



MESSAGE FROM THE CHAIRMAN



Dr John C. Grech, FIMBank Group Chairman

I am pleased to report another positive year for the FIMBank Group, with the financial results for 2018 once again underlining a healthy profit, for the third consecutive year. The Bank's performance, despite the myriad of challenges we faced throughout the year, reflects the consistent success of our constantly evolving business model. It also bolsters our commitment and resolve to respond to future challenges effectively and ensure an even stronger and more sustainable growth trajectory for FIMBank in the years to come.

The FIMBank Group's Consolidated Audited Financial Statements for 2018 show that as at 31 December of that year, the Group registered a profit of USD10.2 million, compared to a profit of USD7.7 million in 2017. Amongst others, these results continue to underpin a series of calculated and sound decisions taken over the past years, as part of the strategy launched in 2015.

To trace the roots of our performance, one has to recall the decisive measures taken to put the Group on the solid footing it enjoys today. Over the past years, our CEO Mr Murali Subramanian and his management team have worked to re-invent the Group's operating structure, allowing it to better adapt to the needs of an expanding and highly diversified customer base. A significant amount of work is undertaken to enhance and refine our business origination, operations and management of enterprise risk.

"These results continue to underpin a series of calculated and sound decisions taken over the past years, as part of the strategy launched in 2015."

Meanwhile, it is necessary to mention that in 2018, the Bank recorded a higher level of impairment charges when compared to prior years on a number of non-performing exposures. For this, a number of expeditious recovery efforts are being implemented by management. Although we are on the crest of a positive trend, we operate in a fast-changing global trade environment, shaped by economic, political and social factors, including technological innovation, shifts in production and consumption patterns, and demographic change. We are pursuing a prudent approach when evaluating our short to medium-term strategic options.

We believe that identifying and recruiting the right people is paramount to building any world class organisation, and over the years our reputation has established us as an employer of choice, attracting some of the best talent around. We are also aware of the value of retaining and nurturing our people, hence our strong investment in personnel, particularly by valuing leadership development, and ensuring a positive work environment. This is especially important in the Maltese market, where the thirst and competition for talent is exceptionally high.

Today, we boast a professional team of specialists focused on providing innovative customer-centric solutions that exceed client expectations. In an industry which puts so much value on long and positive business relationships, it is a testament to the dedication and professional competence of our people that FIMBank continues to command the trust and respect of various customers and partners worldwide. There is no doubt that our employees and management at head office and across the globe, deserve our congratulations for the positive results which have been registered consistently over the past three years. Their dedication and expertise, not to mention their sense of loyalty and perseverance, remain our most formidable assets and major determinants of success.

The Rights Issue announced in March 2018 was a significant milestone in the Bank's development. This specifically brought to the fore the underwritten agreement by Bank majority shareholder United Gulf Holding, and saw an injection of USD105 million, allowing FIMBank to strengthen its capital base and undertake more business. The backing which we continue to receive from our majority shareholders, both United Gulf Holding and Burgan Bank of the KIPCO Group (USD32.5 billion in assets), remains an important pillar for the sustainability of our success. These relationships remain key for the future of FIMBank.

Those who know FIMBank are aware of the importance we give to proactive engagement with all our shareholders. Over the past years, we have crafted, and indeed we continue to refine, a shareholder engagement approach that provides a framework for discussion with shareholders, identifies who within the Bank should engage shareholders on a given topic, and sets out a process for addressing specific concerns. This kind of relationship ensures that our shareholders continue to have the information they need to build trust and credibility. Good engagement practices, such as our regular update meetings with stockbrokers and financial intermediaries, our AGM, and our Shareholders' Newsletter, continue to provide management and the Board with valuable feedback about shareholders' priorities and concerns, as well as our performance. I believe that thanks to a strong measure of mutual goodwill and cooperation, this approach has been delivering its fruits, and I will be reflecting the wishes of my Board when I extend our sincere gratitude for the demonstration of trust and loyalty forthcoming from all our shareholders.

Dr John C. Grech
Chairman



MESSAĠĠ MINGHAND IĊ-CHAIRMAN



Dr John C. Grech, IĊ-Chairman ta' FIMBank Group

Għandi l-pjaċir nirraporta li l-Grupp FIMBank kellu sena oħra pożittiva b'riżultati finanzjarji għas-sena 2018 li għal darb'oħra jenfasizzaw profitt b'saħħtu għat-tielet sena konsekuttiva. Minkejja l-għadd ta' sfidi li ffaċċajna tul is-sena, il-prestazzjoni tal-Bank tirrifletti s-suċċess konsistenti tal-mudell kummerċjali tagħna li dejjem jevolvi. Dawn ir-riżultati jżidu wkoll l-impenn u d-determinazzjoni tagħna li nwiegħbu għal sfidi futuri b'mod effettiv filwaqt li niżguraw tkabbir aktar b'saħħtu u sostenibbli għal FIMBank fis-snin li għejjin.

Ir-Rapporti Finanzjarji Konsolidati Awditjati tal-Grupp FIMBank għall-2018 juru li matul is-sena li għalqet fil-31 ta' Diċembru, il-Grupp irreġistra profitt ta' USD10.2 miljun meta mqabbel ma' profitt ta' USD7.7 miljun fl-2017. Fost oħrajn, dawn ir-riżultati jkimplu jagħtu raġun lil serje ta' deċiżjonijiet ikkalkulati u sodi li ħadna tul l-aħħar snin bħala parti mill-istrategija mnedija fl-2015.

Sabiex nittraċċaw l-għeruw tal-prestazzjoni tagħna, tajjeb li niftakru fil-mizuri deċiżivi li ttiehdu sabiex poġġejna l-Grupp fuq il-baži soda li jgawdi illum. Tul l-aħħar snin, is-CEO tagħna, Murali Subramanian, u t-tim tiegħu tal-'management' stinkaw biex jitransformaw l-istruttura operattiva tal-Grupp sabiex din tkun tista' tadatta aħjar għall-ħtiġijiet dejjem jikbru tal-klijenti. Sar, u għadu qiegħed isir, ammont kbir ta' xogħol sabiex jitjeb u jiġi rfnat l-oriġini tal-kummerċ, kif ukoll l-operat, u l-ġestjoni tar-riskju għall-intrapriża.

"Dawn ir-riżultati jżidu wkoll l-impenn u d-determinazzjoni tagħna li nwiegħbu għal sfidi futuri b'mod effettiv filwaqt li niżguraw tkabbir aktar b'saħħtu u sostenibbli għal FIMBank fis-snin li għejjin."

Sadattant, ta' min isemmi illi matul l-2018, il-Bank irreġistra livell oġġla ta' telf minn indebboliment meta mqabbel ma' snin preċedenti fuq numru ta' self. Minħabba f'hekk, il-management qed jimplementa numru ta' mizuri ta' rkupru ta' dan is-self. Wieħed għandu dejjem iżomm f'moħħu illi minkejja li għaddejnin minn xejra pożittiva, qed noperaw f'ambjent ta' kummerċ globali li jinbidel b'rata mgħaġġla, kawża ta' fatturi ekonomiċi, politiċi u soċjali, fosthom l-innovazzjoni fit-teknoloġija, bidliet f'xejriet ta' produzzjoni u l-konsum, u bidliet demografiċi. Għalhekk, qed inseguw rotta prudenti fl-evalwazzjoni tal-għażliet strateġiċi tagħna fiż-żmien qasir u medju.

Aħna nemmnu li l-identifikazzjoni u r-reklutaġġ ta' impjegati adattati huma ta' importanza kbira fit-tiswir ta' kull organizzazzjoni bi skop globali. Matul is-snin, ir-reputazzjoni tagħna stabbilietna bħala Bank li jattira uħud mill-aħjar nies. Aħna konxji wkoll tal-importanza li nżommu u nrawmu lill-impjegati tagħna. Għalhekk ninvestu ħafna fihom, speċjalment billi nagħtu valur lill-iżvilupp professjonali tagħhom u niżguraw ambjent pożittiv ta' xogħol. Dan huwa ta' importanza partikolari fis-suq Malti fejn id-domanda u l-kompetizzjoni għat-talent huma għoljin.

