



**FIMBANK**

## COMPANY ANNOUNCEMENT

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

### **Quote**

The Board of Directors of FIMBank met in Malta on 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](http://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**

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

25 March 2019

**FIMBank p.l.c.**  
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## Preliminary statement of annual results

For the year ended 31 December 2018

### General

The Preliminary Statement of Annual Results is published in terms of Malta Financial Services Authority Listing Rules 5.16 and 5.54. Figures have been extracted from FIMBank p.l.c.'s Audited Financial Statements for the financial year ended 31 December 2018, as approved by the Board of Directors on 23 March 2019 and which have been audited by KPMG. The Financial Statements refer to the consolidated accounts of the FIMBank Group (the "Group"), comprising FIMBank p.l.c. ("FIMBank", the "Bank") and its subsidiaries London Forfaiting Company Limited ("LFC"), India Factoring and Finance Solutions Private Limited ("India Factoring"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), Menafactors Limited ("Menafactors"), FIM Holdings (Chile) S.p.A., FIMFactors B.V., FIM Business Solutions Limited and FIM Property Investment Limited. Coverage is also given to the equity-accounted investee BRASILFACTORS S.A. ("Brasilfactors").

### Review of performance

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. The first half of the year was characterised by the USD105 million new equity injected via a Rights Issue, allowing the strengthening of the capital base and unlocking potential for growth. The operating performance of the Group reflects this strategic development as well as the outcome of actions and initiatives taken over the past years in business origination, asset and liability management, risk management and costs. With continued volatility in the developed and emerging markets arising from both economic and political turbulences, **the Group's commercial efforts have delivered a strong rebound in asset origination** - growing the diversified portfolio across the different products and geographies in which the Group operates. A more efficient management of the balance sheet has also generated higher yields and lowered cost of funds, with the increase in asset levels contributing to an improvement in core operating revenues when compared to last year. In the latter part of the year, the Group managed a number of non-performing exposures that necessitated an increase in impairment allowances, whilst registering continuing successes in recovering legacy delinquent loans across various portfolios within the Group. Complimenting this were measures in reducing the Group complexity and divestitures of strategic investments, which taken together with ongoing cost management programmes have improved cost/income ratios both in absolute and relative terms.

**The Bank, from the Malta Head Office, maintains overall responsibility for the Group's business and development.** During the period under review, the Bank experienced growth mainly in commodity trade finance, factoring, local real estate financing and shipping businesses. Together with a more proactive treasury and cash management functions the Bank was able to optimise its funding structures and liquidity needs, growing its vital correspondent banking relationships and sustaining an adequate level of net margins through continued evaluation of the asset/liability management processes. The Bank also recorded a higher level of impairment charges compared to prior years on a number of non-performing exposures in the commodity trade finance portfolio, for which resolution and recovery efforts are underway.

Across the Group, LFC reported a record profit year since being acquired by FIMBank in 2003, growing its portfolio in a sustained way and exploiting its ability to churn its assets on the secondary market. LFC was also successful in sourcing wholesale third party funding from outside the Group. Despite political uncertainty in key markets in which LFC operates, in 2018 LFC had a strong operating performance, reporting superior level of revenues and margins and a higher ratio of revenue growth compared to costs. During the year, LFC also fully recovered a significant legacy non-performing asset on which credit losses were taken in prior years with a direct positive impact on the yearly profitability.

India Factoring also grew during the year, albeit at a slower pace compared to other Group businesses. During 2018 the company continued executing a strategy to diversify its product offering within the factoring suite of products and by expanding its international business servicing export trade routes out of India. The operating results of the company were satisfactory with a consistent high return on risk assets and persistent cost management in the various offices operating in the country. The yearly performance was negatively impacted by additional impairments required to be taken on two non-performing clients for which recovery efforts are underway.

Egypt Factors returned the first full year profit since the acquisition of the company by the Group in 2016. Upon acquisition, the company was recapitalised and key senior management changes were made entrusted to implement a growth strategy within the domestic and export markets for Egypt-based customers. In 2018, Egypt Factors grew its portfolio beyond break-even point, and backed by recoveries on legacy loans, the company returned a profit for the year.

