

FIMBANK

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. (“FIMBank”) pursuant to the Malta Financial Services Authority Listing Rules 5.86 *et seq.* covering the period between 1 January 2014 and the date of this Announcement:

Quote

Interim Directors’ Statement

Following a difficult 2013 characterised by some fairly significant impairment events in the main component entities of FIMBank and London Forfeiting Company Limited, 2014 commenced with the new institutional shareholders, United Gulf Bank B.S.C. and Burgan Bank S.A.K. (both part of the KIPCO Group), jointly increasing their stake in FIMBank to just over 80% as a result of the voluntary bid announced late year. The first months have in fact seen the FIMBank Group increasing its understanding of the KIPCO Group, seeking new business ideas and securing better funding opportunities from its shareholders.

FIMBank p.l.c.

Mercury Tower

The Exchange Financial & Business Centre

Elia Zammit Street

St. Julian’s STJ 3155

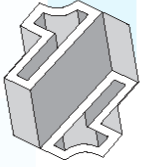
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Company Registration Number: C 17003

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Other important developments which have taken place include the increase to 79% of FIMBank Group's holding in India Factoring and Finance Solutions Private Limited and to 80% of the holding in CIS Factors Holding B.V., which owns 100% of FactorRus, the Russian factoring company. These investments consolidate the FIMBank Group's exposure to factoring in these markets and form part of the plan to obtain shareholder control in key ventures. FIMBank is also in the process of opening a branch in Athens, Greece, focused on offering factoring services to corporate clients while Dubai is being looked at as a test ground for initiating the offering of leasing services later in the year. Discussions continue on the potential acquisition of 40% in PRVI Faktor, a Slovenian factoring and finance company with operations in Central and South Eastern Europe, following the signing of a shareholders' agreement late last year.

Maintaining strong capital ratios and enhancing its credit rating shall be critical to the development of the FIMBank Group. A first Rights Issue of USD50 million has been announced for next month and another Issue of a similar size shall follow in due course, potentially as early as 2015. These developments, coupled with the Listing Authority's approval for FIMBank to remain listed on the Malta Stock Exchange notwithstanding that less than 25% of the total issued share capital is in the hands of the public, confirm the Group's confidence in the Maltese capital markets.

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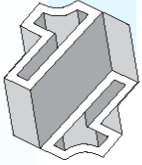
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The period under review is demonstrating good operating results in the main component entities while mixed signals are being observed from the associated factoring entities. Revenue levels, both in terms of interest spread and fee income, have improved when compared with the same period in 2013. However, impairments continue to impact the performance in Russia while the outlook for Egypt remains cautious. Impairment levels at London Forfaiting Company Limited are also being observed in view of economic tensions in certain markets where the entity is active. Across the Group, recovery efforts with regard to 2013 impairments continue but have so far not yielded the desired results. Except for the outcome of these events which is not yet 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.

Unquote

Andrea Batelli
Company Secretary

16 May 2014

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