



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

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Company Registration No : C 17003

COMPANY ANNOUNCEMENT

The following is a Company Announcement by First International Merchant Bank plc (“FIMBank”) pursuant to Malta Stock Exchange Bye-Laws 6.01.09 (iii):

Quote

The Board of Directors (the “Board”) is pleased to announce that following the recent successful acquisition of London Forfaiting Company (“LFC”), they will be proceeding with the next stage of their objective to develop FIMBank into an international player in the Trade Finance and Forfaiting business.

The Board aims to achieve this by expanding further the Bank’s own operations, by developing and growing LFC, and by building a network of factoring¹ joint venture companies in a number of jurisdictions in conjunction with local partners and possibly other international institutions of high repute.

As a first step in this direction, the Board has yesterday, Sunday, 2nd November 2003, approved a rights issue which will increase the Bank’s issued share capital by US\$15,000,000.

The Board recognises the support and loyalty of its existing Shareholders and is offering the new shares at US\$0.75 per share – representing a discount of 35.6% to the trade-weighted average price during the last six months of US\$1.165 per share.

Details of the rights issue are as follows:-

- 20,000,000 shares (the “New Shares”) of a nominal value of US\$0.50 each;
- Offered at a price of US\$0.75 per share (the “Rights Issue Price”);
- Offered on the basis of ten (10) new shares for every twenty-three (23) existing ordinary shares;
- Shareholders qualifying for the rights will be given the option to transfer their rights in part or in whole in favour of a third party.

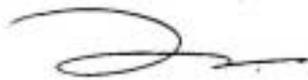
¹ *The financing through the purchase of invoices or other types of accounts receivable.*

The new shares will be issued pursuant to and in accordance with article 5 of FIMBank's Articles of Association, on a pro-rata basis to shareholders on the Company's Register of Shareholders as at close of business on Wednesday, 12th November 2003 (the "Record Date").

The Chairman of the Board of Directors, who also is a founder shareholder of FIMBank and currently holds, whether directly or through companies controlled by him, an aggregate 40.22% of the total issued share capital has indicated to the Board his willingness to take up all the rights being offered to him and such companies.

An Offering Memorandum, together with an Entitlement Letter and an Acceptance or Transfer Form, will be sent to eligible Shareholders shortly.

Unquote



Francesco Apap Bologna
Company Secretary

Monday, 3rd November 2003