

MESSAGE FROM THE CHAIRMAN



Dr John C. Grech, FIMBank Group Chairman

Dear Shareholder,

The past weeks have been riddled with uncertainty brought about by the COVID-19 pandemic. As countries have been burdened with significant numbers of infections and stringent lockdown measures, several businesses have had to adapt and resume their operations with a large number of employees working from home. It is with a sense of pride, that I inform you that due to our sophisticated IT infrastructure, we have been able to transition ninety percent of our employees both locally and abroad to work remotely from their homes, thus being able to continue servicing our local and international clients.

This year, we also welcome the appointment of Mr Adrian Gostuski, as Acting CEO of the FIMBank Group. Mr Gostuski served as an active member on the Board for the past seven years. This appointment follows the tenure of Mr Murali Subramanian. On behalf of the Board of Directors, I would like to take this opportunity to express gratitude towards Mr Murali Subramanian for the dedicated and professional service he has given to the Bank during the past years.

The FIMBank Group's financial results for 2019, highlight a fourth successive year of profitability. Despite myriad challenges we faced throughout this period, the Bank's performance continues to reflect the dynamic nature of our business model and the inherent ability to respond swiftly to the challenges encountered.

The FIMBank Group's Consolidated Audited Financial Statements for 2019 show that as at 31 December of that year, the Group registered a pre-tax profit of USD7.3 million, compared to a profit of USD13 million in 2018. The reduction in revenues which had an impact on this year's bottom line can be mainly traced to a number of non-performing assets and significant de-risking measures implemented during this period. It is also important to mention that during the year, the Bank received dividend income from a subsidiary undertaking which reduced its accumulated losses to significant levels when compared to prior years.

FIMBank's corporate culture, which is underpinned by a customer-centric organisation, with a strong emphasis on professional excellence and teamwork, is something we are proud of. In an industry which puts so much value on long and positive business relationships, FIMBank continues to command the trust and respect of customers and partners worldwide. This is, to a great extent, a result of the value we give to our human resources, by providing a positive working environment and the opportunities for our employees to grow as professionals. FIMBank today boasts a professional team of specialists focused on providing innovative and tailor-made 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 results which have been registered over these past years.

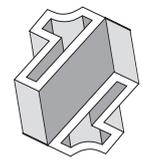
In order to fulfil our mission to create value for all our shareholders, during the year in review we continued to engage with our investors to better inform them of our activities, and to create mutually supportive opportunities and outcomes for them. We provided opportunities for engagement via different forums and channels – including update meetings, our AGM and our Shareholders' Newsletter - to help shape the direction of our business, aligned to shareholders' needs and expectations. Meanwhile, 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.

There is no doubt that 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 wishing you the best of health and by emphasising the importance of a continued commitment to both personal and collective safety. The actions we take during these unprecedented times will impact not only ourselves individually, but the well-being of our community, which is why on behalf of the FIMBank Group we must underline the importance of adhering to the public health guidelines and staying safe.

"FIMBank's corporate culture, which is underpinned by a customer-centric organisation, with a strong emphasis on professional excellence and teamwork, is something we are proud of."

Dr John C. Grech
Chairman



MESSAGE FROM THE ACTING CEO



Adrian A. Gostuski, FIMBank Acting Chief Executive Officer

Dear Shareholder,

It is a pleasure to address you for the first time through this Shareholders' Newsletter. Prior to my engagement as Acting CEO of the FIMBank Group, I have served on the FIMBank Board for the past seven years. I was also engaged as a Director and Group Chief Operating Officer at Burgan Bank since 2011. I take this opportunity to thank Mr Murali Subramanian for his hard work and dedication during the past years and wish him success in his future endeavours.

In light of the unprecedented situation of COVID-19, that is impacting the world on several fronts, I feel that it is paramount that I explain the measures that FIMBank is undertaking to safeguard the interests of all its stakeholders. Over the past years, FIMBank has made significant investments in technology. Consequently, our state-of-the-art IT infrastructure has allowed for a smooth transition whereby the majority of our employees, based both locally and overseas, are now working remotely from home, with no disruption. FIMBank's executive management, supported by a specialised team of employees, is closely monitoring the situation, together with the recommendations of the local and international health authorities and is geared to adapt to developments swiftly, as they unfold.

