

Shareholders' Newsletter

Issue 06 - August 2017



FIMBANK

MESSAGE FROM THE CHAIRMAN



Dear Shareholder,

It is my pleasure to welcome you to the sixth edition of FIMBank's Shareholders' Newsletter.

At our last AGM, I had pointed out that the end-of-year results for 2016 had provided conclusive evidence of the success of the consolidation and turnaround strategy launched in 2015. I had also remarked that these represented the tangible outcome of the journey of transformation we had embarked upon in 2015.

It is therefore with a great sense of satisfaction that half-way through the current financial year, we are in a position to confirm the trend towards profitability which the Group established in 2016. As a matter of fact, the Group's Consolidated Audited Financial Statements show that for the six-month period ending 30 June 2017, the Group registered a profit after tax of USD4.12 million, compared to a profit of USD1.21 million for the same six-month period in 2016, and a profit of USD5.3 million posted for the whole of 2016.

We are confident that these results put behind us the turbulent period following the bleak performance and financial results emerging in 2014. To be sure, this was a time marked by uncertainty and considerable reflection by all those involved. They were also two years of difficult – and as it turns out, sound – strategic decisions, grim determination, and a great deal of hard work, underlined by a strong belief that the situation could be turned around, for the benefit of shareholders and employees alike.

The journey of transformation is now well on its way, and is delivering the desired results; yet it has not come to an end. On the other hand, when one reflects on where we have arrived today, one cannot but emphasise the importance of robust governance and an effective risk framework in the context of the Group's achievements. The success of the changes brought about in these areas have to be the supreme testimonial to the accomplishments of our CEO, Murali Subramanian, and his very capable management team. Evidence of this success is the strong compliance culture which has enabled the Group to maintain a healthy relationship with its correspondent banks, despite international concerns affecting correspondent banking relationships generally.

The outlook for the Group is indeed very positive. FIMBank is evolving into a stronger banking institution based on sound business discipline, centrally-aligned operations, and effective management of enterprise risks. I am assured by management that the dynamics in evidence during the last months will continue, as the Group continues to pursue a revenue maximisation approach, maintain portfolio quality, while bolstering its capital position to trigger further asset growth. Success in these areas will allow FIMBank to take its customer experience to a superior level, support scale, and generate enterprise value to its diverse stakeholder platform.

There is no doubt that our employees and members of management at head office and across the globe, deserve our congratulations on the results reported. Their dedication and expertise, not to mention their sense of loyalty and perseverance, continues to be one of our most formidable assets, and a major determinant of success. Their concerted effort has led not only to greater efficiency and profit, but has also enabled the organisation to adapt more effectively to changing market conditions.

As we enter a new chapter in the Group's history, it is worthwhile recalling the support we have been receiving from all our shareholders. My colleagues on the Board and I remain extremely grateful for the show of trust and loyalty you have demonstrated time and time again. This has been a great source of encouragement, boosting in no small measure our resolve to turn the situation around at FIMBank.

I would also like to highlight the strong support we continue to see from our controlling shareholders, namely Burgan Bank and United Gulf Bank of the KIPCO Group. The backing they have given FIMBank, both in practical terms, as well as in terms of commitment, has proved instrumental, and remains key to the future of the Group.

Finally, on behalf of the Board of Directors and the entire management team, we would like to wish you a pleasant summer.

Dr John C. Grech
FIMBank Group Chairman



MESSAĠĠ MINGĦAND IĊ-CHAIRMAN

Għażiż(a) Azzjonist(a),

Għandi l-pjaċir nilqgħek għas-sitt edizzjoni tal-Bullettin tal-Azzjonisti ta' FIMBank.

Fl-aħħar Laqgħa Ġenerali Annwali tagħna, kont indikajt li r-riżultati tagħna tal-aħħar tas-sena 2016 kienu pprovdew evidenza konklużiva tas-suċċess tal-istrateġija ta' konsolidazzjoni u ta' turnaround li għet immedija fl-2015. Kont irrimarkajt ukoll li dawn irrapprezentaw ir-riżultat tangibbli tal-vjaġġ ta' trasformazzjoni li konna bdejna fl-2015.

Huwa għalhekk b'sodisfazzjon kbir li f'nofs din is-sena finanzjarja aħna qegħdin f'pożizzjoni li nikkonfermaw ix-xejra lejn il-profittabbiltà li l-Grupp stabbilixxa fl-2016. Fil-fatt, ir-Rapporti Finanzjarji Konsolidati Awditjati tal-Grupp juru li, għall-perjodu ta' sitt xhur li ntemm fit-30 ta' Ġunju 2017, il-Grupp irregjistra profitt wara t-taxxa ta' USD4.12 miljun meta mqabbel ma' profitt ta' USD1.21 miljun għall-istess perjodu ta' sitt xhur fl-2016, u profitt ta' USD5.3 miljun irregjistrat għas-sena kollha tal-2016.

Aħna kunfidenti li dawn ir-riżultati jhallu warajna l-perjodu turbulenti wara l-prestazzjoni skoragganti u r-riżultati finanzjarji li ħarġu fl-2014. Fil-fatt, dan kien żmien ikkaratterizzat minn nuqqas ta' ċertezza u riflessjoni konsiderevoli minn dawk kollha li kienu involuti. Kienu wkoll sentejn ta' deċiżjonijiet diffiċli, u kif irriżulta, ta' deċiżjonijiet sodi u strateġiċi, determinazzjoni serja u ammont sostanzjali ta' xogħol iebes, enfasizzat minn fiduċja b'saħħitha li s-sitwazzjoni setgħet tinbidel għall-benefiċċju kemm tal-azzjonisti kif ukoll tal-impjegati.

