

FIMBANK PLC
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Company Registration Number : C 17003



COMPANY ANNOUNCEMENT

The following is a Company Announcement by FIMBank p.l.c. pursuant to Malta Financial Services Authority Listing Rules 5.16 and 5.54:

Quote

The Board of Directors of FIMBank p.l.c. met in Kuwait City, Kuwait on 3 March, 2011 to approve the Consolidated Audited Financial Statements for the financial year ended 31 December 2010. A Preliminary Statement of Results for the financial year ended 31 December 2010 is attached to this Company Announcement has been made available for public view on the Company's website at www.fimbank.com

The Board of Directors resolved that the Consolidated Audited Financial Statements be submitted for approval of the shareholders at the forthcoming Annual General Meeting to be held in Malta on 5 May 2011. At that Meeting, the Board of Directors will be recommending the payment of a scrip dividend of US\$3,371,955 (i.e. US cents 2.480242 per ordinary share). Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange on 30 March 2011 (the 'Record Date') will be entitled to:

- a) receive notice of the Annual General Meeting; and
- b) receive the scrip dividend, to be paid either in cash or by the issue of new shares at each shareholder's option by 15 May 2011.

Further details in relation to the scrip dividend, such as the attribution price and any terms or conditions for the issue of the scrip shares, will be communicated in a future announcement.

The Board also resolved to start the process of setting up a new Maltese group holding public company ("FIM Holdings p.l.c.", or such other name as may be decided for this purpose) as the new parent of the FIMBank Group, through a share for share exchange of FIMBank p.l.c. shares for shares in FIM Holdings p.l.c.. It is proposed that the share for share exchange be made through an offer by FIM Holdings p.l.c. to all the shareholders of FIMBank p.l.c. which will be subject to a number of conditions, upon satisfaction of which it is being proposed that FIM Holdings p.l.c. will apply for its shares to be admitted to the Official List of the Malta Stock Exchange ("MSE") with effect from a date which is currently scheduled for 30 June 2011, effectively replacing the FIMBank p.l.c. shares on the Official List of the MSE.

Holders of bonds issued by FIMBank p.l.c. will be unaffected by the proposed exercise and these bonds will remain listed on the Official List of the MSE where they will also continue to trade.

It is also intended that the shareholders of FIMBank p.l.c. as shown in the Register of Members of FIMBank p.l.c. on 30 March, 2011 will receive a prospectus issued by FIM Holdings p.l.c., an acceptance form and other appropriate documentation, and they will have a defined period of time within which to accept or decline the share for share exchange offer. In accordance with Listing Rule 1.26.1, the Board of Directors meeting at which FIMBank p.l.c.'s intention to make



FIMBANK

an application for Discontinuation of Listing is expected to be considered shall be held on 6 April, 2011. The considerations relating to the adoption of this holding company structure are primarily aimed at optimising the tax burden of the FIMBank Group. This would be beneficial to all shareholders and the business as it would provide opportunities for further equity retention to support the growth of the FIMBank Group.

Finally, the proposed incorporation of the group holding company and all the related steps required to implement it will only be carried out if and once the appropriate regulatory and all necessary corporate approvals, such as those of the Annual General Meeting, are obtained by FIMBank p.l.c. and, where required, by FIM Holdings p.l.c.

Further announcements will be made in due course.

Unquote

Marcel Cassar
Company Secretary

4 March 2011

Preliminary statement of annual results

for the year ended 31 December 2010

general

The Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rules 5.16 and 5.54. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2010, as approved by the Board of Directors on 3 March 2011 and audited by KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (the "Group"), comprising FIMBank p.l.c. (the "Bank") and its wholly-owned subsidiaries, London Forfaiting Company Ltd ("LFC") together with its subsidiary companies, FIMFactors B.V. ("FIMFactors") and its wholly-owned subsidiary Menafactors Limited ("Menafactors"), FIM Business Solutions Limited ("FBS"), and FIM Property Investment Limited ("FPI"). Coverage is also given to the associated undertakings The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), India Factoring and Finance Solutions Private Limited ("India Factoring"), CIS Factors Holding B.V. ("CIS Factors") and Levant Factors S.A.L. (formerly LCI Factors S.A.L.).