Meanwhile, FIMBank is currently in the process of becoming an accredited participant in the COVID-19 Guarantee Scheme, collaborating with the Malta Development Bank so to be in a position to provide local clients impacted by COVID-19 with working capital loans and government subsidised interest rates.

As we continue to navigate through the daily developments brought about by the Coronavirus and its impacts, our primary concern lies with how we can safeguard the well-being of our people, and to provide all possible support to our clients.

The year 2019

Last year was another profitable year for FIMBank. Despite the challenges we faced during that period, we remained committed to our strategic focus and the transformation of the Group to one based on a culture of excellence. Our efforts continued to be directed towards embedding a performance-orientated environment, based on strong initiative and innovation, underlined by principles of good governance and sustainability. We continued to invest in the acceleration of growth in our higher revenue generation lines of business, while proceeding with efforts to divest the Group from low-returning operations and markets. We maintained focus on the streamlining of our Group operations in order to drive productivity, increase automation and boost FIMBank's ability to face future challenges.

Overview of financial results

The FIMBank Group's Consolidated Audited Financial Statements show that for the year ended 31 December 2019, the Group registered a pre-tax profit of USD7.3 million, compared to a pre-tax profit of USD13 million in 2018. In the year under review, we embarked on a de-risking process with the aim of strengthening the quality of the portfolio through improved transaction structures and risk mitigation measures.

During 2019, a number of non-performing exposures in FIMBank and India Factoring led to additional impairments of USD13 million, although an improvement in the risk profile of a number of exposures, together with recoveries of exposures of USD0.7 million, previously recognised as non-performing in that year, led to a decrease in net impairment levels when compared to 2018.

London Forfaiting Company Ltd (LFC) registered a successful year. Its robust business model, institutional expertise and a risk-balanced portfolio have enabled LFC to achieve consistently superior returns. Meanwhile, India Factoring registered growth with its business pivoting away from the domestic business to an export-driven book, where it has been upgrading and diversifying its exposures. Egypt Factors produced another stable performance, and despite facing ever stronger competition, the subsidiary successfully expanded during that year.

People and technology

During the year in review we continued to invest in the latest technologies and to strengthen our specialist teams. In 2019, we successfully deployed a new financial crime risk management software

application with advanced anti-money laundering capabilities including transaction monitoring and enhanced fraud detection. We recognise the importance of having engaged employees who are aligned with the Bank's strategy and during the year we have continued to invest in employee training programmes for members of staff across all levels. We are committed to continuously work on ways to better cultivate learning and growth.

The macroeconomic environment in 2020 presents a highly challenging scenario. Once conditions normalise, FIMBank will further assess its different businesses. In these difficult and challenging times our thoughts are with you and your family, as all of us face new obstacles. During these unprecedented times, we will therefore endeavour to remain close to all our partners around the world, and we will strive to maintain the highest level of business continuity and servicing to our clients.

"Our efforts continued to be directed towards embedding a performance-orientated environment, based on strong initiative and innovation, underlined by principles of good governance and sustainability."

Adrian A. Gostuski
Acting Chief Executive Officer

CFO REVIEW



Ronald Mizzi, Group Chief Financial Officer

During the financial year 2019 FIMBank Group continued its transformation process into a strong trade finance player, proactively seeking to optimise its business fundamentals whilst also reacting to market, industry and regulatory developments in the regions in which it operates. The overall financial performance of the Group reflects the execution of a de-risking process resulting in short-term asset reductions positively improving the risk profile of the key portfolios. Following the conclusion of this process the Group strengthened the structures of its credit transactions, migrated to superior counterparty profiles and reduced its concentrations on product, single obligor and geographical presence. This has however led to temporary deflating revenues as a result of lower new business and stock levels carried during the year. Continuing from prior years, the Group remained highly effective in the management of its asset-liability structures, driving performance in funding efficiency and costs, and generating additional revenues from favourable capital markets conditions. During the year, impairment coverage on legacy and new delinquent exposures have increased on the back of developments in the different resolution tracks. Such impairments were offset by the recovery of other long overdue exposures reflecting the ongoing actions to recoup lost value in past years. The Group continued investing in its human capital and IT infrastructure with the aim of reinforcing its core operational assets, and concurrently ensuring the best use of its resources through operational innovations and cost efficiencies.

