

## MESSAGE FROM THE CHAIRMAN



Dr John C. Grech, FIMBank Group Chairman

Dear Shareholder

Throughout the course of this unprecedented year, where global economies have been plagued with stringent lockdown measures, the FIMBank Group has been adamant in its approach to adapt to this new reality and resume its operations with minimal disruptions. In this regard, I am pleased to inform you that during the course of this pandemic, our different teams have adapted accordingly and successfully transitioned to remote working. As lockdown measures were steadily relaxed, the FIMBank Group still remains cautious with a set maximum capping of employees who can work from the office, at any given time. This underscores our commitment towards the health of our employees and the community, together with our determination to maintain adequate service levels to all our clients across the globe.

The current challenging scenario, as troublesome as it may be, still serves as an opportunity for the Group to re-visit its existing fundamentals and structure new ways of working. As we say, all clouds have a silver lining. Our recently appointed Acting CEO, together with our senior management team is currently developing the Bank's strategy as we navigate through these unprecedented times. The basis of the Bank's new strategy is set on the pillars of consistent business performance, a clearly outlined competitive advantage, strong and remedial response to the different challenges that may arise, yielding to high customer satisfaction and stakeholder value.

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***"During such a challenging time, our determination towards a customer-centric corporate culture remains steadfast, and our drive for professional excellence and teamwork is something that we are proud of."***

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For the first six months of the year, the FIMBank Group reported a loss before tax of USD15.2 million, following a profit before tax of USD9.6 million in 2019. The main drivers behind this loss were the higher impairment charges and fair value adjustments which amplified the impact of the COVID-19 pandemic on the Group's performance.

During such a challenging time, our determination towards a customer-centric corporate culture remains steadfast, and our drive for professional excellence and teamwork is something that we are proud of. The Bank's focus towards long and positive business relationships has proven crucial, even during these turbulent times. One recent example is FIMBank's accreditation by the Malta Development Bank (MDB) for the COVID-19 Guarantee Scheme. The working capital loans

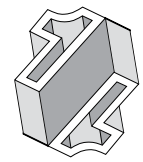
provided are helping Malta-based businesses due to the subsidised interest rates that cover a number of operational costs.

Our resilience as an organisation, during these unprecedented times is a result of the Bank's continued investment in human resources. In essence, this is linked with the positive working environment and the opportunities provided for employees to grow professionally. Today, FIMBank holds a professional team of specialists focused on providing tailor-made and innovative customer centric solutions. There is no doubt that our employees and management at head office and across the globe, deserve our praise and appreciation for the commitment and willingness to adapt to this new reality. We are also fortunate, that during these unprecedented times, we are backed by a strong shareholder. The backing which we continue to receive from our majority shareholders, particularly that of United Gulf Holding of the KIPCO Group, remains an important foundation for our business.

Our efforts in promoting investor relations have given rise to a strong measure of mutual goodwill and cooperation, and on behalf of my Board, I extend our sincere gratitude for the demonstration of trust and loyalty forthcoming from all our shareholders.

I conclude my statement by expressing thanks to the Directors, management and staff of the FIMBank Group, for their commitment and dedication during these trying times, whilst wishing you the best of health.

Dr John C. Grech  
Chairman



## MESSAGE FROM THE ACTING CEO



Adrian A. Gostuski, FIMBank Acting Chief Executive Officer

Dear Shareholder,

The financial and operating performance of FIMBank for the first six months of 2020 was heavily impacted by the disruption brought about by the COVID-19 pandemic. Following a normalised start of the year, the events and uncertainty that unfolded from mid-March onwards created an unprecedented reality, which demanded swift action.

COVID-19 brought to the fore a major shock to the global economy, with immediate disruption to supply chains, accompanied by the closure of industrial plants and ports in major export-driven economies. This was compounded by market volatility resulting in a correction to bonds, equity and commodity prices. A heightened vigilance approach to manage the Group's risks, liquidity, credit earnings, market and operational performance was the adopted course of action.

For the first six months of 2020, the FIMBank Group reported a loss before tax of USD15.2 million, following a profit before tax of USD9.6 million in 2019, as higher impairment charges and fair value adjustments amplified the impact of the COVID-19 pandemic on the Group's performance.

The Group's net operating income decreased by 19% from USD27.8 million to USD22.6 million. Net interest income increased by 4% to USD16.6 million, as continued improvements in the cost of funding structure of the Group offset the reduction in interest income from lower commercial asset levels and higher liquidity assets. Net fees and commission reduced by USD1.4 million to USD4.9 million due to a reduction in new transactions generated during the period partly offset by a reduction in fees payable on credit mitigation and related costs. Dividend income decreased from USD3.9 million to USD0.2 million as the Group reduced its investment in a trade-asset fund which contributed most of the dividend income in the prior period. Net results from foreign currency operations also

decreased to USD0.4 million as the client-driven FX business volumes contracted in line with the reduction in business volumes noted during this period.