Il-vjaġġ ta' trasformazzjoni issa miexi sew u qed irendi r-riżultati mixtieqa; madankollu ma wasalx fi tmiemu. Min-naħa l-oħra, meta wieħed jirrifletti dwar fejn wasalna llum, ma jistax ma jenfasizzax l-importanza ta' governanza robusta u qafas effettiv ta' riskju fil-kuntest tal-kisbiet tal-Grupp. Is-suċċess tal-bidliet li saru f'dawn l-oqsma bilfors huma l-aqwa testimonju tal-kisbiet tas-CEO tagħna, Murali Subramanian, u tat-tim tal-management kapaci ħafna tiegħu. L-evidenza ta' dan is-suċċess hija l-kultura ta' konformità b'saħħitha li ppermettiet il-Grupp biex iżomm relazzjoni b'saħħitha mal-banek korrispondenti tiegħu, minkejja t-tħassib internazzjonali li affettwa r-relazzjonijiet bankarji korrispondenti b'mod ġenerali.

Il-prospettiva tal-Grupp hija tassew pożittiva ħafna. FIMBank qed jevolvi f'istituzzjoni bankarja iktar b'saħħitha, ibbażat fuq dixxiplina ta' negozju sod, operat allinjat b'mod ċentrali u gestjoni effettiva ta' riskji ta' intrapriża. Il-management jassigurani li d-dinamika f'evidenza matul l-aħħar ftit xhur li għaddew se tkompli għaddejja kif kienet hekk kif il-Grupp jibqa' jsegwi approċċ biex ikabbar id-dhul, iżomm il-kwalità tal-portafoll filwaqt li jkabbar il-pożizzjoni tal-kapital tiegħu biex jiskatta iktar tkabbir tal-assi. Is-suċċess f'dawn l-oqsma se jippermetti lil FIMBank biex jgħolli l-esperjenza tal-klijenti għal livell superjuri, jappoġġja

d-daqs u jiġġenera l-valur tal-intrapriża lill-pjattaforma divers ta' tiegħu ta' partijiet interessati.

M'hemmx dubju li l-impjegati l-membritat-tim tal-management tagħna fl-uffiċċju prinċipali u madwar id-dinja ħaqqhom it-tifhir tagħna għar-riżultati rrapportati. Id-dedikazzjoni u l-ħila tagħhom, biex ma nsemmux ukoll is-sens ta' lealtà u perseveranza tagħhom jibqgħu jkunu fost l-iktar assi formidabbli tagħna u fattur determinanti kbir ta' suċċess. L-isforz kongunt tagħhom wassal mhux biss għal effiċjenza u profitti ikbar imma ppermetta biex l-organizzazzjoni tadatta b'mod iktar effettiv għall-kundizzjonijiet tas-suq li dejjem jinbidlu.

Hekk kif nidhlu f'kapitlu ġdid tal-istorja tal-Grupp, huwa xieraq li niftakru fl-appoġġ li konna qed nircievu mill-azzjonisti kollha tagħna. Jiena u l-kollegi tiegħi fuq il-Bord nibqgħu grati ħafna għat-turija ta' fiduċja u lealtà li kull darba wrejtuna. Dan kien sors kbir ta' inkoraġġiment u żied mhux f'tit fid-determinazzjoni tagħna li nbiddlu għall-aħjar is-sitwazzjoni f'FIMBank.

Nixtieq nenfasizza wkoll l-appoġġ kbir li nibqgħu naraw mill-azzjonisti kontrollanti tagħna, jiġifieri, mill-Burgan Bank u mill-United Gulf Bank tal-Grupp KIPCO. L-appoġġ li taw lil FIMBank, kemm fl-aspett prattiku kif ukoll f'termini ta' impenn kien kruċjali u jibqa' ewlieni għas-suċċess futuri tal-Grupp.

Fl-aħħar nett, f'isem il-Bord tad-Diretturi u t-tim kollu tal-management, nixtiequ nawgurawkom sajf hieni.

Dr John C. Grech
Iċ-Chairman

Message from the CEO



Murali Subramanian, FIMBank Group CEO

In the previous edition of this newsletter, the thrust of my message was the commitment of my management team to further enhance the sustainability of the progress we were registering in terms of the ongoing turnaround, and our determination to further bolster the profitability of the Group.

As you will undoubtedly recall, during 2015 and 2016 we had set in motion and rigorously followed up on a series of coordinated actions, starting from the strengthening of our management team, through to the implementation of various cost control measures, as well as significant improvements to the Group governance framework. Moreover, with the active support of Burgan Bank's risk management team, we had continued to extend and refine further the implementation of a common risk management framework covering our portfolio. The success of these measures meant that FIMBank could steadily stabilise its performance, grow its loan book, and reverse the negative financial trend, eventually returning to profitability by end-2016.

In the light of the recent publication of the FIMBank Group's financial results for the first six months of 2017, I am glad to be in a position to confirm that these indicate an extension of the 2016 trend towards profitability, reflecting the ongoing success of our transformation strategy.

Indeed, the Group's Consolidated Audited Financial Statements show that for the period ending 30 June 2017, the Group registered a profit after tax of USD4.12 million, compared to a profit of USD1.21 million for the same six-month period in 2016. This half-yearly performance is rendered more significant when compared to a profit of USD5.3 million posted for the whole of 2016. The published interim statements also reveal that as at 30 June 2017, Total Consolidated Assets, at USD1.73 billion, and Total Consolidated Liabilities, at USD1.55 billion, stood at par with the correspondent figures for end 2016.

During the period under review, operating income rose from USD21.01 million, to USD25.44 million by end-June 2017. The Group's operating results before impairments, marked-to-market adjustments, and share-of-equity results, were USD3.2 million higher when compared with the second half of 2016. The period under review also saw an increase in operating expenses, up by 13 per cent to USD21.22 million, largely reflecting an increase in regulatory

costs and the one-off effect of the consolidation of Egypt Factors. Meanwhile, in another milestone achievement, particularly in the context of the recovery efforts which my management team set out to implement during 2015 and 2016, the Group made a net impairment gain of USD1.76 million in the period under review, compared to a loss of USD0.18 million in 2016.

