



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 and 5.54:

Quote

The Board of Directors of FIMBank met in Malta on 13 March 2018 to approve the Consolidated Audited Financial Statements for the financial year ended 31 December 2017. A preliminary Statement of Results for the financial year ended 31 December 2017 is attached to this Company Announcement and has been made available for public viewing on the Company’s website at www.fimbank.com.

The Board of Directors resolved that the Consolidated Audited Financial Statements be submitted for approval by the shareholders at the forthcoming Annual General Meeting to be held in Malta on 9 May 2018. At the General meeting, the Board of Directors will not be recommending a dividend.

Unquote

Andrea Batelli
Company Secretary

14 March 2018

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general

The Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rules 5.16 and 5.54. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2017, as approved by the Board of Directors on 13 March 2018 and as agreed to with the auditors KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (the "Group"), comprising FIMBank p.l.c. ("FIMBank", the "Bank") and its subsidiaries London Forfaiting Company Limited ("LFC"), India Factoring and Finance Solutions Private Limited ("India Factoring"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), Menafactors Limited ("Menafactors"), FIM Holdings (Chile) S.p.A., FIMFactors B.V., FIM Business Solutions Limited and FIM Property Investment Limited. Coverage is also given to the equity-accounted investees Latam Factors S.A. ("Latam Factors"), BRASILFACTORS S.A. ("Brasilfactors") and Levant Factors S.A.L.

review of performance

The financial performance of FIMBank during 2017 confirms the strength of its fundamentals and the ability to deliver success in key business areas. As the loan and asset portfolios were contained within the prior year levels, profitability continued on its upward trajectory, asset origination and revenue generation were upgraded whilst focus continued on priority areas in the strategic framework of the business. In addressing regulatory capital developments, FIMBank has restrained its asset growth in anticipation of a planned capital injection and simultaneously managed higher regulatory liquidity requirements and increased regulatory costs. In 2017, the Group can pride itself of a consistent profitable quarterly performance, improving margins and yields over prior years, strengthening the business proposition of the better yielding products and tapping new online delivery channels. This whilst rigorously continuing to follow the asset risk and governance frameworks, being successful in recoveries from legacy names, and managing an expense structure to largely achieve minimal cost growth to prior years.

FIMBank, as parent of the Group, led the effort and coordination on the whole span of initiatives. During the year, the Bank continued tapping niche markets across its trade finance product offering, and also launching the fully-fledged digital banking suite FIMBank Direct. In doing so, FIMBank overhauled its asset-liability management processes, becoming more efficient on liquidity and funding needs, and improving net margins both on revenue generation and cost of funding. The Bank's performance was impacted by the absorption of higher regulatory and hedging costs. The Bank was successful in its recovery efforts on legacy delinquent portfolios, whilst ensuring adequate provisioning cover on the remaining non-performing book.

Across the Group, LFC in the UK returned another positive year - despite a reduction in its asset portfolio in line with the Group approach towards asset management, LFC exploited its ability and expertise to trade its portfolio, increasing portfolio turnover, trading margins and grow its total revenues and profitability. This whilst also raising third party funding outside the Group and minimizing marked-to-market losses on its revenue assets.

India Factoring's business continued to strengthen - marginally growing its asset book and revenues, improving on its net margins and cost ratios, and still benefitting from the recovery of non-performing loans. Since the last quarter of 2016, the company consistently returned a profitable quarter as it diversified its market-reach to export trade whilst limiting new non-performing loans.

In Egypt, following the acquisition of the factoring business in the second half of 2016, the company was re-capitalised and given the financial ability to reboot and seek growth and return to profitability. During the year the business was brought in line with the Group's product, risk and governance frameworks and although returning a loss for the year as a result of sub-optimal scale, the company has the necessary market potential as well as business and product expertise to generate positive returns in the coming year.

In Chile, Latam Factors had marginal growth in its factoring and leasing portfolio, impacted by a highly competitive domestic market environment. The company returned a profit for the year on the back of superior revenue margins but with room for further cost efficiency and loan portfolio management. During 2017 FIMBank did not exercise the Call Option which would have enabled it to increase its shareholding in the company. It was determined that the Group has lost its sole control over the company and is now controlling it jointly with the other shareholders. The Group has therefore started classifying and measuring this investment using the equity method. As a result the accumulated foreign currency losses on the translation of the investment were transferred from reserves to the income statement.

