	852,000	6,840,943
Dividends paid in cash	(838,540)	-	-	-	-	(838,540)	-
Share issue costs	(20,942)	-	(12,565)	-	(8,377)	-	-
Profit for the six months	391,615	-	-	-	-	-	391,615
As at 30 June 2002	36,948,643	23,000,000	4,021,575	-	2,681,050	13,460	7,232,558

Cash Flow Statement

for the period 1 January to 30 June 2002

	6 months to 30 June 2002	6 months to 30 June 2001
	USD	USD
Cash flows from operating activities		
Interest and commission receipts	4,361,393	4,328,853
Interest and commission payments	(810,387)	(1,282,464)
Payments to employees and suppliers	(1,846,180)	(2,079,538)
Operating profit before changes in operating assets/liabilities	1,704,826	966,851
(Increase) / decrease in operating assets		
- Reserve deposit with Central Bank of Malta	(287,700)	(67,030)
- Loans and advances to customers and banks	1,425,228	(2,262,491)
- Other receivables	-	65,781
Increase in operating liabilities		
- Amounts owed to customers and banks	10,039,833	1,171,643
- Other payables	-	554,320
Cash generated from operations	12,882,187	429,074
Income tax paid	(39,463)	(28,333)
Net cash from operating activities	12,842,724	400,741
Cash flow from investing activities		
- Payments to acquire fixed assets	(96,018)	(98,272)
- Purchase of equity shares	(13,650)	(22,195)
Net cash used in investing activities	(109,668)	(120,467)
Cash flows from financing activities		
- Proceeds from issue of ordinary shares	-	7,500,000
- Payment of share issue costs	(20,942)	(462,225)
- Dividends paid	(838,540)	-
- Purchase of own shares	-	(2,000,000)
- Sale of own shares	-	5,000,000
Net cash (used in) / from financing activities	(859,482)	10,037,775
Increase in cash and cash equivalents	11,873,574	10,318,049
Effect of exchange rate changes on cash and cash equivalents	702,363	(566,885)
Net increase in cash and cash equivalents	11,171,211	10,884,934
Cash and cash equivalents at beginning of period	11,873,574	10,318,049
	30,576,549	21,399,137
Cash and cash equivalents at the end of period	42,450,123	31,717,186