



FIMBANK

Shareholders' Newsletter

Issue 01 - January 2015



MESSAGE FROM THE CHAIRMAN

Dear Shareholder,

It is with great pleasure that I write an introductory message to the first edition of this bi-annual newsletter. This initiative aims at serving as an additional link between FIMBank and its shareholders. It is another way in which we can reach out to you and keep you up to date with the latest developments concerning the Group. It is also meant to increase awareness of the myriad activities pursued by FIMBank around the world, and the range of services being provided.

Although 2014 proved to be a very difficult year for FIMBank, the past twelve months were also marked by developments which are expected to have positive outcomes in the years to come. As part of the multi-step approach taken with the entry of new institutional investors, the Joint Voluntary Bid was announced, followed by the Rights Issue, where we raised an additional US\$48 million in capital. Meanwhile, we further expanded our international footprint with the acquisition of a controlling interest in an established Chilean factoring house, First Factors Servicios Financieros which is in the process of being rebranded as LATAM Factors. First Factors was established in 2005 to provide all types of factoring services, financial leasing, and other management services. This factoring house has a current asset base of US\$ 32 million and specialises in recourse and non-recourse factoring, as well as financial leasing. It has 69 employees and provides its services through six branches throughout the country. We firmly believe in its potential to grow beyond Chile's borders and actively seek factoring business in neighbouring countries such as Peru, Columbia and Ecuador. The past months have also seen the inauguration of our branch in Athens, Greece.

As I mentioned above, last year was a complicated one for the Group. I would like to share with you an overview of the source of the developments which have impacted our performance in such a negative way. FIMBank's activity primarily revolves around transactional finance, wherein each transaction has a pre-defined repayment source. When a situation deteriorates and the expected repayment proceeds are not received, the transaction becomes what is called 'doubtful' or to use the technical term, 'impaired'. Regrettably, last year we were impacted by a number of such instances, including severe impairments from factoring undertakings. However, in line with our standard prudent approach, the Bank decided to take the appropriate action to make the required impairment allowances in order to cover these impaired assets. Meanwhile, legal remedies are in process for the recovery of these assets, and management will be actively monitoring developments with a view to trying to release some of the provisions in the coming months or years.

As they say, however, every cloud has a silver lining. In this intractable scenario we are privileged to benefit from the presence of a strong shareholder who is supporting management in its bid to overcome the current challenges. Burgan Bank has been assisting the Bank's

management to review and implement measures to improve risk management, combat fraud and reduce credit loss. Going forward, we will be focusing on business relationships that deliver most value and protect revenue growth. We will also be introducing new processes for the reduction of exposure to high risk business and early detection of fraud. For a Group which is renowned for its track record in terms of risk management, there is no doubt that the results which we will be posting for 2014 are quite disappointing. It is in times like these, however, that we turn to our many strengths, particularly our ability to evaluate each situation, take the proper corrective measures and re-invent ourselves to adapt to the new realities. I am convinced that in the months ahead management will succeed in reversing the current temporary downturn. At the end of 2014, we announced the retirement of Margrith Lütschg Emmenegger as President. I am fortunate to have worked with Margrith closely for a number of years. I have witnessed her many achievements, including the acquisition of London Forfaiting Company (LFC) and the creation of FIMBank's international factoring network. After twelve years of dedicated and loyal service, I would like to express my gratitude and appreciation for her unstinting efforts as President, particularly her commitment to excellence, her energy and her strong work ethic.

Meanwhile, I wish to congratulate Simon Lay on his appointment as the Group's Acting Chief Executive Officer ad interim. Following FIMBank's acquisition of LFC in 2003, Simon was appointed Managing Director with global responsibility for the company's business, including its overseas branches and subsidiaries. During these eleven years he has been responsible for transforming a loss-making operation to one which has consistently contributed to the profitability of the Group. Simon has a unique opportunity to further fine-tune the Group's strategic focus to the requirements of the future, in order to set FIMBank on a course which will enable it to meet shareholders' performance expectations. As a senior member of management with a strong track record and a wealth of industry experience, we believe Simon has what it takes to succeed in this important role. We are delighted to have a corporate leader of his calibre leading the Group.

During the year ahead, as we lead the FIMBank Group through its recovery and prepare for the next stage of its growth, we look forward to continue sharing with you our strategy, milestones and accomplishments. On behalf of the Board of Directors and the entire management team, we would like to thank you for your continued support and wish you a healthy and prosperous New Year.

