



FIMBANK

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. (“**FIMBank**” or the “**Bank**”) pursuant to the Malta Financial Services Authority Listing Rules 5.16 and 5.54:

Quote

The Board of Directors of FIMBank met in Malta on 14 March 2017 to approve the Consolidated Audited Financial Statements for the financial year ended 31 December 2016. A preliminary Statement of Results for the financial year ended 31 December 2016 is attached to this Company Announcement and has been made available for public viewing on the Company’s website at www.fimbank.com.

The Board of Directors resolved that the Consolidated Audited Financial Statements be submitted for approval by the shareholders at the forthcoming Annual General Meeting to be held in Malta on 11 May 2017. At the General meeting, the Board of Directors will not be recommending a dividend, however, subject to the Regulator’s approval, the Board will be recommending a 1 for 80 Bonus Issue of Ordinary Shares by way of capitalisation of the Share Premium Account.

Unquote

Andrea Batelli
Company Secretary

15 March 2017

general

The Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rules 5.16 and 5.54. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2016, as approved by the Board of Directors on 14 March 2017 and as agreed to with the auditors KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (the "Group"), comprising FIMBank p.l.c. ("FIMBank", the "Bank") and its subsidiaries London Forfaiting Company Limited ("LFC"), India Factoring and Finance Solutions Private Limited ("India Factoring"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), Menafactors Limited ("Menafactors"), Latam Factors S.A. ("Latam Factors"), FIM Holdings (Chile) S.p.A., FIMFactors B.V., FIM Business Solutions Limited and FIM Property Investment Limited. Coverage is also given to the associated undertakings BRASILFACTORS S.A. ("Brasilfactors") and Levant Factors S.A.L.

review of performance

The return to profitability in 2016 signals a tangible outcome in a journey of transformation. The turnaround process initiated in 2015 is aimed to create value to stakeholders by approaching business in a structured, consistent, and well-executed manner. With improved risk and governance structures in place, the Group was able to start transforming its origination business by aiming to offer the right products in the different geographies it operates in. This has been a central theme during the year, stabilising income streams and also providing a growth platform for the future. The Group's funding profile has also been re-balanced through a mix of wholesale funding and retail deposits, diversifying its funding base and reducing its overall cost of funding. The Group has also continued implementing a cost management discipline across its businesses aimed to streamline operations and reorganise business and support functions. In addition, in the last quarter of the year the credit rating of the Group as issued by Fitch was also upgraded by one notch.

This pattern has been broadly reflected throughout the Group. FIMBank, being the parent, had a dual role in driving change and putting in place the right control frameworks across its own internal operations and extending this to ensure conformity and alignment across the branches and subsidiaries. Carrying most of the funding for the Group, the Bank continues to implement the most effective strategies to allocate resources across the business units whilst ensuring that it operates well within and above capital and regulatory thresholds. Across the Group, LFC in the UK remains the key subsidiary able to generate sustained growth, stable income and contained credit losses. LFC has closed the year with a higher portfolio level compared to 2015 and also improved profitability – all consistent with the measured and controlled approach to its business. India Factoring's business has been transformed following the significant credit losses suffered during 2014 now operating within an overhauled risk framework and with new management in place for over a year. The India business is putting greater emphasis on tapping the export-oriented business and at the same time managing the recoveries of non-performing loans – these two pillars contributed to a profitable performance in 2016 at an adequate portfolio level aimed to grow further in 2017. In the second half of the year the Group acquired a controlling interest in Egypt Factors and has embarked on a strategy to re-capitalise, transform and grow the business. The Egypt operation sustained a loss in 2016 which reflects the lack of economies in carrying a small business portfolio at relatively high cost of operation. Action has already been initiated in replacing key management and implementing change in line with the approved strategy and Group framework. In the Middle East, the Dubai subsidiary Menafactors suffered the effect of legacy issues from prior years which required a level of loan impairments well above the norm. This resulted in the company sustaining significant losses for 2016 and led to a decision by the Group to wind-down the business and integrate the factoring business in the operations of the Bank's Branch also in Dubai. In Latin America, the Chile subsidiary Latam Factors also transformed its origination strategy bringing it closer to the Group through the exploitation of cross-border driven opportunities. In an aggressively competitive market, Latam Factors has put in place more cost-effective funding structures which enabled it to source business at adequate returns. This enabled the company to start growing an erstwhile static book and return a marginal profit for the year. In Brazil, the 50%-owned Brasilfactors has not been able to achieve the targeted growth and return prospects, suffering a loss for the year mainly due to the inability to scale-up the business.

income statements

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. Group profits per share stood at US cents 1.61 (2015: losses per share of US cents 2.12) while on the basis of continuing operations the profits per share amount to US cents 1.63 (2015: losses per share of US cents 1.39). In the second half of 2016 the Group acquired full control of Egypt Factors resulting in the line-by-line consolidation of the new subsidiary – with the initiated restructuring resulting in a marginal negative impact on operating income and operating expenses.