FIMBank, as the parent of the Group, maintains overall responsibility for the Group's business and development. During the year, the Bank absorbed most of the de-risking outcome in its core trade and commodity finance portfolio, with a direct impact on interest and fee revenues. The shipping portfolio also experienced volatility due to market conditions limiting financing opportunities of targeted vessels. In Malta, the real estate portfolio grew to its set targets, with the Bank aware of the industry's inherent risks and therefore executing a vigilant approach to this line of business. Treasury and cash management operations were also effective in the areas of liquidity and funding, foreign currency and capital markets, with financial institutions' relationships being maintained within the vital correspondent banking network. The financial results also reflect the need for higher impairment coverage on trade commodity facilities. During the year, the Bank received dividend income from a subsidiary undertaking, with no impact on the Group consolidated results.

Across the Group, LFC had another successful year and delivered strong results. With no significant need to de-risk, LFC further expanded its portfolio with a corresponding increase in trading volumes. Its robust business model, institutional expertise and a risk-balanced portfolio enabled LFC to achieve consistently superior revenue margins, complemented by an efficient mix of funding from the Bank and third party institutions with a likewise lean operational cost structure. During 2019 LFC continued to recover on past overdue transactions whilst actively managing new risks and market developments as they arise. As LFC is domiciled in the United Kingdom, the Group continued to assess the impact of Brexit on the company's operations and its affiliation within the Group.

The impact is considered to be minimal as LFC's appetite for diverse risks across different business sectors and geographies coupled with a global footprint places LFC in a strong position to manage any identifiable risks associated with the United Kingdom withdrawing from the EU.

India Factoring also grew during the year, at a slower-than-planned pace, returning modest results. During 2019, the business continued pivoting away from the domestic business to an export-driven book, upgrading and diversifying the exposures to a stream of larger-scale counterparties. Notwithstanding the marginal growth, India Factoring has significantly increased its asset turnover particularly in the second half of the year, building adequate pipeline and gaining the required momentum for the months ahead. Impairments were lower than prior years as no new delinquent loans were identified during the year with recoveries partly offsetting resulting impairments on assets at different impairment stages.

Egypt Factors produced another stable performance. As the Egypt market and economic context become more stable, Egypt Factors faces a higher level of competition in sourcing new clients at the right level of risk. Yet, the subsidiary has successfully expanded during the year, with a growing pipeline and asset levels at superior margins. In 2019, Egypt Factors also recovered a legacy non-performing exposure, boosting its annual profitability and contribution to the Group.

The Group remains committed to dispose of its shareholding in Brasilfactors which remains classified as an investment "held-for-sale". At the beginning of the year the Group implemented the IFRS 16 leasing accounting standard impacting the classification and measurement of leases, particularly where the Group is a lessee. As a result of these requirements, the Group recognised new "right-of-use assets" and related "lease liabilities". There have been no changes to leases where the Group is a lessor. The introduction of IFRS 16 did not have an impact on the Group reserves at the beginning of the year.

"Continuing from prior years, the Group remained highly effective in the management of its asset-liability structures, driving performance in funding efficiency and costs, and generating additional revenues from favourable capital markets conditions."

FIMBANK HOLDS CORPORATE CLIENTS' RECEPTION

FIMBank hosted a reception for its local corporate clients. This event served as an ideal platform, where the Bank's clients had the opportunity to interact with Relationship Managers and senior management, in a casual setting. The Chairman and former CEO of FIMBank addressed those present, thanking them for their loyalty, continued support and consistent business with the Bank.

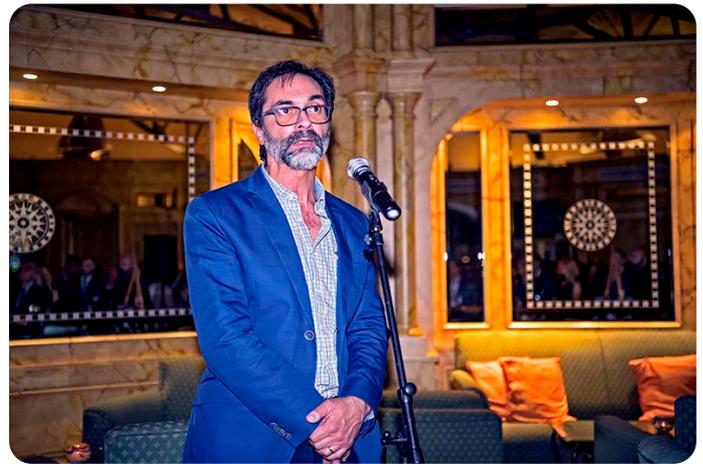
Emphasis was made on the Bank's growing real estate unit, which started off with two employees and now requires a complement of eleven. In spite of the escalating costs of development, stricter controls and regulations, the Bank's Real Estate business has continued to flourish.