These positive financial results are a direct consequence of our perseverance in implementing a transformation strategy aimed at consolidating a value-creation model of growth and superior returns. Throughout the first half of 2017, we further enhanced our revenue generation approach and product offering, benefiting from the risk management and recovery programme we have been undertaking for the past two years, whilst optimising on our capital and funding resources. It is primarily to these sustained measures that we owe the revitalisation of the FIMBank Group's performance over the past 18 months.

Meanwhile, an upgraded asset origination process, as well as product differentiation, remain at the core of our agenda. Moreover, we have made significant strides in the implementation of client-centric coverage models, cross-sell initiatives across the different Group segments, and the use of hubs in key markets, particularly in the MENA region.

The gradual but steady success of the transformation process has also lent impetus to the development of niche products. Foremost amongst these have been the launch of lending instruments, especially those in relation to the Malta real estate portfolio - which have already seen a solid pipeline of transactions and positive initial results - as well as those for funding purposes, now greatly facilitated through the launch of the fully-fledged digital banking product suite through FIMBank Direct. We intend to continue building on our successful approach to the retail depositor market, which has been thriving thanks to the diversification of our funding base and a reduction in the overall cost of funding.

The 2016 acquisition of the remaining shares in Egypt Factors and the Group's control of this entity, which was in line with the ongoing restructuring of business units across the factoring network, provides the basis for a steady operating performance and a stream of positive results from our factoring operations. Meanwhile, we will continue working on restoring Egypt Factors to profit.

All this will remain complemented by a robust governance and risk framework across the Group. This will not only ensure that credit risks continue to be adequately managed within the established framework, but should also lead to our effectively wrapping up any remaining delinquent loans across the various Group business units. The transformation strategy we have been pursuing with the backing of the Board and our shareholders, has brought the FIMBank Group back on the road to profitability. We intend to sustain this success, and the key pillars of the turnaround strategy which have proved vital, will remain at the heart of the Group's operations. As a management team, we are committed to ensuring that FIMBank will stay the course, and towards steering the Group with the required agility and strategic direction in response to changes in economic cycles across its international geographical presence. This will allow us to further boost FIMBank's profile as a growing profitable institution, delivering adequate returns and value creation to all its stakeholders.



Murali Subramanian
Chief Executive Officer

Messaġġ mingħand il-Kap Eżekuttiv

Fl-edizzjoni preċedenti ta' dan il-bullettin, il-qofol tal-messaġġ tiegħi kien l-impenn tat-tim tal-management tiegħi biex ikompli jkabbar is-sostenibbiltà tal-progress li konna qed nirreġistraw f'termini tal-bidla totali attwali, u d-determinazzjoni tagħna biex inkomplu nsaħħu l-profittabbiltà tal-Grupp.

Kif mingħajr dubju tiftakru, matul l-2015 u l-2016, konna tajna bidu u segwejna b'mod rigoruż serje ta' azzjonijiet ikkoordinati, fejn bdejna bit-tishih tat-tim tal-management tagħna, sal-implimentazzjoni ta' miżuri varji tal-kontroll tal-ispejjeż, kif ukoll titjib sinifikanti fil-qafas ta' governanza tal-Grupp. Barra minn hekk, permezz tal-appoġġ attiv mit-tim tal-management tar-riskji ta' Burgan Bank, konna komplejna nestendu u nirfinaw iktar l-implimentazzjoni ta' qafas komuni fl-immaniġġjar tar-riskji li jkopri l-portafoll tagħna. Is-suċċess ta' dawn il-miżuri fisser li FIMBank seta' jstabilizza l-prestazzjoni tiegħu b'mod stabbli, iżid l-ammont ta' self li jagħti u jdawwar fid-direzzjoni l-kuntrarja x-xejra finanzjarja negattiva u eventwalment, irritorna lejn il-profittabbiltà lejn l-aħħar tal-2016.

Fid-dawl tal-pubblikazzjoni riċenti tar-riżultati finanzjarji tal-Grupp FIMBank għall-ewwel sitt xhur tal-2017, jien kuntent li ninsab fil-pożizzjoni li nikkonferma li dawn ir-riżultati jindikaw estensjoni tax-xejra tal-2016 lejn il-profittabbiltà, u jirriflettu s-suċċess attwali tal-istrategija tagħna ta' trasformazzjoni.

Fil-fatt, ir-Rapporti Finanzjarji Konsolidati Awditjati tal-Grupp juru li, għall-perjodu li jintemm fit-30 ta' Ġunju 2017, il-Grupp irreġistra profitt wara t-taxxa ta' USD4.12 miljun meta mqabbel ma' profitt ta' USD1.21 miljun għall-istess perjodu ta' sitt xhur fl-2016. Din il-prestazzjoni ta' nofs is-sena finanzjarja ssir iktar sinifikanti meta titqabbel ma' profitt ta' USD5.3 miljun irreġistrat għas-sena kollha tal-2016. Ir-rendikonti finanzjarji ppubblikati ta' nofs is-sena jizvelaw ukoll li fit-30 ta' Ġunju 2017, l-Assi Konsolidati Totali ta' USD1.73 biljun u l-Obbligazzjonijiet Konsolidati Totali ta' USD1.55 biljun kienu fuq l-istess livell maċ-ċifri korrispondenti għall-aħħar tas-sena 2016.

Matul is-sena taħt analiżi, sal-aħħar ta' Ġunju 2017, l-introjtu operatorju żdied minn USD21.01 miljun għal USD25.44 miljun. Ir-riżultati tal-operat tal-Grupp qabel l-indeboliment, l-aġġustamenti tat-tqabbil mas-suq, u r-riżultati tal-ishma azzjonarji kienu USD3.2 miljun oġġla meta mqabbla mat-tieni nofs tal-2016. Il-perjodu taħt analiżi ra wkoll żieda fl-ispejjeż tal-operat ta' 13 fil-mija għal USD21.22 miljun, li rrifletta bil-kbir żieda fl-ispejjeż regolatorji u l-effett ta' darba tal-konsolidazzjoni ta' Egypt Factors. Sadattant, f'kisba oħra importanti, partikolarment fil-kuntest tal-isforzi ta' rkupru li t-tim tal-management tiegħi raw li jimplementaw tul l-2015 u l-2016, il-Grupp għamel profitt ta' indeboliment nett ta' USD 1.76 miljun fil-perjodu taħt analiżi, meta mqabbel ma' telf ta' USD0.18 miljun fl-2016.