Operating income before net impairment for 2016 stood at USD46.1 million, level with 2015. During 2016, net interest income decreased by USD7.6 million (to USD22.0 million) due to a number of factors, namely: the holding of temporary idle liquidity and a higher stock of regulatory liquidity assets; the tightening of margins in the Group's markets and products; and reduced income on forbore or delinquent assets. This decrease was offset by an increase in dividend income from the Group's investment in a trade-finance fund, improved fee levels on documentary credits and forfaiting, as well as additional income from the disposal of non-core assets in the United Arab Emirates and Malta.

Net trading results and net gains from other financial instruments were impacted by various factors - from the trading of investment securities, the Group realised profits of USD3.4 million compared to a loss of USD0.3 million in 2015; market value adjustments in LFC's trading portfolio were lower, registering a loss of USD1.8 million in 2016 compared to a loss of USD4.6 million in 2015; whilst the results on foreign currency operations registered weaker returns mainly as a result of higher cost of swaps used to hedge the net asset/liability position of the Group. During the year, the Group also registered a profit of USD0.8 million on currency differences arising out of the de-consolidation of the Russian subsidiary FactorRus LLC; and a gain of USD0.8 million on the fair valuation of the previous 50% share of investment in Egypt Factors following the full acquisition of the company in the second half of 2016.

Net impairments showed another marked improvement, decreasing by USD8.0 million from USD10.3 million in 2015 to USD2.3 million in 2016 - as a result of the continuous recovery efforts across the Bank and its subsidiaries, largely off-set by run-off provisions on already impaired exposures at the Dubai subsidiary.

Operating expenses decreased by USD8.3 million from USD47.0 million to USD38.7 million. This decrease is largely attributed to a number of nonrecurring items incurred in 2015 (related to business reorganisation and professional advice on legal matters connected to a review of banking transactions carried out in prior years). The sole remaining equity-accounted investee entity, Brasifactors, sustained a loss of USD0.4 million - compared to a loss of USD0.8 million in 2015 which also included the results of Egypt Factors. The months leading to the placement into liquidation of FactorRus LLC resulted in a marginal loss of USD0.1 million compared to a loss of USD2.6 million in 2015.

financial position

At 31 December 2016, total Consolidated Assets stood at USD1.74 billion, an increase of 21% over the USD1.44 billion reported at end 2015. The principal balance sheet items registered growth over 2015, with the main increase of USD231 million in Loans and Advances to Banks largely driven by higher balances held for liquidity management. Growth has also been registered in the Group's loan book across the different products and geographies. The Group's trading book managed by the UK subsidiary LFC continued registering growth, reaching USD379 million (from USD355 million) whilst liquidity regulatory requirements also resulted in growth in the fixed-income available-for-sale book.

Total Consolidated Liabilities as at 31 December 2016 stood at USD1.57 billion, up by 24% from USD1.27 billion at end 2015. Deposits from corporate and retail clients grew by USD526 million, which were partly offset by decreases in wholesale funding and bank deposits. Similar to 2015, at 31 December 2016, the Group is carrying a USD50 million subordinated loan from Burgan Bank, which loan qualifies as Tier 2 capital under the CRD IV regime. Total Equity attributable to the equity holders of the Bank as at financial reporting date stood at USD151 million, up from USD149 million in 2015 reflecting the profit for the year and net adverse movements in currency translation and fair value reserves.

