



**FIMBANK**

FIMBANK PLC  
COMPANY SECRETARIAT  
7<sup>TH</sup> FLOOR, THE PLAZA COMMERCIAL CENTRE  
BISAZZA STREET  
SLIEMA SLM 15, MALTA  
TEL: ++356 21322100 FACSIMILE:++35621322123

---

### COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. (the "Company") pursuant to Malta Financial Services Authority Listing Rules 8.6.2, 8.6.17 and 8.6.19.

#### Quote

The Board of Directors of FIMBank p.l.c. met in Kuwait yesterday, 19<sup>th</sup> February 2006, to approve the Audited Financial Statements for the financial year ended 31<sup>st</sup> December 2005. A Preliminary Statement of Results for the financial year ended 31<sup>st</sup> December 2005 is attached to this Company Announcement pursuant to Listing Rule 9.39.

The Board of Directors resolved that the Audited Financial Statements be submitted for approval of the shareholders at the forthcoming Annual General Meeting.

The Annual General Meeting of FIMBank p.l.c. will be held in Malta on 6<sup>th</sup> April 2006. At that Meeting, the Board of Directors will be recommending the payment of a scrip dividend of US\$ 809,725 (*i.e.* US cents 1.14 per ordinary share) and a one for five bonus shares issue. The Board of Directors resolved that the attribution price for calculating the scrip dividend be established at US\$1.50. Also, changes to the Memorandum and Articles of Association of the Company will be proposed for the shareholders' approval.

Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange as at the close of trading on 28<sup>th</sup> February 2006 will be entitled to:

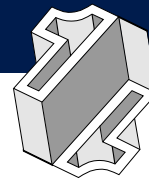
- a) receive notice of the Annual General Meeting;
- b) be allotted shares issued pursuant to the bonus shares issue;
- c) the scrip dividend, to be paid either in cash or by the issue of new shares at a date after the Annual General Meeting.

Unquote

Raffaella Bonadies  
Company Secretary  
20<sup>th</sup> February 2006

# Preliminary Statement of Annual Results

For the Year Ended 31 December 2005



## FIMBank p.l.c.

(formerly First International Merchant Bank p.l.c.)

## FIMBANK

### General

This Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rule 9.39. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2005, as approved by the Board of Directors on 19 February 2006 and audited by KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (or the "Group"), comprising FIMBank p.l.c., Malta (or the "Bank"), London Forfaiting Company Limited ("LFC"), London UK together with its subsidiary companies, FIMFactors B.V., FIM Business Solutions Limited, and the associated undertaking Global Trade Finance Private Limited, of Mumbai, India.

### Review of Performance

The FIMBank Group posted an after-tax profit of US\$2.70 million in 2005 (2004 - US\$1.54 million). As explained in the following additional information extracted from a review of the full Audited Financial Statements of the Group, 2005 was a year of consolidation and further strong growth for the Group, with projects aimed at further diversifying the Group's global footprint in terms of geographical presence and product offering, as well as the consolidation of the existing business areas. The Bank increased its Net Interest Income by 46%, from US\$2.86 million to US\$4.18 million. Both interest revenue and expense increased in absolute terms as the Bank's activity base grew through more availability of bank lines, customer deposits, the IFC Subordinated Convertible loan and the Bank's debut on the Euroloan market. Net fee and commission income increased by 21%, from 2004's US\$5.84 million to US\$7.04 million. Net Operating Income grew from US\$8.35 million to US\$ 11.59 million, an increase of 39%. Operating Expenses also grew by 20% to US\$ 7.92 million, in the main part reflecting the Bank's continued business growth and organisational expansion. Pre-tax profit for FIMBank p.l.c. increased from 2004's US\$1.42 million to US\$3.25 million.

