



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 issued by First International Merchant Bank p.l.c. pursuant to Malta Financial Services Authority Listing Rules 8.6.2, 8.6.17 and 8.6.19.

Quote

The Board of Directors of First International Merchant Bank p.l.c. met in London, United Kingdom today, 28th February 2005, to approve the Audited Financial Statements for the financial year ended 31 December 2004 and resolved that they be submitted for the approval of the shareholders at the forthcoming Annual General Meeting. A Preliminary Statement of Results for the financial year ended 31 December 2004 is attached in terms of Listing Rule 9.53. The Board of Directors will not be recommending the payment of a dividend.

The Annual General Meeting of First International Merchant Bank p.l.c. shall be held in Malta on 5th May 2005. Changes to Memorandum and Articles of Association of the Company will be proposed for the approval of the Annual General Meeting. Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange as at the close of business on 31st March 2005 will be entitled to receive notice of the Annual General Meeting.

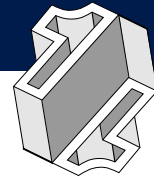
Unquote

Francesco Apap Bologna
Company Secretary

28th February, 2005.

Preliminary Statement of Annual Results

For the Year Ended 31 December 2004



First International Merchant Bank p.l.c.

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General

This Preliminary Profit Statement is published in terms of Malta Financial Services Authority Listing Rule 9.53. Figures have been extracted from First International Merchant Bank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2004 as approved by the Board of Directors on 28 February 2005 and audited by KPMG.

Review of Performance

The First International Merchant Bank p.l.c. Group ("FIMBank Group" or the "Group") posted an after-tax profit of US\$1.54 million in 2004 (2003 - US\$2.30 million). All the principal operating members of the Group contributed positively to this performance, as explained in the following additional information extracted from a review of the full Audited Financial Statements of the Group.

First International Merchant Bank p.l.c. ("FIMBank" or the "Bank") registered a profit on ordinary activities of US\$1.42 million during the year ended 31 December 2004, compared with US\$3.35 million in the preceding financial year. Net Interest Income for the Bank grew by 32% to US\$2.86 million during 2004 while Fees and Commissions Receivable increased by 21% to US\$6.15 million, reflecting strong growth in the Bank's business performance. In contrast, Net Trading Income returned to expected operating levels after a one-off foreign exchange gain of US\$2.0 million in 2003 arising on re-denomination of a loan to London Forfaiting Company Limited (LFC), the Bank's wholly-owned subsidiary acquired in 2003. Consequently, Operating Income is down 3% to US\$9.16 million and, in great part reflecting the enlarged business activity, Administrative Expenses increased by 13% to US\$6.51 million. Earnings per Share of 2.11c (7.12c) largely reflect the Bank's ordinary result for 2004.

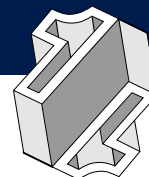
The financial period under review was also the first full year for the FIMBank Group in which LFC contributed to the consolidated result. The Board of Directors is pleased to note that the anticipated turnaround in LFC has been realised and the subsidiary contributed a positive operating performance to the Group's results in 2004. In fact, Group Operating Income increased by 33% to US\$12.25 million. On the other hand, the Group now absorbs the full impact of LFC's operation as shown by an increase in overheads from 2003's US\$6.28 million to US\$11.00 million. The Board notes that whilst these figures represent the significant restructuring efforts that have taken place in LFC during 2004, they do not sufficiently reveal the subsidiary's contribution to the Group bottom-line or the considerable business potential that it is poised to exploit in the years ahead. The Group results also reflect the early adoption of the requirements of IFRS 3 "Business Combinations", including the testing for impairment of the carrying amount of goodwill (the half-yearly results for 2004 reflected the pro rata amortization of goodwill based on the requirements of IAS 22 as determined at the time). In excess of US\$2.5 million of LFC's post-tax profit has been adjusted against goodwill at consolidated level, and therefore not directly reflected in the Group's profit performance. In December 2004, the Group also completed the acquisition of a 38.5% share in Global Trade Finance Private Limited, India, and the benefits from this investment are likewise anticipated to accrue in future financial periods.

The Consolidated after-tax result of US\$1.54 million translates into Group Earnings per Share of 2.34c (2003 - 4.99c). The expansion in the Group's activity is also reflected in balance-sheet growth, with total assets increasing by 23% to US\$216 million and the main business areas - funding and credit - showing healthy increases. Commitments, comprising confirmed letters of credit, undrawn credit facilities and documentary credits, more than doubled to US\$129 million. Consolidated adjusted Own Funds of US\$49 million represent a solvency ratio of 30%, well above the regulatory minimum of 8%.