In Brasil, the 50%-owned factoring business returned a net loss for the year on the back of an erosion of its funded asset portfolio. During the year the company was faced with aggressive competition from the key market players, and notwithstanding its tapping of the export business and a lean cost structure, it was not able to grow its book and generate sufficient revenues to return to profitability. During the year the Group resolved to dispose of its investment in the company and as a result the investment has been classified as a discontinued operation held-for-sale, taking accumulated foreign currency losses on the translation of the investment to the income statement.

During the year the Group changed its accounting policy related to the measurement of its property, mainly the Group Head Office in Malta, from the cost to the fair value approach. The increase in fair value positively impacted the results of the year, both the Income Statement and Reserves, and also required a restatement of the prior year results in line with the applicable International Financial Reporting Standards.

comparative information

Certain comparative amounts have been restated, reclassified or re-represented due to the change in accounting policy in the measurement of owned property, the 2017 bonus issue of shares which had an impact on the prior year earnings per share and the classification of Brasil Factors as a discontinued operation.

income statements

For the year ended 31 December 2017, the Group registered a profit of USD7.7 million compared to a restated profit of USD5.4 million in 2016. Group profits per share stood at US cents 2.40 (2016: US cents 1.62) while on the basis of continuing operations the profits per share amount to US cents 3.49 (2016: US cents 1.77). In the last quarter of 2017 the Group determined that it lost control of Latam Factors and subsequently started classifying and measuring the entity using the Equity Method.

Operating income before net impairment for 2017 stood at USD51.7 million, an increase of 12% over the USD46.1 million registered in 2016. During 2017, net interest income increased by USD3.0 million (to USD24.9 million) as a result of overall improved interest yields and more efficiency in funding volumes and cost of funds. This increase was also mirrored in an increase of USD3.7 million in net fee income, to USD18.5 million on improved fees on documentary credits and forfaiting.

Net trading results and net gains from other financial instruments, combined together, decreased from a net loss of USD0.3 million in 2016 to a net loss of USD1.7 million in 2017. This result was impacted by various factors - the realised profits of USD3.4 million generated in 2016 from the trading of investment securities were not repeated in 2017; with reduction in revenue being offset by improvements in the market value adjustments in LFC's trading portfolio which registered a loss of USD0.1 million in 2017 compared to a loss of USD1.8 million in 2016; whilst the results on foreign currency operations were broadly in line with the results of prior year.

During 2017 the Group changed its accountancy policy for owned properties and started measuring them at their fair value. The change in accounting policy has impacted the property classified as "property and equipment" and "investment property". In accordance with the applicable International Financial Reporting Standards, the change in accounting policy for investment property is to be accounted for retrospectively whilst that for "property and equipment" is to be applied prospectively. The revaluation resulted in a fair value gain of USD3.4 million in 2017, compared to a fair value loss of USD0.02 million in 2016 as a result of the retrospective application. During the year, the Group also registered a loss of USD0.7 million on the change in classification of Latam Factors from subsidiary to associate. In 2016, a gain of USD0.8 million was registered on the fair valuation of the previously held 50% share of investment in Egypt Factors following the full acquisition of the company in 2016.

Other operating income for the year includes USD0.5 million of additional income from the disposal of non-core assets compared to a corresponding income of USD1.9 million in 2016.

Net impairments for the year have improved from a loss of USD2.3 million in 2016 to a net recovery position of USD2.3 million in 2017. This is a result of significant recoveries made by the Bank and its subsidiaries in India and Egypt on legacy loans, which was partly offset by increases in coverage on other impaired legacy credits.

Operating expenses increased by USD3.7 million from USD38.6 million to USD42.3 million. This increase is largely attributed to increase in mandatory regulatory costs and other variable staff-related expenses.