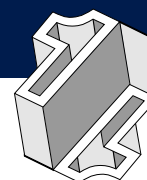
At the Group level, Net Interest Income is down from 2004's US\$ 1.80 million to US\$ 1.50 million, reflecting the extent of LFC's dependence on the Bank for funding of its forfaiting portfolio as consolidation eliminates the intra-group interest flows between parent and subsidiary. On the other hand, Group Net Trading Income is up from US\$ 3.31 million to US\$ 6.38 million in 2005, an increase of 93% in large part contributed by LFC's net trading result on forfaiting assets. Group net fees and commissions increased by 20% to US\$ 7.97 million, mainly in line with the Bank's own trend. Group Net Operating Income grew from US\$ 12.56 million to US\$ 15.63 million, a healthy increase of 25%. Group Operating Expenses increased by 13% to US\$ 12.46 million. This represents a significant improvement on the previous year and, as anticipated in 2004, reflects in good part the reorganisation of LFC's global network of operations to more efficient and economically feasible levels. During the year under review LFC recognised a deferred tax asset amounting to US\$ 0.68 million (2004 - US\$ 1.90 million). This amount went to adjust the gross carrying amount of goodwill to the amounts that would have been recorded if the deferred tax asset had been recognised as an identifiable asset at acquisition date, and such reduction in the carrying amount is recognised in the Income Statement accordingly. For the first time since its consolidation as an associated undertaking late in 2004, GTF has made a contribution to the Group result as reflected by US\$ 0.89 million in share of profits. Pre-tax profit for the Group increased to US\$ 2.94 million in 2005.

Total Equity increased to US\$ 56.1 million (Bank) and US\$ 54.8 million (Group) in 2005, in part reflecting the conversion of IFC's Subordinated Loan into equity. Total Bank assets increased by 34%, from US\$ 202.9 million to US\$ 271.7 million. Commitments outstanding at the balance sheet date, mainly under documentary credits and confirmed letters of credit, were of US\$ 150.8 million (2004 - US\$ 109.6 million). All the main earnings ratios, such as Return on Equity (ROE), Return on Assets (ROA) and Earnings per Share (EPS) show strong improvement on 2004, both for the Bank and the Group. Overall, the consistency and strength in the Group's business can be gauged from the 37% increase in Total Assets, which reached US\$ 295 million in 2005, trade related commitments of US\$ 125.6 million and Solvency Ratio which, at 27.4%, exceeds the minimum regulatory ratio of 8% prescribed by the Banking directives.

The Directors will be recommending to the Annual General Meeting of shareholders the payment of a scrip dividend amounting to US\$809,725 (2004 - NIL), representing a dividend per ordinary share of US cents 1.14 (2004 - NIL). The Board of Directors resolved that the attribution price for calculating the scrip dividend be established at US\$ 1.50. Additionally, the Directors will be recommending to the Annual General Meeting a bonus issue of 1 for 5 by the capitalisation of the Share Premium Reserve. All shareholders on the register as at close of trading on 28 February 2006 shall be entitled to receive the dividend and to be allotted bonus shares.

# Preliminary Statement of Annual Results

For the Year Ended 31 December 2005



## FIMBank p.l.c.

(formerly First International Merchant Bank p.l.c.)