Consistent with Group strategy for subsidiaries, the 51% investment held by FIMBank in Latam Factors (Chile) was sold in the second half of the year, and Brasilfactors (Brazil) remains classified as a non-current asset held-for-sale. These **strategic outcomes reflect the Group's intent** to exit businesses whose operating models and structures are not complementary to those of FIMBank.

In the beginning of the year the Group implemented the IFRS 9 accounting standard, with the new requirements impacting the classification and measurement of particular financial assets, as well as the introduction of new impairment methodologies for a significant portion of the **Group's portfolio**. **The introduction of IFRS 9 also had an impact on the Group reserves** at the beginning of the year in recognising the impact of additional impairments.

## Statement of profit or loss

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). The results for the year under review are summarised in the table below which should be read in conjunction with the explanatory commentary that follows:

	2018 USD	Group 2017 USD	Movement USD
Net interest income	31,198,703	24,929,013	6,269,690
Net fee and commission income	17,645,824	18,515,479	(869,655)
Dividend income	7,660,271	5,997,942	1,662,329
Net results from foreign currency operations	1,293,996	(1,745,004)	3,039,000
Other operating income	911,206	1,135,085	(223,879)
Net operating income	<u>58,710,000</u>	<u>48,832,515</u>	<u>9,877,485</u>
Operating expenses	<u>(37,576,677)</u>	<u>(42,287,932)</u>	<u>4,711,255</u>
Net operating results	21,133,323	6,544,583	14,588,740
Net impairment (losses)/gains	(13,283,010)	2,297,034	(15,580,044)
Net results from trading assets and other financial instruments	5,982,890	45,787	5,937,103
Share of results of equity-accounted investees	238,634	8,893	229,741
Loss upon disposal of equity-accounted investee	(2,062,937)	-	(2,062,937)
Net result upon loss of control of subsidiary undertaking	-	(656,661)	656,661
Fair value gain from investment property	984,951	3,444,802	(2,459,851)
Profit before tax	<u>12,993,851</u>	<u>11,684,438</u>	<u>1,309,413</u>
Loss on discontinued operations	-	(3,395,976)	3,395,976
Taxation	<u>(2,790,218)</u>	<u>(561,767)</u>	<u>(2,228,451)</u>
Profit for the period	<u>10,203,633</u>	<u>7,726,695</u>	<u>2,476,938</u>

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 IFRS 9 came into force in the beginning of the financial year. In addition to having an impact on the opening reserves at 1 January 2018, the new expected credit loss methodology for impairments redefined the manner in which impairment losses are measured. During the year, the Group recognised additional IFRS 9 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. In the comparative year 2017, the results were positively impacted by one specific account which had contributed USD3.6 million net recoveries to the Statement of Profit or Loss. Separately, during 2018 the IFRS 9 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 or 2 and Stage 3.

Results from trading assets and other financial instruments improved by USD5.9 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 Statement of Profit or Loss. 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 Statement of Profit or Loss.

## 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 tax'.

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 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 ('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, profits for the year and other equity adjustments.

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%).

Total 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.

## 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 presences 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.

## Dividends and reserves

The Directors will not be recommending the payment of a dividend to the Annual General Meeting of shareholders.