During the year the Group has resolved to dispose of its investment in Brasifactors and has classified the investment as held-for-sale. The results for the year and accumulated foreign currency losses in Other Comprehensive Income have been transferred to Loss on Discontinued Operations.

financial position

At 31 December 2017, total Consolidated Assets stood at USD1.64 billion, a decrease of 6% over the USD1.74 billion reported at end 2016. The drop in assets is attributed to a reduction in business assets aimed to address more stringent capital requirements partly offset by increases in Treasury balances as a result of higher regulatory liquidity ratios. In fact Trading Assets decreased by USD127 million, whilst Loans and Advances to Customers increased by USD140 million. In Loans and Advances to Banks, the decrease of USD228 million is a composite of drops in both business and treasury assets, whilst treasury balances held with the Central Bank and in available-for-sale instruments increased by USD110 million. Increases in Property and Equipment and Investment Property largely reflect the fair valuation of owned property as a result of the change in measurement from the "cost" to the "fair value" method.

2017 Total Consolidated Liabilities as at 31 December stood at USD1.47 billion, down 6% from USD1.57 billion at end 2016. Deposits from corporate and retail clients decreased by USD101 million whilst wholesale funding and bank deposits decreased by a further USD36 million. This reduction reflects the drop in assets and also the planned diversification of the funding sources between wholesale and retail. Similar to 2016, at 31 December 2017, the Group is carrying a USD50 million subordinated loan from Burgan Bank, which loan qualifies as Tier 2 capital under the CRD IV regime. Total Equity attributable to the equity holders of the Bank as at financial reporting date stood at USD175 million, up from USD154 million in 2016 reflecting the profit for the year and movements in currency translation and fair value reserves. At 31 December 2017 the Group's CET1 ratio stood at 11.3% (2016: 9.7%) and Total Capital Ratio at 15.5% (2016: 13.3%).

Group Commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfeiting assets and factoring commitments stood at USD354 million while Contingent Liabilities, principally consisting of outstanding guarantee obligations, stood at USD2 million.

outlook for 2018

For 2018, the Group is expected to continue building on the business platform it was able to transform and strengthen over the past years. The year is expected to be characterised by a capital injection directed towards a more stringent regulatory landscape and at the same time allowing the business to grow and achieve improved economies. The pursuit for excellence across the different businesses, products and markets will remain at the heart of the Group's strategy – through superior client delivery channels and product evolution, risk and governance stability as well as efficiency in funding and cost structures. The scaling of the business, supported by an expert team of management and staff in key trade hubs across different regions, will enable the Group to maintain a flexible business model which can adapt to arising circumstances, achieve sustainable profitability and improve overall returns to all key stakeholders.

dividends and reserves

The Directors will not be recommending the payment of a dividend to the Annual General Meeting of shareholders (2016: Nil).

income statements

For the year ended 31 December 2017

	Group		Bank	
	2017 USD	2016 (restated) USD	2017 USD	2016 USD
Interest income	51,154,831	45,015,303	28,323,748	24,663,531
Interest expense	(26,225,818)	(23,051,984)	(17,738,857)	(16,542,171)
Net interest income	24,929,013	21,963,319	10,584,891	8,121,360
Fee and commission income	23,992,907	20,090,223	11,048,533	10,021,804
Fee and commission expense	(5,477,428)	(5,252,886)	(2,482,765)	(2,009,569)
Net fee and commission income	18,515,479	14,837,337	8,565,768	8,012,235
Net trading results	(1,807,839)	(3,645,603)	(3,140,286)	(1,063,498)
Net gain from other financial instruments carried at fair value	108,622	3,373,807	108,622	3,373,807
Net fair value gains on previously-held interests in equity-accounted investees	-	771,654	-	-
Dividend income	5,997,942	5,455,550	10,446,343	5,455,550
(Loss)/gain upon loss of control of subsidiary undertaking	(656,661)	777,677	-	-
Fair value gain/(loss) on investment property	3,444,802	(15,355)	-	-
Other operating income	1,135,085	2,613,557	87,088	407,519
Operating income before net impairment	51,666,443	46,131,943	26,652,426	24,306,973
Net impairment reversal/(charge) on financial assets	2,297,034	(2,299,116)	(767,889)	(2,311,574)
Operating income	53,963,477	43,832,827	25,884,537	21,995,399
Administrative expenses	(40,027,409)	(35,692,670)	(24,785,664)	(20,727,352)
Depreciation and amortisation	(2,260,523)	(2,901,249)	(922,457)	(869,126)
Total operating expenses	(42,287,932)	(38,593,919)	(25,708,121)	(21,596,478)
Operating profit	11,675,545	5,238,908	176,416	398,921
Share of results of associates (net of tax)	8,893	(15,447)	-	-
Profit before tax	11,684,438	5,223,461	176,416	398,921
Taxation	(561,767)	618,149	(60,598)	(58,539)
Profit from continuing operations	11,122,671	5,841,610	115,818	340,382
Loss on discontinued operations	(3,395,976)	(474,974)	-	-
Profit for the year	7,726,695	5,366,636	115,818	340,382