## FIMBANK

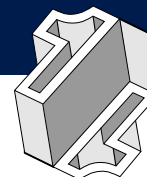
### Income Statement

For the Year Ended 31 December 2005

|  | GROUP               |                     | BANK               |                    |
|--|---------------------|---------------------|--------------------|--------------------|
|  | 2005<br>USD         | 2004<br>USD         | 2005<br>USD        | 2004<br>USD        |
| Interest income  | 5,828,556           | 3,214,345           | 8,511,348          | 4,273,583          |
| Interest expense   | (4,328,442)         | (1,411,020)         | (4,328,442)        | (1,416,423)        |
| <b>Net interest income</b>   | <b>1,500,114</b>    | <b>1,803,325</b>    | <b>4,182,906</b>   | <b>2,857,160</b>   |
| Fee and commission income  | 8,673,371           | 6,989,311           | 7,682,567          | 6,147,131          |
| Fee and commission expense   | (697,407)           | (342,250)           | (644,204)          | (307,177)          |
| <b>Net fee and commission income</b>                                     | <b>7,975,964</b>    | <b>6,647,061</b>    | <b>7,038,363</b>   | <b>5,839,954</b>   |
| Net trading income   | 6,381,460           | 4,433,805           | 360,885            | 409,450            |
| Dividend income  | 76,426              | -                   | 327,476            | -                  |
| Other operating income   | 60,798              | 486,258             | 50,000             | 51,321             |
| <b>Net operating income before net impairment losses</b>                 | <b>15,994,762</b>   | <b>13,370,449</b>   | <b>11,959,630</b>  | <b>9,157,885</b>   |
| Net impairment losses  | (365,677)           | (810,834)           | (365,677)          | (810,834)          |
| <b>Net operating income</b>  | <b>15,629,085</b>   | <b>12,559,615</b>   | <b>11,593,953</b>  | <b>8,347,051</b>   |
| Administrative expenses  | (12,464,122)        | (10,998,357)        | (7,919,185)        | (6,512,918)        |
| Depreciation on property, plant and equipment                            | (563,835)           | (481,705)           | (421,395)          | (409,496)          |
| Impairment loss on property, plant and equipment                         | (165,858)           | -                   | -                  | -                  |
| Net reversal of provisions   | 297,089             | 496,778             | -                  | -                  |
| Adjustment to goodwill   | (682,372)           | (1,902,900)         | -                  | -                  |
| <b>Total operating expenses</b>  | <b>(13,579,098)</b> | <b>(12,886,184)</b> | <b>(8,340,580)</b> | <b>(6,922,414)</b> |
| <b>Operating profit / (loss)</b>   | <b>2,049,987</b>    | <b>(326,569)</b>    | <b>3,253,373</b>   | <b>1,424,637</b>   |
| Share of profit of associate   | 892,616             | -                   | -                  | -                  |
| <b>Profit / (loss) before taxation</b>                                   | <b>2,942,603</b>    | <b>(326,569)</b>    | <b>3,253,373</b>   | <b>1,424,637</b>   |
| Taxation   | (243,520)           | 1,868,639           | (243,520)          | (34,261)           |
| <b>Profit for the year attributable to equity holders of the company</b> | <b>2,699,083</b>    | <b>1,542,070</b>    | <b>3,009,853</b>   | <b>1,390,376</b>   |
| <b>Basic earnings per share</b>  | <b>4.06c</b>        | <b>2.34c</b>        | <b>4.53c</b>       | <b>2.11c</b>       |
| <b>Diluted earnings per share</b>  | <b>3.81c</b>        | <b>2.34c</b>        | <b>4.23c</b>       | <b>2.11c</b>       |

# Preliminary Statement of Annual Results

For the Year Ended 31 December 2005



## FIMBank p.l.c.

(formerly First International Merchant Bank p.l.c.)

