



FIMBANK

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. ("FIMBank" or the "Bank") pursuant to the Malta Financial Services Authority Listing Rules 5.16 et seq.

Quote

Fitch Ratings has downgraded the Bank's long-term Issuer Default Rating ("IDR") to 'BB-' from 'BB', with a stable outlook, and Viability Rating ("VR") to 'BB-' from 'BB'. At the same time, Fitch has affirmed FIMBank's short-term IDR at 'B'. According to Fitch the long-term IDR and VR have been downgraded to reflect the Bank's high risk appetite, which has resulted in a significant deterioration in asset quality, as well as unstable and weak earnings. The asset quality deterioration which has been addressed by Fitch is mainly attributable to severe impairments that have impacted the performance of several entities across the FIMBank Group ("the Group"), in particular India and Russia.

Fitch has also clearly indicated that a positive rating action would primarily stem from a substantial recovery of asset quality and earnings, and/or evidence of improved risk controls. These are all measures which FIMBank's Board of Directors is already implementing and positive results are expected in the short term.

The Group is also encouraged by the continued support of its shareholders, in particular Burgan Bank S.A.K. and United Gulf Bank B.S.C. This support will allow the Group to overcome these difficulties and face challenging times.

Unquote

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Company Secretary

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