Operating expenses for the six months under review stood at USD18.5 million, with a reduction compared to the USD18.7 million in 2019. This was a result of cost measures adopted during the period, especially in the second quarter.

During the first six months of the year, the Group increased its impairment charges across all three IFRS9 stages by USD15.9 million, up from USD0.6 million in 2019. On the performing Stage 1 and Stage 2 exposures, an increase of USD0.6 million was recognised on the basis of higher expected credit losses, with the impact of COVID-19 reflecting itself in worsening individual-entirety and macro-economic indicators, resulting in higher impairment charges. On the non-performing Stage 3 exposures, the Group identified one new significant delinquent exposure and increased coverage on a number of other prior exposures, a total increase for the first half of 2020 of USD15.3 million. These impairment charges reflect the deterioration in the recoverability prospects of non-performing restructured facilities as a result of the disruption caused by COVID-19.

***"FIMBank will maintain its prudent approach to new business whilst strengthening risk control fundamentals"***

Results from trading assets and other financial instruments held a net loss of USD3.4 million compared to a positive result of USD1.1 million in 2019.

During the period under review, a subsidiary recognised a USD2.8 million deferred tax write-off related to the recoverability of tax losses having a finite expiry date. This is a result of COVID-19 disruption to the subsidiary's operations with impact on future taxable profits and eventual recoverability prospects before the expiry date.

To adapt to this unprecedented crisis, FIMBank triggered its business continuity contingency plans, to ensure the continued effectiveness of its operations, and the adequate management of risks. The Group has throughout this period increased its available liquidity, increasing caution for unforeseen shocks. In parallel, credit monitoring and early-warning indicator tools were enhanced to pre-empt client economic difficulties. The Group is monitoring government aid and pandemic related initiatives to respective business

sectors, with selective direct participation by the Bank, ensuring that clients would benefit from the general credit-easing and liquidity influx provided by the different authorities. In light of FIMBank's continued investment over the years, in a state-of-the-art IT infrastructure, remote working measures were implemented with minimal difficulty whilst concurrently prioritising the well-being of all global employees. This has enabled the Bank to resume its operations and maintain adequate service levels to all clients in the different countries.

In view of an uncertain macroeconomic outlook, FIMBank's projections remain grounded and cautious. As global trade flows gradually re-open for business, trade volumes and business levels are expected to return to a minimal growth path from the current deflated levels. That said, earnings' pressure will continue in the second half on commodity-price volatility and a low interest rate environment with the risk that cost of credit and funds might dampen the start of recovery. FIMBank will maintain its prudent approach to new business whilst strengthening risk control fundamentals. The outcome for the year will much depend on further pandemic disruption with the Group poised to consolidate its business fundamentals to remain successful in this new norm. Going forward, the Bank's revitalised strategy shall focus on consistent business performance and competitive advantage, adequate response to challenges, leading to high levels of customer satisfaction and enhanced stakeholder value.

During this turbulent period, FIMBank maintains its commitment to the highest levels of business continuity and servicing to all clients around the world.

Adrian A. Gostuski  
Acting Chief Executive Officer

## EASISAVE LAUNCHES NEW WEBSITE

FIMBank announces that it has launched a new website for Easisave, its online savings platform which offers competitive interest rates and allows retail clients to open single and joint accounts, with no need to visit the Bank.

The new website is part of the Bank's efforts to constantly invest in an improved customer experience and enhanced security, ultimately providing added value. The website has been optimised for seamless responsiveness across all devices, including mobile phones, tablets and desktop computers.

When accessing the website, users can immediately view the competitive interest rates offered for a variety of fixed term deposit tenors in both Euro and US Dollar currencies.

Through this newly launched website, customers may view product features and open new accounts.

Easisave.com features a more streamlined and simplified user interface, with a focus on enhanced functionality and enriched content, aimed at effectively communicating its value proposition.

The new website underlines the importance given to continue optimising the Bank's flagship retail product, Easisave. The Bank is committed to ensure a seamless customer experience.

**For any clarification, customers and prospects are kindly requested to contact the Bank's Helpdesk team by calling on (+356) 2132 2102 or via email on [helpdesk@easisave.com](mailto:helpdesk@easisave.com).**

Visit [www.easisave.com](http://www.easisave.com) to view the new website.