# Statements of profit or loss

For the year ended 31 December 2018

	Group		Bank	
	2018	2017	2018	2017
	USD	USD	USD	USD
Interest income	56,136,377	51,154,831	35,303,561	28,323,748
Interest expense	(24,937,674)	(26,225,818)	(19,139,771)	(17,738,857)
Net interest income	31,198,703	24,929,013	16,163,790	10,584,891
Fee and commission income	23,002,373	23,992,907	12,849,903	11,048,533
Fee and commission expense	(5,356,549)	(5,477,428)	(2,799,252)	(2,482,765)
Net fee and commission income	17,645,824	18,515,479	10,050,651	8,565,768
Net trading results	7,287,784	(1,807,839)	2,643,350	(3,140,286)
Net (loss)/gain from other financial instruments carried at fair value	(10,898)	108,622	(10,898)	108,622
Dividend income	7,660,271	5,997,942	17,660,271	10,446,343
Net result upon loss of control of subsidiary undertaking	-	(656,661)	-	-
Loss upon disposal of equity-accounted investee	(2,062,937)	-	-	-
Fair value gain on investment property	984,951	3,444,802	-	-
Other operating income	911,206	1,135,085	125,068	87,088
Operating income before net impairment	63,614,904	51,666,443	46,632,232	26,652,426
Net impairment (charge)/reversal on financial assets	(13,283,010)	2,297,034	(16,970,119)	(767,889)
Operating income	50,331,894	53,963,477	29,662,113	25,884,537
Administrative expenses	(35,586,856)	(40,027,409)	(23,787,047)	(24,785,664)
Depreciation and amortisation	(1,989,821)	(2,260,523)	(1,022,470)	(922,457)
Total operating expenses	(37,576,677)	(42,287,932)	(24,809,517)	(25,708,121)
Operating profit	12,755,217	11,675,545	4,852,596	176,416
Share of results of equity-accounted investees (net of tax)	238,634	8,893	-	-
Profit before tax	12,993,851	11,684,438	4,852,596	176,416
Taxation	(2,790,218)	(561,767)	(1,115,249)	(60,598)
Profit from continuing operations	10,203,633	11,122,671	3,737,347	115,818
Loss on discontinued operations	-	(3,395,976)	-	-
Profit for the year	10,203,633	7,726,695	3,737,347	115,818
<b>Profit attributable to:</b>				
Owners of the Bank	10,196,095	7,519,632	3,737,347	115,818
Non-controlling interests	7,538	207,063	-	-
	10,203,633	7,726,695	3,737,347	115,818
<b>Earnings per share</b>				
Basic earnings per share (US cents)	2.30	2.40	0.84	0.04
Diluted earnings per share (US cents)	2.30	2.40	0.84	0.04
<b>Earnings per share – continuing operations</b>				
Basic earnings per share (US cents)	2.30	3.49	0.84	0.04
Diluted earnings per share (US cents)	2.30	3.48	0.84	0.04

# Statements of other comprehensive income

For the year ended 31 December 2018

	Group 2018 USD	2017 USD	Bank 2018 USD	2017 USD
Profit for the year	10,203,633	7,726,695	3,737,347	115,818
<b>Other comprehensive income:</b>				
Items that will not be reclassified to profit or loss:				
Fair value reserve (property and equipment), gross of deferred tax	2,119,688	9,297,574	-	-
Movement in fair value reserve (FVOCI equity instruments):				
- Equity investments at FVOCI - net change in fair value	(7,608)	-	(7,608)	-
Related tax	(614,933)	(2,688,502)	2,662	-
	<u>1,497,147</u>	<u>6,609,072</u>	<u>(4,946)</u>	<u>-</u>
Items that are or may be reclassified subsequently to profit or loss:				
Movement in translation reserve:				
- Foreign operations - foreign currency translation differences	(2,263,430)	3,848,686	-	-
Movement in fair value reserve (FVOCI debt instruments):				
- Debt investments in FVOCI - net change in fair value	402,903	-	402,903	-
- Debt investments in FVOCI - reclassified to profit or loss	86,049	-	86,049	-
Movement in fair value reserve (available-for-sale financial assets):				
- Available-for-sale financial assets - net change in fair value	-	1,990,547	-	1,990,547
- Available-for-sale financial assets - reclassified to profit or loss	-	38,857	-	38,857
Related tax	234,695	(56,763)	234,695	(56,763)
Other comprehensive (expense)/income, net of tax	<u>(42,636)</u>	<u>12,430,399</u>	<u>718,701</u>	<u>1,972,641</u>
Total comprehensive income	<u>10,160,997</u>	<u>20,157,094</u>	<u>4,456,048</u>	<u>2,088,459</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Bank	9,997,968	20,068,955	4,456,048	2,088,459
Non-controlling interests	163,029	88,140	-	-
	<u>10,160,997</u>	<u>20,157,094</u>	<u>4,456,048</u>	<u>2,088,459</u>