Illum nistgħu niftaħru b'tim professjonali ta' speċjalisti li jipprovdu soluzzjonijiet lill-klijenti u li jeċċedi l-aspettattivi tagħhom. F'industrija li tagħti tant valur lir-relazzjonijiet ta' kummerċ fit-tul u pożittivi, dan huwa prova tad-dedikazzjoni u kompetenza professjonali tal-impjegati. Dawn huma essenzjali sabiex FIMBank ikompli jikseb il-fiduċja u r-rispett ta' klijenti u sħab diversi madwar id-dinja. M'hemm l-ebda dubju li l-impjegati u l-'management' tagħna fil-'head office' u madwar id-dinja jistħoqqilhom it-tiffir tagħna għar-riżultati pożittivi li ġew irreġistrati b'mod konsistenti tul l-aħħar tliet snin. Id-dedikazzjoni u l-ħila tagħhom, kif ukoll is-sens ta' lealtà u perseveranza, jibqgħu fost l-aktar assi formidabbli tagħna u pilastru importanti tas-suċċess ta' dan il-Grupp.

Il-ħruġ tal-Ishma bi Dritt li tħabbar f'Marzu 2018 kien pass sinifikanti fl-iżvilupp tal-Bank. Dan b'mod speċifiku, ġab fuq quddiem is-sottoskrizzjoni minn United Gulf Holding, azzjonist maġġur tal-Bank, u ra injezzjoni ta' USD105 miljun li ppermetta lil FIMBank biex isaħħaħ il-baži kapitali tiegħu u jidhol għal aktar kummerċ. L-appoġġ li qed inkomplu nircievu mill-azzjonisti prinċipali tagħna, kemm minn United Gulf Holding kif ukoll minn Burgan Bank tal-Grupp KIPCO (USD32.5 biljun f'assi), jibqgħu pilastru importanti għas-sostenibbiltà tas-suċċess tagħna. Dawn ir-relazzjonijiet jibqgħu fundamentali għall-futur ta' FIMBank.

Dawk midħla ta' FIMBank huma konxji tal-importanza li nagħtu lir-relazzjoni proattiva mal-azzjonisti kollha tagħna. Tul l-aħħar snin sawwarna, u fil-fatt qed inkomplu nirfinaw, struttura ta' involviment mal-azzjonisti li jipprovdi qafas għal diskussjoni, jidentifika min fil-Bank għandu jkellew lill-azzjonisti fuq sugġetti partikolari, u jistipula proċess għall-indirizzar ta' kwistjonijiet speċifiċi. Din it-tip ta' relazzjoni tiżgura li l-azzjonisti tagħna jibqgħu jkollhom l-informazzjoni li jeħtieġu sabiex jibnu l-fiduċja u l-kredibbiltà fil-Bank. Prattiċi tajbin ta' involviment, bħal-laqqgħat regolari ta' aġġornament ma'stockbrokers' u ma' intermedjarji finanzjarji, il-Laqqgħa Annwali Ġenerali tagħna, u x-'Shareholders' Newsletter', jibqgħu jipprovdu sors ta' feedback siewi lill-management u lill-Bord dwar il-prioritajiet u l-opinjoni tal-azzjonisti, kif ukoll dwar il-prestazzjoni tagħna. Grazi għal sens qawwi ta' kollaborazzjoni nemmen li dan qed irendi l-frott tiegħu, u nkun qiegħed nirrifletti x-xewqat tal-Bord tiegħi meta nestendi l-gratitudni sinċiera tagħna għat-turija ta' fiduċja u lealtà mill-azzjonisti kollha.

Dr John C. Grech
IĊ-Chairman



MESSAGE FROM THE CEO



Murali Subramanian, FIMBank Group CEO

The financial year 2018 followed the trend of positive financial and operational results established in 2016. From a strategic perspective, we carried on from where we left off in the previous year, continuing to strengthen our core fundamentals, registering success in key areas, and transitioning our business model to the longer-term strategy set out in earlier years.

In 2018, we vigorously pursued the further upgrading of our asset origination and product differentiation efforts. Apart from implementing measures to secure further efficiency enhancements, we were also successful in improving the quality of our diversified portfolio across the different products and geographies in which the FIMBank Group operates. In the meantime, we sustained the implementation of client-centric coverage models, cross-selling across the various Group segments, and exploiting our presence in key markets.

"By sticking to the rigorous parameters and frameworks we set for ourselves, we have successfully transformed our business origination processes, and realised our medium-term ambition to achieve growth at a sustainable pace."

Meanwhile, improvements in operational efficiencies, which have characterised our efforts since 2015, allowed us to continue making inroads into greater revenue generation, whilst optimising on our capital and funding resources. Cost-management initiatives introduced in 2017 have been further enhanced and reinforced. Amongst these, the Business Performance and Analysis team continued producing unit and customer-level profitability reports, leading to better business focus and reduced revenue leakage. Such initiatives are expected to continue contributing substantially towards a stable performance and positive financial situation going forward.

Over the past three years, robust governance measures have given rise to a strong compliance culture which has enabled us, to maintain a healthy relationship with our correspondent banks.

Today we are enjoying the benefits of a process which incorporated various management and operational reforms, backed by heavy investment, all aimed at improving the financial crime compliance posture across the entire Group.

During the year under review, the funding side of the equation witnessed further positive developments, largely on the back of the 2017 launch of FIMBank Direct as a fully-fledged digital banking platform. This platform, which covers a wide array of banking services, including deposit products offered at attractive interest rates, and supported by an excellent customer service, was a landmark development in our progression in adapting to the needs of today's online consumers. It has also proved effective in improving internal operational efficiencies, reducing transaction costs while allowing us to introduce new products to our customers. During 2018, cash management prospects were also boosted by our presence on third-party deposit platforms.

In the first half of the year under review, we saw a capital injection of USD105 million via a Rights Issue by majority shareholder United Gulf Holding of the KIPCO Group. Apart from allowing us to address regulatory obligations, this injection enabled us to strengthen our capital base, and unlocked the potential for further growth which we went on to exploit during the year, and which are reflected in these financial results.

The performance across the Group was strong throughout, as all available asset headroom was dedicated towards securing remunerative credit transactions. FIMBank experienced growth mainly in the commodity trade finance, factoring, local real estate financing, and shipping businesses. Additionally, London Forfaiting Company Ltd (LFC), reported its highest profit ever since being acquired by FIMBank in 2003. Positive news was also forthcoming from India Factoring, thanks to the diversification of its product offering, and the servicing of export trade routes out of India. Significantly, by the end of 2018, Egypt Factors had returned to its first full year of profit since the acquisition of the company by the Group in 2016. Consistent with our strategy of divesting businesses which do not yield the desired results, the 51 percent held by FIMBank in Latam Factors (Chile) was sold in the second half of the year.

The FIMBank Group's Consolidated Audited Financial Statements show that for the year ended 31 December 2018, the Group registered a profit of USD10.2 million, compared to a profit of USD7.7 million in 2017. In the year under review, net operating results more than tripled, from USD6.5 million to USD21.1 million, as the Group improved its revenues by USD9.9 million and reduced its costs by USD4.7 million. A 20 percent increase in net revenues, from USD48.8 million to USD58.7 million, was generated through higher asset levels and improved margins. These higher asset levels were possible following the Rights Issue which, as explained above, provided the opportunity for further growth, whilst still maintaining capital ratios comfortably above regulatory limits. During 2018, the Group recorded a number of non-performing exposures reflected in a higher level of impairments when compared to 2017. These have been immediately addressed with recovery efforts already underway.

