



Dear Esteemed Member,

This has been a very trying year for all so we sincerely hope that this newsletter finds you and your loved ones primarily in good health.

MDA has continued to work hard during the pandemic to ensure the industry's growth even though this has not been an easy task given the circumstances. It has come up with practical measures, including tax benefits, which were advantageous to the general public whilst ensuring that the sale of properties continued to grow across the board. As a matter of fact MDA proved to be pivotal in its continued and incessant support to the industry, as a result of which the industry can boast of sales records when one would least expect them.

The MDA's present task is to be future centric and proactive in the fight for sustainable development which respects EU set targets of 'near zero' carbon buildings and the restraint of urban sprawl. It is also participating in the stakeholder consultations regarding the new National

Building and Construction Codes in its bid to improve the overall standards within the industry. MDA encourages all its members to work hand in hand with it in its efforts to thrive as an industry while respecting the environment. We are duty bound to leave a country to be proud of to our children and future generations. The government, in this year's budget, recognized the importance of the property development and construction industry. Incentives related to the purchase of property, including first and second time buyers schemes were renewed for a further period.

The tax relief on the sale and purchase of vacant, UCA or traditional style property along with grants for those who do so when buying their first home have all been well received. These schemes are expected to incentivize investment resulting in many properties that have fallen in a state of neglect over the years to be restored. We are confident that the outcome will be the restoration and regeneration of many properties in Malta and Gozo's village cores.

On the other hand the MDA wished to see more incentives in the fields of renewable energy as well as the green economy. It regrets to note that the Association's proposals to incentivize sales and the purchase of properties with the highest environmental standards and the gradual shift to carbon neutrality have not found their place in this year's budget. The MDA considers this budget a positive one especially when taking into consideration the post-pandemic environment.

Warm Regards,
Deborah Schembri
 Director General



Platinum Sponsors of the Malta Developers Association



Real Estate **Developer Suite**

Loans to Finance Your Projects

-  Efficient Service
-  Personalised Client Relationship
-  Competitive Rates

FIMBank provides financing solutions to established developers at competitive market terms and pricing. We can assist you every step of the way, providing the assurance of having the financial backing to start and finish your project.

Contact us now to discuss your project.

 2328 0129

 realestate@fimbank.com

 www.fimbank.com

FIMBank p.l.c., Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's STJ 3155

FIMBank p.l.c. is a licensed credit institution regulated by the Malta Financial Services Authority and is listed on the Malta Stock Exchange.

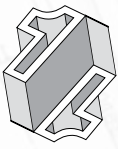
FIMBank sponsors Malta's Real Estate, Property and Development Awards 2021

Representatives of FIMBank plc attended an event organised to reward and acknowledge leaders of the property, development and architectural industries. This event served as an excellent platform for networking with hardworking firms and individuals who have shown excellence and tenacity in ensuring their clients find their dream homes and properties.

The event welcomed several players within these thriving industries including developers, property agents, architects, builders, investors and more. Numerous awards were given during this event to recognise the brimming talent that Malta has to offer. Those taking part in this event had the opportunity to discuss the benefits that their businesses offer, with leaders within the industry.

One of the judges during this event, Charles Wallbank, Senior Vice President with FIMBank, holds an extensive banking career, having held senior managerial roles in a number of major banks in Malta and overseas. Mr Wallbank stated that, "We are pleased to contribute and participate in such events where local talent is recognised. Apart from the several networking opportunities, these events serve as an ideal platform for FIMBank's Relationship Managers to keep abreast with the local property market."





Property Development Loans

Five minute interview with Jason Zammit, FIMBank's Business Head of Real Estate

FIMBANK

FIMBank takes pride in assisting real estate developers in building their projects and converting their vision into reality.

The Bank has established itself into a reliable partner, assisting local developers in different real estate projects. Can you provide some background to FIMBank's Real Estate loans?

This business line of lending into selected real estate was launched five years ago. Within a short period of time we have built a strong team with the right experience and skills. The financing solutions have been well received by the local market and we have managed to build a solid pipeline of transactions with significant promise for growth.

We are determined to provide a quality service through this comprehensive suite of products, which is designed to meet the needs of established real estate developers.

Can you tell us more about the range of real estate loan products offered?

We provide bank loans to developers for the acquisition and development of property. Our range of real estate facilities includes funding on the purchase of land for development into residential units, commercial buildings, and mixed use properties.

We offer competitive pricing and terms which vary depending on the nature of the project. The repayment is structured to coincide with the sale of the development, or from the proceeds of the rental or business activity.

What are the benefits of choosing FIMBank's real estate finance solutions?

FIMBank clients benefit from our expertise, skills and in-depth knowledge of the local property market. We have built a strong team capable of tailoring solutions that satisfy the needs of our different clients.