Dawn ir-riżultati pożittivi huma konsegwenza diretta tal-perseveranza tagħna fl-implimentazzjoni ta' strategija ta' trasformazzjoni li kienet immirata lejn il-konsolidazzjoni ta' mudell ta' ħolqien ta' valur ta' tkabbir u qligħ superjuri. Matul l-ewwel nofs tal-2017, żidna iktar l-approċċ tagħna tal-generazzjoni tad-dħul u l-prodotti li noffru filwaqt li bbenefikajna mill-programm tal-ġestjoni tar-riskji u l-irkupru li konna qed naħdmu fuqhom għal dawn l-aħħar sentejn, filwaqt li tejjibna l-kapital u r-riżorsi ta' finanzjament tagħna. Il-qawmien għid tal-prestazzjoni tal-Grupp FIMBank tul dawn l-aħħar 18-il xahar huwa dovut primarjament għal dawn il-miżuri sostnuti.

Sadattant, proċess aġġornat tal-ħolqien ta' assi, kif ukoll id-divrenzjar tal-prodott jibqgħu fil-qalba tal-aġenda tagħna. Barra minn dan, għamilna progress sinifikanti fl-implimentazzjoni ta' mudelli ta' koperturi ffukati fuq il-klijenti, inizjattivi ta' bejgħ reċiproku fl-oqasma differenti tal-Grupp u l-użu ta' ċentri fi swieq ewlenin, partikolarment fir-reġjun MENA.

Is-suċċess gradwali imma stabbli tal-proċess ta' trasformazzjoni pprova inċentiv ukoll għall-iżvilupp ta' prodotti distinti. L-iktar importanti fosthom kien it-tnedija ta' strumenti ta' self, speċjalment dawk marbutin mal-portafoll tal-proprietà immobbli ta' Malta – li diġà esperjenzaw sensjela soda ta' tranżazzjonijiet u riżultati inizjali pożittivi – kif ukoll dawk għal skopijiet ta' finanzjament, li issa ġew iffacilitati bil-kbir permezz tat-tnedija tas-suite tal-prodotti bankarji diġitali totalment żviluppata permezz ta' FIMBank Direct. Għandna l-intenzjoni li nibqgħu nibnu fuq l-approċċ ta' suċċess tagħna fis-suq depożitanti fis-settur tar-retail, li sejjer tajjeb ħafna grazzi għad-diversifikazzjoni tal-bażi tagħna ta' finanzjament u tnaqqis fl-ispejjeż generali fil-finanzjament.

L-akkwist fl-2016 tal-ishma li kien għad fadal f'Egypt Factors u l-kontroll ta' din l-entità mill-Grupp, li kien f'konformità mal-istrutturar mill-gdid attwali tal-unitajiet tan-negozju fin-network tal-fatturat, jipprovdi l-bażi għal prestazzjoni operattiva stabbli u għal serje ta' riżultati pożittivi mill-operat tal-fatturat tagħna. Sadattant se nkomplu naħdmu biex inreġġgħu l-Egypt Factors għall-profittabbiltà.

Dan kollu se jibqa' kkumplementat minn governanza robusta u l-qafas ta' riskju fil-Grupp. Dan mhux biss se jiżgura li r-riskji fuq il-kreditu se jkomplu jiġu ġestiti b'mod adegwat fi ħdan il-qafas stabbilit, imma għandu jwassalna biex nagħlqu kwalunkwe self delinkwenti li għad fadal fl-unitajiet varji ta' negozju tal-Grupp.

L-istrategija ta' trasformazzjoni li konna qed insegwu, flimkien mal-appoġġ mill-Bord u l-azzjonisti tagħna, reġġgħet il-Grupp ta' FIMBank fit-triq it-tajba lejn il-profittabbiltà. L-intenzjoni tagħna hi li nsostnu dan is-suċċess, u l-pilastru ewlenin tal-istrategija ta' turnaround li kienu vitali, se jibqgħu fil-qalba tal-operat tal-Grupp. Bħala tim tal-management, aħna impenjati li niżguraw li FIMBank se jppersisti fit-triq tiegħu, u li niggwidaw il-Grupp bl-aġġiltà meħtieġa u bid-direzzjoni strategika bi twegjiba għall-bidliet fiċ-ċikli ekonomiċi fil-preżenza internazzjonali ġeografika tiegħu. Dan se jippermettilna li nkomplu ngħollu l-profil ta' FIMBank bħala istituzzjoni li tkompli tkabbar il-qligħ, li trendi dħul adegwat u ħolqien tal-valur għall-partijiet interessati kollha tagħna.

Murali Subramanian
Kap Eżekuttiv

New Appointments

FIMBank appoints new Directors



Hussain Lalani

Mr. Hussain Lalani has been appointed as a non-Executive Director of FIMBank with effect from 23 June 2017. He is Acting Chief Executive Officer of United Gulf Bank - Bahrain. His career extends over 20 years. He has worked extensively with the Board of Directors on advisory transactions in his previous capacity as the Bank's Chief Financial Officer, and partnered with business divisions to support growth and business plans.

Mr. Lalani was previously employed by Ernst & Young (Bahrain) and PriceWaterhouse Coopers (Pakistan). He is a Board Member of Takaad Savings & Pensions B.S.C. (c), Bahrain; Global Banking Corporation, Bahrain; United Gulf Financial Services North Africa, Tunisia; and Assoufid B.V. He is also a Non-Executive Director of Takaad Savings & Pensions (DIFC). A Chartered Accountant and a Certified Information Systems Auditor, Mr. Lalani holds a Bachelor of Commerce degree from the University of Karachi, Pakistan.