The Rights Issue also contributed to an increase of USD225 million in total Consolidated Assets, which by 31 December 2018 had reached USD1.87 billion, when compared to the USD1.64 billion reported at end-2017. Total Consolidated Liabilities as at 31 December 2018 stood at USD1.59 billion, up by USD119 million from USD1.47 billion at end-2017. The growth in liabilities was largely due to increases of USD177 million in deposits from corporate and retail clients, offset by a marginal drop of USD8 million from wholesale funding sources.

The past years have been marked by rapid changes in the nature of our business and the technology which supports it. During 2018, we were successful in keeping up with these developments, primarily by attracting and retaining the best talent, and by maintaining a leading edge in our Information Technology capabilities. Amongst others, in the year under review we embarked on the Flexcube upgrade project, leading to the enhancement of FIMBank's core banking system. This has significantly bolstered process efficiency, security, availability, and a stronger capacity to support new business. As a result of various operational improvements, our staff can focus on servicing clients, more effectively and efficiently. We intend to intensify such efforts in order to further boost our ability to remain innovative, and more agile, in our delivery across the various business units.

By sticking to the rigorous parameters and frameworks we set for ourselves, we have successfully transformed our business origination processes, and realised our medium-term ambition to achieve growth at a sustainable pace. Consequently, the Group today finds itself in a position to exploit its expertise and geographical presence to continue offering a bespoke service to its clients, across the different stages of the supply chain. We now look at the next phase of maximising scale, whilst ensuring cost optimisation. Going forward, the Group remains resolute in focussing on its core competencies and principal key markets, in order to deliver reliable and superior returns for its stakeholders.

Murali Subramanian
Chief Executive Officer



STQARRIJA TAS-CEO

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Murali Subramanian, il-Kap Eżekuttiv ta' FIMBank Group

Is-sena finanzjarja tal-2018 segwiet ix-xejra ta' riżultati pożittivi finanzjarji u operattivi li stabbilixxena fl-2016. Minn perspettiva strateġika, komplejna minn fejn hallejna s-sena ta' qabel. Komplejna nsaħħu l-pedamenti li fuqhom huwa bbażat in-negozju tagħna, filwaqt li komplejna bit-transformazzjoni tal-mudell ta' kummerċ tagħna skont l-istrateġija li nedejna fis-snin preċedenti. Fl-2018, komplejna nweqqgħu titjib fl-asset origination' u fl-iżvilupp tal-prodotti. Minbarra li hdimna biex innejbu l-effiċjenza, sar ukoll progress fid-diversifikazzjoni tal-portafoll. Sadattant, sostnejnja l-implimentazzjoni ta' mudelli ta' kopertura tal-klijenti, inizjattivi ta' 'cross-selling' fost it-taqsimiet varji tal-Grupp, u l-użu strateġiku tal-preżenza tagħna fi swieq ewlenin.

It-titjib fl-effiċjenzi operattivi li kkaratterizzaw l-isforzi tagħna sa mill-2015 ippermettewna nagħmlu progress fil-generazzjoni ta' iktar dħul filwaqt li stajna nnottimizzaw il-kapital u r-riżorsi tagħna permezz ta' inizjattivi ta' ġestjoni tal-ispejjeż li dahħalna fl-2017. Fosthom, it-tim tal-'Business Performance and Analysis' hadem fuq rapporti dwar il-profittabbiltà li wassal għal inqas telf ta' introjtu. Inizjattivi bħal dawn huma mistennija li jkomplu jikkontribwixxu b'mod sostanzjali għal prestazzjoni stabbli.

Tul l-aħħar tliet snin, miżuri sodi ta' governanza wasslu għal kultura b'saħħitha ta' 'compliance' li ppermettewna nżommu relazzjoni soda mal-banek korrispondenti tagħna. Illum qed ingawdu l-benefiċċji ta' proċess li ġab miegħu riformi varji fil-management u fl-operat, appoġġjati minn investment b'saħħtu, sabiex ikomplu jsaħħu miżuri kontra r-reati finanzjarji.

Tul is-sena 2018, rajna żviluppi pożittivi bit-tiġħ ta' FIMBank Direct bħala pjattaforma digitali. FIMBank Direct tkopri firxa wiesgħa ta' servizzi bankarji, inkluż prodotti ta' depożitu offruti b'rati ta' imġax kompetittivi u ikkumplementati minn servizz eċċellenti għall-klijenti. Dan kien żvilupp fundamentali sabiex nadattaw għall-ftigijiet tal-konsumaturi tal-lum li jużaw sistemi onlajn. Il-pjattaforma wasslet ukoll għal titjib fl-effiċjenzi operattivi, fejn l-ispejjeż tat-tranzazzjonijiet naqsu, filwaqt li ppermettewna nintroduċu prodotti godda lill-klijenti tagħna. Tul l-2018, il-ġestjoni tal-likwidita' tjejbet permezz tal-preżenza tagħna fuq il-pjattaformi ta' depożitu internazzjonali.

Fl-ewwel nofs tas-sena rajna injezzjoni ta' kapital ta' USD105 miljun fil-Bank permezz tal-Hruġ ta' Ishma bi Dritt mill-azzjonist maġġuri tagħna,

il-United Gulf Holding tal-Grupp KIPCO kif ukoll minn azzjonisti minoritarji. Minbarra li ndirizzajna obbligi regolatorji, din l-injezzjoni ta' kapital għenitna nsaħħu l-baži kapitali tagħna, kif ukoll fethet it-triq għal iżjed tkabbir li huwa rifless f'dawn ir-riżultati finanzjarji.

Il-prestazzjoni kienet b'saħħitha fil-Grupp kollu għaliex kien hemm sforzi dedikati għal self u għat-tranzazzjonijiet ta' kreditu remunerattivi. FIMBank esperjenza tkabbir l-aktar fil-finanzjament tal-kummerċ tal-komoditajiet, fil-factoring, fil-finanzjament tal-kostruzzjoni tal-proprietà lokali, kif ukoll fil-kummerċ marittimu. Barra minn hekk, London Forfaiting Company Ltd (LFC), irrapporjat l-ogħla profitt tagħna minn mindu giet mixtrija minn FIMBank fl-2003. India Factoring kompliet tiddiversifika l-prodott, u tiffinanzja rotot kummerċjali ta' esportazzjoni mill-Indja. Ta' min isemmi wkoll illi sal-aħħar tal-2018, Egypt Factors irrapporjat għall-ewwel darba sena ta' profitt minn mindu sar l-akkwist tal-kumpanija mill-Grupp fl-2016. B'mod konsistenti mal-istrateġija tagħna li niżvestu negozji li ma jrendux ir-riżultati mixtieqa, il-51 fil-mija miżmum minn FIMBank f'Latam Factors (fiċ-Cil) inbiegħ fit-tieni nofs tas-sena.

Ir-Rapporti Finanzjarji Konsolidati Awditjati tal-Grupp FIMBank juru li fis-sena li ntemmet fil-31 ta' Diċembru 2018, il-Grupp irregistra profitt ta' USD10.2 miljun meta mqabbel ma' profitt ta' USD7.7 miljun fl-2017. Matul l-2018, ir-riżultati operattivi netti żdiedu b'aktar mit-triplu, minn USD6.5 miljun għal USD21.1 miljun, hekk kif il-Grupp tejjeb id-dħul tiegħu b'USD9.9 miljun u naqqas l-ispejjeż tiegħu b'USD4.7 miljun. Giet ġġenerata zieda ta' 20 fil-mija fl-introjtu nett, minn USD48.8 miljun għal USD58.7 miljun, minhabba livelli ta' assi ogħla u margini mtejbja. Dawn il-livelli ogħla ta' assi kienu possibbli wara l-hruġ tal-Ishma bi Dritt li ppermetta iżjed tkabbir filwaqt li zamm il-'capital ratios' il fuq mil-limiti regolatorji. Tul l-2018, il-Grupp irregistra numru ta' 'non-performing exposures' li huma riflessi f'livell ogħla ta' indebboliment meta mqabbel mal-2017. Dawn ġew indirizzati immedjatament bi sforzi konsistenti ta' rkupru li huma mhejjija.

