

**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 5.86 et seq. covering the period between 1 January 2015 and the date of this Announcement:

### **Quote**

### **Interim Directors’ Statement**

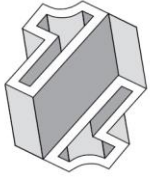
After disappointing results in 2014, FIMBank started 2015 with changes in senior management and a revised business strategy which sees a consolidation of previous investments and a closure of certain loss making activities. The Board of Directors (“**Board**”) supported the new Acting CEO’s turnaround strategy at its meeting of the 10 March 2015, including:

- a) Retaining a focus on global trade finance as a central pillar to the Group’s business model;
- b) An emphasis on consolidation, in order to increase profitability from FIMBank’s core activities and a reduced focus on making new acquisitions;
- c) Consolidation of the Group’s international factoring businesses, to allocate more resources to those entities capable of generating greater profitability;
- d) A selective approach to new business growth and further strengthening of governance and risk structures;
- e) Restructuring or discontinuing non-profitable segments and identifying efficiencies to ensure that all resources are productively allocated;
- f) Strengthening recovery efforts on impaired exposures Group-wide.

Liquidity and funding have been maintained at very prudent levels during the last few months, but during the next six months we anticipate a growth of new business opportunities. The winding down process to exit from our factoring business in Russia continues and discussions are being held to pursue various options including a sale of this business, although the costs associated with exiting this investment are likely to have some additional impact during 2015.

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The business of India Factoring & Financial Solutions Limited, a major contributor to the Group's losses in 2014, is now much more stable and whilst new impairments were experienced in 2015, these related to legacy issues which were largely anticipated. FIMBank Solo experienced some relatively small increases in net impairments, but the Group's overall impairments were in line with the 2015 Budget. Recovery efforts have started with a dedicated team focused on this activity to generate positive results over the medium term.

The Board believes that the core fundamentals are being enhanced in order to return the Group to sustainable profit levels within a relatively short timeframe.

No material events or transactions have otherwise taken place that would have an impact on the financial position of the Group or require specific disclosure in terms of the Listing Rules.

*Unquote*

**Andrea Batelli**  
**Company Secretary**

19 May 2015

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