Edmond Brincat

Edmond Brincat has been appointed as an Independent non-Executive Director of FIMBank with effect from 12 July 2017. He is a Maltese National. He obtained a Bachelor of Arts degree in accounts from the University of Malta in 1991 and is a Certified Public Accountant and a Fellow of the Malta Institute of Accountants.

After working for a major audit firm, Mr Brincat joined the GO Group in 1999, part of the team entrusted to set up and launch Go Mobile, Malta's second mobile operator. Since 2006 he holds the position of Group Chief Finance Officer of GO p.l.c. He is also a director on a number of companies.



Corporate Account

FIMBank Direct is a secure digital banking platform with a variety of services catering for both **personal** and **corporate** banking customers. This platform is an integrated solution which is secure, versatile and easily accessible.

FIMBank Direct offers you the facility to open accounts and fixed term deposits, view balances and effect multi-currency payments in a convenient and secure manner.

With FIMBank Direct, you will benefit from enhanced security through the FIMBank CAM App. This can be downloaded from Google Play (Android) or App Store (iOS).

A **FIMBank Corporate Account** is aimed at catering for the needs of the modern business. You may:

- ✓ View balances
- ✓ Execute/schedule multiple funds transfers
- ✓ Effect single or multi-currency payments 24/7
- ✓ Get direct access to statements and advices
- ✓ Schedule periodical payments (*standing orders*)
- ✓ Benefit from competitive Forex

FIMBank Direct has an in-built security with **multi-level role-based** authorisation and allows FIMBank Helpdesk to customise funds transfer limits tailored to your specific needs. Visit fimbank.com/direct to open an account.



FIMBank holds its 2017 Annual General Meeting

FIMBank plc held its Annual General Meeting at the Hilton hotel. In his opening address, the Chairman of the FIMBank Group, Dr John C. Grech, explained the background to the Group's performance last year. He referred to the 2016 financial results as a "vindication of our steadfast resolve to bring the Group back on the road to profitability following the bleak performance of 2014".

Dr Grech went on to add that "after considerable effort and sound strategic decision-making, today we are in a position to witness the financial response to a successful turnaround strategy, superbly crafted and ably delivered by FIMBank's management team, led by our CEO Murali Subramanian". The FIMBank Chairman also underlined the fact that "on the back of consistent support of our controlling shareholders, Fitch Ratings upgraded FIMBank to BB and its Support Rating to 3 from 5".

The first item on the Meeting's agenda - the approval of the Group's Consolidated Audited Financial Statements, was accompanied by a presentation by FIMBank CEO Murali Subramanian, who explained that for the year ended 31 December 2016, the Group registered a profit of USD5.3 million, compared to a loss of USD7.1 million in 2015. At 31 December 2016, Total Consolidated Assets stood at USD1.74 billion, a substantial increase of 21 per cent over the USD1.44 billion reported at end 2015, while Total Consolidated Liabilities stood at USD1.57 billion, up by 24 per cent from USD1.27 billion in 2015. Mr Subramanian highlighted the fact that, "as a result of energetic and consistent recovery efforts", for the second year running net impairments saw a very significant decrease, this time by more than 70 per cent, to stand at USD2.3 million, compared to USD10.3 million in 2015.

Commenting on the financial results, FIMBank Group CEO Murali Subramanian stated that the pillars for the successful turnaround of the Group's fortunes post-2014, included an improved origination

strategy, the harmonisation of FIMBank's product offering, exploring new product opportunities, developing a market-appropriate risk appetite, as well as the implementation of cost efficiencies across the whole Group. "These principles provided a platform from which FIMBank has, since then, been successfully stabilising its performance, growing its loan book and reversing the negative financial trend, eventually returning a full-year profit by end-2016".

Referring to the immediate outlook for the Group, Mr Subramanian said that "We will evaluate further avenues to diversify the target sectors wherever viable, in order to reinforce balance, and rebuild or consolidate the different portfolios". FIMBank's CEO stated that "The overall objective is to further optimise our business to achieve more sustainable levels of profitability, generating greater returns to shareholders, while strengthening our balance sheet further".

In his concluding remarks to the AGM, Dr Grech had words of praise for the Group's institutional investors, thanking them for their unwavering support. He also thanked his fellow directors, management and staff members for their hard work, dedication and commitment, and the Malta Financial Services Authority for its guidance and support. Finally, he extended his gratitude to all of the Group's shareholders for their "understanding, and their strong demonstration of loyalty to and confidence in FIMBank".

Shareholders approved resolutions to declare a 1:80 bonus share issue by capitalisation of the share premium account. Shareholders also confirmed the appointment of retiring Directors and approved the appointment of two new Directors, Mr Hussain Lalani and independent Director Mr Edmond Brincat.



DMCC Signs Agreement with FIMBank to Mark its Tradeflow Membership



DMCC, the authority on trade, enterprise and commodities in Dubai, welcomed FIMBank, a global provider of trade finance, factoring and forfaiting solutions, to its DMCC Tradeflow platform by signing a membership agreement at its Almas Towers headquarters. FIMBank is a member of KIPCO Group of Kuwait and head-quartered in Malta and operated in Middle East through its branch at Dubai International Financial Centre.

A specialised, interactive ownership registry, with over 180 members, DMCC Tradeflow facilitates efficient, transparent transactions by providing a fully secure online platform for registering possession and ownership of commodities stored in UAE based facilities. The innovative platform enables banks, financiers and suppliers to manage and mitigate potential risks across the commodity value chain through an enforceable and transparent legal framework.

Recent studies indicate a US\$1.6 trillion deficit in trade finance globally, with the biggest gaps hitting developing and emerging economies in Africa and Asia. DMCC recognises this remarkable potential and has invested to leverage this opportunity. Over the last five years, DMCC Tradeflow transaction values have grown exponentially with total trades in 2016 alone reaching a value of USD15.8 b. In 2016, DMCC Tradeflow recorded a total value of USD15.8b, a value increase of 405 percent compared to 2015.