### Balance Sheet

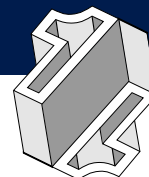
As at 31 December 2005

## FIMBANK

|  | GROUP              |                    | BANK               |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2005<br>USD        | 2004<br>USD        | 2005<br>USD        | 2004<br>USD        |
| <b>ASSETS</b>  |                    |                    |                    |                    |
| Balances with the Central Bank of Malta and cash           | 358,219            | 139,563            | 215,071            | 59,834             |
| Loans and advances to banks                                | 113,761,635        | 107,948,101        | 111,528,162        | 106,813,271        |
| Financial assets at fair value through profit or loss      | 119,650,397        | 63,281,081         | 10,130,000         | -                  |
| Loans and advances to customers                            | 41,564,011         | 26,190,662         | 101,622,616        | 85,939,813         |
| Investments available-for-sale                             | 133,600            | 133,600            | 133,600            | 133,600            |
| Investments in subsidiaries                                | -                  | -                  | 37,392,666         | 2                  |
| Investments in associate                                   | 6,762,457          | 4,703,330          | 6,259,188          | 4,703,330          |
| Intangible assets  | 5,183,515          | 5,235,887          | -                  | -                  |
| Property, plant and equipment                              | 2,850,537          | 2,972,697          | 1,351,629          | 1,527,189          |
| Deferred tax asset   | 2,522,740          | 2,645,188          | 619,840            | 742,288            |
| Current tax recoverable                                    | 366,637            | 521,791            | 366,637            | 521,791            |
| Other assets   | 1,156,558          | 1,041,827          | 694,116            | 532,667            |
| Prepayments and accrued income                             | 904,957            | 1,161,292          | 1,406,345          | 1,886,267          |
| <b>Total assets</b>  | <b>295,215,263</b> | <b>215,975,019</b> | <b>271,719,870</b> | <b>202,860,052</b> |
| <b>LIABILITIES AND EQUITY</b>                              |                    |                    |                    |                    |
| <b>Liabilities</b>   |                    |                    |                    |                    |
| Amounts owed to banks                                      | 116,336,809        | 65,697,692         | 116,336,809        | 65,697,692         |
| Financial liabilities at fair value through profit or loss | 202,727            | -                  | 202,727            | -                  |
| Amounts owed to customers                                  | 111,868,342        | 97,204,814         | 89,893,658         | 86,619,942         |
| Debt securities in issue                                   | 944,102            | -                  | 944,102            | -                  |
| Subordinated convertible loan                              | 6,000,000          | -                  | 6,000,000          | -                  |
| Other liabilities  | 386,003            | 1,286,096          | 7,293              | 58,101             |
| Accruals and deferred income                               | 3,961,607          | 1,604,504          | 2,232,008          | 1,341,512          |
| Provisions   | 729,637            | 1,868,801          | -                  | -                  |
| <b>Total liabilities</b>                                   | <b>240,429,227</b> | <b>167,661,907</b> | <b>215,616,597</b> | <b>153,717,247</b> |
| <b>Equity</b>  |                    |                    |                    |                    |
| Called up issued share capital                             | 35,586,870         | 33,005,316         | 35,586,870         | 33,005,316         |
| Share premium  | 10,231,432         | 8,862,371          | 10,231,432         | 8,862,371          |
| Currency translation reserve                               | (176,774)          | -                  | -                  | -                  |
| Other reserve  | 2,681,041          | 2,681,041          | 2,681,041          | 2,681,041          |
| Retained earnings  | 6,463,467          | 3,764,384          | 7,603,930          | 4,594,077          |
| <b>Total equity</b>  | <b>54,786,036</b>  | <b>48,313,112</b>  | <b>56,103,273</b>  | <b>49,142,805</b>  |
| <b>Total liabilities and equity</b>                        | <b>295,215,263</b> | <b>215,975,019</b> | <b>271,719,870</b> | <b>202,860,052</b> |
| <b>MEMORANDUM ITEMS</b>                                    |                    |                    |                    |                    |
| Contingent liabilities                                     | 1,720,516          | 4,563,943          | 1,720,516          | 4,221,546          |
| Commitments  | 125,609,890        | 129,261,867        | 150,826,326        | 109,628,881        |

# Preliminary Statement of Annual Results

For the Year Ended 31 December 2005



## FIMBank p.l.c.

(formerly First International Merchant Bank p.l.c.)