"Riżultat tal-fatt li zammejnja ma' parametri u strutturi rigorużi, tejjibna l-proċessi ta' originazzjoni tal-kummerċ, u akkwistajna tkabbir sostenibbli."

Il-Hruġ tal-Ishma bi Dritt ippermetta tkabbir ta' USD225 miljun f'assi konsolidati totali, li sal-31 ta' Diċembru 2018 laħqu USD1.87 biljun meta mqabbel mal-USD1.64 biljun irrappurtati fl-aħħar tal-2017. L-Obbligazzjonijiet konsolidati totali fil-31 ta' Diċembru 2018 kienu ta' USD1.59 biljun, zieda ta' USD119 miljun mill-USD1.47 biljun fl-aħħar tal-2017. It-tkabbir fl-obbligazzjonijiet kien dovut l-aktar għal zieda ta' USD177 miljun f'depożiti minn klijenti korporattivi u klijenti fis-settur tar-'retail' u bħala riżultat ta' tnaqqis marginali ta' USD8 miljun minn sorsi ta' wholesale funding.

Is-snin li għaddew kienu kkaratterizzati minn bidliet mgħaġġla fin-natura tan-negozju tagħna u fit-teknoloġija li tappoġġjaha. Tul l-2018, irnexxielna nanticipaw dawn l-iżviluppi u komplejna nattraw u nżommu l-aħjar nies, u bqajna nsaħħu

l-kapaċitajiet tagħna fit-Teknoloġija tal-Informatika. Fost oħrajn, fl-2018 lestejna proġett li wassal għat-titjib fil-pjattaforma teknoloġika ewlenija tal-Bank, Flexcube. Dan il-proġett saħħaħ l-effiċjenza tal-proċessi, is-sigurtà u d-disponibbiltà, filwaqt li tejjeb il-kapaċità tagħna biex nappoġġjaw kummerċ ġdid. Bis-saħħa tat-titjib operattivi, l-impjegati tagħna jistgħu jiffukaw fuq is-servizz mogħti lill-klijenti b'mod aktar effettiv u effiċjenti. Għandna l-intenzjoni li nibqgħu innovattivi u li nsiru aktar aġli fit-twassil tal-prodott tagħna fis-setturi varji ta' kummerċ fejn noperaw.

Riżultat tal-fatt li zammejnja ma' parametri u strutturi rigorużi, tejjibna l-proċessi ta' originazzjoni tal-kummerċ, u akkwistajna tkabbir sostenibbli. Illum il-Grupp jinstab f'pożizzjoni li jisfrutta l-hila u l-preżenza geografika tiegħu sabiex ikompli joffri servizzi personalizzati lill-klijenti tiegħu. Fil-fażi li jmiss ser nimmiraw sabiex nimmassimizzaw l-potenzjal tan-negozju tagħna filwaqt li niżguraw l-effiċjenza fil-strutturi tal-ispejjeż. Il-Grupp se jibqgħu jishaq fuq il-kompetenzi u s-swieq ewlenin tiegħu sabiex ikun jista' jwassal dħul superjuri u sod għall-azzjonisti tiegħu.

Murali Subramanian
Kap Eżekuttiv

CFO REVIEW



Ronald Mizzi, Chief Financial Officer

The financial year 2018 was a period in which FIMBank continued strengthening its core fundamentals, realising success in key business areas and realigning its business model to the longer-term strategy set out in earlier years.

Profitability

For the year ended 31 December 2018, the Group registered a profit of USD10.2 million compared to a profit of USD7.7 million in 2017. Group earnings per share stood at US cents 2.30 (2017: US cents 2.40). For the year under review, net operating results, that is operating income less operating costs, more than tripled from USD6.5 million to USD21.1 million – as the Group improved its revenues by USD9.9 million and reduced its costs by USD4.7 million.

The Group's net operating income (net revenues) increased by 20% from USD48.8 million to USD58.7 million. Net interest income, net fees and dividend income combined together increased by 14%, from USD49.4m to USD56.5m. These revenues were generated on the back of both higher asset levels as well as improved margins. The achievement of higher asset levels was possible following the Rights Issue which unlocked room for further growth, whilst still maintaining capital ratios comfortably above regulatory minima. Concurrently the Group ensured that asset growth was achieved in those portfolios with superior risk-reward metrics in terms of yields, tenor and ability to churn. Likewise, the Group reduced its cost of funds by being more selective in choosing the most efficient funding sources, by managing its asset/liability composition and also as a result of the repayment of the subordinated loan as part of the Rights Issue. In 2018 net operating income was also positively impacted by USD2.9m interest and fees from a material recovery of a non-performing asset. Net results from foreign currency operations moved back to positive territory with a USD3.0 million improvement to prior period, primarily due to a marked decrease in the use of foreign currency swaps for risk management complemented by client-driven foreign currency profits.

Operating expenses dropped by 11% to prior year from USD42.3 million to USD37.6 million, reflecting cost saves from the sale of Latam Factors and the non-repeat of regulatory costs booked in 2017. These decreases were marginally offset by increases in fixed and variable pay costs as the drive to engage and retain experienced staff continues across the Group.

The new impairment requirements emanating from IFRS9 came into force in the beginning of the financial year. In addition to having an

impact on the opening reserves at 01 January 2018, the new expected loss methodology for impairments redefined the manner in which impairment losses are measured. During the year, the Group recognised additional IFRS9 Stage 3 impairments of USD17.4 million largely on a number of non-performing exposures in FIMBank and India Factoring. As in other similar cases, uncertainty on the potential resolution and recovery still exists at the reporting date and judgement was applied in determining the appropriate level of impairment – guided by a cautious approach based on the facts and circumstances available at the reporting date. In the comparative year 2017, the results were positively impacted by one specific account which had contributed USD3.6 million net recoveries to the Income Statement. Separately, during 2018 the IFRS9 Stage 1 and Stage 2 impairment allowances decreased by USD4.1 million following an improvement in the risk profile of a number of exposures as well as stage transfers between Stage 1/2 and Stage 3.

Results from trading assets and other financial instruments improved by USD6.0 million compared to prior year. This is mainly arising from the full recovery of a significant legacy non-performing asset in the Group's trading portfolio, on which credit losses were taken in prior years.

Prior to being disposed of, Latam Factors contributed to a net share of profit (equity method) of USD0.2 million, compared to the share of loss from Brasilfactors in the comparative period. The investment in Latam Factors was sold in the second half of the year and a net loss on disposal of USD2.1 million was recognised in the income statement. In the prior year a net loss of USD0.7 million was recognised following the change in classification of Latam Factors from subsidiary to associate. The investment in Brasilfactors was brought down to Nil on 31 December 2017 and no further results were recognised in the 2018 Group's income statements.

“Supported by the new capital and business fundamentals developed over the past twenty five years of its existence, FIMBank will move to the next phase of its strategy focusing on returning a solid and stable performance based on maximising scale, product capability enhancement, solid funding engines and strong risk architecture.”

Financial position

At 31 December 2018, total Consolidated Assets stood at USD1.87 billion, an increase of USD225 million over the USD1.64 billion reported at end-2017. The growth in assets follows the Rights Issue concluded in the first half of the year and which allowed the Group to sustainably grow its portfolios within its established frameworks. Core commercial assets have increased by USD184 million compared to prior year – Trading Assets growing by USD95 million and Loans and Advances to Customers growing by USD89 million. The 'treasury' portfolio, made up of high quality liquid assets used to manage the Group's liquidity grew by USD54 million. Other changes in consolidated assets reflect the disposal of Latam Factors, the fair value changes on Investment Property and the utilisation of Deferred Taxes.