review of performance

Following a challenging and difficult 2009, when the impact of the global "credit crunch" was still affecting the credit profile of banks and corporates in both emerging and developed markets, besides a return of confidence in world trading flows remaining sluggish until late in the year, 2010 was a year of consolidation for the Group. As the global banking crisis started to stabilise during the year under review and liquidity became slowly more reliable, the Group cautiously renewed its appetite for business, helped by continuous improvement in emerging market conditions and steady pick-up in trade flows. This became clearly visible in an increase in the general pipeline of business at both the Bank and LFC.

For the year ended 31 December 2010, FIMBank Group delivered an after tax-profit of USD6.74 million, compared with USD1.57 million in 2009, with Group basic Earnings per Share of US cents 4.97 (2009 – US cents 1.16).

The Group's Operating Income after Net Impairment losses increased by 23% over the same period in 2009, from USD26.11 million to USD32.24 million. Net Interest Income increased by 15% with the net-interest margin improving to 58% of Gross Interest Income (55% - 2009). Net Fee and Commission income declined by 7% on 2009. Improved global credit risk sentiment, the gradual return of confidence and normalisation of trade flows had a positive impact on the fair value adjustments of the Group's Trading Assets, mainly the forfaiting book, resulting in marked-to-market gains of USD0.44 million. This represents a substantial reversal of the USD6.95 million markdowns that marked the Group's performance in 2009. The Group also reported net realised and unrealised foreign exchange losses of USD2.29 million (2009 – USD1.66 million). However, realised gains on derivative instruments, mainly currency forward and swap contracts, used in hedging the Group's currency exposures, amounted to USD5.09 million, with fair value movements on outstanding derivative contracts as at Financial Reporting date increasing by USD0.18 million (2009 – USD0.18 million). Net Impairment losses amounted to USD3.78 million, well below the levels reported for 2009. Collective Impairment charges increased by 50%, from USD0.99 million in 2009 to USD1.50 million, reflecting the Group's increased funded and unfunded lending portfolio. During 2010, Specific Impairment allowances and write-offs amounted to USD2.28 million, well below the USD5.15 million reported in 2009 and reflects the specific impairment charges booked on Menafactors' factoring book in 2010 as a result of credit issues which persisted in the MENA region, especially Dubai.

Group Operating Costs amounted to USD25.02 million, marginally above the levels for the same period in 2009. Administrative costs, including staff costs, increased by 2% to USD23.30 million. 2010 marks the first financial year for the Bank since its 15-year tax Exemption Order expired on 31 December 2009, booking a tax credit of USD0.47 million for 2010 as a result of previously unrecognized deductible temporary differences. The remaining tax credits reported by the Group during 2010, were recognized by the Group's IT subsidiary.

The Group's factoring investments contributed overall losses amounting to USD1.0 million (2009 – USD0.41 million), with Egypt Factors' negative results remaining in line with 2009 and with the remainder being the share of expenditure incurred in new ventures in India (49% holding), Russia (40% holding) and Lebanon (25% holding) – entities which are still in their infancy stages.

At the Bank level, Operating Income after Impairment Allowances increased by 7% over the same period in 2009, to USD19.8 million. Net Interest Income increased by 20%, while Net Fee and Commission income, unlike in the case of the Group, increased marginally from USD13.37 million to USD13.85 million. Realised and unrealised foreign exchange losses were reported at USD3.03 million (2009 – gain of USD1.76 million) while realised gains on derivative instruments held for risk management purposes, mainly currency forwards and swaps, amounted to USD5.17 million, with the fair values movements of outstanding derivative contracts at financial reporting date increasing to USD0.18 million. Net Impairment Allowances dropped from USD4.71 million to USD1.49 million, with the increase in Collective Impairment charges of USD0.50 million, offset by a drop in the Specific Impairment Charges and Write-offs on the Bank's exposures of USD3.72 million. Total Operating costs for the Bank amounted to USD17.63 million, remaining at same levels of 2009. As a result, the Bank posted an after-tax profit for the period ended 31 December 2010 of USD2.63 million (2009 – USD1.07 million).

