



FIMBANK

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 p.l.c. pursuant to Listing Rule 8.47:

Quote

The Board of Directors of First International Merchant Bank p.l.c. (“FIMBank”) announces that it has agreed the terms of acquisition of a 38.5% shareholding in Global Trade Finance Private Limited¹ (“GTF”) for a cash consideration of USD 4,571,875 (Four million, five hundred and seventy one thousand, eight hundred seventy five US Dollars).

GTF is a joint venture company with head office in Mumbai India. The acquisition will be executed by purchasing 12.5% of the shareholding presently held by the International Finance Corporation and 26% from WestLB AG.

The present shareholding structure is as follows:-

1. 40% - WestLB AG;
2. 35% - Export Import Bank of India;
3. 25% - International Finance Corporation.

The Export Import Bank of India² is an Indian financial institution established under an Act of Parliament and is wholly owned by the Government of India.

¹ www.gtfindia.com

² www.eximbankindia.com

The International Finance Corporation³ is the private financing arm of the World Bank Group.

GTF is an unquoted company specialised in offering export-financing solutions to small and medium sized Indian exporters with a strong focus on products such as Factoring and Forfaiting. Its registered address is Metropolitan Building, 6th Floor Bandra-Kurla Complex, Bandra (E) 400 051, Mumbai – India and also has offices in New Delhi, Chennai and Madras. GTF is a member of the Factors Chain International⁴.

GTF started operations in September 2001 with a share capital of 450 million India Rupees (*circa* USD 10.13 million), and has reported a profit after tax of 13.2 million India Rupees (*circa* USD 297,300) for the financial year ended on the 31st March 2003 and as at that date held a funded portfolio of 1.73 billion India Rupees (*circa* USD39 million)⁵.

GTF's short-term debt programme is rated P1+ (the highest possible rating) by the Credit Rating Information Services of India Limited⁶ - a partner and licensee of Standard & Poor's and globally the fourth largest and India's most influential rating agency.

WestLB AG is selling all its shareholding due to strategy changes. The International Finance Corporation will exercise part of its tag along selling rights and dilute its present shareholding in favour of the Bank of Maharashtra⁷ - also wholly owned by the Government of India. The resultant new shareholding structure is expected to be as follows:-

1. 40.0% - Export Import Bank of India;
2. 9.0% - Bank of Maharashtra;
3. 12.5% - International Finance Corporation;
4. 38.5% - FIMBank.

The cash offer made by FIMBank is fully funded from its own resources and is subject to a number of conditions, including regulatory approval by the Malta Financial Services Authority, the Reserve Bank of India and the outcome of a due diligence exercise on GTF.

Unquote



Francesco Apap Bologna
Company Secretary

26th March, 2004

³ www.ifc.org

⁴ www.factors-chain.com

⁵ Approximate conversion rate as at 26.03.2004: 1 USD ≈ 44.4 INR

⁶ www.crisil.com

⁷ www.maharashtrabank.com