The cornerstone of our business model hinges on the personalised relationships we develop with our clientele. We offer a 'quality banking' experience with a dedicated team delivering a highly personalised level of customer service beyond the standard office hours. Our efficient decision-making and transparent process makes us a reliable lender to work with.

How would you describe the steps involved in structuring a property development transaction?

In the initial stage, we conduct a thorough due diligence exercise on the prospective borrower. This usually includes a review of their track record in property development. The subsequent stage would focus on understanding our client's project, identifying the relative business objectives in order to tailor a package focused on these specific requirements. During this phase we perform a comprehensive analysis of the valuations, financial projections and budgeted costings. The objective is to maintain prudent lending standards, while serving creditworthy borrowers.

How do you feel that the pandemic has impacted the real estate market?

The Covid-19 pandemic was an unexpected development which tested the resilience of several businesses and Maltese industries. The real estate market proved its resilience, with property still being deemed as one of the best investments locally. Having identified the real estate market as one of the main drivers of the economy, the Government was quick in launching an enticing tax benefit which brought about a boost in property sales, apart from dealing with a post-pandemic business landscape there is Malta's greylisting by the FATF which is impacting Malta's attractiveness as a jurisdiction.

How will FATF greylisting impact Malta's economy?

In their working paper "The impact of greylisting on capital flows" published in May 2021, the IMF maps out how greylisted countries have been hit over the years. The paper finds that greylisting has a significant negative impact on a greylisted country's capital flows. The removal of Malta's name from the greylist and restoring the country's reputation is therefore a matter of urgency. Iceland was greylisted in 2019 and was removed from the greylist after one year. Consequently, the negative impacts were not as bad as anticipated. In order to be removed from the greylist Malta must aim towards the highest standards of governance, where lawyers, accountants, corporate service providers, and other specialists carry out proper due diligence and follow sound processes of collecting and scrutinising documentation before conducting a transaction. Protecting the integrity of Malta's financial services industry and the island's reputation is the responsibility of all businesses and individuals.



*Jason Zammit
Business Head - Real Estate*

- ✔ *Personalised Service*
- ✔ *Efficient Decision Making*
- ✔ *Competitive Terms*

Contact us now to discuss your project

Tel: +356 2328 0129

realestate@fimbank.com

FIMBank Finances Renewable Energy Projects

FIMBank recognises that its social, environmental and ethical conduct has an impact on reputation and the communities within which it operates and therefore treats its environmental commitments with the highest priority.

As governed by its Environmental Policy, the Bank actively participates in a number of initiatives, to demonstrate its concern for the significant challenges pertaining to sustainability and willingness to positively contribute. Some of these initiatives include providing financial products that promote better environmental practices, offering free digital banking to its clients and optimising eco-efficiency through procedures that promote more efficient use of energy.

The FIMBank Group considers both the direct and indirect impact of its decisions, and is committed to care and take positive action in favour of the environment. The Bank finances a wide array of projects, for its diverse client base all across the globe. One particular investment of EUR 15 million, that the Bank finances is the EOS SICAV – Sustainable Investments Funds (SIF). The first investment dates back to 2013. The fund caters for windmill farms in Apulia Italy, within the province of Lecce and in Vasterbotten county, Sweden.

Within Apulia FIMBank financed a greenhouse project containing four photovoltaic greenhouses with a total installed capacity of 3.995 Mega-Watt peak (MWP). These have been connected and fully operational since 2009, with surface rights extending up to 2039. The Vasterbotten wind power plant in Sweden consists of a total of ten wind turbine generators with a forty-two Mega-Watt generation capacity. The typical lifetime of wind turbines is thirty years.

Wind energy is created through the earth's rotation, surface and the sun's heat. It is one of the fastest growing sustainable and cost-effective energy sources in the world since it is a clean fuel source, that does not negatively impact air quality unlike traditional power plants that depend on the combustion of fossil fuels.

"Natural resources have been depleting for a long time and our organisation considers it of utmost importance to raise awareness about environmental responsibility. Our commitment towards the environment is not coincidental and our action plan for the forthcoming years will see the organisation increase environmental accountability" said Adrian Gostuski, CEO of FIMBank.



Your Corporate Banking Partner



International Payments



Business Loans & Overdrafts



Competitive Interest on
EUR & USD Deposits



Foreign Exchange



FIMBANK

☎ 2132 2100

✉ cm.businessdev@fimbank.com

🌐 www.fimbank.com

FIMBank p.l.c., Mercury Tower, The Exchange Financial & Business Centre, Elia Zammit Street, St. Julian's STJ 3155
FIMBank p.l.c. is a licensed credit institution regulated by the Malta Financial Services Authority and is listed on the Malta Stock Exchange.

*Terms & Conditions Apply