



FIMBANK

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. (hereinafter “FIMBank”) pursuant to the Malta Financial Services Authority Listing Rules 5.16 *et seq.*

Quote

On the 10th June 2021, Fitch Rating has published their latest rating on FIMBank Plc's (FIM), downgrading the Long-Term Issuer Default Rating (IDR) to 'B' from 'B+' and Viability Rating (VR) to 'b' from 'b+'. The Outlook is Negative.

In Fitch's view, the downgrade reflects heightened pressures on FIM's business model, performance and capitalisation. In particular, Fitch views increased pressure on the bank's performance from lower margins and due to business growth constraints given thin capital buffers over regulatory minima.

The Negative Outlook reflects their view that further asset quality deterioration could put further pressure on the bank's already weakened financial performance and limited capital buffers. It also reflects risks to the bank's strategy to gradually support revenues with growth in relatively higher-yielding assets and by exiting unprofitable business lines.

Undoubtedly, last year was challenging for FIMBank and the industry as a whole, but throughout the year FIMBank maintained a strong capital (CET1 capital of 18.5% as at 31Dec20) and liquidity position (Liquidity Coverage Ratio of 241% as at 31Dec20). Having weathered a turbulent year we believe that the bank's defined strategy will deliver sustained growth and the continued success in recovering non-performing loans will further improve the robustness of the organization.

Unquote

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