Group Commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfaiting assets and factoring commitments stood at USD186 million while Contingent Liabilities, principally consisting of outstanding guarantee obligations, stood at USD7 million.

outlook for 2017

For 2017, the Group is expected to relentlessly continue pursuing transformation and excellence, continuing the value creation journey initiated in 2015. The financial results achieved so far have provided an underlying platform to achieve a superior performance in the months to come. Addressing changes in the market and regulatory landscapes, the Group is able to leverage the transformed platform for growth, whilst consolidating its existing geographical footprint, driving down the structural costs and realising the growth and profitability targets. The Group's core strengths in structuring cross-border transactions allows it to be successful in a low growth economic environment by exploiting opportunities as they arise through its varied products' offering and regional expertise. The key foundations of its business strategy – origination, risk management, funding and cost efficiency – will remain central in attaining these objectives, supported by a strong management and talented workforce as well as continued commitment and drive from the Group's key shareholders.

dividends and reserves

The Directors will not be recommending the payment of a dividend to the Annual General Meeting of shareholders (2015: Nil) but, subject to Regulators' approval, will be recommending a 1 for 80 Bonus Issue of Ordinary Shares by way of capitalisation of the Share Premium Account. Shareholders on the Register at the Central Securities Depository of the Malta Stock Exchange on 11 April 2017 (the 'Record Date') will be entitled to receive the bonus shares.

income statements

For the year ended 31 December 2016

	Group		Bank	
	2016	2015	2016	2015
	USD	USD	USD	USD
Interest income	45,015,303	52,518,625	24,663,531	25,024,359
Interest expense	(23,051,984)	(22,921,308)	(16,542,171)	(13,069,821)
Net interest income	21,963,319	29,597,317	8,121,360	11,954,538
Fee and commission income	20,090,223	19,719,218	10,021,804	11,657,912
Fee and commission expense	(5,252,886)	(5,164,385)	(2,009,569)	(2,515,148)
Net fee and commission income	14,837,337	14,554,833	8,012,235	9,142,764
Net trading results	14,167,498	1,008,618	16,686,346	5,186,999
Net loss from other financial instruments carried at fair value	(14,439,294)	(2,671,472)	(14,376,037)	(2,627,182)
Net fair value gains on previously-held investments in associates	771,654	-	-	-
Dividend income	5,455,550	3,324,960	5,455,550	3,324,960
Gain upon loss of control of subsidiary undertaking	777,677	-	-	-
Other operating income	2,613,557	259,188	407,519	5,201
Operating income before net impairment	46,147,298	46,073,444	24,306,973	26,987,280
Net impairment loss on financial assets	(2,299,116)	(10,331,801)	(2,311,574)	(11,093,560)
Operating income	43,848,182	35,741,643	21,995,399	15,893,720
Administrative expenses	(35,692,670)	(43,991,588)	(20,727,352)	(28,012,370)
Depreciation and amortisation	(2,996,095)	(2,992,472)	(869,126)	(915,049)
Total operating expenses	(38,688,765)	(46,984,060)	(21,596,478)	(28,927,419)
Operating profit/(loss)	5,159,417	(11,242,417)	398,921	(13,033,699)
Share of results of associates (net of tax)	(410,685)	(805,800)	-	-
Profit/(loss) before tax	4,748,732	(12,048,217)	398,921	(13,033,699)
Taxation	596,996	7,470,653	(58,539)	7,112,303
Profit/(loss) from continuing operations	5,345,728	(4,577,564)	340,382	(5,921,396)
Loss on discontinued operations	(79,736)	(2,554,378)	-	-
Profit/(loss) for the year	5,265,992	(7,131,942)	340,382	(5,921,396)

income statements

For the year ended 31 December 2016

	Group		Bank	
	2016	2015	2016	2015
	USD	USD	USD	USD
Attributable to:				
Equity holders of the bank	4,922,364	(6,389,807)	340,382	(5,921,396)
Non-controlling interests	343,628	(742,135)	-	-
Profit/(loss) for the year	5,265,992	(7,131,942)	340,382	(5,921,396)
Profit/(loss) per share				
Basic profit/(loss) per share (US cents)	1.61	(2.12)	0.11	(1.97)
Diluted profit/(loss) per share (US cents)	1.61	(2.12)	0.11	(1.97)
Profit/(loss) per share				
– continuing operations				
Basic profit/(loss) per share (US cents)	1.63	(1.39)	0.11	(1.97)
Diluted profit/(loss) per share (US cents)	1.63	(1.39)	0.11	(1.97)

statements of profit or loss and other comprehensive income

For the year ended 31 December 2016

	Group		Bank	
	2016 USD	2015 USD	2016 USD	2015 USD
Profit/(loss) for the year	5,265,992	(7,131,942)	340,382	(5,921,396)
Other comprehensive income:				
<i>Items that are, or may be, reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	(1,025,145)	(4,674,293)	-	-
Fair value reserve (available-for-sale financial assets), net of deferred tax	(1,481,612)	379,814	(1,481,612)	379,814
Total comprehensive income for the year	2,759,235	(11,426,421)	(1,141,230)	(5,541,582)
Attributable to:				
Equity holders of the bank	2,415,607	(10,684,286)	(1,141,230)	(5,541,582)
Non-controlling interests	343,628	(742,135)	-	-
Total comprehensive income for the year	2,759,235	(11,426,421)	(1,141,230)	(5,541,582)