Dr John C. Grech
FIMBank Group Chairman



MESSAGG MINGHAND IC-CHAIRMAN

Għażiż Azzjonist,

Bi pjaċir kbir qiegħed nikteb dan il-messaġġ ta' intoduzzjoni għall-ewwel edizzjoni ta' din ir-rivista li se tibda toħroġ darbtejn fis-sena. Din l-inizjattiva għandha l-għan li sservi ta' ħolqa addizzjonali bejn il-FIMBank u l-azzjonisti tiegħi. Dan huwa mod ieħor ta' kif aħna nistgħu nilħquk u nżommuk aġġornat mal-ahħar żviluppi tal-Grupp. Hija maħsuba wkoll biex iżżejjid l-għarfien fuq ħafna attivitajiet li jagħmel il-FIMBank madwar id-dinja, u tal-medda ta' servizzi li hu jipprovdvi.

Minkejja li l-2014 kienet sena diffiċċi ħafna għal FIMBank, dawn l-aħħar trax-il xahar kienet minn ġiġi. Bħala parti mill-approċċ li jinvolvi numru ta' passi li ttieħdu mal-introduzzjoni tal-investituri istituzzjonali l-ġoddha, ġiet imħabba l-Joint Voluntary Bid, segwita mir-Rights Issue, fejna aħna żidna US\$48 miljun f'kapital addizzjonali. Sadanittant, aħna komplejnej nespandu l-marka tagħna fuq livell internazzjonali bil-ksib ta' interress ta' kontroll f'fatturament miċ-Čili li digħi huwa stabbilit, First Factors Servicios Financieros li qiegħed fil-proċess li jibbedd ismu għal LATAM Factors. First Factors ġie stabbilit fil-2005 biex jipprovdvi kull tip ta' servizzi ta' fatturament, financial leasing, u servizzi oħra ta' manġement. Bħalissa, dan il-fatturament għandu bazi ta' assi ta' US\$ 32 miljun u jispeċjalizza f'fatturament tat-tip recourse u non-recourse, kif ukoll f'financial leasing. Għandu 69 impjegat u jipprovdvi s-servizzi tiegħi permezz ta' sitt fergħat madwar il-pajjiż. Aħna nemmnu bis-shiħ fil-potenzjal tiegħi li jikber 'il barra mill-fruntieri ta-Čili u b'mod attiv ifixtu negozju ta' fatturament f'pajjiż ġirien bħall-Peru, il-Kolumbja, u l-Ekwador. Dawn l-aħħar xħur raw ukoll l-inawgħazzjoni tal-fergħa tagħna f'Ateni, il-Greċċa.

Kif semmejt qabel, is-sena l-oħra kienet waħda kumplikata għall-Grupp. Nixtieq naqsam magħkom ħarsalejnis-sors tal-iżviluppi li kellhom impatt negattiv fuq il-prestazzjoni tagħna. L-attività ta' FIMBank primarjament iddur mal-finanzi transazzjonali, fejn kull transazzjoni għandha sors ta' ħlas lura pridefinit. Meta sitwazzjoni tiddeterjora u l-introjtu tal-pagament mistenni ma jasalx, it-transazzjoni tissejja ġi 'dubjuża' jew, biex nuža terminu tekniku, 'danneġġjata'. Sfortunatamente, is-sena l-oħra ntlaqtna minn bosta eżempji ta' dan it-tip, inkluż indebbolimenti severi oħra minn attivitajiet ta' fatturament. Però, skont l-approċċ standard prudenti tagħna, il-Bank iddeċċieda li jieħu l-azzjoni addattata biex jagħmel il-provvediment meħtieġ sabiex ikopri dawn l-assi d-danneġġjati. Sadanittant, rimedji legali qiegħdin fil-proċess għall-irkupru ta' dawn l-assi, u l-maniġment se jagħmel moniteraġġ tal-iżviluppi b'mod attiv bil-ġħan li jipprova jirrilaxxa xi ffit mill-provviżjonijiet fix-xhur u fis-snin li ġejjin.