Total Consolidated Liabilities as at 31 December 2018 stood at USD1.59 billion, up by USD119 million from USD1.47 billion at end-2017. The growth in liabilities is large due to increases of USD177 million in deposits from corporate and retail clients offset by a marginal drop of USD8 million from wholesale funding sources (Amounts Owed to Banks and Debt Securities in Issue). During the year the Group repaid the USD50 million Subordinated Loan from Burgan Bank (part of KIPCO Group), which used to qualify as Tier 2 capital. This loan was replaced by better quality CET1 capital via the issuance of new shares to KIPCO entities as part of the Rights Issue.

Total Equity attributable to the equity holders of the Bank as at financial reporting date stood at USD280 million, up from USD175 million in 2017 reflecting the USD105 million Rights Issue, movements in currency translation of net investment in foreign operations and fair value reserves.

At 31 December 2018 the Group's CET1 ratio stood at 17.6% (2017: 11.3%) and Total Capital Ratio at 18.0% (2017: 15.5%).

Group Commitments, consisting mainly of confirmed letters of credit, documentary credits, commitments to purchase forfaiting assets and factoring commitments stood at USD189 million while Contingent Liabilities, principally consisting of outstanding guarantee obligations, stood at USD3 million.

A potential orderly withdrawal of the United Kingdom from the European Union, referred to as 'Brexit', is not expected to have a significant impact on the Group's business and operations. The Group operates in a diversified array of markets, sectors and geographies mainly in emerging markets and its exposure to the United Kingdom, with the exception of its investment in LFC, is limited both in terms of business and human resources. Specifically for LFC, with its Head Office in the United Kingdom, the impact is also expected to be minimal since LFC's portfolio and funding are likewise well diversified. Notwithstanding a portion of its forfaiting assets are Euro-denominated, LFC's counterparties are not based in the European Union and the recoverability of these exposures are likely to be unaffected by Brexit. LFC's funding is sourced from EU and non-EU entities, besides own equity, and other than loans from FIMBank, LFC does not place a reliance on EU-sourced funding. The business model of LFC will therefore not require any modifications as a result of a potential orderly Brexit.

Outlook for 2019

For 2019 the Group is expected to continue evolving within rigorous parameters and frameworks aimed to solidify its origination and risk processes and achieving growth at a sustainable pace. The Group has the ability to exploit its expertise and geographical presence to continue offering a bespoke service to its clients across the different stages of the supply chain. Supported by the new capital and business fundamentals developed over the past twenty five years of its existence, FIMBank will move to the next phase of its strategy focusing on returning a solid and stable performance based on maximising scale, product capability enhancement, solid funding engines and strong risk architecture. The Group will invest more in its core resources – in human capital to attract and retain the best talent and in its information technology capabilities to remain innovative and more efficient in its delivery across the various business areas. The Group is resolute in focusing on its core competencies and principal key markets to deliver reliable and superior returns for its stakeholders.

FIMBANK HOSTS CORPORATE CLIENT EVENT

FIMBank hosted a reception for its local corporate clients, which was held at the Hilton. This event served as an excellent platform, where the Bank's clients interacted with their Relationship Managers, in a casual setting. When addressing those present, both the CEO and Chairman of FIMBank emphasised its reputation as being founded on its people's ability to build strong client relationships, and the Bank's commitment towards tailoring financial solutions to meet specific needs.

Describing the Bank's client relationship management approach, FIMBank's Head of Cash Management Chris Trapani said that, "The Bank is strongly geared to offer a wide range of corporate banking services. Our strategy hinges on a personalised approach, with a consistent commitment to adapt to the latest technology and innovation to provide added value to all our clients. We pride ourselves with offering our customers a responsive, efficient and excellent service. We will always guarantee a tailor-made package of services designed to improve our clients' cash flow, thereby offering them a competitive edge in their markets, both domestic and abroad."

Jason Zammit, Head of Real Estate stated that "FIMBank clients know that they can benefit from our expertise, skills and in-depth knowledge that our strong team of bankers provides. We believe that such events are essential in maintaining close collaboration and communication with our clients, hence why we organise these on a regular basis. We are adamant in our approach to provide quality banking, aimed at exceeding our clients' expectations."



NEW WEBSITES LAUNCHED

FIMBank is pleased to announce the launch of the new websites for **London Forfaiting**, **India Factoring** and **Egypt Factors**. The newly designed websites are aimed to cater for the latest user experience requirements and are part of the Group's commitment to facilitate client navigation.

The new re-design for each respective website has been created with a set of pre-defined guidelines to ensure consistency and uniformity with the FIMBank website. When browsing from one website to another, one will notice similar features and design elements which are coherent with the FIMBank Group branding.

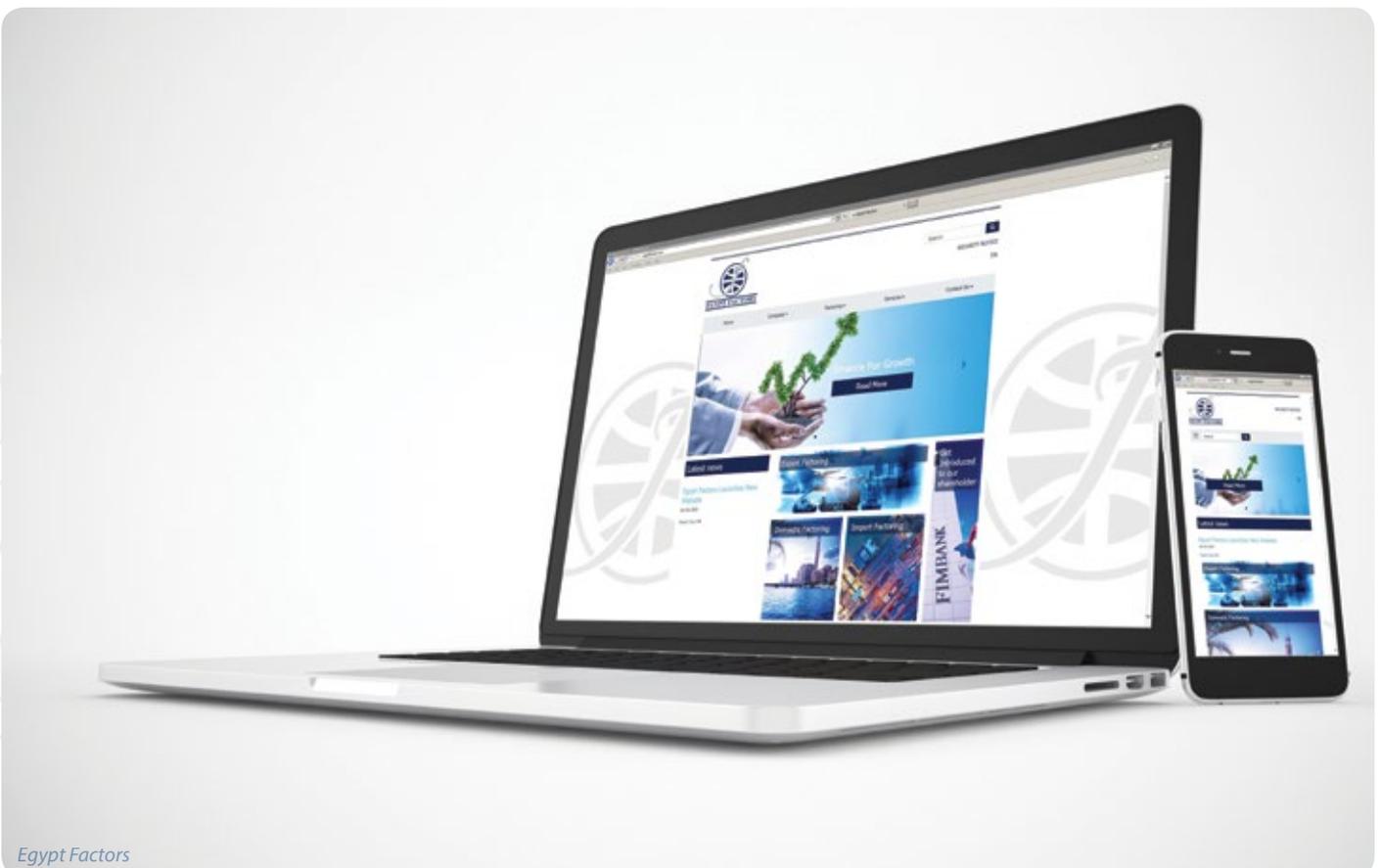
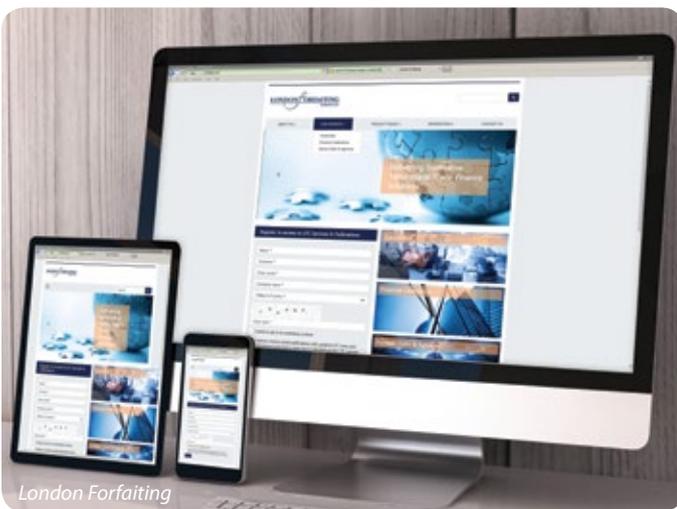
The websites are now also equipped with registration forms whereby both prospective and current clients may subscribe to informative and promotional material prepared by the respective subsidiary. For London Forfaiting, a new feature in the form of a quotation tool has been introduced. This allows prospective clients to input the details of their requirements

