

23rd March 2016

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Izola Bank p.l.c. pursuant to the Malta Financial Services Authority Listing Rules:

Quote

The Board of Directors of Izola Bank p.l.c. has approved the Annual Report for the financial year ended 31 December 2015 and its publication, which has been made available for viewing on the Company's website www.izolabank.com (*refer to Investor Information section*) or at the Company's registered address at 58, East Street, Valletta, VLT 1251, Malta.

The financial information provided below has been extracted from the Annual Report of Izola Bank p.l.c. for the financial year ended 31 December 2015. The Bank's Financial Statements were audited by KPMG and prepared in accordance with the International Financial Reporting Standards as adopted by the EU and with the requirements of the Companies Act, 1995 and the Banking Act, 1994.

Review of performance

During the year ended 31 December 2015, the Bank generated a profit before tax of €3,583,042, up 2% on 2014. Profit after tax was €2,386,020, an increase of 4% over the previous year.

Net interest income increased by 19% whilst net fee and commission income increased by 2% over the previous year. Other operating income, comprising mainly of investment gains and dividend income, increased by 114% over 2014.

Administrative expenses increased by 26% in the year under review. At year end, the Bank's cost-to-income ratio stood at a healthy 32.8% (2014: 30.3%).



izola Bank

Review of financial position

Total assets increased by 15.5% to €171,399,711 whereas total liabilities rose from €123,430,226 to €143,719,747 – an increase of 16.4%. Shareholders' equity amounted to €27,679,964 compared with €24,940,443 of a year earlier.

As at 31 December 2015 the Capital Adequacy Ratio of 40% and Liquidity Ratio of 117% were both well above the European and US banking sector norms.

There was no sign of deterioration in asset quality in 2015. The current credit approval and monitoring structures have helped to ensure very good credit quality of factoring.

The Directors have proposed a final dividend of €2,000,000 in respect of 2015, representing a dividend per share of €5.00. This was approved by the shareholders during the subsequent Annual General Meeting.

Unquote

Calvin Bartolo
Company Secretary