statements of financial position

As at 31 December 2016

	Group		Bank	
	2016	2015	2016	2015
	USD	USD	USD	USD
ASSETS				
Balances with the Central Bank of Malta,				
Treasury Bills and cash	33,193,245	77,432,606	33,165,601	77,413,470
Trading assets	379,397,964	355,063,998	-	-
Derivative assets held for risk management	1,502,704	1,139,090	1,502,704	1,142,952
Financial assets designated at fair value through profit or loss	17,799,900	17,741,000	17,799,900	17,741,000
Loans and advances to banks	454,362,226	223,189,558	438,799,241	212,123,584
Loans and advances to customers	426,612,356	388,951,224	589,579,473	567,176,993
Investments available-for-sale	327,076,529	274,049,316	327,075,827	274,048,615
Investments held-to-maturity	-	7,476,940	-	7,476,940
Investments in associates	1,161,332	1,317,118	-	305,641
Investments in subsidiaries	-	-	86,305,594	84,678,486
Non-current assets held for sale	-	1,027,794	-	-
Property and equipment	27,751,932	33,134,984	1,305,432	1,749,101
Investment property	3,514,392	3,804,004	-	-
Intangible assets and goodwill	11,701,935	8,564,596	2,467,630	1,078,027
Current tax assets	3,695,826	2,554,970	1,052,348	-
Deferred taxation	41,882,687	40,568,247	23,335,459	22,535,293
Other assets	4,263,474	3,250,235	2,613,913	1,852,600
Prepayments and accrued income	7,031,898	4,639,766	6,148,570	3,993,887
Total assets	1,740,948,400	1,443,905,446	1,531,151,692	1,273,316,589
LIABILITIES AND EQUITY				
Liabilities				
Derivative liabilities held for risk management	8,816,410	917,114	8,834,092	921,237
Amounts owed to banks	528,939,251	729,941,157	426,137,477	665,277,976
Amounts owed to customers	948,710,544	422,077,303	915,367,604	405,611,504
Debt securities in issue	8,225,869	45,646,755	-	20,000,000
Subordinated liabilities	50,000,000	50,000,000	50,000,000	50,000,000
Liabilities associated with non-current assets held for sale	-	165,762	-	-
Current tax liabilities	1,437	-	-	-
Other liabilities	569,758	135,830	535,339	135,830
Accruals and deferred income	20,917,768	20,101,911	7,422,362	7,373,994
Total liabilities	1,566,181,037	1,268,985,832	1,408,296,874	1,149,320,541
Equity				
Share capital	155,239,263	149,268,322	155,239,263	149,268,322
Share premium	2,101,335	8,072,276	2,101,335	8,072,276
Reserve for general banking risks	764,792	1,000,027	764,792	1,000,027
Currency translation reserve	(6,715,522)	(5,690,377)	-	-
Fair value reserve	(1,891,140)	(409,528)	(1,891,140)	(409,528)
Other reserve	2,481,760	2,486,644	2,681,041	2,681,041
Accumulated losses	(487,210)	(5,644,809)	(36,040,473)	(36,616,090)
Total equity attributable to equity holders of the bank	151,493,278	149,082,555	122,854,818	123,996,048
Non-controlling interests	23,274,085	25,837,059	-	-
Total equity	174,767,363	174,919,614	122,854,818	123,996,048
Total liabilities and equity	1,740,948,400	1,443,905,446	1,531,151,692	1,273,316,589

statements of financial position

As at 31 December 2016

	Group		Bank	
	2016	2015	2016	2015
	USD	USD	USD	USD
MEMORANDUM ITEMS				
Contingent liabilities	6,507,529	10,422,946	19,782,148	37,002,036
Commitments	186,030,894	149,958,903	120,282,416	117,122,920