and are provided with a tailor-made quote which suits their particular needs.

In addition to these essential features, the websites have been optimised for enhanced navigation across different devices, including mobile phones. Significant efforts have also been made to ensure that data collection for the different website users takes place in a GDPR compliant manner.

The new websites feature a more streamlined and simplified design, with a focus on enhanced functionality and enriched content, aimed at effectively communicating our subsidiaries' distinct value proposition. Future developments in the pipeline, as part of the next phase include multi-lingual functionality.

These websites will be continuously updated with fresh content and the latest news to ascertain that customers and prospects are kept informed about the most recent developments.



INVESTING IN FIMBANK'S MOST IMPORTANT ASSET – ITS PEOPLE



Published on the Commercial Courier

The Commercial Courier speaks with Christine Coleiro, Group Chief Human Resources Officer at FIMBank, about the importance that the Group gives to its people, its investment in their long-term development and career prospects within the bank.

What measure of FIMBank's success do you attribute to the quality of its people?

FIMBank's customer-centric experience is provided by qualified specialist employees. Undoubtedly, this would not be possible without the dedication and professional competence of our employees based at our Malta Head Office and throughout our international network. Having engaged and committed employees who are strongly aligned with Group goals remains fundamental to our long-term strategy and success.

How does the bank manage the continuous professional development of its people?

Our employees are encouraged to not only further their studies in their specialised areas, but also to attend various programmes that will enhance their career. FIMBank uses a blended learning approach which amalgamates various modes of learning, from classroom-based to e-learning, to webcasts and virtual classrooms. Over the years, we have intensified our investment in learning and development across all levels. This investment is aimed at providing valid successors for key roles within the Group.

Skills such as teamwork, communication, commercial awareness, leadership, influence and problem-solving are fundamental to banking professionals.

How do you ensure that FIMBank personnel stay on top of developments in these and other areas?

Although employees in different roles require varying knowledge, skills and abilities, the most important characteristic for us is attitude. Our employees have a can-do attitude to achieve results. Business Unit Heads ensure that each employee keeps abreast of developments on the different aspects of their role. FIMBank focuses on developing employees at role level as well as the succession aspect. Employees are nurtured to reach their potential.

What kind of profile would the prospective FIMBank employee possess, in terms of personal and general professional qualities?

There is no perfect profile or set of qualifications to become a FIMBanker. The ideal will be a balance between relevant qualifications and attitude. Over the years, we have moved to a more flexible qualification structure to attract varying talent coming from universities and colleges, as well as the industry. It is crucial that since FIMBank's line of business is different to mainstream banking, candidates need to have a high level of learning ability and agility. The key to thrive in an organisation like FIMBank is positivity and a can-do attitude. We seek candidates who embrace our corporate values. For us, values alignment is crucial.

In an ever-developing, fast-paced society, agile working has never been more important. What is the bank doing to develop a culture which allows its personnel to work towards an enhanced approach to work-life balance?

Work-life balance in its various definitions is important for everyone. We are committed to improving our departmental structures to cater for better flexibility as this is not always possible due to lean departmental structures. We continuously fine-tune and seek ways to enhance such arrangements for the benefit of employees and the organisation alike. Apart from the substantial opportunities, the bank's employees also enjoy various financial benefits, such as subsidised home loans, retirement savings plans, health insurance, child care and fitness allowances.

What importance does the bank give to the kind of working environment its people operate in? Can you tell us more about initiatives undertaken in this regard?

The work environment is reflective of the people who work within it. We encourage a culture of initiative, empowerment and responsibility, which in turn increases the level of engagement of our people. Through weekly meetings, we encourage communication across all levels and departments. We also have an events team that organises activities

designed to strengthen team-building and synergy within and across units through the Group. We also introduced the concept of 'business casual' attire which was exceptionally welcomed by our staff.

Technology is becoming a predominant feature in internal communications and the management of personnel interaction within organisations. Have such developments in these areas been embraced by FIMBank, and if so, how is this reflected in the bank's operations?

To strengthen cohesion between employees and management, we have introduced a cloud-based self-service platform catering for all HR needs across the Group. We have also introduced an e-learning platform that encourages the concept of instant learning, as well as a blog-based communication tool with contributions from employees across the Group. The use of these new technologies, together with others in the pipeline, are strengthening communication flows between the various functions, as well as between Head Office and our global network. They are also leading to an increased cross-fertilisation of ideas and improved service quality.

Career development is usually top of mind for most employees. Can FIMBank personnel look forward to finding opportunities for career development at the bank? Does FIMBank have a policy of encouraging selected personnel to move laterally to other departments within the bank where they might contribute more to corporate objectives and perhaps develop their career further?

The FIMBank Group offers a diversified range of products and services to a wide client base across the world. This has been developing in line with business and economic trends in our markets. A recent example is catering specifically for the financial requirements of real estate developers in Malta. Nowadays, we have a unit which specialises in this area, and most of the team consists of employees from within the organisation. The key to internal mobility is the employee's learning ability and agility, and the flexibility of starting afresh. Opportunities are indeed available all the time. My only advice is that employees need to truly understand what they really want, and after careful consideration, take the plunge and try something different. The outcome leads to greater personal growth, and a broader and more fulfilling professional experience. We have employees who have moved more than three departments in their 10 plus years' experience and others who have moved to other subsidiaries.

FIMBANK UPGRADES CORE BANKING SYSTEM

Significant investment was made by the Bank in 2018, where a major project to upgrade its core banking system took place. The project was mainly managed by in-house resources, with external parties providing specialised support.

Following the successful implementation of this Flexcube upgrade project, the Bank's core banking system has been modernised with significant improvements to performance, security and capacity to support new business. Another essential benefit is that through the operational and process improvements, our staff will be able to allocate more time servicing the Bank's clientele. Following the initial phase, the project gained momentum in January 2018 and despite a number of challenges throughout the year, key milestones were achieved ahead of schedule, with successful completion obtained by November 2018. This was possible due to extensive collaboration efforts between the different teams.

The new functionality at our disposal allows us to streamline processes, comply with new regulations and provide more detailed reporting and analytics. In a nutshell, the upgrade has resulted in enhanced operational efficiencies.