FIMBank has secured a niche in this competitive market and it is part of the business development strategy of the Bank,

to increase its real estate asset base. The Bank's senior management also highlighted its cash management offering, underlining international settlements as a key product of its service repertoire. Together with its strong standing in the international settlements front, FIMBank is positioning itself to offer a wide range of corporate banking solutions to Maltese and international clients for their day to day business needs.

Thanks to its product portfolio, the Bank is in a position to provide a framework within which its customers can look forward to improving their business profitability.

The key theme which was consistent throughout the entire event is that FIMBank will continue servicing its existing loyal customer base, attracting new customers and introducing innovative products.



FIMBANK SPONSORS THE PLANTING OF OLIVE TREES

FIMBank, in collaboration with the sub-committee of Clean Air and Renewable Energy, within the remit of the Mosta Local Council, has sponsored the planting of olive trees at Targa Battery in Ghajn Rihana. A total of fifty trees were planted during the event held on Saturday, 19th October. This initiative is part of the Bank's ongoing corporate social responsibility programme.

"Our commitment towards the well-being of the environment reflects FIMBank's deep roots in Malta, which have been established over the past twenty-five years. We feel duty-bound to contribute our fair share in improving the quality of our environment and look forward to future initiatives in this regard" said Jason Zammit, Senior Vice President, Head of Marketing.



FIMBANK EMPLOYEES DONATE TO FOODBANK

FIMBank employees have recently donated a number of food items to the Foodbank, through an initiative organised by the Bank's Events Committee.

The Foodbank's core belief is that no child or adult should ever experience hunger, so they do their utmost to ensure people enduring such hardships have enough food to cover them for the short-term, until a more long-term solution is found.

In a nutshell, the Foodbank consists of dedicated individuals who serve as Care Professionals, aiming to find a long-term solution to help those who are in a state of hunger, to regain some control over their lives.

"Such initiatives allow the Bank's employees to provide worthwhile contributions to those in need. We commend the exceptional work undertaken by the Foodbank and look forward to similar initiatives where our colleagues may contribute to the benefit of others" said a statement by FIMBank's Events Committee.

Foodbank
Lifeline Foundation

FIMBANK STRONGLY GEARED FOR THE PROVISION OF INTERNATIONAL SETTLEMENTS

Published on the Commercial Courier

As a trade finance specialist, FIMBank has a long-standing reputation for an efficient delivery of international settlements, for a wide range of corporate customers both locally and abroad. FIMBank is consistently driven to provide tailor-made solutions with a strategy that hinges on the commitment to provide added value to its local and international clients, by focusing on specialised customer service and sophisticated systems.

The Bank offers the possibility to execute payments worldwide, with same-day, next-day options, for normal or high value transactions. This is part of its corporate banking suite in the major trade currencies, together with fixed term deposits and foreign currency payments.

Over the years, the Bank has built a team of international corporate bankers with experience in identifying customer needs, and matching these with system solutions complemented by dedicated support. FIMBank is constantly listening to its customers and potential business partners in order to offer valued solutions and enhance efficiencies for the customers' benefit, ultimately helping them to reach their goals.

The quality of the Bank's delivery relies on its team, made up of dedicated on-boarding and helpdesk personnel, relationship managers, and product development specialists. Its work is centred on ensuring that it continuously aligns itself to ever-changing requirements in local and international business.