Sanjeev Dutta, Executive Director, Commodities at DMCC said: "At DMCC we believe in strong strategic partnerships with industry leaders such as FIMBank as together we deliver enhanced products and services for the benefit of all industry participants. We are proud to welcome FIMBank to our DMCC Tradeflow platform which offers a robust regulatory framework, the highest level of security, and an active trading base for title transfer or pledging of stored commodities. All key ingredients needed to fuel a dynamic marketplace where people can trade with confidence in Dubai and beyond."

Howard Gaunt, Group Chief Operating Officer at FIMBank commented: "We are pleased to mark our collaboration with DMCC by signing this agreement as well as becoming a member of the DMCC Tradeflow community which will enable us to further enhance efficiencies and reach untapped markets".

FIMBank Group Member London Forfaiting wins prestigious Award



London Forfaiting, a member of the FIMBank Group, has once again secured the Trade and Forfaiting Review Award 2017 Excellence in Trade Award for best Non-Bank trade services provider. The Award joins an extensive list, bestowed by TFR to LFC.

The award demonstrates LFC's commitment to delivering bespoke forfaiting services to a steadily growing clientele base, whereby an efficient and timely service remain the core pillars.

"We are extremely pleased that our highly successful FIMBank Group member London Forfaiting, continues to exceed service expectations in providing tailor-made trade finance solutions that match our clients' liquidity and risk management needs" commented Murali Subramanian, FIMBank CEO.

"We will continue to build on our performance where we adapt to commercial negotiations which are often very fast moving, and as such, we can execute immediate action for markets where we are active. Currently, London Forfaiting has the ability to provide financing in over 100 countries world-wide and to stay our course

we will need to maintain a steady eye on the market conditions which can be highly volatile" commented Simon Lay, CEO of London Forfaiting.

London Forfaiting has been a leader in forfaiting for a number of years, demonstrating its resolve to its clients, commitment to its product and the development of its service offering. The expertise and strategic geographical positioning allows LFC to offer a borderless service, directed specifically to forfaiting and trade finance for exporters and importers.

TFR is a leading international trade finance magazine, read by and features the market's key banks, credit insurers, corporates, traders, law firms, brokers and consultants. TFR award winners are voted for by TFR's readers, with input from impartial members of the TFR editorial board.

Brown Bag Lunch Series for Employees



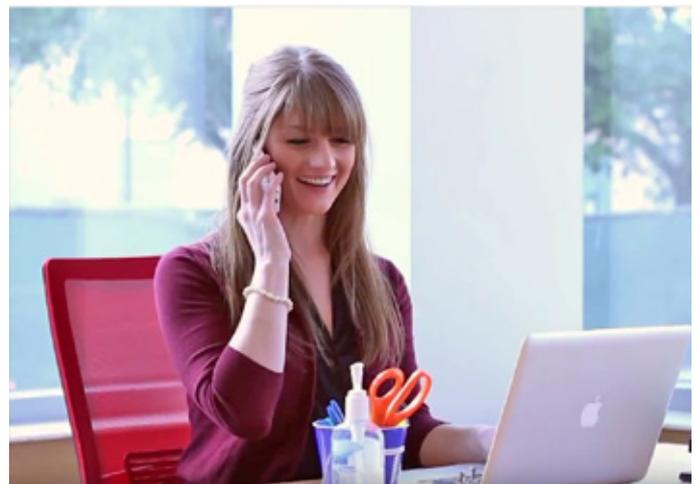
As part of FIMBank's continuous initiatives in maintaining the transfer of knowledge, the Bank has launched the 'Brown Bag Lunch Series' for all its Malta based employees. This programme includes a set of informal sessions in which a variety of topics pertaining to the Bank's service offering are discussed. The aim of these sessions is to improve cross fertilisation through a better understanding of the Bank's core departmental functions.

New Human Resources System

The Bank through the support of a number of departments is in the process of launching a Human Resources Management System with the aim of consolidating all HR data in one management database system, to automate a number of HR functions and to facilitate the generation of HR reports and metrics.

All employees will have access to a dashboard of real time data regarding their employment, together with a number of interactive features. These include the possibility to edit personal details, to request approval for leave of absence and receive approval or otherwise, to maintain a training log and to complete performance appraisals.

Team Leaders, Managers and Heads of Department will also have access to their team's dashboard and to a reporting tool. This will place the above functions at the touch of a button thus facilitating HR planning, management and reporting.



FIMBank Townhall Meeting

FIMBank hosted its second Townhall meeting this year, in May. The CEO emphasised upon the current strategy for 2017 and beyond. The medium term is promising in which the Bank shall seek to further optimise efficiency, execution and advocacy.

During the meeting the Bank's CEO highlighted that the bank will shall focus on spearheading value creation where hard work and commitment of the various teams is rewarded. This is complimented with the medium term objectives of reaching substantial profitability, an investment grade Fitch Rating and a platform that compares well with the other banks which are part of the KIPCO Group.



FIMBank Direct has hit the ground running and is being adopted by both retail and corporate customers. Gilbert Coleiro, Group Chief Information Officer, and Chris Trapani, Head of Cash Management & Central Customer Services, answer a few questions regarding FIMBank Direct service offering and for what the future holds for this digital banking platform.

MBR: The Bank has recently launched its new digital banking platform, FIMBank Direct. How does this impact FIMBank's business model?

GC: We consider FIMBank Direct as a milestone in the Bank's journey towards digital transformation. This new platform demonstrates our commitment to provide a better banking experience to our customers at any time and from anywhere, with both convenience and control. This process of digital transformation is not limited to the FIMBank Direct platform and any new services we will be introducing in the future; it's also about changing our internal mindset and processes to continuously improve customer service.

CT: FIMBank Direct will take our corporate and retail services up to the next level. The infrastructure built for international settlements, foreign exchange and deposit business, will now be made available for all our customers, corporates and individuals alike. Our services, including payments and forex developed around our specialised trade finance products, will now be provided to our clients through this digital platform. This will now unleash our capability for international settlements in all major currencies, particularly in USD and EURO. Our clients will be able to settle, transfer funds, or deposit in real time, same day or later, securely and effectively.