Però, kif jgħidu, kull deni ħudu b'għid. F'dan ix-xenarju diffiċċi, aħna pprivileġġati bizzżejjed biex nibbenifaw mill-preżenza ta' azzjonist b'saħħtu li qiegħed ikun ta' sappoġġ għall-maniġment fil-ħidma

tiegħu biex jegħleb l-isfidi eżistenti. Il-Burgan Bank qiegħed jassisti lill-maniġment tal-Bank biex jirrevedi u jimplimenta miżuri biex itejbu l-immaniġġar tar-riskji, biex jiġi kien t-tarġib u biex inaqqsu t-telf tal-kreditu. Il-quddiem, aħna se niffukaw fuq relazzjonijiet ta' negozju li jaġħu aktar valur u li jipproteġgu t-tkabbir tad-dħul. Se nintrodu u wkoll proceduri ġodda għat-tnaqqis ta' espożiżzjoni għal negozju ta' riskju għoli u biex nidentifikaw il-frodi l-iktar kmieni possibbi. Għal Grupp li huwa rinomat għat-trad record fejn jidħol l-immaniġġar tar-riskji, m'hemm l-ebda dubbi li r-riżultati li se noħorgu għall-2014 huma pjuttost dżiappantanti. Fiżminijiet bħal dawn, però, għandna nduru lejn il-ħafna punti pozittivi tagħna, partikolarmen lejn l-abbiltà tagħna li nevalaw kull sitwazzjoni, li nieħdu l-miżuri korrettivi xierqa u li naħdmu qatiġħ biex naddattaw għar-realtajiet il-ġoddha. Jiena konvint li fix-xhur li ġejjin il-maniġment se jirnexxielu jdawwar it-tnaqqis temporanju kurrenti.

Lejn l-aħħar tal-2014, ħabbarna li Margrith Lütschg Emmenegger irtirat mill-kariga ta' President. Jiena għandi x-xorti li ħdimt ma' Margrith mill-qrib għal numru ta' snin. Jiena rajt ħafna kisbiet tagħha, inkluż il-kiċċa tal-London Forfaiting Company (LFC) u l-ħolqien tan-network internazzjonali ta' fatturament ta' FIMBank. Wara tħalli sena ta' servizz leali u b'dedikazzjoni, nixtieq nuri kemm jien grat u kemm napprezza l-isforzi tagħha bħala President, b'mod partikolari l-impenn tagħha għall-eċċellenza, l-enerġija tagħha u l-etika qawwija tagħha fix-xogħol. Fl-istess waqt nixtieq nawgura lil Simon Lay għall-ħatra tiegħi bħala Acting Chief Executive Officer ad interim tal-Grupp. Wara li FIMBank kiseb l-LFC fl-2003, Simon ġie maħtur bħala Acting CEO b'responsabbiltà globali għan-negożju tal-kumpanija, inkluż il-fergħat f'pajjiż barranin u s-sussidjarji. Matul dawn il-ħadha sena huwa kien responsabbi biex ibbedd operazzjoni li tagħmel it-telf għal waħda li kkontribwiet b'mod konsistenti biex il-Grupp jaġħmel il-qligħ. Simon għandu opportunità unika biex jipperfezzjona aktar il-fokus strateġiku tal-Grupp għar-rekwiżi tal-futur, sabiex ipoġġi lil FIMBank fit-triq li minnha jkun jista' jilhaq l-aspettattivi tal-prestazzjoni tal-azzjonisti. Bħala membru għoli tal-maniġment, bi track record qawwi u b'ħafna esperjenza fl-industrija, aħna nemmnu li Simon għandu dak kollu meħtieġ biex ikollu suċċess f'dan l-irwol importanti. Aħna kuntenti ħafna li għandna kap korporattiv tal-kalibru tiegħi biex imexxi lill-Grupp.

Matul is-sena d-dieħla, waqt li mmexxa lill-Grupp FIMBank biex ikompli jirkupra, nipparraw għall-pass li jmiss tat-ktabb tiegħi, aħna ħerqana li nkomplu naqsma miegħek l-istreġġura tagħna, il-milestones u l-kiċċa. F'isem il-Bord tad-Diretturi, u t-tim kollu tal-maniġment, nixtiequ nirringrazzjawk għas-sapport kontinwu tiegħek u nixtiqulek l-isbaħ xewqat għas-Sena l-Ğidha mimilja saħħa u risq.

BIOGRAPHY - SIMON LAY - New Acting CEO



Simon Lay started his career with the Midland Bank/HSBC Banking Group, where he worked in a number of areas, including those of International Banking, Corporate Finance, Controller of Lending, Trade Finance and Forfaiting. Subsequently he was given responsibility for leading Midland's forfaiting subsidiary, Mid Aval.

