



FIMBANK

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Company Registration No : C 17003

COMPANY ANNOUNCEMENT

The following is a Company Announcement by FIMBank p.l.c. (the “Company”) pursuant to Malta Financial Services Authority Listing Rule 8.6.15:

Quote

An Extraordinary General Meeting of FIMBank p.l.c. was held at The Hilton Malta, Portomaso, St. Julian’s on 29th August 2005.

At the Meeting, the members approved two Extraordinary Resolutions in relation to the following:

- (i) to approve amendments to the Company’s Memorandum of Association to give effect to the Company’s obligations arising under and pursuant to a subordinated convertible loan agreement dated the 23rd June, 2005 entered into between the Company and the International Finance Corporation (IFC); and
- (ii) to authorise the Company to acquire its own shares.

The full text of these resolutions is presented as an Annex to this announcement.

End Quote

Francesco Apap Bologna
Company Secretary

29th August 2005

ANNEX 1

RESOLUTIONS APPROVED AT THE EXTRAORDINARY GENERAL MEETING OF FIMBANK P.L.C. ON 29TH AUGUST 2005.

SPECIAL BUSINESS – EXTRAORDINARY RESOLUTIONS

1. *AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION*

Purpose

The Board of Directors is proposing amendments to the Company's Memorandum of Association by means of an Extraordinary Resolution to be adopted at the General Meeting.

The purpose of the proposed amendments is to give effect to the Company's obligations arising under and pursuant to a subordinated convertible loan agreement dated the 23rd June, 2005 entered into between the Company and International Finance Corporation ("IFC"), a member organisation of the World Bank Group. The loan agreement, in an amount of up to ten million United States Dollars (US\$10 million) provides that it is to be utilised by the Company to expand its operations by establishing up to five joint-venture factoring and forfaiting companies in IFC member countries. These ventures will assist FIMBank in consolidating its objectives and increasing its presence in emerging markets.

The Company has accepted to adhere to certain obligations obtaining under covenants and conditions arising from the loan agreement. By means of its eligibility to convert the loan into equity, IFC will have the right of prior consent to certain decisions of the Company, and shall also be entitled to nominate one director to the Company's Board of Directors.

The purpose of the proposed amendments is to give effect to the Company's obligations arising under and pursuant to the loan agreement.

Proposal

RESOLVED THAT with immediate effect, and subject to all the necessary regulatory consents and approvals having been obtained:

(i) a third paragraph be inserted in Clause 6 of the Memorandum of Association of the Company as follows:

“All the shares in the Company shall rank *pari passu* in all respects, save as otherwise provided in this Memorandum of Association.”

(ii) A new Clause 6A be inserted in the Memorandum of Association of the Company as follows:

“IFC RIGHTS

6A. Notwithstanding any other provision in the Memorandum or Articles of Association, in the event that the International Finance Corporation, an international organisation and member of the World Bank Group (“IFC”), becomes a member by

means of acquiring legal or beneficial title to any one or more ordinary shares in the Company, and for as long as IFC remains the legal or beneficial owner of one or more ordinary shares in the Company:

(a) the Company shall not without obtaining the prior written consent of IFC:

- reduce its capital;
- except to the extent specifically required by Maltese law, change the nominal value of, or the rights attached to, any of its shares of any class;
- merge or consolidate;
- carry out a material reorganisation;
- sell all or substantially all of its assets;
- change its capital structure [except for the issuance of any new shares or securities convertible into shares. In such a case however, the Company will inform IFC in writing ninety (90) days prior to the issuance of such shares];
 - amend or alter its Memorandum or Articles of Association.

(b) IFC shall have the right to nominate one (1) director by notice in writing to the Company Secretary. If IFC exercises such a right to nominate the said director, the maximum number of directors which can be elected by the Company in general meeting in terms of the Articles of Association shall be reduced accordingly.”

2. ACQUISITION OF OWN SHARES

Purpose

The Board of Directors is proposing that the Company in general meeting authorises the acquisition of its own shares.

Details of Acquisition

The Board of Directors declares that its motivation in seeking an authorisation to acquire the Company’s own shares is to (a) create greater awareness of the value potential of the Group, (b) enable more liquidity in the market for its shares, and (c) allow it greater flexibility in attracting strategic investors who could enhance the overall quality of its shareholding base. Accordingly, it will be the Company’s intention to acquire such shares with a view to dispose of them in an orderly manner and within a reasonable time-frame; they will not be retained as own shares or cancelled as part of a capital reduction exercise. The Board of Directors further declares that Article 23 of the Articles of Association of the Company empowers the Company to acquire its own shares and that the proposed acquisition will comply with the requirements of Article 106 of the Companies Act, 1995.

Proposal

That pursuant to Article 23 of the Company’s Articles of Association and in terms of Article 106 of the Companies Act, 1995, and subject to the required regulatory approvals being forthcoming in due course, the Company be hereby authorised to acquire such number of its own ordinary shares, subject to the limitations and conditions set out in the Companies Act, 1995 and the following terms and conditions:

- (a) the maximum number of its own shares that the Company is authorised to acquire shall not exceed 10% of the issued share capital of the Company;

- (b) the authorisation hereby given to the Company expires at the end of the next Annual General Meeting; and
- (c) the consideration which the Company is authorised to pay with respect to each of such shares shall be based on the trade weighted average price of the shares for the period of seven months up to and including 31 July 2005, namely US\$1.154, with minimum and maximum limits of 50% below and above such trade weighted average price, namely a range between US\$0.577 and US\$1.731 respectively, which range is to be used within the discretion of the Board of Directors in the best interests of the Company;

as well as any other terms and conditions as the Board of Directors (with full powers of substitution) may consider to be in the best interests of the Company.