MBR: How will customers benefit from FIMBank Direct?

CT: FIMBank Direct provides customers with an integrated banking solution for corporate, wholesale and individual requirements. We have integrated our products within an online context, where we can allow our customers to manage their transactions efficiently and securely.

The new platform enables customers to manage accounts, view balances, and effect multi-currency international payments that serve customer needs securely. Furthermore, customers may benefit from the competitive and efficient services available, which include foreign exchange and international payments.

FIMBank Direct continues to build on our strong presence for international settlements in USD and other major currencies. With FIMBank Direct, same or next day value payments and foreign exchange deals can be managed online at the customer's convenience.

MBR: Extensive emphasis is made on the secure aspects of FIMBank Direct. Would you explain how this benefits users?

GC: Banking is all about trust, and we take this responsibility towards our customers very seriously. We have invested heavily in the security features of FIMBank Direct. One of our innovations is the pioneering security technology used to authenticate customers and transactions on the platform, which we have branded as FIMBank CAM. This smartphone app allows customers to bank securely with us, without the need for a physical internet key or hardware token. It allows our customers to verify and sign their transactions with no physical connection, anytime, anywhere. It also helps protect our customers from the most recent types of cyber threats, something which traditional tokens are unable to do.

MBR: FIMBank Direct caters for both personal and corporate customers. How do these different clients open accounts and what are the main features?

CT: Apart from offering a complete suite of corporate banking services, FIMBank Direct continues to build on the success of our Easisave product and allows customers to open and manage savings accounts, current accounts and fixed term deposit products. For retail customers, all these activities can be done without the need to visit the Bank's premises, whilst benefiting from efficient and competitive products in USD and other currencies. 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, while benefitting from competitive foreign exchange rates. Authentication and security on FIMBank Direct contributes to performance and customer benefit, through strong payment capabilities geared to

support wholesale and corporate demands, with same day and next day payments options. FIMBank Direct, coupled with our dedicated business support teams, is aimed at delivering a service advantage designed to drive and support businesses efficiently and cost effectively.

MBR: How will FIMBank Direct impact current Easisave customers?

CT: Our established Easisave brand, is now fully integrated within FIMBank Direct. Easisave customers have access to all product features, with added security and options including standing orders, same day value transfers and more. Our dedicated customer support team, FIMBank Helpdesk, is available to assist customers with all their banking needs.

MBR: One of FIMBank Direct's unique selling propositions is accessibility. Would you elaborate?

GC: One of our key objectives is to allow our customers to conduct their business on demand and with no physical or time barriers. FIMBank Direct offers convenience through accessibility by enabling our customers to transact with us simply by having a desktop PC or tablet and their smartphone at hand. In the coming months, we will be working vigorously to introduce new functionalities.

MBR: With the new digital banking system integrated within the Bank's overall strategy, what does the future hold for FIMBank?

CT: The Bank's goal remains that of building a loyal customer base by offering a wide range of corporate products, accessible through a secure and efficient digital banking platform, with access to international settlements, local payments, term deposit products and foreign exchange services. Our banking strategy remains pinned to servicing customer needs and providing international banking support. Meanwhile we shall continue to invest in systems and teams to support business requirements efficiently and promptly. We will also build on our strengths to offer corporate and international banking solutions, in USD and other major currencies, including bulk payments and competitive wholesale foreign exchange services.

GC: We will continue to pursue a strategy that is completely focused on customer needs. The Bank is committed to providing a superior customer experience model based on continuous improvements, and a consistent, digital experience across the entire portfolio of products.

For further information please visit www.fimbank.com/direct or contact the FIMBank Helpdesk on +356 21322102 or helpdesk@fimbank.com



Left: Gilbert Coleiro, Group Chief Information Officer

Right: Chris Trapani, Head of Cash Management & Central Customer Services



FIMBank's Head of Real Estate Jason Zammit, and Vice President Maria Said, discuss FIMBank's range of property development loans, targeting established developers for selected projects.

Can you provide our readers with a short profile on FIMBank?

Jason: FIMBank was founded in 1994, and subsequently established itself as a leading provider of trade finance, factoring and forfaiting solutions. Today, FIMBank forms part of the KIPCO Group with a reputation which continues to be reflected in myriad awards and accolades received over the years. In line with the Bank's commitment to provide quality service to targeted niches, we have recently launched real estate financing as part of our product suite. We believe that the best way to service the requirements of our real estate clients is to evaluate and respond to evolving market conditions, and to develop products which address these realities. Our Real Estate Developer Suite was conceived with these requirements in mind.

Can you provide some background to the Bank's entry into this new line of business?

Maria: As Jason has indicated, our new business line of lending into selected real estate in Malta was launched recently. Within a short period of time we have built a strong team with the right experience and skills, sustaining a solid pipeline of transactions with significant promise for growth. Our objective is to capture market share through a range of products and services which have been designed to effectively meet our clients' needs. I am glad to confirm that the Developer Suite has been very well received. On the other hand, we realise that there is strong potential for growth, and we are determined to build a firm foundation for long term success.

Can you tell us more about the FIMBank Real Estate Developer Suite including the range of products offered?

Jason: FIMBank now provides financing solutions to developers for the acquisition and development of property. Our range of real estate facilities includes funding on a pro rata basis, the purchase of land for development into residential units, commercial buildings, and mixed utility properties. We offer competitive pricing and terms which vary depending on the nature of the project. The repayment is typically 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 solution?

Maria: 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 meet the needs of different clients. The cornerstone of our business model is the personalised long-term relationships we develop with our clientele. We offer 'quality banking' with a dedicated team delivering a highly personalised level of customer service beyond standard office hours. We see ourselves

as a reliable partner working hand in hand with our clients to achieve their business objectives. One of our main USPs is our fast and efficient decision-making process, enabling timely execution.