Simon joined London Forfaiting Company Ltd (LFC) in 1991. In the various senior positions he occupied at LFC, he was entrusted with the expansion of the company's operations, including in the Americas, the Middle East and Turkey. He was appointed to the company's Board of Directors in 1997. Following LFC's acquisition by FIMBank plc in 2003, Simon was appointed as its Managing Director, with global responsibility for the company's business, including its overseas branches and subsidiaries. During this period, he managed to transform the company from making losses to one which has consistently contributed to the profitability of the FIMBank Group. Today, LFC has established a proven reputation for providing fast, efficient, tailor made non-recourse finance solutions to importers and exporters worldwide.

Simon, who is a member of FIMBank's Executive Committee, is also the Bank's Representative Officer in the United Kingdom. Moreover, he enjoys a reputation as an authority on forfaiting and trade finance, having written numerous articles and been a regular speaker on the subject. Simon Lay was appointed Acting CEO of FIMBank ad interim with effect from 1st January 2015.

FIMBANK INAUGURATES BRANCH IN ATHENS



In October, FIMBank inaugurated its offices in Athens, from where it will service the Greek market, providing a comprehensive range of trade finance and banking solutions, targeting corporate clients, particularly traders, importers and exporters. The FIMBank Hellenic branch was inaugurated by the Group's Chairman Dr John C. Grech together with Dr Armin Eckermann, Head of Trade Finance Group. In his address, Dr Grech highlighted the fact that FIMBank's presence in the Greek market was a reflection of the effectiveness and versatility of the Bank's robust business model and FIMBank's confidence in the resilience of Greek business and the competence of its entrepreneurs.

FIMBank will be providing alternative financing solutions within the Greek market, in order to bridge current limitations being faced by local businesses. Dr Grech stated "FIMBank's presence in the Greek market will enable it to provide forfaiting, factoring and other alternative trade finance solutions in support of Greek companies during these challenging times. We are confident that the comprehensive technical know-how and business acumen of the team we have set up in Greece, led by Demetris Zouzoukis, will translate into a very positive experience for FIMBank in this market".



FIMBANK WINS INTERNATIONAL AWARD

FIMBank p.l.c. has been awarded a gold medal for 'Best Factoring Institution' in this year's TFR Excellence Awards. The award, which recognises leading performers in trade services, refers to FIMBank's "continued excellence in delivering efficiency and quality to its customers". Meanwhile, London Forfaiting Company Limited (LFC), another member of the FIMBank Group, was also presented with a gold medal for 'Best Forfaiting Institution'. Both FIMBank p.l.c. and LFC have received TFR's gold medal award for the third year running.

Corporate Social Responsibility



SPONSORSHIP OF - *The Malta Arts Festival*

FIMBank was one of the main sponsors of the Malta Arts Festival 2014. The ninth edition of this festival ran over two weeks, between the 14th July and the 2nd August and was packed with daily events presented by top quality artists from Malta, Croatia, the United Kingdom, Spain, the Netherlands, the Czech Republic, South Africa and Russia. During the presentation of FIMBank's sponsorship, Jason Zammit, the Bank's Head of Public & Media Relations, stated that "FIMBank is delighted to be associated with the Malta Arts Festival. The Bank's sponsorship reflects the importance which we give to Malta's cultural heritage, and specifically our appreciation of the local performing arts scene."



SPERANZA - *Humanitarian Shelter Project*

FIMBank unveiled the prototype of a humanitarian shelter designed and developed by a group of University of Malta third year students from the Faculty for the Built Environment reading for the degree of BSc (Built Environment Studies), as part of their studies to become professional architects. The shelter, nicknamed "Speranza" was displayed outside Fort St Elmo as one of the satellite exhibits at the Malta Design Week. This was an opportunity to show that architects can come up with solutions to global humanitarian challenges." Ms Margrith Lütschg-Emmenegger stressed the fact that "every human has the right to survival and protection. The chosen nickname for the prototype, 'Speranza', emphasises the desire for a positive outcome for displaced people everywhere."