The delivery of international settlement services, is facilitated by the Bank's digital

banking platform FIMBank Direct, with a commitment to provide an enhanced banking experience to its customers, based on a strong infrastructure built to support international multi-currency settlements and fixed term deposits. This provides a seamless experience to corporate customers. Coupled with this is the fact that the Bank had extended its payment cut-off time. In a bid to enhance its standing as a leading provider of local and international corporate banking products, FIMBank announced that payments executed up until 16:00 CET via its digital banking platform, can now be processed on the day, subject to all criteria being met where applicable.

FIMBank Direct provides an efficient and convenient international payments framework and fixed term deposit products.

Corporate and wholesale banking services offered include balance view and management, the ability to book single or multi-currency payments, and access to statements and advices.

Apart from these features, FIMBank's corporate customers benefit from enhanced security through the innovative authentication app, the FIMBank CAM. This technology allows corporate customers to log in and perform payments, anytime, anywhere, without the need to carry a hardware token.

FIMBank is also a direct participant in TARGET2, a payment system owned and operated by the European Central Bank Eurosystem. TARGET2 is the leading European platform for processing large-

value payments, and is used by both central and commercial banks to process real time payments in Euro. As part of the advantages of TARGET2 payments, FIMBank is directly reachable for Euro payments without the need for payments to go through its Euro correspondents. Membership of the system also facilitates the processing of high value priority payment orders in 'safe' central bank money with immediate finality, even across borders, thus reducing the inherent risks in payment transactions.

Together with its bespoke offering for immediate and efficient settlement options for corporates, FIMBank offers fixed term deposit accounts for such organisations, at competitive interest rates for a variety of both long-term and short-term tenors. Once on-boarding is successfully completed, corporates may opt for different tenors and competitive rates, solely via the Bank's digital banking platform.

The Bank has always dedicated its focus and resources towards investing in systems geared to cater efficiently for settlement services on a global scale. Its typical customer would be a corporate, transacting both locally and internationally, and using multiple currencies for settlements. Thanks to its product portfolio, the Bank is in a position to provide a framework within which its customers can look forward to improving their business profitability.

To learn more about the benefits that FIMBank offers in relation to its international settlements, please contact the Business Development team on cm.businessdev@fimbank.com.

FIMBANK'S MISSION STATEMENT - COVID-19

The health and safety of our employees and clients is our primary priority. With this in mind, FIMBank has implemented several measures to minimise the spread of the Coronavirus.

As part of the Bank's duty of care, the measures undertaken include enhanced cleaning measures, together with ensuring that our employees follow the advised preventive protocols. This includes more frequent and thorough hand washing, cleaning routines and sanitising of heavily trafficked areas. We will strive to continue delivering an optimal service to all our clients,

with a significant number of our employees working remotely. In this regard, we encourage all clients to make use of our electronic channels including email and our digital banking platform, FIMBank Direct.

The Bank is steadfast in its resolve to ensure that it adapts swiftly to developments as they unfold and will be taking remedial action when necessary. FIMBank is taking all the necessary actions to support our employees, clients, as well as our community during these challenging times.



As part of its CSR programme, FIMBank is promoting social distancing to minimise the spread of COVID-19. Artwork has been attached to the Bank's Head Office building.

FIMBANK PROPERTY DEVELOPMENT LOANS



FIMBank is geared to provide established developers with financing solutions for property development projects with competitive terms and pricing. The Bank has a fully fledged, specialised Real Estate team with several years' of experience in tailoring solutions to exceed the expectations of established developers.

The Bank provides a range of facilities which includes funding on a pro rata basis for the purchase of land and development into residential units or commercial buildings. FIMBank offers terms which vary depending on the nature of the project, whilst the repayment is typically structured to coincide with the sale of property, or from the proceeds of the rental or business activity.

"The cornerstone of the Bank's business model is the personalised long-term relationships developed with clients. FIMBank offers quality banking, with a dedicated team delivering an impeccable customer service experience.

We are the banking partner of choice for property developers" said Jason Zammit, Business Head - Real Estate.

During this period, FIMBank is collaborating with the local authorities and the Malta Development Bank for the successful implementation of support measures, which include working capital loans and government subsidised interest rates for clients directly impacted by the COVID-19 pandemic. The specific details, terms and modality of the announced schemes have not yet been communicated and updates on how these will work in practice will be communicated once the necessary information is released.

For further information, please contact FIMBank's Real Estate team via email on realestate@fimbk.com or telephone on 2328 0129.