### Statement of Changes in Equity

For the Year Ended 31 December 2005

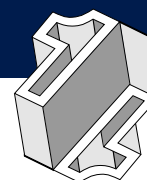
## FIMBANK

| Group  | Called up<br>Issued<br>Share Capital<br>USD | Share<br>Premium<br>USD | Currency<br>Translation<br>Reserve<br>USD | Other<br>Reserve<br>USD | Retained<br>Earnings<br>USD | Total<br>USD      |
|--|---|-------------------------|---|-------------------------|-----------------------------|-------------------|
| At 1 January 2004                              | 33,003,229                                  | 8,862,371               | -   | 2,681,041               | 3,014,391                   | 47,561,032        |
| Exercised share options                        | 2,087                                       | -                       | -   | -                       | -                           | 2,087             |
| Profit for the year                            | -   | -                       | -   | -                       | 1,542,070                   | 1,542,070         |
| Dividend paid                                  | -   | -                       | -   | -                       | (792,077)                   | (792,077)         |
| At 31 December 2004                            | 33,005,316                                  | 8,862,371               | -   | 2,681,041               | 3,764,384                   | 48,313,112        |
| At 1 January 2005                              | 33,005,316                                  | 8,862,371               | -   | 2,681,041               | 3,764,384                   | 48,313,112        |
| Profit for the year                            | -   | -                       | -   | -                       | 2,699,083                   | 2,699,083         |
| Currency translation difference                | -   | -                       | (176,774)                                 | -                       | -                           | (176,774)         |
| Total recognised income for 2005               | -   | -                       | (176,774)                                 | -                       | 2,699,083                   | 2,522,309         |
| Exercised share options                        | 27,589                                      | 17,385                  | -   | -                       | -                           | 44,974            |
| Conversion of subordinated<br>convertible loan | 2,553,965                                   | 1,351,676               | -   | -                       | -                           | 3,905,641         |
| <b>At 31 December 2005</b>                     | <b>35,586,870</b>                           | <b>10,231,432</b>       | <b>(176,774)</b>                          | <b>2,681,041</b>        | <b>6,463,467</b>            | <b>54,786,036</b> |

| Bank   | Called up<br>Issued Share Capital<br>USD | Share<br>Premium<br>USD | Other<br>Reserve<br>USD | Retained<br>Earnings<br>USD | Total<br>USD      |
|--|--|-------------------------|-------------------------|-----------------------------|-------------------|
| At 1 January 2004                              | 33,003,229                               | 8,862,371               | 2,681,041               | 3,995,778                   | 48,542,419        |
| Exercised share options                        | 2,087                                    | -                       | -                       | -                           | 2,087             |
| Profit for the year                            | -  | -                       | -                       | 1,390,376                   | 1,390,376         |
| Dividend paid                                  | -  | -                       | -                       | (792,077)                   | (792,077)         |
| At 31 December 2004                            | 33,005,316                               | 8,862,371               | 2,681,041               | 4,594,077                   | 49,142,805        |
| At 1 January 2005                              | 33,005,316                               | 8,862,371               | 2,681,041               | 4,594,077                   | 49,142,805        |
| Exercised share options                        | 27,589                                   | 17,385                  | -                       | -                           | 44,974            |
| Conversion of subordinated<br>convertible loan | 2,553,965                                | 1,351,676               | -                       | -                           | 3,905,641         |
| Profit for the year                            | -  | -                       | -                       | 3,009,853                   | 3,009,853         |
| <b>At 31 December 2005</b>                     | <b>35,586,870</b>                        | <b>10,231,432</b>       | <b>2,681,041</b>        | <b>7,603,930</b>            | <b>56,103,273</b> |

# Preliminary Statement of Annual Results

For the Year Ended 31 December 2005



## FIMBank p.l.c.

(formerly First International Merchant Bank p.l.c.)