SUPPORTING LOCAL TALENT - *Matthew Kassar*

In March 2014 FIMBank sponsored an art exhibition by artist Matthew Kassar entitled 'New Places'. The exhibition was housed at the German-Maltese Circle at Messina Palace in Valletta and open to the public between the 5th and 28th April. Over time, Kassar has developed the technique for which he is renowned today – the newspaper collage using acrylic and various other materials, such as gesso and glue. Commenting on FIMBank's sponsorship of the exhibition, the Bank's Chairman, Dr John C. Grech, stated that it is clear from Kassar's works that the artist sees this medium "as a very powerful way of communicating", and that his use of various materials and colours "gives a very strong and personal interpretation of Malta's architecture and heritage, especially that of Valletta". Dr Grech said that FIMBank was pleased to support an artist who, like the Bank, greatly appreciated the islands' many qualities.



FIMBANK PRESIDENT MARGRITH LÜTSCHG-EMMENEGGER RETIRES

In December the Board of Directors of FIMBank plc has announced the retirement of the Group's President, Margrith Lütschg-Emmenegger. Ms Lütschg-Emmenegger joined FIMBank on the 1st April 2003 as Executive Vice President responsible for Business Development. She was appointed President on the 1st September 2004. She has written numerous articles on trade finance, including a book on forfaiting. She has also been a regular speaker on the subject for many years, travelling around the world and promoting the benefits of alternative finance. During March of this year Ms Lütschg-Emmenegger was awarded the highest decoration of the Republic of Malta, that of the National Order of Merit, in recognition of her 'exceptional contribution towards the common good of the Maltese and the development of Malta as a financial centre.'

FIMBank's Board of Directors expressed their sincere gratitude towards Ms Lütschg-Emmenegger, thanking her for her sterling service, and wishing her all the best for her retirement. The Bank's chairman, Dr John C. Grech stated that "Margrith transformed FIMBank from a regional player to a global one. Amongst her many achievements throughout the twelve years of her tenure are the acquisition of London Forfaiting and the creation of FIMBank's international factoring network."



FIMBANK EMPLOYEES PRESENT DONATION TO THE MALTA GUIDE DOGS FOUNDATION

The Malta Guide Dogs Foundation (MGDF) received a substantial donation from FIMBank's employees as the company bid farewell to its outgoing President Margrith Lütschg-Emmenegger during a ceremony at their head offices in Mercury Tower, St. Julian's. The money was collected for the MGDF from among the bank's 200 staff based in Malta and Ms Lütschg-Emmenegger had personally doubled the amount donated. MGDF Chairman Leone Sciberras thanked the Bank and its employees for the generous donation.

Ms Lütschg-Emmenegger took the opportunity to express her gratitude to all FIMBank staff members, who, she said, for the past twelve years had been like a family to her. "I hope to stay in touch and to continue to be proud of you, and to see you work hard to take the bank to the next level." She also thanked them for their generosity and pointed out that this is the fifth year that the sums collected by FIMBank staff have been donated to a worthy cause. "This year we have decided to support the work of the Malta Guide Dogs Foundation, as a token of appreciation for and admiration of the important work which its dogs carry out for their owners to have a healthy and comfortable life."

Among those who attended the presentation ceremony were Ms Lütschg-Emmenegger's husband Mr Serge Lütschg, Mrs Anne Grech, Trustees and clients of the Foundation, as well as several guide dogs, including one of the puppies, Justie, that is being raised by a local family.



MEET OUR TEAM - *Carlos Baudrand*

Chile is one of South America's most stable and prosperous countries, leading Latin American nations in terms of political stability, competitiveness, income per capita, and economic freedom. In May 2010, Chile became the first South American country to join the OECD. These attributes provide a very sound platform for FIMBank's interest in the Spanish speaking countries of the region and the choice of Chile as the base for its operations. We are also proud that the Group has selected us to spur the growth which it expects to achieve in this region in the coming years.

I think it would be appropriate to provide your readers with some background about First Factors. Our story kicks off in May 2005 when First Factors commenced operations, with a team of six officers. The Board's vision and the team's sheer determination soon led it to become an established and reputable factoring house, with a reputation as one of the most innovative organisations on the Chilean market. The majority shareholders in First Factors were a renowned Chilean family, the Marins, a family that has a wide range of investments across various industries, and in the most established Chilean companies. Our stable local risk ratings (BBB/N2) enabled us to issue the first set of commercial papers in 2011. One of many novelties the company has introduced to the Chilean market occurred in 2013, when First Factors launched the first sectorial private investment fund to finance its domestic factoring activity. During that same year, it became the first, and so far only, company in Chile to insure its factoring portfolio. Meanwhile, we have also grown in terms of headcount, with sixty-nine employees, and more set to join us in the coming months.