# Statements of financial position

As at 31 December 2018

	Group		Bank	
	2018	2017	2018	2017
	USD	USD	USD	USD
<b>Assets</b>				
Balances with the Central Bank of Malta, treasury bills and cash	151,910,865	208,171,299	151,891,005	208,147,513
Derivative assets held for risk management	92,852	722,256	109,727	722,256
Trading assets	347,284,967	252,509,144	-	-
Loans and advances to banks	325,105,273	226,092,934	321,085,750	203,552,663
Loans and advances to customers	655,588,151	566,361,530	725,405,105	581,529,952
Financial assets designated at fair value through profit or loss	173,362,850	156,612,036	173,362,850	156,612,036
Financial assets designated at fair value through other comprehensive income	86,683,899	104,632,762	86,683,899	104,632,762
Investments at amortised cost	9,846,749	-	9,846,749	-
Interests in equity-accounted investees	-	5,561,181	-	-
Investments in subsidiaries	-	-	102,595,614	94,050,884
Property and equipment	31,111,769	29,660,743	968,472	1,035,490
Investment property	17,223,820	16,238,869	-	-
Intangible assets and goodwill	13,290,401	11,984,948	4,669,342	2,736,599
Current tax assets	1,720,921	3,306,366	-	1,052,348
Deferred tax assets	38,694,104	41,023,245	22,599,041	23,303,267
Other assets	7,659,580	12,747,974	5,366,304	9,005,794
Prepayments and accrued income	8,985,607	7,776,171	8,280,725	7,054,755
<b>Total assets</b>	<b>1,868,561,808</b>	<b>1,643,401,458</b>	<b>1,612,864,583</b>	<b>1,393,436,319</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Derivative liabilities held for risk management	2,928,925	722,922	2,928,925	723,454
Amounts owed to banks	453,055,327	493,192,846	397,913,033	393,247,791
Amounts owed to customers	1,023,972,887	847,198,005	957,720,771	815,812,570
Debt securities in issue	87,081,373	54,653,654	14,834,943	-
Subordinated liabilities	-	50,000,000	-	50,000,000
Current tax liabilities	356,579	357,509	-	-
Deferred tax liabilities	4,215,075	3,518,684	-	-
Other liabilities	1,179,728	829,197	1,007,819	793,060
Accruals and deferred income	17,082,094	20,034,283	9,050,479	7,818,090
<b>Total liabilities</b>	<b>1,589,871,988</b>	<b>1,470,507,100</b>	<b>1,383,455,970</b>	<b>1,268,394,965</b>
<b>Equity</b>				
Share capital	252,720,107	157,265,562	252,720,107	157,265,562
Share premium	9,275,773	173,113	9,275,773	173,113
Reserve for general banking risks	1,242,511	608,284	1,242,511	608,284
Currency translation reserve	(5,166,834)	(2,747,913)	-	-
Fair value reserve	11,712,299	9,533,453	758,254	81,501
Other reserve	2,837,122	2,870,270	2,681,041	2,681,041
Retained earnings/(Accumulated losses)	7,684,096	6,901,064	(37,269,073)	(35,768,147)
<b>Total equity attributable to equity holders of the Bank</b>	<b>280,305,074</b>	<b>174,603,833</b>	<b>229,408,613</b>	<b>125,041,354</b>
Non-controlling interests	(1,615,254)	(1,709,475)	-	-
<b>Total equity</b>	<b>278,689,820</b>	<b>172,894,358</b>	<b>229,408,613</b>	<b>125,041,354</b>
<b>Total liabilities and equity</b>	<b>1,868,561,808</b>	<b>1,643,401,458</b>	<b>1,612,864,583</b>	<b>1,393,436,319</b>
<b>Memorandum items</b>				
Contingent liabilities	2,864,826	1,186,426	67,466,612	57,601,096
Commitments	188,606,767	353,893,273	158,386,020	254,253,843