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

Jason: In the initial stages, 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, projections and budgeted costings. The objective is to maintain prudent lending standards while serving creditworthy borrowers.

Will developers benefit from the newly launched internet banking system?

Maria: FIMBank Direct is a secure digital banking platform, which allows customers to perform a multitude of corporate banking transactions online with complete peace of mind. Through this platform, developers are able to open current accounts, savings accounts and fixed term deposits, and can perform both local and multi-currency payments. FIMBank Direct is equipped with best-of-breed security features, where clients may log in and authenticate transactions using the FIMBank CAM App.

What does the future hold for FIMBank in terms of new products?

Jason: This approach to building new vertical lines of business conforms with FIMBank's overall strategy of developing innovative quality banking solutions that adapt to changing market conditions. Our positioning allows us to combine traditional banking with advanced technology, providing our clients with high value-added products and a quality service. Ultimately, this is our value proposition.

We are fortunate in that we do not have any legacy issues hence we can view real estate business with an open mind, being constantly receptive to innovation and new ideas. Notwithstanding, we are mindful of the fact that customers require easy access to their relationship officer. At FIMBank, we pride ourselves on the fact that you can always talk to your banker, and that business is conducted on a one-to-one basis.

For further information please visit www.fimbank.com/realstate or contact the Real Estate team on +356 21322102 or realstate@fimbank.com

Our Controlling Shareholders



Forbes Middle East names KIPCO among Top Listed Companies in Kuwait 2017

Source: zawya.com, 24 May 2017

Kuwait City - KIPCO, the Kuwait Projects Company (Holding) – was recognized by Forbes Middle East as a 'Top 50 Listed Company in Kuwait 2017'. The award was announced during a gala dinner held at the J.W. Marriott in Kuwait.

The event recognizes publicly listed companies that, through dynamic and strong leadership, are making an impact on Kuwait's economy. Companies were ranked according to their sales, net profit, assets and market value.

The awards were presented by the Minister of State for Cabinet Affairs and Acting Minister of Information, Sheikh Mohammad Abdullah Al Mubarak Al Sabah, and the President of Arab Publisher House and Publisher of Forbes Middle East, Dr Nasser Bin Aqeel Al Tayyar. Ms Eman Al Awadhi, KIPCO's Group Communications Director, received the award on behalf of the company.

Mr Faisal Al Ayyar, KIPCO's Vice Chairman (Executive) said: "We are delighted to be receiving this recognition from Forbes Middle East for yet another year. KIPCO's diverse business sectors across the MENA region has enabled us to help grow and develop the communities in which we operate, thereby contributing to the shaping of these economies. Prestigious recognitions and awards, such as this, underline our efforts to achieve business excellence through our successful strategies."

About KIPCO

The KIPCO Group is one of the biggest holding companies in the Middle East and North Africa, with consolidated assets of US\$ 33 billion as at 31 March 2017. The Group has significant ownership interests in over 60 companies operating across 24 countries. The group's main business sectors are financial services, media, real estate and manufacturing. Through its core companies, subsidiaries and affiliates, KIPCO also has interests in the education and medical sectors.



Ms Eman Al Awadhi receiving the award from Sheikh Mohammad Abdullah Al Mubarak (second from right) and Dr Nasser Al Tayyar (left)



Middle East
Forbes



Interim Directors Statement

Company Announcement FIM 252

05 July 2017

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

Quote

The Board of Directors of FIMBank remains committed to issuing company announcements to keep the market abreast of developments, despite having announced that the interim Directors' Statement is not mandatory.

FIMBank's process of strengthening operating health is ongoing and is in line with plans and expectations. The Board acknowledges positive performance and results. Cost control measures have had positive results and a disciplined business management strategy has allowed FIMBank to improve its efficiency as well as its asset quality. The first half of 2017 has been characterised by material and positive results on recovery of bad debts. Management has successfully recovered on exposures that had impacted previous years' performance. Moreover, recently, the MFSA confirmed the revoking of administrative measures imposed on FIMBank in 2016.

With this said, market conditions have yet to improve and regulatory oversight especially on capital ratios has become stronger, which is being successfully addressed by the management and Board.

In view of such conditions the Board of Directors of FIMBank confirms a prudent business model and approach.

Unquote

Interim Financial Statements

Company Announcement FIM 255

10 August 2017

The following is a Company Announcement issued by FIMBank p.l.c. ("FIMBank" or the "Bank") pursuant to Chapter 5 of the Malta Financial Services Authority Listing Rules.

Quote

The Board of Directors of FIMBank met in London on 9 August 2017, to approve the Consolidated and the Bank's Interim Financial Statements for the six months ended 30 June 2017.

The Half-Yearly Report, drawn up in terms of the Listing Rules, is attached to this Company Announcement. The Interim Financial Statements are unaudited but independently reviewed by KPMG, the Registered Auditors.

In accordance with the requirements of the Listing Rules the Half-Yearly Report is being made publicly available for viewing on the Bank's website at www.fimbank.com.

Unquote

Shareholders Value Pack

As part of our efforts to sustain and strengthen it's relationship with all our shareholders, FIMBank launched the Shareholders' Value Pack, a suite of benefits tailored specifically with you as a shareholder in mind. The Shareholders' Value Pack and its benefits was discussed during the last Annual General Meeting and has been well received by a significant number of FIMBank Shareholders.

The range of benefits you are entitled to include higher interest rates on fixed term deposits in both Euro and US Dollar. Moreover, should you qualify for the Gold or Platinum Value Pack, you will also be entitled to a Corporate VIP Card. This will enable you to benefit from special discounts and advantageous rates on a wide range of services.

If you require additional information related to the FIMBank Shareholders' Value Pack and related benefits, kindly contact our Investors Relations Unit on Tel:+356 21322100, or via email at investorhelpdesk@fimbank.com



ISIN	FIM
Company	FIMBank p.l.c.
Total Shares issued	314,478,774
Currency	US Dollar
Share Price (as at 17 August 2017)	USD 0.79

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