Total Consolidated Assets as at 31 December 2010 stood at USD861 million, an increase of 24% over end-2009 figures with Total Consolidated Liabilities at USD740 million, up by 28% on 2009. Group Equity as at 31 December 2010 stood at USD121 million, up by 5% when compared to the equity levels reported at 31 December 2009, reflecting the profit performance for the year as well as the equity retention resulting from the scrip dividend approved in May. Consolidated Basle II Capital Adequacy ratio of 20.6% (2009 – 29.3%), remained very strong and well above the regulatory minimum of 8%. Liquidity, with ratios averaging 55% during 2010, was prudently and consistently maintained above the 30% minimum regulatory requirement.

outlook for 2011

For 2011 the Group will continue to eye inroads into new geographic and product markets and to strengthen its presence in important trading centres. At the same time the Group will also be prudently watching how important markets in the MENA region and African continent will emerge from the political unrest that has been marking the start of 2011 and to what extent this may affect trade with these markets. Diversification and strengthening of funding will remain a priority area for the Group, especially for the Bank, and will continue to be an important driver of business and of revenue and profit growth.

dividends

The Directors will be recommending to the Annual General Meeting of shareholders the payment of a scrip dividend amounting to USD3,371,955 (2009: USD1,565,048), representing a net dividend per ordinary share of US cents 2.480242 (2009: US cents 1.155640). This dividend, which requires the approval of the Annual General Meeting, will be paid after 5 May 2011. All shareholders on the register as at close of trading on 30 March 2011 (the "Record Date") shall be entitled to receive the dividend.

statements of financial position

As at 31 December 2010

| | Group | | Bank | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2010 USD | 2009 USD | 2010 USD | 2009 USD |
| ASSETS | | | | |
| Balances with the Central Bank of Malta and cash | 9,827,969 | 8,844,589 | 9,813,667 | 8,833,204 |
| Trading assets | 203,566,233 | 126,931,253 | - | - |
| Derivative assets held for risk management | 2,317,571 | 721,728 | 2,317,571 | 721,728 |
| Financial assets designated at fair value through profit or loss | 45,579,280 | 23,558,628 | 42,410,000 | 23,558,628 |
| Loans and advances to banks | 326,474,603 | 312,665,003 | 322,642,839 | 315,235,568 |
| Loans and advances to customers | 223,166,336 | 133,136,026 | 367,218,263 | 255,714,115 |
| Investments available-for-sale | 162,493 | 39,595 | 161,791 | 39,595 |
| Investments in equity accounted investees | 15,292,913 | 4,554,353 | 3,213,425 | 2,013,425 |
| Non-current assets classified as held for sale | - | 52,120,843 | - | - |
| Investments in subsidiaries | - | - | 64,234,312 | 53,412,291 |
| Property and equipment | 15,896,306 | 10,400,335 | 1,814,489 | 2,241,239 |
| Intangible assets | 1,522,687 | 1,319,006 | 740,651 | 549,270 |
| Current tax recoverable | 1,558,921 | 508,275 | 1,558,921 | 508,275 |
| Deferred taxation | 9,039,765 | 8,341,764 | 2,325,553 | 1,683,183 |
| Other assets | 3,227,678 | 9,779,650 | 2,411,528 | 1,870,871 |
| Prepayments and accrued income | 3,012,824 | 2,312,378 | 2,540,034 | 2,110,959 |
| Total assets | 860,645,579 | 695,233,426 | 823,403,044 | 668,492,351 |
| LIABILITIES AND EQUITY | | | | |
| Liabilities | | | | |
| Derivative liabilities held for risk management | 2,377,124 | 1,026,810 | 2,425,331 | 1,152,782 |
| Amounts owed to banks | 331,214,605 | 222,813,489 | 329,976,491 | 227,151,376 |
| Amounts owed to customers | 291,452,181 | 270,270,939 | 285,048,980 | 271,532,067 |
| Liabilities directly associated with non-current assets classified as held for sale | - | 11,775,785 | - | - |
| Debt securities in issue | 55,522,895 | 7,745,568 | 42,853,818 | 4,931,904 |
| Subordinated debt | 43,789,227 | 47,062,828 | 43,789,227 | 47,062,828 |
| Provisions | 3,052,184 | 2,618,708 | 1,733,104 | 1,733,104 |
| Other liabilities | 182,135 | 113,806 | 182,135 | 113,806 |
| Accruals and deferred income | 12,148,640 | 16,176,912 | 5,156,968 | 4,101,948 |
| Total liabilities | 739,738,991 | 579,604,845 | 711,166,054 | 557,779,815 |
| Equity | | | | |
| Share capital | 67,976,317 | 67,713,477 | 67,976,317 | 67,713,477 |
| Share premium | 10,235,339 | 9,986,355 | 10,235,339 | 9,986,355 |
| Currency translation reserve | (507,632) | (146,618) | - | - |
| Fair value reserve | (51,665) | - | (51,665) | - |
| Other reserve | 8,098,579 | 6,495,973 | 2,681,041 | 2,681,041 |
| Retained earnings | 35,155,650 | 31,579,394 | 31,395,958 | 30,331,663 |
| Total equity | 120,906,588 | 115,628,581 | 112,236,990 | 110,712,536 |
| Total liabilities and equity | 860,645,579 | 695,233,426 | 823,403,044 | 668,492,351 |
| MEMORANDUM ITEMS | | | | |
| Contingent liabilities | 38,150,984 | 25,565,381 | 43,362,797 | 27,021,667 |
| Commitments | 197,427,079 | 191,902,440 | 170,860,031 | 167,848,294 |