## FIMBANK

### Cash Flow Statement

For the Year Ended 31 December 2005

|  | GROUP              |                    | BANK                |                     |
|--|--------------------|--------------------|---------------------|---------------------|
|  | 2005<br>USD        | 2004<br>USD        | 2005<br>USD         | 2004<br>USD         |
| <b>Cash flows from operating activities</b>                                |                    |                    |                     |                     |
| Interest and commission receipts   | 21,321,735         | 13,068,146         | 15,644,904          | 10,050,355          |
| Exchange received  | 239,702            | 386,034            | 471,055             | 409,450             |
| Interest and commission payments   | (4,706,756)        | (1,756,839)        | (4,653,553)         | (1,732,169)         |
| Payments to employees and suppliers  | (12,773,581)       | (16,911,814)       | (7,894,283)         | (6,568,753)         |
| Operating profit / (loss) before changes in operating assets / liabilities | 4,081,100          | (5,214,473)        | 3,568,123           | 2,158,883           |
| Decrease / (increase) in operating assets:                                 |                    |                    |                     |                     |
| - Reserve deposit with Central Bank of Malta                               | -                  | 3,799,014          | -                   | 3,799,014           |
| - Financial assets at fair value through profit or loss                    | (55,096,991)       | (26,216,830)       | (10,000,000)        | 11,391,282          |
| - Loans and advances to customers and banks                                | (15,043,949)       | 8,767,290          | (15,043,949)        | 8,767,290           |
| - Other assets, prepayments and accrued income                             | (114,731)          | 480,636            | (161,449)           | (257,535)           |
| (Decrease) / increase in operating liabilities:                            |                    |                    |                     |                     |
| - Amounts owed to customers and banks                                      | 67,966,909         | 23,529,754         | 56,577,097          | 11,321,129          |
| - Debt securities in issue   | 944,102            | -                  | 944,102             | -                   |
| - Subordinated convertible loan  | 10,000,000         | -                  | 10,000,000          | -                   |
| - Other liabilities  | (1,273,890)        | 587,018            | (50,808)            | 58,101              |
| Net cash flows from operating activities before income tax                 | 11,462,550         | 5,732,409          | 45,833,116          | 37,238,164          |
| Income tax refund / (paid)   | 29,611             | (361,075)          | 34,082              | (361,075)           |
| <b>Net cash flows from operating activities</b>                            | <b>11,492,161</b>  | <b>5,371,334</b>   | <b>45,867,198</b>   | <b>36,877,089</b>   |
| <b>Cash flows from investing activities</b>                                |                    |                    |                     |                     |
| - Payments to acquire property, plant and equipment                        | (550,977)          | (1,029,224)        | (251,700)           | (676,760)           |
| - Payments to acquire intangible asset                                     | (315,000)          | -                  | -                   | -                   |
| - Proceeds on disposal of property, plant and equipment                    | 11,645             | 1,115,225          | -                   | -                   |
| - Net advance to subsidiary companies                                      | -                  | -                  | (24,508,773)        | (29,723,577)        |
| - Purchase of shares in associated company                                 | (1,593,301)        | (4,648,205)        | (1,593,301)         | (4,648,205)         |
| - Payment to acquire subsidiary company                                    | -                  | -                  | (11,630,958)        | -                   |
| - Receipt of dividend  | 302,029            | -                  | 302,029             | -                   |
| <b>Net cash flows used in investing activities</b>                         | <b>(2,145,604)</b> | <b>(4,562,204)</b> | <b>(37,682,703)</b> | <b>(35,048,542)</b> |
| <b>Cash flows from financing activities</b>                                |                    |                    |                     |                     |
| - Proceeds from issue of share capital                                     | 44,974             | 789,617            | 44,974              | 789,617             |
| - Dividends paid   | -                  | (792,077)          | -                   | (792,077)           |
| <b>Net cash flows from / (used in) financing activities</b>                | <b>44,974</b>      | <b>(2,460)</b>     | <b>44,974</b>       | <b>(2,460)</b>      |
| <b>Increase in cash and cash equivalents</b>                               | <b>9,391,531</b>   | <b>806,670</b>     | <b>8,229,469</b>    | <b>1,826,087</b>    |
| - Effect of exchange rate changes on cash and cash equivalents             | (1,277,745)        | (1,319,478)        | (1,232,320)         | (1,289,448)         |
| - Net increase in cash and cash equivalents                                | 10,669,276         | 2,126,148          | 9,461,789           | 3,115,535           |
| <b>Increase in cash and cash equivalents</b>                               | <b>9,391,531</b>   | <b>806,670</b>     | <b>8,229,469</b>    | <b>1,826,087</b>    |
| Cash and cash equivalents at beginning of year                             | 28,417,969         | 27,611,299         | 27,203,410          | 25,377,323          |
| <b>Cash and cash equivalents at end of year</b>                            | <b>37,809,500</b>  | <b>28,417,969</b>  | <b>35,432,879</b>   | <b>27,203,410</b>   |