Jason Zammit
Business Head - Real Estate

FIMBANK RECOGNISES LONG SERVING STAFF

During a townhall meeting held in December, FIMBank recognised long serving staff. Employees who had been employed by the Bank for over twenty years were gifted a model of the FIMBank building.

The awardees include:

- » *Gilbert Coleiro, Chief Information Officer*
- » *Jason Zammit, Head of Real Estate, Facilities, Administration and Marketing*
- » *Loranne Pace, Head of Banking Operations and Project Management*
- » *Dennis Camilleri, First Vice President, Commodity Trade Finance*
- » *Diane Abela Penza, Operations Process Engineer*

Such awards enable FIMBank to show its appreciation towards long serving employees, who are of paramount importance for the Bank's growth and development.



FIMBANK SUBSIDIARY, INDIA FACTORING CELEBRATED ITS TENTH ANNIVERSARY



Years of Innovative &
Tailor Made Solutions

India Factoring, a financial services organisation offering innovative and tailor made solutions to different organisations and businesses, celebrated its tenth anniversary. With a philosophy aimed at unlocking business potential, India Factoring is committed to provide a high level service via a dedicated team of factoring specialists.

The company specialises in export and domestic factoring. These services provide short term working capital and cash flow solutions for a company's sales both within and outside India. Besides prepayment of invoices, India Factoring also provides sales ledger management and collection services for receivables.



FIMBANK APPOINTS NEW ACTING CEO



FIMBank has announced that as from 31st March, 2020, Mr Adrian Gostuski has been appointed as Acting CEO of the Group, subject to regulatory approval.

Mr Adrian Gostuski started his career at PWC before joining Citibank, where he occupied various positions in Buenos Aires, New York, Singapore and Mexico City, as Managing Director and Chief Financial Officer for corporate banking in Latin America. He joined Barclays Bank in London in 2008 as Chief Financial Officer-Operations and Technology, for global retail banking. He joined Burgan Bank in 2011 as the Group Chief Operating Officer. He is also a Director at Burgan Bank, Turkey.

Mr Adrian Gostuski is a French national. He obtained his CPA from the University of Buenos Aires, Argentina, and his MBA from Escuela Superior de Economía y Administración de Empresas, Argentina.

"Building on FIMBank's expertise, strong foundations and good governance, we shall focus on driving consistent value generation for our shareholders. This can only be achieved by providing innovative and effective solutions, which anticipate and cater for the evolving business needs of our clients" said Mr Adrian Gostuski.

He has replaced Mr Murali Subramanian who served as FIMBank Group CEO for five years. During his tenure, Mr Subramanian oversaw the successful turnaround of the Group, registering healthy profits as the Bank's capital and asset bases grew. Throughout this period, FIMBank optimised its operational efficiencies, ensuring a sustainable framework for the following years and those yet to come.

During his stint at FIMBank, Mr Murali Subramanian oversaw the launch of local real estate financing for established developers and the Bank's digital banking platform, FIMBank Direct, as the organisation spearheaded efforts to further adapt to the needs of corporate clients.

"We welcome Mr Adrian Gostuski as the new Acting CEO of the FIMBank Group. Having been an active member of the FIMBank Board for the past seven years, he is well-positioned to achieve our target objectives, as the Bank strives to make its business model fundamentals even more attractive, generating sustainable value for all stakeholders" said Dr John C. Grech, Chairman of the FIMBank Group.

FIMBANK SUPPORTS BEATING HEARTS FOUNDATION

FIMBank has recently sponsored Beating Hearts, an independent non-profit foundation established primarily to support the needs of parents having children born with a congenital heart defect.

Due to the Bank's continued support, FIMBank was provided with a set of high-quality prints, revolving around the Tale of Two Cities theme, which consist of the photographic pairing of two selected cities. The Bank was provided with the pairings of Malta-New York and Malta-Manchester as collages.

As a sign of appreciation towards the Bank's contributions to this foundation, the President, Prof. Victor Grech signed the prints during an event organised by FIMBank.

"The noble work of the Beating Hearts foundation is indeed endorsed by FIMBank. Prof. Victor Grech's work and consistent effort to make a direct and positive impact on people who suffer from a congenital heart defect is indeed commendable. We look forward to supporting further initiatives undertaken by Beating Hearts" said Jason Zammit, Senior Vice President, Head of Marketing.