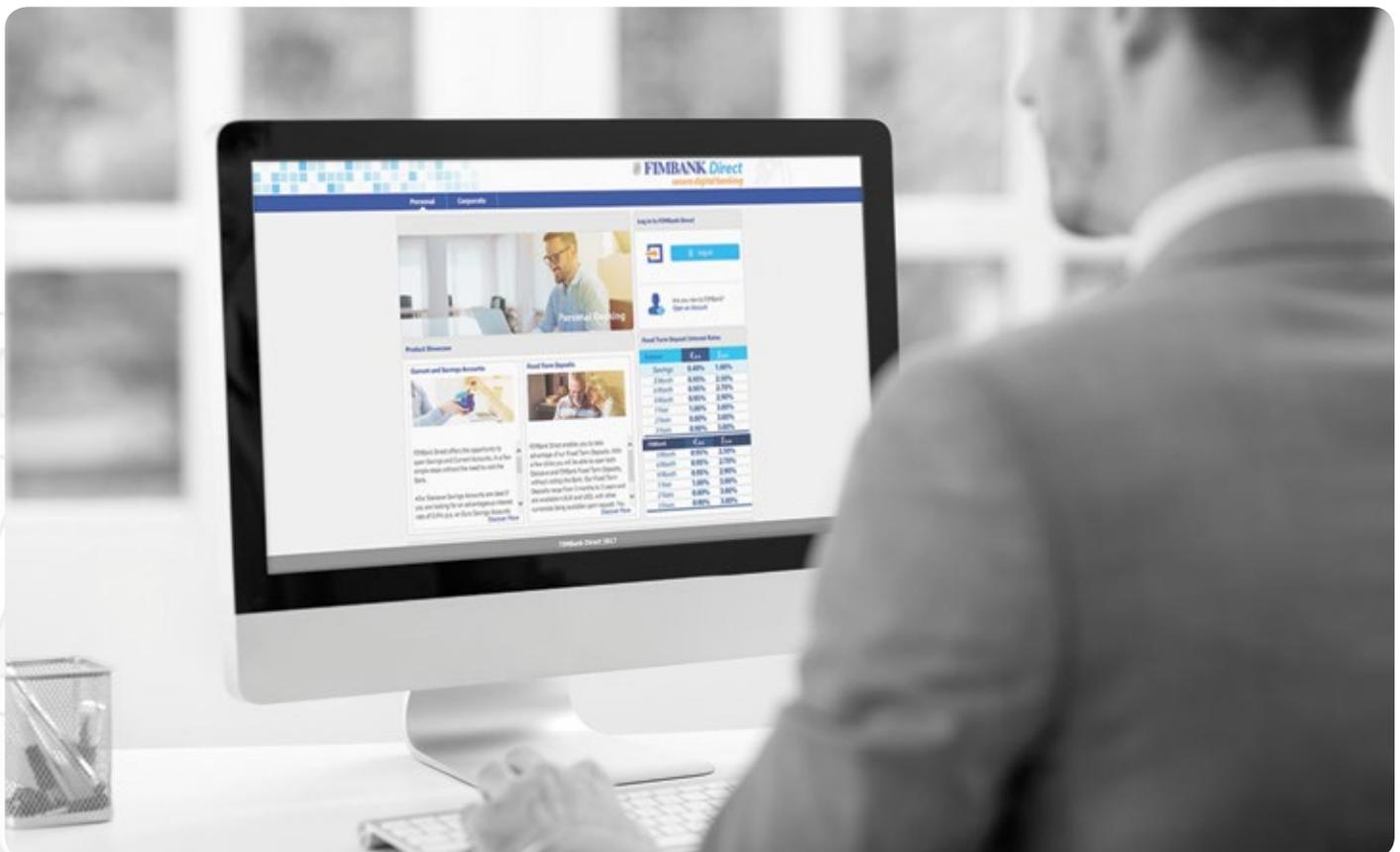
FIMBANK DIRECT EQUIPPED WITH BULK PAYMENT UPLOAD FUNCTIONALITY

The Bank strives to keep abreast with its clients' banking needs and constantly improves on the FIMBank Direct digital banking platform features and capabilities, in order to enhance user experience. The platform enables customers to execute all types of payments; be it SEPA, Non-SEPA, Foreign Exchange transactions, as well as easily generate a statement of account whilst keeping a record of account activity.

The latest functionality enables bulk payment uploads directly from the digital banking platform. This allows the uploading of multiple payment instructions through one straight-through upload,

enabling convenience. This new feature on FIMBank Direct is ideal for corporate clients who handle international and high volume payments for any geographical location.

With this latest feature, corporate clients can handle and batch authorise payroll and periodic supplier payments. The bulk payment module continues to build on automation and efficiency steering away from traditional banking systems. This is a vital add-on which enhances the user experience, making FIMBank more competitive in the payments space.



FIMBANK – YOUR CORPORATE BANKING PARTNER



Published on the Commercial Courier

In this interview the Commercial Courier speaks with Chris Trapani, Senior Vice President, Head of Cash Management and Central Customer Services at FIMBank, who discusses the value that the Bank offers to its corporate clients.

How is FIMBank geared to offer bespoke corporate services to its clients?

FIMBank is an international corporate banking institution which bases its value proposition on execution and efficiency. We are a trade finance bank with a specialisation in cross-border import and export banking products, offered in various currencies. Our ability to settle in such currencies is enabled through our excellent correspondent banking relationships, which we constantly invest in. FIMBank always takes a customer-centric approach to its product and service offering, with a view to finding innovative solutions for, and adding value to its selected customer base.

Besides trade related products, the bank is strongly geared to offer a wide range of cash management solutions to its current and prospective clients. Our strategy hinges on the commitment to provide added value to our local and international clients by focusing on specialised customer service and sophisticated systems. The quality of our delivery relies on our team, made up of dedicated on-boarding and helpdesk personnel, relationship managers and product development specialists. Our work and success revolve around ensuring a continuous alignment to ever-changing requirements in local and international business. In doing so we always keep customer needs at the centre of our strategy.

Can you describe the products available to FIMBank's corporate clients?

FIMBank offers both cash and credit management products to satisfy the needs of corporates. In terms of cash management, the bank offers corporate account services in all major currencies. Payment settlements in euro including SEPA and T2 may be

processed both locally and internationally. We also offer same and next day options for multi-currency transactions including cross-border settlements. Our products are geared towards efficient business optimisation including payment services, foreign exchange, fixed term deposits, bulk payments and account aggregation. Our international banking products are also delivered through our digital banking platform, FIMBank Direct, which is predominantly geared towards corporate needs.

What are the pillars of the bank's relationship management approach?

To be able to conduct our services, we look at a model whereby every client is assigned a Relationship Manager, together with a support team. This ensures a clear understanding of the client's needs together with a strong representation across the various functions of the bank. These relationship management teams act as the customer's voice within the organisation, as well as the first line of defence to conduct our business properly and efficiently. We consider this an important value proposition in meeting and exceeding customer expectations.

Can you explain how corporates benefit from FIMBank's account and deposit offers?

As part of our product offering we look into generating and maintaining a strong portfolio of international currencies to support our lending arms. Being very active in the international trade finance space, this is considered as essential. Our appetite for USD, euro and other international traded currencies remains strong. We offer competitive term deposit products to continue attracting liquidity directly from our partner corporates and individuals. Having said this, we are currently offering competitive USD rates for a number of tenors with a view to continue growing our portfolio. In terms of our USD fixed term deposit offering, we have an interest rate of 3 per cent for deposits of one year, up to three years. These deposit products are also available through our digital banking platforms FIMBank Direct, targeting corporates and business entities, and our flagship retail saver Easisave targeted for individuals. This is a no frills and easy to use platform, where retail customers can open their savings accounts and fixed term deposits with no need to visit the bank. This retail account gives one the opportunity to save at competitive rates, allowing easy access and providing a return on both overnight and fixed term deposits.

How do FIMBank's foreign exchange services benefit clients?