# Statements of changes in equity

For the year ended 31 December 2018

Group

	Attributable to equity shareholders of the Bank							Total USD	Non- controlling interests USD	Total equity USD
	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Retained earnings/ (Accumulated loss) USD			
Balance at 31 December 2017	157,265,562	173,113	608,284	(2,747,913)	9,533,453	2,870,270	6,901,064	174,603,833	(1,709,475)	172,894,358
Adjustment on initial application of IFRS 9, net of tax	-	-	-	-	(41,948)	-	(8,811,984)	(8,853,932)	(68,808)	(8,922,740)
Restated balance at 1 January 2018	157,265,562	173,113	608,284	(2,747,913)	9,491,505	2,870,270	(1,910,920)	165,749,901	(1,778,283)	163,971,618
<b>Total comprehensive income</b>										
Profit for the year	-	-	-	-	-	-	10,196,095	10,196,095	7,538	10,203,633
Other comprehensive income:										
Fair value reserve (FVOCI debt instruments):										
- Debt investments at FVOCI - net change in fair value	-	-	-	-	651,668	-	-	651,668	-	651,668
- Debt investments at FVOCI - reclassified to profit or loss	-	-	-	-	71,979	-	-	71,979	-	71,979
Fair value reserve (FVOCI equity instruments):										
- Equity investments at FVOCI - net change in fair value	-	-	-	-	(4,946)	-	-	(4,946)	-	(4,946)
Fair value reserve (property and equipment):										
- Property and equipment - net change in fair value	-	-	-	-	1,502,093	-	-	1,502,093	-	1,502,093
Translation reserve:										
- Foreign operations - foreign translation differences	-	-	-	(2,418,921)	-	-	-	(2,418,921)	155,491	(2,263,430)
Total other comprehensive income	-	-	-	(2,418,921)	2,220,794	-	-	(198,127)	155,491	(42,636)
Total comprehensive income	-	-	-	(2,418,921)	2,220,794	-	10,196,065	9,997,968	163,029	10,160,997
<b>Transactions with owners of the Bank</b>										
Contributions and distributions:										
Issue of new shares, net of transaction costs	95,454,545	9,102,660	-	-	-	-	-	104,557,205	-	104,557,205
Total transactions with owners of the Bank	95,454,545	9,102,660	-	-	-	-	-	104,557,205	-	104,557,205
Transfer between reserves	-	-	634,227	-	-	(33,148)	(601,079)	-	-	-
At 31 December 2018	252,720,107	9,275,773	1,242,511	(5,166,834)	11,712,299	2,837,122	7,684,096	280,305,074	(1,615,254)	278,689,820

# Statements of changes in equity

For the year ended 31 December 2017

Group

	Attributable to equity shareholders of the Bank							Total USD	Non- controlling interests USD	Total equity USD
	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	(Accumulated losses)/ Retained earnings USD			
At 1 January 2017	155,239,263	2,101,335	764,792	(6,715,522)	951,740	2,481,760	(386,566)	154,436,802	23,274,085	177,710,887
<b>Total comprehensive income</b>										
Profit for the year	-	-	-	-	-	-	7,519,632	7,519,632	207,063	7,726,695
Other comprehensive income:										
Fair value reserve (available-for-sale financial assets):										
- Available-for-sale financial assets - net change in fair value	-	-	-	-	1,963,110	-	-	1,963,110	-	1,963,110
- Available-for-sale financial assets - reclassified to profit or loss	-	-	-	-	9,531	-	-	9,531	-	9,531
Fair value reserve (property and equipment):										
- Property and equipment - net change in fair value	-	-	-	-	6,609,072	-	-	6,609,072	-	6,609,072
Translation reserve:										
- Foreign operations - foreign translation differences	-	-	-	3,967,609	-	-	-	3,967,609	(118,923)	3,848,686
Total other comprehensive income	-	-	-	3,967,609	8,581,713	-	-	12,549,322	(118,923)	12,430,399
Total comprehensive income	-	-	-	3,967,609	8,581,713	-	7,519,632	20,068,954	88,140	20,157,094
<b>Transactions with owners of the Bank</b>										
Contributions and distributions:										
Issue of new shares, net of transaction costs	85,067	13,010	-	-	-	-	-	98,077	-	98,077
Bonus issue of shares	1,941,232	(1,941,232)	-	-	-	-	-	-	-	-
Changes in ownership interests										
Loss of control in subsidiaries	-	-	-	-	-	-	-	-	(25,071,700)	(25,071,700)
Total transactions with owners of the Bank	2,026,299	(1,928,222)	-	-	-	-	-	98,077	(25,071,700)	(24,973,623)
Transfer between reserves	-	-	(156,508)	-	-	388,510	(232,002)	-	-	-
At 31 December 2017	157,265,562	173,113	608,284	(2,747,913)	9,533,453	2,870,270	6,901,064	174,603,833	(1,709,475)	172,894,358