"FIMBank's consistent support and assistance in our mission is highly appreciated. We have found FIMBank to be very willing in aiding us with our cause and it is thanks to such contributions that we can continue making inroads to help people with congenital heart defects" said Prof. Victor Grech.





Announcements..

FIMBank announces USD7.3 million pre-tax profit for 2019

The year 2019 was another profitable year for FIMBank. The FIMBank Group's Consolidated Audited Financial Statements show that for the year ended 31 December 2019, the Group registered a pre-tax profit of USD7.3 million, compared to a profit of USD13 million in 2018.

The overall financial performance of the Group reflects the execution of a de-risking process resulting in short-term asset reductions positively improving the risk profile of the key portfolios. Following the conclusion of this process, the Group strengthened the structures of its credit transactions. The period under review, saw FIMBank absorbing most of the de-risking outcome in its core trade and commodity finance portfolio, with the consequent impact on interest and fee revenues. It is also important to mention that during the year, the Bank received dividend income from a subsidiary undertaking which reduced its accumulated losses to significant levels when compared to prior years.

The Group's 'Net operating income' dropped by 13% from USD58.7 million to USD51.3 million. Net interest income, net fees and dividend income combined together decreased by 14%, from USD56.5 million to USD48.4 million. Revenues dropped due to a combination of certain measures implemented by the Group and economic conditions. Despite having faced a challenging year, the Bank remains committed to its strategic focus and the transformation of the Group to one based on a culture of excellence, sustainable growth and long-term returns.

"We have been prudent in addressing the challenges from a slowing economy and reducing trade finance momentum which may bring with it potential asset quality issues if we are not careful. This has meant slower growth, and more prudent provisions while focussing on strong governance" said Mr. Murali Subramanian, former Chief Executive Officer of the FIMBank Group.

In-depth review of the Financial Statements shows that it was a challenging year for the Group, marked by a number of non-performing exposures in FIMBank and India Factoring, leading to an impairment coverage increase of USD14.2 million on legacy and new delinquent exposures. Nevertheless, the Group also managed to improve its risk profile across a number of non-performing exposures which ultimately resulted in reversal of impairments. The Group's management team is spearheading several efforts to address these exposures. This is underlined by the recent engagement of a specialist Head of Recoveries to manage the impaired assets of the Group.

Reflecting on FIMBank's performance in 2019, Group Chairman Dr John C. Grech stated that the Bank's "Senior management team has proven decisive towards ensuring that the Group continues to respond to future challenges effectively, and to secure a more sustainable growth trajectory for FIMBank in the coming years. More specifically, measures undertaken during this period have led to the critical transformation of the underlying portfolios of the Group, the result of which places FIMBank in a position of strength, as it makes its business model fundamentals even more sustainable and attractive."

Dr Grech also made reference to the celebration of FIMBank's 25th anniversary during that year, saying that "This milestone in FIMBank's history was an opportunity for my Board and Management to determine where we are heading, keeping in focus our mission. Over the years, FIMBank has established itself as a leading provider of trade finance, factoring and forfaiting solutions, and more recently, selective real estate financing. There is no doubt that our employees and management at head office and across the globe, deserve our praise for the results which have been registered over these past years."



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 11 th May, 2020)	USD 0.470

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COMPANY ANNOUNCEMENT FIM287

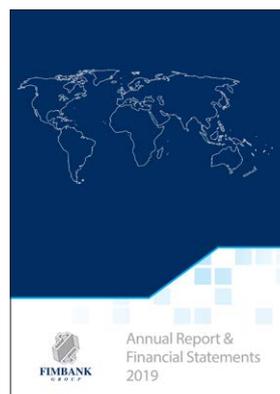


The following is a Company Announcement issued by FIMBank p.l.c. (hereinafter "FIMBank" or the "Company") pursuant to the Malta Financial Services Authority Listing Rules 5.16 et seq.

Quote

The Board of Directors of FIMBank announces that in view of the present COVID-19 circumstances and the directives issued by the Public Health Authorities, the Company in the interest of safeguarding the health and safety of its shareholders is postponing its Annual General Meeting to a future date when such a meeting can be held, which date shall be communicated in due course.

Unquote



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