One key pillar for trade is always the cost-effective availability of international

currencies and settlements. We offer direct access to foreign exchange rates also through our internet portal, FIMBank Direct, for small- to medium-sized settlements, whilst giving the option to contact us directly for specific negotiated rates for high value transactions.

We endeavour to offer competitive real-time rates with direct access to our Treasury Department in support of efficient international settlements in USD, EUR and other major currencies.

Can you give us an overview of the features of FIMBank's Business Account?

We continuously listen to corporate customers and designed the Business Account proposition that revolves around clients' needs, where we provide tailor-made solutions. This Business Account opens opportunities for corporates that are looking for customised services that would not normally be part of an over the counter offer. Payments, Forex, term deposits and other special vehicle accounts are offered in line with transaction requirements, thus enabling customers to secure their business needs.

How is the delivery of the bank's services facilitated by the FIMBank Direct digital banking platform?

FIMBank Direct is a state-of-the-art digital portal, with a service repertoire geared predominantly for corporate customers. This provides an efficient and secure international payments framework, term deposit products, and competitive foreign exchange services. Corporate and wholesale banking services offered include balance view and management, the ability to book single, multi-currency and bulk payments, and access to statements and advices.

The system is equipped with best of breed security features through its innovative two-factor authentication, making use of our FIMBank CAM App. This technology allows our corporate customers to log in and perform payments which can be tiered to different authorisation levels, anytime, anywhere, without the need to carry a hardware token. FIMBank CAM is engineered to withstand sophisticated cybercrime attacks, something which traditional tokens do not have the capacity to withstand.

If you are interested in understanding more how we can add value to your business proposition, we look forward to hearing from you. Our approach is that of partnering with enterprise in a way that we can serve as a channel to facilitate business transactions in an efficient and secure manner. Get in touch on:

T: 2132 2100

E: helpdesk@fimbank.com

FIMBANK'S CORPORATE VALUES

Our values are essential qualities and beliefs we seek to inspire within those who work at FIMBank. They serve as the core which underpins our business activities, guiding our actions and behaviour. These are the pinnacle of our philosophy and principles that maintain FIMBank's internal conduct as well as its relationship with its customers, partners, and shareholders.

Entrepreneurship and Initiative

At FIMBank we value the capacity and willingness to develop, organise and manage a business venture along with any of its risks in order to make a profit. We also value those employees who are driven to assess and initiate things independently and take the opportunities to lead before others do. These values are the bedrock for our service delivery.

Respect for Company Culture

Our employees are encouraged to embrace the culture here at FIMBank. All employees are invited to share their contributions in making FIMBank a better working place.

Relentless Tenacity

The qualities of consistent perseverance, determination and motivation are essential for FIMBank. The proof of a business' quality is underlined by the thorough efforts when the going gets tough. We therefore are extremely rewarding to those who are firmly inclined to achieve the required objectives, irrespective of the odds.

Team Over Self

At FIMBank we are firmly committed to the belief that together everyone achieves more. FIMBank employees must continuously

demonstrate willingness to achieve the common objectives by working with their team members and colleagues in a seamless fashion. We believe that the best results will always emerge as fruit of collaboration.

Integrity

A FIMBank employee must display remarkable qualities of honesty and adherence to moral principles. Embarking on a journey to work with a reputable financial services institution requires the promotion of trust and it is only through truthful collaboration that this can be achieved. At FIMBank we inspire belief in saying and doing what's right: for customers, our people, the community, and shareholders.

Transparency

Whatever we do, will always be subject to both internal and external evaluation and control. FIMBank employees must maintain the highest standards of transparency, whilst complying with good faith and ethical behaviour.

Self-belief

FIMBank employees are driven to take ownership and be accountable by believing in their own abilities and sound judgement. We firmly believe that this is paramount in motivating one's self and also his team members.

Fair minded

All our actions are guided by a sense of ethics, objectivity, and consistency. We strive to ensure fairness, impartiality whilst we receive feedback to constantly improve our working environment.





Announcements...

FIMBank Announces USD10.2 Million After-Tax Profit for 2018

The FIMBank Group's Consolidated Audited Financial Statements show that for the year ended 31 December 2018, the Group registered an after-tax profit of USD10.2 million, compared to an after-tax profit of USD7.7 million in 2017. As disclosed in the Preliminary Statement of Annual Results published, during the year under review, net operating results more than tripled, from USD6.5 million to USD21.1 million, as the Group improved its revenues by USD9.9 million, and reduced its costs by USD4.7 million. A 20 percent increase in net revenues, from USD48.8 million to USD58.7 million, was generated on the back of both higher asset levels, as well as improved margins. During 2018, the Group recognised a higher level of impairments when compared to 2017 due to a number of non-performing exposures. These are being addressed with recovery efforts already underway.

FIMBank Group CEO Murali Subramanian highlighted that "The performance across the Group in 2018 is underpinned by growth in the forfaiting, factoring, local real estate financing, and shipping businesses. London Forfaiting Company Ltd (LFC), reported its highest profit ever since being acquired by FIMBank in 2003. At the end of 2018, Egypt Factors had returned to its first full year of profit, since the acquisition of the company by the Group in 2016."

Mr Subramanian stated that in 2018 his team vigorously pursued the further upgrading of FIMBank's asset origination and product differentiation efforts. Further improvements in operational efficiencies also allowed it to continue making inroads into greater revenue generation, while optimising on its capital and funding resources.

"The past years have been marked by rapid changes in the nature of our business and the technology which supports it. During 2018, we were successful in keeping up with these developments, primarily by attracting and retaining the best talent, and by maintaining a leading edge in our Information Technology capabilities. Amongst others, in the year under review we embarked on the upgrading of the Bank's core system. This has significantly bolstered process efficiency, security, availability, and a stronger capacity to support new business. As a result of various operational improvements, our staff can focus on servicing clients" said Mr Subramanian.

FIMBank Group Chairman Dr John C. Grech stated that "The Bank's performance, despite the myriad of challenges we faced throughout the year, reflects the resilience of our dynamic business model. It bolsters our commitment and resolve to respond to future challenges, ensuring sustainability for the years to come."

The 2018 Rights Issue, leading to a cash injection of USD105 million, enabled an increase of USD225 million in total Consolidated Assets, which by 31 December 2018 had reached USD1.87 billion, when compared to the USD1.64 billion reported at end-2017. Total Consolidated Liabilities as at 31 December 2018 stood at USD1.59 billion, up by USD119 million from USD1.47 billion at end-2017. The growth in liabilities was largely due to increases of USD177 million in deposits from corporate and retail clients, offset by a marginal drop of USD8 million from wholesale funding sources. The Rights Issue, a significant milestone in the Bank's development allowed FIMBank to strengthen its capital base.

"This year, FIMBank celebrates its 25th year anniversary. The Bank has developed a reputation for trustworthiness and reliability, as we continue building strong banking relationships with our varied clientele. When looking back at our achievements, we must highlight the importance and consistent support of all our stakeholders, without whom we would not have achieved such significant results across the years" said Dr John C. Grech.

For 2019, the Group is expected to continue evolving within rigorous parameters and frameworks, aimed to solidify its origination and risk processes, achieving growth at a sustainable pace.



ISIN	FIM
Company	FIMBank p.l.c.
Total Shares issued	505,590,719
Currency	US Dollar
Share Price (as at 27 th March, 2019)	USD 0.74

Company Secretary:	Avv Andrea Batelli
Telephone:	+356 21322100
Email:	investorhelpdesk@fimbank.com

COMPANY ANNOUNCEMENT FIM274



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 23 March 2019 to approve the Consolidated Audited Financial Statements for the financial year ended 31 December 2018. A preliminary Statement of Results for the financial year ended 31 December 2018 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 7 May 2019. 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 30 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 7 April 2019 (the 'Record Date'), will be entitled to receive notice of the Annual General Meeting and the Bonus Issue.

Unquote

URL for full Company Announcement
www.fimbank.com/en/company-announcements