# Statements of changes in equity

For the year ended 31 December 2018

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 31 December 2017	157,265,562	173,113	608,284	81,501	2,681,041	(35,768,147)	125,041,354
Adjustment on initial application of IFRS 9, net of tax	-	-	-	(41,948)	-	(4,604,046)	(4,645,994)
Restated balance at 1 January 2018	157,265,562	173,113	608,284	39,553	2,681,041	(40,372,193)	120,395,360
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	3,737,347	3,737,347
Other comprehensive income:							
Fair value reserve (FVOCI debt instruments):							
- Debt investments at FVOCI - net change in fair value	-	-	-	651,668	-	-	651,668
- Debt investments at FVOCI - reclassified to profit or loss	-	-	-	71,979	-	-	71,979
Fair value reserve (FVOCI equity instruments):							
- Equity investments at FVOCI - net change in fair value	-	-	-	(4,946)	-	-	(4,946)
Total other comprehensive income	-	-	-	718,701	-	-	718,701
Total comprehensive income	-	-	-	718,701	-	3,737,347	4,456,048
<b>Transactions with owners of the Bank</b>							
Contributions and distributions:							
Issue of new shares, net of transaction costs	95,454,545	9,102,660	-	-	-	-	104,557,205
Total transactions with owners of the Bank	95,454,545	9,102,660	-	-	-	-	104,557,205
Transfer between reserves	-	-	634,227	-	-	(634,227)	-
Balance at 31 December 2018	252,720,107	9,275,773	1,242,511	758,254	2,681,041	(37,269,073)	229,408,613

# Statements of changes in equity

For the year ended 31 December 2017

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2017	155,239,263	2,101,335	764,792	(1,891,140)	2,681,041	(36,040,473)	122,854,818
<b>Total comprehensive income</b>							
Profit for the year	-	-	-	-	-	115,818	115,818
Other comprehensive income:							
Fair value reserve (available-for-sale financial assets)							
- Available-for-sale financial assets - net change in fair value	-	-	-	1,963,110	-	-	1,963,110
- Available-for-sale financial assets - reclassified to profit or loss	-	-	-	9,531	-	-	9,531
Total other comprehensive income	-	-	-	1,972,641	-	-	1,972,641
Total comprehensive income	-	-	-	1,972,641	-	115,818	2,088,459
<b>Transactions with owners of the Bank</b>							
Contributions and distributions:							
Issue of new shares, net of transaction costs	85,067	13,010	-	-	-	-	98,077
Bonus issue of shares	1,941,232	(1,941,232)	-	-	-	-	-
Total transactions with owners of the Bank	2,026,299	(1,928,222)	-	-	-	-	98,077
Transfer between reserves	-	-	(156,508)	-	-	156,508	-
Balance at 31 December 2017	157,265,562	173,113	608,284	81,501	2,681,041	(35,768,147)	125,041,354