income statements

For the year ended 31 December 2017

	Group		Bank	
	2017 USD	2016 (restated) USD	2017 USD	2016 USD
Attributable to:				
Equity holders of the bank	7,519,632	5,023,008	115,818	340,382
Non-controlling interests	207,063	343,628	-	-
Profit for the year	7,726,695	5,366,636	115,818	340,382
Profit per share				
Basic profit per share (US cents)	2.40	1.62	0.04	0.11
Diluted profit per share (US cents)	2.40	1.62	0.04	0.11
Profit per share – continuing operations				
Basic profit per share (US cents)	3.49	1.77	0.04	0.11
Diluted profit per share (US cents)	3.48	1.77	0.04	0.11

statements of profit or loss and other comprehensive income

For the year ended 31 December 2017

	Group		Bank	
	2017 USD	2016 (restated) USD	2017 USD	2016 USD
Profit for the year	7,726,695	5,366,636	115,818	340,382
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss:</i>				
Fair value reserve (property and equipment), net of deferred tax	6,609,072	-	-	-
<i>Items that are, or may be, reclassified to profit or loss:</i>				
Foreign currency translation differences for foreign operations	3,967,610	(1,025,145)	-	-
Fair value reserve (available-for-sale financial assets), net of deferred tax	1,972,641	(1,481,612)	1,972,641	(1,481,612)
Total comprehensive income/(loss) for the year	20,276,018	2,859,879	2,088,459	(1,141,230)
Attributable to:				
Equity holders of the bank	20,068,955	2,516,251	2,088,459	(1,141,230)
Non-controlling interests	207,063	343,628	-	-
Total comprehensive income/(loss) for the year	20,276,018	2,859,879	2,088,459	(1,141,230)

