



FIMBANK

First International
Merchant Bank p.l.c.

7th Floor
The Plaza Commercial Centre
Bassett Street
Sliema SM 15
Malta

Tel : (+356) 21 322100
Fax : (+356) 21 322122/3
Telex : MFV 1775 FIMBANK
S.W.I.F.T. : FIMB MT 33
Website : www.fimbank.com
E-mail : info@fimbank.com

Company Registration No : C 17905

COMPANY ANNOUNCEMENT

The following is a Company Announcement by First International Merchant Bank p.l.c. pursuant to Malta Stock Exchange Bye-Laws 6.05.04(iii) and 6.05.06(iii):

Quote:

At the meeting held in Malta on the 18th February 2003, the Board of Directors of First International Merchant Bank p.l.c. approved the attached Preliminary Profit Statement for the financial year ended 31 December 2002.

Unquote

Mr. Francesco Apap Bologna
Company Secretary

18th February 2003

First International Merchant Bank p.l.c.

Preliminary Profit Statement

For the Year Ended 31 December 2002

	2002	2001
	USD	USD
Interest receivable on loans and advances and balances with Central Bank of Malta	3,914,668	4,538,929
Interest payable	<u>(1,265,498)</u>	<u>(1,867,926)</u>
Net interest income	<u>2,649,170</u>	<u>2,671,003</u>
Other net operating income	5,463,865	3,902,867
Operating income	<u>8,113,035</u>	<u>6,573,870</u>
Administrative expenses	(4,271,503)	(3,601,169)
Depreciation	(262,746)	(224,486)
Impairment losses	<u>(9,935,604)</u>	<u>(277,197)</u>
Profit on ordinary activities before tax	<u>(6,356,818)</u>	<u>2,471,018</u>
Tax on profit on ordinary activities	227,919	(333,468)
Profit for the year	<u>(6,128,899)</u>	<u>2,137,550</u>
Earnings per share	<u>(13.32c)</u>	<u>5.02c</u>
Dividends net of income tax	-	852,000
Balance Sheet extracts as at	<u>31/12/02</u>	<u>31/12/01</u>
Loans and advances to customers	<u>24,403,487</u>	<u>25,368,400</u>
Loans and advances to banks	<u>90,458,355</u>	<u>76,857,419</u>
Total assets	<u>120,098,408</u>	<u>106,202,221</u>
Amounts owed to customers	<u>45,725,136</u>	<u>25,573,293</u>
Amounts owed to banks	<u>43,197,825</u>	<u>42,383,463</u>
Shareholders' funds	<u>30,414,660</u>	<u>37,416,510</u>
Commitments & Contingent Liabilities	<u>132,168,176</u>	<u>95,614,685</u>

Performance review

The published figures have been extracted from First International Merchant Bank p.l.c. audited accounts for year ended 31 December 2002 as approved by the Board of Directors on 18 February 2003.

In 2002, the Bank generated a net operating income of USD8,113,035, a healthy 23% increase over 2001, despite further cuts in interest rates. Net fees and commissions increased from USD3.7 million to USD5.4 million, a 46% increase received from operating activities of the Bank. Interest revenues continued to fall, resulting in a net receivable of USD2.6 million.

Operating profit before impairment allowances and tax for 2002 totalled USD3,578,785. The Bank felt it prudent to take a specific impairment allowance for uncollectibility of USD9.9 million.

In view of the particular circumstances and the prudent policy decision taken to make a full impairment allowance for uncollectibility, the Directors do not recommend the payment of a dividend. After the mentioned deduction, the balance of the profit and loss account of USD712,044 is being carried forward to reserves.