The Board of Directors, in not recommending the proposal of a dividend, is confident that the FIMBank Group's strategy, as well as its markets and activities, continue to provide considerable potential for profit maximisation. For 2005, the Board is optimistic that the Group's ideas for developing business, including through ventures in new markets, and with the highly esteemed contribution of the shareholders, staff and customers, will create further opportunities for increasing shareholder value.

Preliminary Statement of Annual Results

For the Year Ended 31 December 2004



First International Merchant Bank p.l.c.

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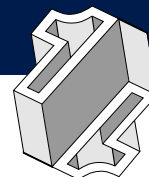
Profit and Loss Account

For the Year Ended 31 December 2004

	GROUP		BANK	
	2004 USD	2003 USD	2004 USD	2003 USD
Interest receivable on loans and advances and balances with Central Bank of Malta	3,214,345	3,440,895	4,273,583	3,235,211
Interest payable	(1,411,020)	(1,045,161)	(1,416,423)	(1,077,834)
Net interest income	1,803,325	2,395,734	2,857,160	2,157,377
Fees and commissions receivable	6,989,311	5,083,621	6,147,131	5,083,621
Fees and commissions payable	(342,250)	(357,688)	(307,177)	(357,688)
Net trading income	3,313,678	2,024,806	409,450	2,559,523
Loss on disposal of non-trading financial asset	-	(30,000)	-	(30,000)
Other operating income	486,258	53,512	51,321	53,512
Operating income	12,250,322	9,169,985	9,157,885	9,466,345
Administrative expenses	(10,998,357)	(6,280,585)	(6,512,918)	(5,748,045)
Depreciation	(481,705)	(507,753)	(409,496)	(311,958)
Net reversal of provision for potential losses	496,778	-	-	-
Net impairment reversal / (losses)	309,293	554,865	(810,834)	(60,289)
Amortisation of intangible assets	-	(571,846)	-	-
Adjustment to intangible assets	(1,902,900)	-	-	-
(Loss) / profit on ordinary activities before tax	(326,569)	2,364,666	1,424,637	3,346,053
Taxation	1,868,639	(62,319)	(34,261)	(62,319)
Profit for the year	1,542,070	2,302,347	1,390,376	3,283,734
Earnings per share	2.34c	4.99c	2.11c	7.12c

Preliminary Statement of Annual Results

For the Year Ended 31 December 2004



First International Merchant Bank p.l.c.

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Balance Sheet

At 31 December 2004

	GROUP		BANK	
	2004 USD	2003 USD	2004 USD	2003 USD
ASSETS				
Balances with Central Bank of Malta and cash	139,563	4,393,757	59,834	4,393,757
Financial assets held-for-trading	63,281,081	35,939,274	-	11,391,282
Investments	133,600	133,600	133,600	133,600
Loans and advances to banks	107,948,101	85,818,706	106,813,271	83,584,730
Loans and advances to customers	26,190,662	34,268,827	85,939,813	64,936,427
Shares in subsidiary companies	-	-	2	2
Shares in associated company	4,703,330	-	4,703,330	-
Intangible assets	5,235,887	8,005,843	-	-
Tangible assets	2,972,697	3,468,381	1,527,189	1,259,859
Deferred tax asset	2,645,188	684,407	742,288	684,407
Other assets	1,563,618	1,315,520	1,054,458	1,315,520
Prepayments and accrued income	1,161,292	1,841,638	1,886,267	360,998
Total assets	215,975,019	175,869,953	202,860,052	168,060,582
LIABILITIES				
Amounts owed to banks	65,697,692	43,282,344	65,697,692	43,282,344
Amounts owed to customers	97,204,814	73,675,060	86,619,942	75,298,813
Other liabilities	1,975,711	6,386,104	58,101	-
Accruals and deferred income	1,604,504	3,416,558	1,341,512	937,006
Provisions	1,179,186	1,548,855	-	-
	167,661,907	128,308,921	153,717,247	119,518,163
SHAREHOLDERS' FUNDS				
Called up issued share capital	33,005,316	33,003,229	33,005,316	33,003,229
Share premium	8,862,371	8,862,371	8,862,371	8,862,371
Other reserve	2,681,041	2,681,041	2,681,041	2,681,041
Profit and loss account	3,764,384	2,222,314	4,594,077	3,203,701
Dividend reserve	-	792,077	-	792,077
	48,313,112	47,561,032	49,142,805	48,542,419
Total liabilities	215,975,019	175,869,953	202,860,052	168,060,582
MEMORANDUM ITEMS				
Contingent liabilities	4,563,943	3,829,531	4,221,546	3,829,531
Commitments	129,261,867	63,645,130	109,628,881	63,645,130