Our vision has always been that of expanding beyond Chile's shores and becoming a regional specialist offering a comprehensive range of trade finance solutions. With the backing of a strong institutional investor such as FIMBank, we can proceed to put those plans to action and pursue factoring business opportunities beyond Chile's borders, particularly in neighbouring countries such as Peru, Ecuador, Colombia, and Mexico.

I would like to end by underlining the spirit of the company. We are an organization that seeks to create change rather than react to it. We do not fear challenges, and through innovation, we are always looking to improve our services and our business model. With FIMBank as a controlling shareholder we envisage that the company will, from the start, benefit from the Group's extensive experience, market knowledge and international reach. We intend to make the best of our access to market intelligence and the introduction of new products to maintain our reputation for innovation, and further reinforce our presence in the Chilean market, and beyond. In the coming weeks First Factors will be rebranded as LATAM Factors. This move will reflect the broader scope of the company following FIMBank's acquisition, as we look forward to project the company towards new horizons and greater achievements.



**Carlos Baudrand, Chief Executive Officer
LATAM Factors, Chile**

Carlos Baudrand has over 20 years' experience in Asset Based Lending, having held senior positions with Heller Financial and GE Capital. Throughout his career, he has been responsible for developing long-term partnerships and commercial strategies that deliver profitable growth. He has also been a driving force in the region, promoting alternative finance solutions such as factoring and leasing, and currently holds the position of board member and chairman of the Latin American chapter of the International Factors Group. In 2015, he will be celebrating his tenth year as Chief Executive Officer of LATAM Factors (formerly known as First Factors).



Our Controlling Shareholders



Burgan Bank successfully completes capital increase



Majed Essa Al Ajeel >

Chairman, Burgan Bank

Burgan Bank, Kuwait's second largest commercial bank by assets, recently announced the successful completion of its capital increase through the rights issuance announced earlier. Burgan Bank Shareholders have subscribed in the capital increase during the designated period started from Nov 16, 2014 and ended on Nov 30, 2014 in number of shares in excess of the shares offered for subscription. The capital increase has been conclusively closed due to the full coverage of all offered shares. Total Proceeds from the rights issuance reached KD102.6 Million. (US\$ 352 million)

Majed Essa Al Ajeel, the chairman of Burgan Bank commented: "We are very pleased with the results of the rights issue and grateful for both the support and the trust that our shareholders and investors have put in us. The shares were exercised by 125% from our existing shareholders which reflects their continuous trust in the bank's performance and its future prospects."

"Burgan Bank has successfully issued US\$ 500 million in AT1 bonds in the third quarter and now the rights issue of KD102.6 million comes to complement the integrated capital optimization plan we opted for to strengthen our capital to comply with Basel 3 requirements and to further support our local and regional growth plans." added Mr Al-Ajeel.

Source: www.arabtimesonline.com - 2 Dec 2014

About Burgan Bank

Burgan Bank Group has one of the largest regional branch networks with more than 233 branches across Kuwait, Turkey, Jordan, Algeria, Iraq, Tunis, Lebanon and Palestine. The wide footprint was achieved after the bank's decision to diversify into faster growth markets.



شركة مشاريع الكويت (القابضة)
Kuwait Projects Company (Holding)

KIPCO announces 26% rise in net profit for third quarter

Tariq Abdul Salam >

Chief Executive Officer - Investments, KIPCO



KIPCO - the Kuwait Projects Company - has announced a net profit of KD 10.1 million (US\$ 35.1 million), or 7.36 fils (US 2.6 cents) per share, for the three months ended September 30, 2014, an increase of 26 per cent on the KD 8 million (US\$ 28.3 million) profit, or 5.56 fils (US 2.0 cents) per share, achieved during the same period of 2013.

KIPCO's net profit during the first nine months of 2014 came to KD 31.82 million (US\$ 110.5 million), or 22.63 fils (US 7.9 cents) per share, an increase of 22 per cent on the KD 26.1 million (US\$ 92.3 million) profit, or 18.22 fils (US 6.4 cents) per share, reported for the same period last year.

The company's total revenue for the first nine months of 2014 increased by 19 per cent to KD 438.3 million (US\$ 1.5 billion) compared to KD 369.5 million (US\$ 1.3 billion) reported for the first nine months of last year.

Operating profit before provisions rose to KD 122.2 million (US\$ 424 million) for the first nine months of 2014, an increase of 27 per cent from KD 96.6 million (US\$ 342 million) reported for the same period in 2013.

