



FIMBANK

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

7th Floor
The Plaza Commercial Centre
Bisazza Street
Sliema SLM 15
Malta

Tel : (+356) 21 322100
Fax : (+356) 21 322122/3
Telex : MW 1775 FIMBNK
S.W.I.F.T. : FIMB MT M3
Website : www.fimbank.com
E-Mail : info@fimbank.com

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).

Quote

At the meeting held on the 1st September, 2003 the Board of Directors of First International Merchant Bank p.l.c. approved the attached half-yearly Accounts for the six month period 1st January 2003 to 30th June 2003. The Board decided not to pay an interim dividend.

Unquote

Francesco Apap Bologna
Company Secretary

1st September, 2003

**FIMBANK**

Income Statement

for the period 01 January to 30 June 2003

	6 months to Jun-03 USD	6 months to Jun-02 USD
Interest income on loans and advances and balances held with Central Bank of Malta	1,596,746	1,955,944
Interest payable	(547,794)	(620,893)
Net interest income	1,048,952	1,335,051
Fees and commissions receivable	2,562,201	2,401,530
Fees and commissions payable	(132,187)	(181,781)
Trading profit from foreign exchange activities	255,650	227,575
Other Operating Income	51,500	50,000
Operating income	3,786,116	3,832,375
Administrative expenses	(2,681,140)	(1,937,685)
Depreciation	(140,021)	(106,562)
Net impairment losses	(90,980)	(1,160,133)
Profit on ordinary activities before tax	873,975	627,995
Tax on profit on ordinary activities	15,190	(236,380)
Profit for the period	889,165	391,615
Earnings per share (cents)	1.93	0.85

**FIMBANK**

Balance Sheet

as at 30 June 2003

	Jun-03 USD	Dec-02 USD
ASSETS		
Balances with Central Bank of Malta and cash	3,102,721	2,758,724
Financial Assets held-for-trading	2,267	10,072
Investments	133,599	133,600
Loans and advances to banks	88,423,469	90,458,355
Loans and advances to customers	25,077,620	24,403,487
Tangible fixed assets	1,316,467	1,180,518
Deferred tax asset	730,645	618,777
Other assets	236,528	205,658
Prepayments and accrued income	301,627	329,217
Total assets	119,324,943	120,098,408
LIABILITIES		
Amounts owed to banks	35,344,587	43,197,825
Amounts owed to customers	51,901,477	45,725,136
Other liabilities	259,270	135,996
Accruals and deferred income	515,784	624,791
	88,021,118	89,683,748
SHAREHOLDERS' FUNDS		
Called up issued share capital	23,000,000	23,000,000
Share Premium	4,021,575	4,021,575
Other Reserve	2,681,041	2,681,041
Profit and loss account	1,601,209	712,044
	31,303,825	30,414,660
Total Liabilities	119,324,943	120,098,408
MEMORANDUM ITEMS		
Contingent Liabilities	1,571,466	3,174,578
Commitments	84,551,262	128,993,598

The interim financial statements were approved by the Board of Directors on [01st September 2003] and signed on its behalf by:

Najeeb Al-Saleh, *Chairman*

Mehdi Ouazzani Hassani, *Vice Chairman*

**FIMBANK**

Cash Flow Statement

for the period 01 January to 30th June 2003

	6 months to Jun-03 USD	6 months to Jun-02 USD
Cash flows from operating activities		
Interest and commission receipts	4,599,004	4,361,393
Exchange Gain received	263,455	227,575
Interest and commission payments	(788,979)	(810,387)
Cash paid to suppliers and employees	(2,597,615)	(2,073,755)
Operating profit before changes in operating assets/liabilities	1,475,865	1,704,826
(Increase) / decrease in operating assets:		
- Reserve deposit with Central Bank of Malta	(371,594)	(287,700)
- Loans and advances to customers and banks	(11,933,108)	1,425,228
Increase in operating liabilities:		
- Amounts owed to customers and banks	8,229,067	10,039,833
Cash (used in)/generated from operating activities before tax	(2,599,770)	12,882,187
Tax Paid	(70,609)	(39,463)
Net cash (used in)/from operating activities	(2,670,379)	12,842,724
Cash flow from investing activities		
- Payments to acquire fixed assets	(294,507)	(96,018)
- Purchase of equity shares	-	(13,650)
Net cash used in investing activities	(294,507)	(109,668)
Cash flows from financing activities		
- Payment of share issue costs	-	(20,942)
- Dividends paid	-	(838,540)
Net cash used in financing activities	-	(859,482)
(Decrease)/Increase in cash and cash equivalents	(2,964,886)	11,873,574
- Effect of exchange rate changes on cash and cash equivalents	757,628	702,363
- Net (decrease)/increase in cash and cash equivalents	(3,722,514)	11,171,211
(Decrease)/Increase in cash and cash equivalents	(2,964,886)	11,873,574
Cash and cash equivalents at beginning of period	36,563,521	31,576,549
Cash and cash equivalents at the end of period	33,598,635	43,450,123

Statement of Changes in Equity

for the period 01 January to 30 June 2002 and for the period 01 January to 30 June 2003

	TOTAL	Called up Issued Share Capital USD	Share Premium USD	Other Reserve USD	Dividend Reserve USD	Profit & Loss Account USD
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
At 01 January 2003	30,414,660	23,000,000	4,021,575	2,681,041	-	712,044
Profit for the six months	889,165	-	-	-	-	889,165
As at 30 June 2003	31,303,825	23,000,000	4,021,575	2,681,041	-	1,601,209

The published figures, which are in compliance with IAS34, 'Interim Financial Reporting', have been extracted from FIMBank's p.l.c. unaudited management accounts for the six months ended 30 June 2003, and have been drawn up according to the the accounting policies used in the preparation of the 2002 audited financial statements. These figures are being published in terms of section 6.05.06 (i) of the Malta Stock Exchange Bye-Laws.