statements of changes in equity

For the year ended 31 December 2010

Group

| | Share capital USD | Share premium USD | Currency translation reserve USD | Fair value reserve USD | Other reserve USD | Retained earnings USD | Total USD |
|---|-------------------------|-------------------------|---|---------------------------------|-------------------------|-----------------------------|--------------------|
| At 1 January 2009 | 67,428,196 | 9,658,098 | 3,790 | - | 9,311,248 | 30,234,978 | 116,636,310 |
| Total comprehensive income for the year | | | | | | | |
| Transfer to retained earnings | - | - | - | - | (2,815,275) | 2,815,275 | - |
| Profit for the year | - | - | - | - | - | 1,565,048 | 1,565,048 |
| | - | - | - | - | (2,815,275) | 4,380,323 | 1,565,048 |
| Other comprehensive income | | | | | | | |
| Currency translation reserve | - | - | (150,408) | - | - | - | (150,408) |
| Total other comprehensive income | - | - | (150,408) | - | - | - | (150,408) |
| Total comprehensive income for the year | - | - | (150,408) | - | (2,815,275) | 4,380,323 | 1,414,640 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Shares issued on exercise of options | 15,120 | 4,342 | - | - | - | - | 19,462 |
| Dividends to equity holders | - | - | - | - | - | (3,035,907) | (3,035,907) |
| Scrip issue of ordinary shares | 270,161 | 323,915 | - | - | - | - | 594,076 |
| Total contributions by and distributions to owners | 285,281 | 328,257 | - | - | - | (3,035,907) | (2,422,369) |
| As at 31 December 2009 | 67,713,477 | 9,986,355 | (146,618) | - | 6,495,973 | 31,579,394 | 115,628,581 |
| At 1 January 2010 | 67,713,477 | 9,986,355 | (146,618) | - | 6,495,973 | 31,579,394 | 115,628,581 |
| Total comprehensive income for the year | | | | | | | |
| Transfer to retained earnings | - | - | - | - | 1,602,606 | (1,602,606) | - |
| Profit for the year | - | - | - | - | - | 6,743,910 | 6,743,910 |
| | - | - | - | - | 1,602,606 | 5,141,304 | 6,743,910 |
| Other comprehensive income | | | | | | | |
| Change in fair value of available-for- sale financial assets | - | - | - | (51,665) | - | - | (51,665) |
| Currency translation reserve | - | - | (361,014) | - | - | - | (361,014) |
| Total other comprehensive Income | - | - | (361,014) | (51,665) | - | - | (412,679) |
| Total comprehensive income for the year | - | - | (361,014) | (51,665) | 1,602,606 | 5,141,304 | 6,331,231 |
| Transactions with owners, recorded directly in equity | | | | | | | |
| Shares issued on exercise of options | 18,720 | 5,133 | - | - | - | - | 23,853 |
| Dividends to equity holders | - | - | - | - | - | (1,565,048) | (1,565,048) |
| Scrip issue of ordinary shares | 244,120 | 243,851 | - | - | - | - | 487,971 |
| Total contributions by and distributions to owners | 262,840 | 248,984 | - | - | - | (1,565,048) | (1,053,224) |
| As at 31 December 2010 | 67,976,317 | 10,235,339 | (507,632) | (51,665) | 8,098,579 | 35,155,650 | 120,906,588 |