statements of changes in equity

For the year ended 31 December 2016

Group

Attributable to equity shareholders of the Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD	Non-controlling interests USD	Total equity USD
At 1 January 2016	149,268,322	8,072,276	1,000,027	(5,690,377)	(409,528)	2,486,644	(5,644,809)	149,082,555	25,837,059	174,919,614
Total comprehensive income										
<i>Comprehensive income for the year</i>										
Profit for the year	-	-	-	-	-	-	4,922,364	4,922,364	343,628	5,265,992
<i>Other comprehensive income</i>										
Change in fair value of available-for-sale assets	-	-	-	-	(1,481,612)	-	-	(1,481,612)	-	(1,481,612)
Currency translation reserve	-	-	-	(1,025,145)	-	-	-	(1,025,145)	340,693	(684,452)
Total comprehensive income	-	-	-	(1,025,145)	(1,481,612)	-	4,922,364	2,415,607	684,321	3,099,928
Transactions with owners of the Bank										
<i>Contributions and distributions</i>										
Issue of new shares, net of transaction costs	-	-	-	-	-	(4,884)	-	(4,884)	-	(4,884)
Bonus issue of shares	5,970,941	(5,970,941)	-	-	-	-	-	-	-	-
<i>Changes in ownership interests</i>										
Change in non-controlling interests at subsidiaries	-	-	-	-	-	-	-	-	(3,247,295)	(3,247,295)
Total transactions with owners of the Bank	5,970,941	(5,970,941)	-	-	-	(4,884)	-	(4,884)	(3,247,295)	(3,252,179)
Transfer from reserve for general banking risks	-	-	(235,235)	-	-	-	235,235	-	-	-
As at 31 December 2016	155,239,263	2,101,335	764,792	(6,715,522)	(1,891,140)	2,481,760	(487,210)	151,493,278	23,274,085	174,767,363

statements of changes in equity

For the year ended 31 December 2015

Group

Attributable to equity shareholders of the Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Retained earnings/ (accumulated losses) USD	Total USD	Non-controlling interests USD	Total equity USD
At 1 January 2015	135,698,296	21,642,302	415,293	(1,016,084)	(789,342)	681,041	3,919,616	160,551,122	23,846,290	184,397,412
Total comprehensive income										
<i>Comprehensive income for the year</i>										
Loss for the year	-	-	-	-	-	-	(6,389,807)	(6,389,807)	(742,135)	(7,131,942)
<i>Other comprehensive income</i>										
Change in fair value of available-for-sale assets	-	-	-	-	379,814	-	-	379,814	-	379,814
Currency translation reserve	-	-	-	(4,674,293)	-	-	-	(4,674,293)	118,998	(4,555,295)
Total comprehensive income	-	-	-	(4,674,293)	379,814	-	(6,389,807)	(10,684,286)	(623,137)	(11,307,423)
Transactions with owners of the Bank										
<i>Contributions and distributions</i>										
Bonus issue of shares	13,570,026	(13,570,026)	-	-	-	-	-	-	-	-
Share issue costs by subsidiary undertaking	-	-	-	-	-	(194,397)	-	(194,397)	-	(194,397)
<i>Changes in ownership interests</i>										
Change in non-controlling interests at subsidiaries	-	-	-	-	-	-	-	-	1,530,061	1,530,061
Acquisition of non-controlling interests	-	-	-	-	-	-	(2,589,884)	(2,589,884)	1,083,845	(1,506,039)
Put options exercised by non-controlling interests	-	-	-	-	-	2,000,000	-	2,000,000	-	2,000,000
Total transactions with owners of the Bank	13,570,026	(13,570,026)	-	-	-	1,805,603	(2,589,884)	(784,281)	2,613,906	1,829,625
Transfer to reserve for general banking risks	-	-	584,734	-	-	-	(584,734)	-	-	-
As at 31 December 2015	149,268,322	8,072,276	1,000,027	(5,690,377)	(409,528)	2,486,644	(5,644,809)	149,082,555	25,837,059	174,919,614

statements of changes in equity

For the year ended 31 December 2016

Bank

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

statements of changes in equity

For the year ended 31 December 2015

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD
At 1 January 2015	135,698,296	21,642,302	415,293	(789,342)	2,681,041	(30,109,960)	129,537,630
Total comprehensive income							
<i>Total comprehensive income for the year</i>							
Loss for the year	-	-	-	-	-	(5,921,396)	(5,921,396)
<i>Other comprehensive income</i>							
Change in fair value of available-for-sale assets	-	-	-	379,814	-	-	379,814
Total comprehensive income	-	-	-	379,814	-	(5,921,396)	(5,541,582)
Transactions with owners of the Bank							
<i>Contributions and distributions</i>							
Bonus issue of shares	13,570,026	(13,570,026)	-	-	-	-	-
Total transactions with owners of the Bank	13,570,026	(13,570,026)	-	-	-	-	-
Transfer to reserve for general banking risks	-	-	584,734	-	-	(584,734)	-
As at 31 December 2015	149,268,322	8,072,276	1,000,027	(409,528)	2,681,041	(36,616,090)	123,996,048

