



FIMBANK

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Company Registration No : C 17003

COMPANY ANNOUNCEMENT

The following is a Company Announcement by First International Merchant Bank plc pursuant to Malta Stock Exchange Bye-Laws 6.05.04 (i) and (ii):

Quote

The Board of Directors of First International Merchant Bank plc (“FIMBank”) announce the terms of a cash offer (the “Offer”) to be made by WestLB Panmure Limited on behalf of FIMBank (UK) Limited, a new wholly owned subsidiary of FIMBank, specifically set up to purchase the entire issued share capital of London Forfaiting Company plc (“LFC”). LFC is a company listed on the London Stock Exchange (“LSE”) specialising in the offering of forfaiting (i.e. the purchase and sale of trade related receivables on a non-recourse basis) and other trade related finance products. This announcement is being issued simultaneously with another announcement through the LSE by LFC.

The offer is 29.5 pence for each LFC share, valuing LFC at *circa* £31 million. The Offer will be financed by a combination of short-term bridging loan and FIMBank’s own resources. Following completion of the acquisition of LFC, FIMBank intends, subject to the fulfilment of the relevant English law provisions, to use the cash resources of LFC to repay the bridging loan.

Following today’s announcement in the United Kingdom, FIMBank expects to ‘post’ a ‘detailed offer document to shareholders of LFC as soon as possible and in any event, by not later than the 19th August 2003. The Offer is subject to a number of terms and conditions including regulatory approval by the Malta Financial Services Authority, confirmation of the findings recorded in due diligence reports on LFC, and a requirement that valid acceptances are received in respect of not less than 90% in nominal value of the LFC shares to which the Offer relates. It should be noted however, that FIMBank, as offeror, has the right to reduce the 90% threshold to a lower figure of its choice, with the consent of the provider of the bridging finance, provided that such threshold exceeds 50%.

The Offer must remain open for acceptance for at least 21 days from the posting of the offer document.

Once the Offer becomes, or is declared, unconditional in all respects, FIMBank will seek a delisting of LFC from the LSE. LFC will continue to offer forfaiting services under its world-renowned brand name through its global network as the forfaiting/trading arm of FIMBank.

Market diversification, global presence, and the introduction of forfaiting/trading capabilities required to complete the entire range of trade finance services are already part of FIMBank's strategic plan. However, the acquisition of LFC will not only enable the speedy fulfilment of this strategy, but also augment its success since LFC is an undisputed market leader in the forfaiting business.

FIMBank will be holding an information presentation for its existing Shareholders at the MSE on Monday, 28th July 2003. In this respect, all FIMBank Shareholders will be receiving an invitation to the briefing. Furthermore, FIMBank Shareholders will, upon successful conclusion of the acquisition of LFC, be receiving a circular explaining in detail the particulars of the transaction.

The Company wishes to inform its Shareholders that it intends issuing further Company Announcements to keep Shareholders informed of developments in connection with the Offer.

Unquote



Francesco Apap Bologna
Company Secretary

22nd July, 2003