statements of changes in equity

For the year ended 31 December 2010

| Bank | Share capital USD | Share premium USD | Fair value Reserve USD | Other reserve USD | Retained earnings USD | Total USD |
|--|----------------------|----------------------|---------------------------|----------------------|--------------------------|--------------------|
| At 1 January 2009 | 67,428,196 | 9,658,098 | - | 2,681,041 | 32,295,085 | 112,062,420 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 1,072,485 | 1,072,485 |
| Total comprehensive income for the year | - | - | - | - | 1,072,485 | 1,072,485 |
| Transactions with owners, recorded directly in equity | | | | | | |
| Shares issued on exercise of options | 15,120 | 4,342 | - | - | - | 19,462 |
| Dividends to equity holders | - | - | - | - | (3,035,907) | (3,035,907) |
| Scrip issue of ordinary shares | 270,161 | 323,915 | - | - | - | 594,076 |
| Total contributions by and distributions to owners | 285,281 | 328,257 | - | - | (3,035,907) | (2,422,369) |
| As at 31 December 2009 | 67,713,477 | 9,986,355 | - | 2,681,041 | 30,331,663 | 110,712,536 |
| At 1 January 2010 | 67,713,477 | 9,986,355 | - | 2,681,041 | 30,331,663 | 110,712,536 |
| Total comprehensive income for the year | | | | | | |
| Profit for the year | - | - | - | - | 2,629,343 | 2,629,343 |
| | - | - | - | - | 2,629,343 | 2,629,343 |
| Other comprehensive income | | | | | | |
| Change in fair value of available-for-sale financial assets | - | - | (51,665) | - | - | (51,665) |
| Total other comprehensive income for the year | - | - | (51,665) | - | - | (51,665) |
| Total comprehensive income for the year | - | - | (51,665) | - | 2,629,343 | 2,577,678 |
| Transactions with owners, recorded directly in equity | | | | | | |
| Shares issued on exercise of options | 18,720 | 5,133 | - | - | - | 23,853 |
| Dividends to equity holders | - | - | - | - | (1,565,048) | (1,565,048) |
| Scrip issue of ordinary shares | 244,120 | 243,851 | - | - | - | 487,971 |
| Total contributions by and distributions to owners | 262,840 | 248,984 | - | - | (1,565,048) | (1,053,224) |
| As at 31 December 2010 | 67,976,317 | 10,235,339 | (51,665) | 2,681,041 | 31,395,958 | 112,236,990 |