statements of cash flows

For the year ended 31 December 2016

	Group		Bank	
	2016 USD	2015 USD	2016 USD	2015 USD
Cash flows from operating activities				
Interest and commission receipts	58,296,267	70,769,568	32,048,919	35,796,876
Exchange received	16,445,346	3,034,384	10,702,723	527,288
Interest and commission payments	(27,351,959)	(26,108,868)	(20,292,680)	(12,849,306)
Payments to employees and suppliers	(36,929,887)	(42,644,171)	(18,963,879)	(28,000,219)
Operating profit before changes in operating assets / liabilities	10,459,767	5,050,913	3,495,083	(4,525,361)
(Increase) / decrease in operating assets:				
- Trading assets and financial assets at fair value through profit or loss	(21,198,615)	(227,974,781)	-	(134,532,569)
- Loans and advances to customers and banks	(73,893,234)	134,779,342	(105,787,528)	92,066,304
- Other assets	(1,973,550)	1,739,012	(761,314)	444,668
Increase / (decrease) in operating liabilities:				
- Amounts owed to customers and banks	261,462,741	(51,351,784)	297,386,325	(55,238,991)
- Other liabilities	(2,892,277)	(2,851,886)	399,506	(2,262,860)
- Net advances from/(to) subsidiary companies	-	-	17,481,718	(39,475,263)
Net cash generated from/(absorbed by) operating activities before income tax	171,964,832	(140,609,184)	212,213,790	(143,524,072)
Income tax refunded/(paid)	589,969	(2,177,056)	(1,113,256)	(1,489,234)
Net cash flows from/(used in) operating activities	172,554,801	(142,786,240)	211,100,534	(145,013,306)
Cash flows from investing activities				
- Payments to acquire property and equipment	(626,032)	(747,757)	(307,742)	(400,228)
- Payments to acquire intangible assets	(1,719,375)	(258,630)	(1,672,306)	(264,389)
- Proceeds on disposal of property and equipment	5,755,200	47,281	550,255	47,281
- Payments to acquire shares in subsidiary company	-	(1,039,920)	(6,359,342)	(24,906,146)
- Payments to acquire shares in associate undertaking	(1,359,346)	(1,504,875)	-	(1,504,875)
- Payments to acquire shares in other investments	(25,317,000)	-	(25,317,000)	-
- Payments to acquire available-for-sale financial assets	(30,187,210)	(110,000,000)	(30,187,210)	(110,000,000)
- Proceeds from maturity of investments held-to-maturity	7,800,000	-	7,800,000	-
- Net investment in discontinued operations	-	4,172,363	-	-
- Receipt of dividend	5,455,550	3,324,960	5,455,550	3,324,960
Net cash flows used in investing activities	(40,198,213)	(106,006,578)	(50,037,795)	(133,703,397)
Increase/(decrease) in cash and cash equivalents c/f	132,356,588	(248,792,818)	161,062,739	(278,716,703)

Statements of cash flows

For the year ended 31 December 2016

	Group		Bank	
	2016	2015	2016	2015
	USD	USD	USD	USD
(Decrease)/increase in cash and cash equivalents b/f	132,356,588	(248,792,818)	161,062,739	(278,716,703)
Cash flows from financing activities				
- Share issue costs	(4,884)	(194,397)	-	-
- Net movement in debt securities	(37,420,886)	35,047,559	(20,000,000)	20,000,000
- Repayment of subordinated debt	-	50,000,000	-	50,000,000
Net cash flows (used in)/from financing activities	(37,425,770)	84,853,162	(20,000,000)	70,000,000
Increase/(decrease) in cash and cash equivalents	94,930,818	(163,939,656)	141,062,739	(208,716,703)
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	(220,859)	(19,042,161)	263,035	(19,042,161)
- Net increase/(decrease) in cash and cash equivalents	95,151,677	(144,897,495)	140,799,704	(189,674,542)
Increase/(decrease) in cash and cash equivalents	94,930,818	(163,939,656)	141,062,739	(208,716,703)
Cash and cash equivalents at beginning of year	(42,108,474)	121,831,182	(97,386,273)	111,330,430
Cash and cash equivalents at end of year	52,822,344	(42,108,474)	43,676,466	(97,386,273)