## FIMBANK GROUP MEMBER LFC WINS GTR LEADERS IN TRADE AWARD



London Forfaiting Company (LFC) has won the Best alternative trade finance provider award, as part of the Global Trade Review's (GTR) Leaders in Trade Awards. These awards highlight excellence in the trade, commodity, supply chain, export finance and fintech markets.

GTR revealed the shortlist for these awards in February, and the winners were due to be named at the GTR Charity Awards Dinner 2020.

The other shortlisted nominees for the Best alternative trade finance provider award were Demica and ExWorks Capital.

"This award which follows on previous successes reflects LFC's established reputation as a trade finance provider of choice. It is a testament to our commitment towards our clients and our market leading position in the forfaiting industry" said Simon Lay, CEO of LFC.



# Sustainability Model



## Social

FIMBANK actively contributes to the well-being of society through ongoing Corporate Social Responsibility initiatives and donations to philanthropic organisations.

## Environmental

The Bank has since inception placed environmental well-being as a priority. FIMBANK's head office building conforms to a high degree of energy efficiency and environmentally friendly standards. The Bank has and will continue to undertake several initiatives for environmentally friendly waste management and other activities like the planting of trees.

## Economical

FIMBANK provides a range of facilities for sustainable property development loans, contributing to an industry which is paramount for the Maltese economy.

## Technological

FIMBANK participates in renewable technology projects that have a positive environmental impact, with an investment in the *Sustainable Investment Fund (SIF)* which invests in plants and infrastructure, thus contributing to a reduction in fossil fuel consumption and greenhouse gas emissions.

## FIMBANK'S COVID-19 MITIGATION MEASURES

The COVID-19 pandemic is an unprecedented crisis that has claimed thousands of lives and caused severe disruption across the whole globe. In the midst of such an unforeseen crisis, FIMBank initiated its Crisis Management Committee to establish procedures for the Bank to safeguard the health of its employees and the community, together with maintaining adequate service levels for all clients around the globe.

The Bank's continued investment over the years in its technology systems has enabled the smooth transition for most employees across all offices both locally and internationally to work remotely. As part of the Bank's duty of care, the measures undertaken include enhanced cleaning routines, together with ensuring that employees follow the advised preventive protocols. This includes more frequent and thorough hand washing, social distancing, cleaning routines, sanitising of heavily trafficked areas and the wearing of masks in common areas.



# FIMBank COVID-19 Rapid Response Loans

MINISTRY FOR FINANCE AND FINANCIAL SERVICES

**MDB**  
MALTA DEVELOPMENT BANK

**Contact us on: (+356) 21322100**  
**Email: [info@fimbank.com](mailto:info@fimbank.com)**

FIMBank is committed to assist its Malta-based corporate customers during these unprecedented times. In order to assist its clients with their cashflow needs, FIMBank has been accredited by the Malta Development Bank (MDB) for the COVID-19 Guarantee Scheme. The working capital loans are applicable for Malta-based businesses and will be provided with subsidised interest rates.



## KIPCO ANNOUNCES NET PROFIT OF KD 11 MILLION (US\$ 35.7 MILLION) FOR FIRST HALF OF 2020

Source: <https://kipco.com/>

KIPCO – the Kuwait Projects Company (Holding) – has announced a net profit of KD 11 million (US\$ 35.7 million) for the first six months of 2020, a drop of 19 per cent compared to the KD 13.58 million (US\$ 44 million) originally reported for the same period last year.

The company's 2019 financials were restated due to a change in the classification of OSN after an increase in ownership. The impact of the COVID-19 pandemic on the Group's core businesses was evident during the second quarter, due to the effect of the lockdown on operations. KIPCO reported a loss of KD 17.8 million (US\$ 57.8 million) in the second quarter (the three months ended June 30, 2020), as a consequence of the situation that the local and international business communities are facing.

The company's consolidated assets stood at KD 10.3 billion (US\$ 33.5 billion), which is equal to the reported balance at year-end 2019.

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*"We expect core companies to rebound once people get accustomed to the new circumstances"  
says company's Vice Chairman*

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Stock markets around the world suffered from the negative impact of the pandemic, together with the sharp drop in oil prices due to lack of demand and high levels of uncertainty. With lockdown procedures and stay at home rules, the supply chain was hit hard by low consumption levels. COVID-19 heavily affected sectors like hospitality, real estate and banking. Other Group companies operating in the insurance, food and media sectors showed more resilience to the pandemic.

Mr Faisal Al Ayyar, KIPCO's Vice Chairman (Executive), said:

"Nobody could have foreseen the circumstances we witnessed during the past six months. We continue to assess the impact of the COVID-19 pandemic on our different business sectors and how this will reflect on our operations for the remainder of the year and beyond. We expect our core companies to rebound once people get accustomed to the new circumstances.