statements of financial position

As at 31 December 2017

	Group		Bank	
	2017 USD	2016 (restated) USD	2017 USD	2016 USD
Assets				
Balances with the Central Bank of Malta, Treasury Bills and cash	208,171,299	33,193,245	208,147,513	33,165,601
Trading assets	252,509,144	379,397,964	-	-
Derivative assets held for risk management	722,256	1,502,704	722,256	1,502,704
Financial assets designated at fair value through profit or loss	-	17,799,900	-	17,799,900
Loans and advances to banks	226,092,934	454,362,226	203,552,663	438,799,241
Loans and advances to customers	566,361,530	426,612,356	581,529,952	589,579,473
Investments available-for-sale	261,244,798	327,076,529	261,244,798	327,075,827
Interests in equity-accounted investees	5,561,181	-	-	-
Investments in subsidiaries	-	-	94,050,884	86,305,594
Non-current assets held for sale	-	1,161,332	-	-
Property and equipment	29,660,743	27,831,524	1,035,490	1,305,432
Investment property	16,238,869	6,932,960	-	-
Intangible assets and goodwill	11,984,948	11,701,935	2,736,599	2,467,630
Current tax assets	3,306,366	3,695,826	1,052,348	1,052,348
Deferred tax assets	41,023,245	41,882,687	23,303,267	23,335,459
Other assets	12,747,974	4,263,474	9,005,794	2,613,913
Prepayments and accrued income	7,776,171	7,031,898	7,054,755	6,148,570
Total assets	1,643,401,458	1,744,446,560	1,393,436,319	1,531,151,692
Liabilities and Equity				
Liabilities				
Derivative liabilities held for risk management	722,922	8,816,410	723,454	8,834,092
Amounts owed to banks	493,192,846	528,939,251	393,247,791	426,137,477
Amounts owed to customers	847,198,005	948,710,544	815,812,570	915,367,604
Debt securities in issue	54,653,654	8,225,869	-	-
Subordinated liabilities	50,000,000	50,000,000	50,000,000	50,000,000
Current tax liabilities	357,509	1,437	-	-
Deferred tax liabilities	3,518,684	554,636	-	-
Other liabilities	829,197	569,758	793,060	535,339
Accruals and deferred income	20,034,283	20,917,768	7,818,090	7,422,362
Total liabilities	1,470,507,100	1,566,735,673	1,268,394,965	1,408,296,874
Equity				
Share capital	157,265,562	155,239,263	157,265,562	155,239,263
Share premium	173,113	2,101,335	173,113	2,101,335
Reserve for general banking risks	608,284	764,792	608,284	764,792
Currency translation reserve	(2,747,913)	(6,715,522)	-	-
Fair value reserve	9,533,453	951,740	81,501	(1,891,140)
Other reserve	2,870,270	2,481,760	2,681,041	2,681,041
Retained earnings / (accumulated losses)	6,901,064	(386,566)	(35,768,147)	(36,040,473)
Total equity attributable to equity holders of the bank	174,603,833	154,436,802	125,041,354	122,854,818
Non-controlling interests	(1,709,475)	23,274,085	-	-
Total equity	172,894,358	177,710,887	125,041,354	122,854,818
Total liabilities and equity	1,643,401,458	1,744,446,560	1,393,436,319	1,531,151,692

statements of financial position

As at 31 December 2017

	Group 2017 USD	2016 USD	Bank 2017 USD	2016 USD
Memorandum Items				
Contingent liabilities	1,186,426	6,507,529	57,601,096	19,782,148
Commitments	353,893,273	186,030,894	254,253,843	120,282,416

statements of changes in equity

For the year ended 31 December 2017

Group

Attributable to equity shareholders of the Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	(Accumulated losses)/ Retained earnings USD	Total USD	Non-controlling interests USD	Total equity USD
At 1 January 2017 (restated)	155,239,263	2,101,335	764,792	(6,715,522)	951,740	2,481,760	(386,566)	154,436,802	23,274,085	177,710,887
Total comprehensive income										
<i>Comprehensive income for the year</i>										
Profit for the year	-	-	-	-	-	-	7,519,632	7,519,632	207,063	7,726,695
<i>Other comprehensive income</i>										
Change in fair value of available-for-sale assets	-	-	-	-	1,972,641	-	-	1,972,641	-	1,972,641
Change in fair value of property and equipment	-	-	-	-	6,609,072	-	-	6,609,072	-	6,609,072
Currency translation reserve	-	-	-	3,967,609	-	-	-	3,967,609	(118,923)	3,848,686
Total comprehensive income	-	-	-	3,967,609	8,581,713	-	7,519,632	20,068,954	88,140	20,157,094
Transactions with owners of the Bank										
<i>Contributions and distributions</i>										
Issue of new shares, net of transaction costs	85,067	13,010	-	-	-	-	-	98,077	-	98,077
Bonus issue of shares	1,941,232	(1,941,232)	-	-	-	-	-	-	-	-
<i>Changes in ownership interests</i>										
Loss of control in subsidiaries	-	-	-	-	-	-	-	-	(25,071,700)	(25,071,700)
Total transactions with owners of the Bank	2,026,299	(1,928,222)	-	-	-	-	-	98,077	(25,071,700)	(24,973,623)
Transfer between reserves	-	-	(156,508)	-	-	388,510	(232,002)	-	-	-
As at 31 December 2017	157,265,562	173,113	608,284	(2,747,913)	9,533,453	2,870,270	6,901,064	174,603,833	(1,709,475)	172,894,358