# Statements of cash flows

For the year ended 31 December 2018

	Group 2018 USD	2017 USD	Bank 2018 USD	2017 USD
<b>Cash flows from operating activities</b>				
Interest and commission receipts	78,399,722	69,434,270	47,228,220	41,196,846
Exchange received/(paid)	5,463,043	(14,908,684)	7,931,548	(14,976,712)
Interest and commission payments	(30,822,738)	(32,050,892)	(22,327,367)	(20,744,553)
Payments to employees and suppliers	(32,986,848)	(38,531,400)	(20,946,857)	(24,537,766)
Operating profit/(loss) before changes in operating assets/liabilities	20,053,179	(16,056,706)	11,885,544	(19,062,185)
<b>(Increase)/decrease in operating assets:</b>				
- Trading assets and financial assets at FVTPL	(92,578,189)	133,999,936	-	-
- Loans and advances to customers and banks	(84,114,645)	(7,413,328)	(61,739,013)	35,758,424
- Other assets	5,264,549	(8,900,431)	3,639,490	(6,391,881)
<b>Increase/(decrease) in operating liabilities:</b>				
- Amounts owed to customers and banks	(28,221,527)	(117,953,924)	39,022,653	(148,395,307)
- Other liabilities	350,536	262,508	220,685	371,024
- Net advances from subsidiary companies	-	-	(109,290,278)	158,474,611
Net cash (absorbed by)/generated from operating activities before income tax	(179,246,097)	(16,061,945)	(116,260,919)	20,754,686
Income tax refunded/(paid)	829,633	69,852	907,016	(60,598)
Net cash flows (used in)/from operating activities	(178,416,464)	(15,992,093)	(115,353,903)	20,694,088
<b>Cash flows from investing activities</b>				
- Payments to acquire financial assets at FVTPL	(18,092,429)	-	(18,092,429)	-
- Payments to acquire investments at amortised cost	(9,881,423)	-	(9,881,423)	-
- Payments to acquire shares in subsidiary companies	-	-	-	(10,304,042)
- Payments to acquire shares in other investments	(35,210)	-	(35,210)	-
- Payments to acquire property and equipment	(657,420)	(363,629)	(344,451)	(195,368)
- Payments to acquire intangible assets	(2,586,155)	(763,786)	(2,543,743)	(727,136)
- Proceeds on disposal of financial assets at FVTPL	-	17,870,000	-	17,870,000
- Proceeds on maturity of debt investments at FVOCI	15,000,000	-	15,000,000	-
- Proceeds on disposal of available-for-sale financial assets	-	62,397,260	-	62,397,260
- Proceeds on disposal of other investments	-	9,674,022	-	9,673,320
- Proceeds on disposal of interests in equity-accounted investees	2,470,007	-	-	-
- Proceeds on disposal of property and equipment	846,831	723,200	-	2,674
- Proceeds on disposal of intangible assets	-	24,037	-	-
- Receipt of dividend	7,472,717	5,759,405	7,472,717	10,207,806
Net cash flows (used in)/from investing activities	(5,463,082)	95,320,509	(8,424,539)	88,924,514
Increase in cash and cash equivalents c/f	(183,879,553)	79,328,416	(123,778,442)	109,618,602

# Statements of cash flows

For the year ended 31 December 2018

	Group 2018 USD	2017 USD	Bank 2018 USD	2017 USD
Increase in cash and cash equivalents b/f	(183,879,553)	79,328,416	(123,778,442)	109,618,602
Cash flows from financing activities				
- Issue of share capital	54,557,207	98,077	54,557,206	98,077
- Net movement in debt securities	32,427,718	46,427,785	14,834,943	-
Net cash flows from financing activities	86,984,925	46,525,862	69,392,149	98,077
Increase in cash and cash equivalents	(96,894,621)	125,854,278	(54,386,293)	109,716,679
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	(13,097,651)	20,583,682	(11,719,319)	12,457,343
- Net increase in cash and cash equivalents	(83,796,970)	105,270,596	(42,666,974)	97,259,336
(Decrease)/Increase in cash and cash equivalents	(96,894,621)	125,854,278	(54,386,293)	109,716,679
Cash and cash equivalents at beginning of year	178,676,622	52,822,344	153,393,145	43,676,466
Cash and cash equivalents at end of year	81,782,001	178,676,622	99,006,852	153,393,145