However, we remain cautious given market volatility, lack of clarity regarding regulatory directives, restrictions on travel and mobility and the fluctuating price of oil.

كيبكو  
KIPCO  
شركة مشاريع الكويت (القابضة)  
Kuwait Projects Company (Holding)




## FIMBANK SUPPORTS BEIRUT MISSION

FIMBank donated to contribute for the setting up of an emergency kitchen in Beirut. The Bank supported the Malta-based and renowned chef Hany Harb and his team with his "feeding mission". Hany launched the initiative following the tragic Beirut explosion

which claimed the lives of hundreds and left thousands injured and will be joined by a number of local chefs who are also supporting the mission. The team travelled to set up the kitchen and provide up to 15,000 meals daily for the Beirut explosion victims.



## EASISAVE INTEREST RATES

Easisave is a secure online savings platform which offers competitive interest rates. View the below interest rates applicable for both EUR and USD Easisave accounts.

Interest Rates €		\$
Account	EUR/p.a.	USD/p.a.
 Savings	<b>0.35 %</b>	<b>0.65 %</b>
Deposits	EUR/p.a.	USD/p.a.
3 Months	<b>0.55 %</b>	<b>2.05 %</b>
6 Months	<b>0.55 %</b>	<b>2.25 %</b>
9 Months	<b>0.55 %</b>	<b>2.35 %</b>
1 Year	<b>0.75 %</b>	<b>2.50 %</b>
2 Years	<b>0.60 %</b>	<b>2.50 %</b>
3 Years	<b>0.60 %</b>	<b>2.50 %</b>
Rates are on a gross per annum basis		





# Announcements..

## EASISAVE TO LAUNCH TWO-FACTOR AUTHENTICATION

Easisave, the online savings platform powered by FIMBank will be updated with two-factor authentication. This material development is part of the Bank's commitment towards enhanced platform security, providing a safe online experience for its customers.

This update will require Easisave customers to download an authenticator app on their smartphone, to generate a one-time code for login. This will need to be inserted following the username and password. Upon the first login, customers will need to use this downloaded authenticator app to scan a QR code. Once this process is completed, customers will use the same authenticator app to generate the one-time code, for every login.



"In a world in which cybercrime is consistently on the rise and becoming more sophisticated, the Bank is duty-bound to ascertain the most secure experience for its customers. We are firmly committed to continue investing in Easisave, to ensure a better experience for all of its users" said Chris Trapani, Senior Vice President, Head of Cash Management.

Easisave customers who have any queries are encouraged to contact the Easisave Helpdesk team on [helpdesk@easisave.com](mailto:helpdesk@easisave.com) or on +356 2132 2102.



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ISIN	FIM
Company	FIMBank p.l.c.
Total Shares issued (As at 21 June, 2019)	522,443,763
Currency	US Dollar
Share Price (as at 05 October, 2020)	USD 0.30

**Company Secretary:** Avv Andrea Batelli  
**Telephone:** (+356) 21322100  
**Email:** [csec@fimbank.com](mailto:csec@fimbank.com)

## COMPANY ANNOUNCEMENT FIM295



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, 5.20 and 5.21.

### Quote

FIMBank announces that Mr. Adrian Alejandro Gostuski has tendered his resignation from the Board of Directors of the Bank with effect from 4th August 2020. The Board expressed their gratitude toward Mr. Gostuski for his loyal service and cooperation throughout these years. Mr. Adrian Alejandro Gostuski will retain his position as Acting CEO of the Bank and consequently focus his time on his new responsibilities as Acting CEO.

Following regulatory approval obtained, Mr. Abdel Karim Kabariti, holder of Jordanian Passport No: D011135, and residing at 33, Shawkat Sati St. Abdoun, Amman 11191, Jordan, has been appointed as a non - Executive Director of FIMBank with effect from 13 August 2020.

Mr. Abdel Karim Kabariti holds the position of Chairman of the Board of Directors of Jordan Kuwait Bank which position he has held from 1997, is the Chairman of the Board of Directors of Algeria Gulf Bank, a position he has held from 2002, is a board member of the Jordan Dairy Company, a position he has held from 1998, and is also a board member of Burgan Bank Kuwait, a position he has held from 2004. Mr. Kabariti, holds a bachelor's degree in Business Administration from St. Edwards University, U.S.A. and an Honorary Doctorate in Business from Coventry University in the United Kingdom.

Mr. Abdel Karim Kabariti does not presently hold and has not held at any time in the past five (5) years, a directorship in any other local issuer.

### Unquote

19 August 2020