statements of changes in equity

For the year ended 31 December 2016

Group

	Attributable to equity shareholders of the Bank							Total USD	Non- controlling interests USD	Total equity USD
	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated losses) USD			
At 1 January 2016 (restated)	149,268,322	8,072,276	1,000,027	(5,690,377)	2,433,352	2,486,644	(5,644,809)	151,925,435	25,837,059	177,762,494
Total comprehensive income										
<i>Comprehensive income for the year</i>										
Profit for the year	-	-	-	-	-	-	5,023,008	5,023,008	343,628	5,366,636
<i>Other comprehensive income</i>										
Change in fair value of available-for-sale assets	-	-	-	-	(1,481,612)	-	-	(1,481,612)	-	(1,481,612)
Currency translation reserve	-	-	-	(1,025,145)	-	-	-	(1,025,145)	340,693	(684,452)
Total comprehensive income	-	-	-	(1,025,145)	(1,481,612)	-	5,023,008	2,516,251	684,321	3,200,572
Transactions with owners of the Bank										
<i>Contributions and distributions</i>										
Issue of new shares, net of transaction costs	-	-	-	-	-	(4,884)	-	(4,884)	-	(4,884)
Bonus issue of shares	5,970,941	(5,970,941)	-	-	-	-	-	-	-	-
<i>Changes in ownership interests</i>										
Change in non-controlling interests at subsidiaries	-	-	-	-	-	-	-	-	(3,247,295)	(3,247,295)
Acquisition of non-controlling interests										
Total transactions with owners of the Bank	5,970,941	(5,970,941)	-	-	-	(4,884)	-	(4,884)	(3,247,295)	(3,252,179)
Transfer between reserves	-	-	(235,235)	-	-	-	235,235	-	-	-
As at 31 December 2016 (restated)	155,239,263	2,101,335	764,792	(6,715,522)	951,740	2,481,760	(386,566)	154,436,802	23,274,085	177,710,887

statements of changes in equity

For the year ended 31 December 2017

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD
At 1 January 2017	155,239,263	2,101,335	764,792	(1,891,140)	2,681,041	(36,040,473)	122,854,818
Total comprehensive income							
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	-	115,818	115,818
<i>Other comprehensive income</i>							
Change in fair value of available-for-sale assets	-	-	-	1,972,641	-	-	1,972,641
Total comprehensive income	-	-	-	1,972,641	-	115,818	2,088,459
Transactions with owners of the Bank							
<i>Contributions and distributions</i>							
Issue of new shares, net of transaction costs	85,067	13,010	-	-	-	-	98,077
Bonus issue of shares	1,941,232	(1,941,232)	-	-	-	-	-
Total transactions with owners of the Bank	2,026,299	(1,928,222)	-	-	-	-	98,077
Transfer between reserves	-	-	(156,508)	-	-	156,508	-
As at 31 December 2017	157,265,562	173,113	608,284	81,501	2,681,041	(35,768,147)	125,041,354

statements of changes in equity

For the year ended 31 December 2016

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD
At 1 January 2016	149,268,322	8,072,276	1,000,027	(409,528)	2,681,041	(36,616,090)	123,996,048
Total comprehensive income							
<i>Total comprehensive income for the year</i>							
Profit for the year	-	-	-	-	-	340,382	340,382
<i>Other comprehensive income</i>							
Change in fair value of available-for-sale assets	-	-	-	(1,481,612)	-	-	(1,481,612)
Total comprehensive income	-	-	-	(1,481,612)	-	340,382	(1,141,230)
Transactions with owners of the Bank							
<i>Contributions and distributions</i>							
Bonus issue of shares	5,970,941	(5,970,941)	-	-	-	-	-
Total transactions with owners of the Bank	5,970,941	(5,970,941)	-	-	-	-	-
Transfer between reserves	-	-	(235,235)	-	-	235,235	-
As at 31 December 2016	155,239,263	2,101,335	764,792	(1,891,140)	2,681,041	(36,040,473)	122,854,818