Mr Tariq Abdul Salam, KIPCO's Chief Executive Officer – Investments, said that the company is on track to achieve double digit growth in 2014. Indicators point towards healthy performance as anticipated earlier in the year:

"As we forecast during our Shafafiyah Investors' Forum in March, our third quarter results have maintained growth patterns in double digits across core businesses in 2014. Revenue from our financial services and media segments have increased by 25% and 35% respectively over the last nine months, while revenue from real estate operations rose by 17% for the same period. These results reflect the strength of our core companies. We believe this growth will continue throughout the remainder of the year."

Source: www.londonstockexchange.com - 4 Nov 2014

About KIPCO

The KIPCO Group is one of the biggest holding companies in the Middle East and North Africa, with consolidated assets of US\$ 32 billion as at 30 September, 2014. The Group has significant ownership interests in over 60 companies operating across 24 countries. The group's main business sectors are financial services, media, real estate and manufacturing. Through its core companies, subsidiaries and affiliates, KIPCO also has interests in the education and medical sectors.

Shareholders' Newsletter



FIMBANK



Interim Directors' Statement (FIM 218)

Company announcement dated 17 Nov 2014

2014 is coming to a close against a background of toned down global growth projections, in the large part caused by prolonged geo-political tensions. The Russia/Ukraine crisis and instability in the Middle East, extending also to parts of North Africa, continue to increase economic uncertainty and heighten downside risk to global trade. Falling commodity prices, particularly in food, metals and oil, have been negatively impacting the exports and revenues of commodity exporters and ultimately worsening the terms of trade. Against this background, market conditions for trade finance remain difficult and with this comes the realization that the fragile optimism in evidence earlier in the year is now framed within a weaker international trade scenario.

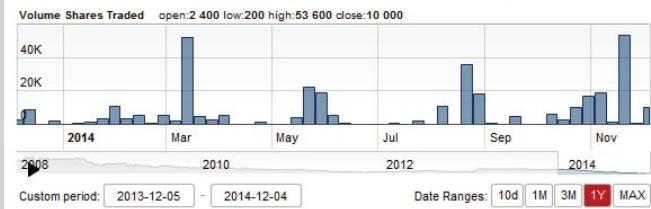
In this environment FIMBank's group of companies (the "Group") maintained a selective and cautious approach to business, with moderate expansion while strengthening risk and governance structures, particularly in the factoring subsidiaries and joint ventures. At the same time, the increased demand for supply chain financing provides a good base for FIMBank to grow and drive on its network and expertise. During the period under review, the Group acquired a controlling interest in First Factors S.A., Chile and opened a FIMBank branch in Athens, Greece, both promising markets with upside potential. The period also saw the further consolidation of the Indian and Russian joint ventures, control over which was acquired during the first half of the year. The Group's spectrum of international business and ventures continues to pose a formidable challenge, not least vis-à-vis compliance with new and increasing regulation.

Although operating results in the main component entities and some of the associated factoring entities have been healthy, with interest spread and fee income improving over the same period in 2013, new impairments continue to impact the performance of several entities across the Group. Besides, recovery efforts with regard to existing problem cases have so far not yielded positive results making the aggregate impairment situation materially challenging. Consequently, the outlook for the performance for the rest of the year is difficult and negative. In this environment, the Group is encouraged by the continued trust of its shareholders, in particular its reference institutional shareholders Burgan Bank S.A.K. and United Gulf Bank B.S.C., as demonstrated in last summer's Rights Issue which raised US\$ 48 million of new equity. This support will allow the Group to weather these setbacks and absorb some of the shocks in the process.

Except for such downside effect which is yet to be fully quantified, no other material events or transactions have taken place that would have an impact on the financial position of the Group or require specific disclosure in terms of the Listing Rules.

ISIN
Company
Total Shares issued
Currency

FIM
FIMBank p.l.c.
271,396,591
US Dollar



Company Secretary:
Investor Relations Helpdesk:
Telephone:
Email:

Avv Andrea Batelli
Ms Ana Sultana
+356 21322100
investorhelpdesk@fimbank.com



The FIMBank Board of Directors is scheduled to meet on the 11 March 2015 to (i) consider and approve the Group's and the Bank's Audited Accounts for the financial year ended 31 December 2014 and (ii) consider the declaration of dividend, if any, to be recommended to the Annual General Meeting of Shareholders.