income statements

For the year ended 31 December 2010

| | Group | | Bank | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 2010 USD | 2009 USD | 2010 USD | 2009 USD |
| Interest income | 22,410,004 | 20,652,622 | 14,300,606 | 13,321,974 |
| Interest expense | (9,429,484) | (9,355,998) | (9,183,774) | (9,047,203) |
| Net interest income | 12,980,520 | 11,296,624 | 5,116,832 | 4,274,771 |
| Fee and commission income | 21,386,459 | 22,130,246 | 15,237,631 | 14,925,150 |
| Fee and commission expense | (1,983,914) | (1,288,088) | (1,387,338) | (1,556,711) |
| Net fee and commission income | 19,402,545 | 20,842,158 | 13,850,293 | 13,368,439 |
| Net trading (expense)/income | (1,743,819) | (4,207,188) | (3,028,565) | 1,756,838 |
| Net gain from other financial instruments carried at fair value | 5,330,330 | 4,138,209 | 5,319,358 | 3,756,788 |
| Dividend income | 320 | 604 | 320 | 604 |
| Profit on disposal of available-for-sale investment | - | 46,956 | - | 46,956 |
| Other operating income | 44,162 | 141,355 | 31,572 | 18,013 |
| Operating income before net impairment loss | 36,014,058 | 32,258,718 | 21,289,810 | 23,222,409 |
| Net impairment loss on financial assets | (3,777,541) | (6,148,372) | (1,493,233) | (4,712,221) |
| Operating income | 32,236,517 | 26,110,346 | 19,796,577 | 18,510,188 |
| Administrative expenses | (23,301,533) | (22,946,650) | (16,900,731) | (16,761,113) |
| Depreciation and amortisation | (1,208,687) | (1,158,129) | (731,585) | (707,771) |
| Provision for liabilities and charges | (506,281) | - | - | - |
| Total operating expenses | (25,016,501) | (24,104,779) | (17,632,316) | (17,468,884) |
| Operating profit | 7,220,016 | 2,005,567 | 2,164,261 | 1,041,304 |
| Share of loss of equity accounted investees (net of tax) | (996,549) | (406,899) | - | - |
| Profit before income tax | 6,223,467 | 1,598,668 | 2,164,261 | 1,041,304 |
| Taxation | 520,443 | (33,620) | 465,082 | 31,181 |
| Profit for the year | 6,743,910 | 1,565,048 | 2,629,343 | 1,072,485 |
| Basic earnings per share | 4.97c | 1.16c | 1.94c | 0.79c |
| Diluted earnings per share | 4.97c | 1.25c | 1.94c | 0.90c |

statements of comprehensive income

For the year ended 31 December 2010

| | Group | | Bank | |
|---|------------------|------------------|------------------|------------------|
| | 2010 USD | 2009 USD | 2010 USD | 2009 USD |
| Profit for the year | 6,743,910 | 1,565,048 | 2,629,343 | 1,072,485 |
| Other comprehensive income: | | | | |
| Exchange differences on translation of foreign operations | (361,014) | (150,408) | - | - |
| Fair value reserve (available for sale financial assets): | | | | |
| - Net change in fair value | (51,665) | - | (51,665) | - |
| Total comprehensive income for the year | 6,331,231 | 1,414,640 | 2,577,678 | 1,072,485 |