statements of cash flows

For the year ended 31 December 2017

	Group		Bank	
	2017 USD	2016 USD	2017 USD	2016 USD
Cash flows from operating activities				
Interest and commission receipts	69,434,270	58,296,267	41,196,846	32,048,919
Exchange (paid)/received	(14,908,684)	16,445,346	(14,976,712)	10,702,723
Interest and commission payments	(32,050,892)	(27,351,959)	(20,744,553)	(20,292,680)
Payments to employees and suppliers	(38,531,400)	(36,929,887)	(24,537,766)	(18,963,879)
Operating profit before changes in operating assets / liabilities	(16,056,706)	10,459,767	(19,062,185)	3,495,083
(Increase) / decrease in operating assets:				
- Trading assets and financial assets at fair value through profit or loss	133,999,936	(21,198,615)	-	-
- Loans and advances to customers and banks	(7,413,328)	(73,893,234)	35,758,424	(105,787,528)
- Other assets	(8,900,431)	(1,973,550)	(6,391,881)	(761,314)
Increase / (decrease) in operating liabilities:				
- Amounts owed to customers and banks	(117,953,924)	261,462,741	(148,395,307)	297,386,325
- Other liabilities	262,508	(2,892,277)	371,024	399,506
- Net advances from subsidiary companies	-	-	158,474,611	17,481,718
Net cash (absorbed by)/generated from operating activities before income tax	(16,061,945)	171,964,832	20,754,686	212,213,790
Income tax (paid)/refunded	69,852	589,969	(60,598)	(1,113,256)
Net cash flows (used in)/from operating activities	(15,992,093)	172,554,801	20,694,088	211,100,534
Cash flows from investing activities				
- Payments to acquire property and equipment	(363,629)	(626,032)	(195,368)	(307,742)
- Payments to acquire intangible assets	(763,786)	(1,719,375)	(727,136)	(1,672,306)
- Payments to acquire shares in subsidiary company	-	-	(10,304,042)	(6,359,342)
- Payments to acquire shares in equity-accounted investees	-	(1,359,346)	-	-
- Payments to acquire shares in other investments	-	(25,317,000)	-	(25,317,000)
- Payments to acquire available-for-sale financial assets	-	(30,187,210)	-	(30,187,210)
- Proceeds on disposal of property and equipment	723,200	5,755,200	2,674	550,255
- Proceeds on disposal of intangible assets	24,037	-	-	-
- Proceeds on disposal of other investments	9,674,022	-	9,673,320	-
- Proceeds on disposal of investments held-to-maturity	-	7,800,000	-	7,800,000
- Proceeds on disposal of available-for-sale financial assets	62,397,260	-	62,397,260	-
- Proceeds on disposal of financial assets at fair value through profit or loss	17,870,000	-	17,870,000	-
- Receipt of dividend	5,759,405	5,455,550	10,207,806	5,455,550
Net cash flows from/(used in) investing activities	95,320,509	(40,198,213)	88,924,514	(50,037,795)
Increase in cash and cash equivalents c/f	79,328,416	132,356,588	109,618,602	161,062,739

statements of cash flows

For the year ended 31 December 2017

	Group		Bank	
	2017	2016	2017	2016
	USD	USD	USD	USD
Increase in cash and cash equivalents b/f	79,328,416	132,356,588	109,618,602	161,062,739
Cash flows from financing activities				
- Issue of share capital	98,077	-	98,077	-
- Share issue costs	-	(4,884)	-	-
- Net movement in debt securities	46,427,785	(37,420,886)	-	(20,000,000)
Net cash flows from/(used in) financing activities	46,525,862	(37,425,770)	98,077	(20,000,000)
Increase in cash and cash equivalents	125,854,278	94,930,818	109,716,679	141,062,739
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	20,583,682	(220,859)	12,457,343	263,035
- Net increase in cash and cash equivalents	105,270,596	95,151,677	97,259,336	140,799,704
Increase in cash and cash equivalents	125,854,278	94,930,818	109,716,679	141,062,739
Cash and cash equivalents at beginning of year	52,822,344	(42,108,474)	43,676,466	(97,386,273)
Cash and cash equivalents at end of year	178,676,622	52,822,344	153,393,145	43,676,466