statements of cash flows

For the year ended 31 December 2010

| | Group | | Bank | |
|--|----------------------|---------------------|----------------------|---------------------|
| | 2010 USD | 2009 USD | 2010 USD | 2009 USD |
| Cash flows from operating activities | | | | |
| Interest and commission receipts | 34,144,862 | 48,441,112 | 29,268,371 | 28,306,014 |
| Exchange received | 2,598,845 | 1,816,914 | 1,949,468 | 1,924,884 |
| Interest and commission payments | (10,806,982) | (11,193,357) | (10,077,821) | (11,338,504) |
| Payments to employees and suppliers | (21,619,479) | (21,449,538) | (16,244,235) | (17,053,368) |
| Operating profit before changes in operating assets / liabilities | 4,317,246 | 17,615,131 | 4,895,783 | 1,839,026 |
| (Increase) / decrease in operating assets: | | | | |
| - Financial assets at fair value through profit or loss | (81,665,692) | 46,970,548 | (19,240,703) | 5,657,701 |
| - Loans and advances to customers and banks | (99,394,020) | (57,726,796) | (78,556,378) | (42,077,555) |
| - Other assets | 6,616,519 | (8,281,424) | (540,657) | 488,328 |
| Increase / (decrease) in operating liabilities: | | | | |
| - Amounts owed to customers and banks | 63,151,841 | 22,554,593 | 61,184,839 | 22,345,655 |
| - Other liabilities | 68,331 | 111,529 | 156,732 | 122,265 |
| - Net advances to subsidiary companies | - | - | (69,660,142) | (5,953,346) |
| Net cash (outflows) / inflows from operating activities before income tax | (106,905,777) | 21,243,581 | (101,760,526) | (17,577,926) |
| Income tax paid | (1,200,386) | (665,494) | (1,200,114) | (664,203) |
| Net cash (outflows) / inflows from operating activities | (108,106,163) | 20,578,087 | (102,960,640) | (18,242,129) |
| Cash flows from investing activities | | | | |
| - Payments to acquire property and equipment | (6,076,446) | (7,604,570) | (153,597) | (1,189,397) |
| - Payments to acquire intangible assets | (695,848) | (415,277) | (342,619) | (87,759) |
| - Proceeds on disposal of property and equipment | 14,016 | - | - | - |
| - Purchase of shares in subsidiary companies | - | - | (10,822,021) | (4,017,625) |
| - Purchase of shares in equity accounted investees | (12,026,480) | (4,017,625) | (1,200,000) | - |
| - Purchase of shares in available-for-sale financial assets | (702) | - | - | - |
| - Increase in net assets classified as held for sale | - | (13,316,221) | - | - |
| - Proceeds from disposal of other investment | - | 69,151 | - | 69,151 |
| - Receipt of dividend | 320 | 604 | 320 | 604 |
| Net cash flows used in investing activities | (18,785,140) | (25,283,938) | (12,517,917) | (5,225,026) |
| Decrease in cash equivalents c/f | (126,891,303) | (4,705,851) | (115,478,557) | (23,467,155) |

statements of cash flows

For the year ended 31 December 2010

| | Group | | Bank | |
|---|---------------------|--------------------|---------------------|--------------------|
| | 2010 USD | 2009 USD | 2010 USD | 2009 USD |
| Decrease in cash equivalents b/f | (126,891,303) | (4,705,851) | (115,478,557) | (23,467,155) |
| Cash flows from financing activities | | | | |
| - Proceeds from issue of shares on exercise of options | 23,853 | 19,462 | 23,853 | 19,462 |
| - Proceeds from issue of 7% subordinated bonds | - | 39,061,687 | - | 39,061,687 |
| - Proceeds from issue of 4.25% bonds | 43,396,399 | - | 43,396,399 | - |
| - Debt securities in issue | 4,923,510 | (17,008,922) | (4,931,905) | 4,931,904 |
| - Repayment of Subordinated Convertible Loan | (857,143) | - | (857,143) | - |
| - Dividends paid | (1,077,077) | (2,441,831) | (1,077,077) | (2,441,831) |
| Net cash flows from financing activities | 46,409,542 | 19,630,396 | 36,554,127 | 41,571,222 |
| (Decrease) / increase in cash and cash Equivalents | (80,481,761) | 14,924,545 | (78,924,430) | 18,104,067 |
| Analysed as follows: | | | | |
| - Effect of exchange rate changes on cash and cash equivalents | (7,942,433) | 2,797,837 | (7,895,910) | 2,575,112 |
| - Net (decrease) / increase in cash and cash equivalents | (72,539,328) | 12,126,708 | (71,028,520) | 15,528,955 |
| (Decrease) / increase in cash and cash equivalents | (80,481,761) | 14,924,545 | (78,924,430) | 18,104,067 |
| Cash and cash equivalents at beginning of year | 105,474,073 | 90,549,528 | 103,695,367 | 85,591,300 |
| Reclassification of cash and cash equivalents previously held as discontinued operation | 1,137,116 | - | - | - |
| | 106,611,189 | 90,549,528 | 103,695,367 | 85,591,300 |
| Cash and cash equivalents at end of year | 26,129,428 | 105,474,073 | 24,770,937 | 103,695,367 |