



Pillar III Disclosures Report 2024

FIMBANK
G R O U P

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Pillar III Disclosures Report

For the year ended 31 December 2024

1 Introduction

1.1 Background

This document comprises the Pillar III regulatory disclosures required by Banking Rule BR/07 'Publication of Annual Report and audited Financial Statements of credit institutions authorised under the Banking Act, 19/94' for FIMBank p.l.c. (the 'Bank') and its subsidiary undertakings (the 'Group'). These are disclosed based on 31 December 2024 year-end data unless otherwise stated, taking into consideration the requirements under EBA/GL/2014/14 in relation to materiality and frequency of disclosures.

These disclosures reflect the disclosure requirements of Part Eight of 'Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012' ('Capital Requirements Regulation') as amended by 'Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012' (hereinafter referred to as 'CRR').

The Group is subject to the disclosure requirements prescribed under Article 433c of the CRR, since it does not fall under the definition of a 'large institution' and is not classified as a 'small and non-complex institution'. This article requires the Group to disclose the key metrics referred to in Article 447 of the CRR on a semi-annual basis and all other information required under Part Eight of the CRR on an annual basis.

The Group has in place a policy document for Pillar III Disclosures. This policy document has been approved by the Management Governance Committee, subsequently by the Corporate Governance Committee and lastly the Board of Directors on 9 April 2025. This policy outlines the Group's requirements for the Pillar III disclosures.

Disclosures are being reported in line with the 'Commission Implementing Regulation (EU) No 2021/637 of 15 March 2021 laying down implementing technical standards with regards to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295' and Commission Implementing Regulation (EU) No 2022/631 of 13 April 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book (together the 'ITS on Pillar III disclosure') and with the applicable European Commission's implementing and delegated regulations, as well as the European Banking Authority's ('EBA') guidelines and technical standards.

1.2 Publication and verification

The Pillar III disclosures are not subject to external audit, except to the extent that any such disclosures are also required for the purpose of the preparation of the Group's International Financial Reporting Standards Financial Statements. These disclosures are prepared and reviewed by the Regulatory Reporting team within the Group's Finance department. Information is sourced from the Risk Management, Legal and Human Resources departments and from the prudential reporting submitted by the Finance department.

An Agreed-Upon Procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) *Agreed-Upon Procedures Engagements*, was performed by an independent statutory auditor on this Pillar 3 disclosures report for the reference date 31 December 2024. The purpose of this engagement was to carry out procedures relating to the requirements laid down in Part Eight of the CRR and the related guidelines and technical standards published by the EBA. The observations of this engagement together with this report are shared with the Group's Audit Committee and the Board of Directors (the 'Board'). The Board then provides a written attestation that they are satisfied that the internal controls implemented around the preparation of these disclosures are adequate and such disclosures present a fair and accurate picture of the Group's risk profile and capital position.

The Pillar III disclosures document is published on the Group's corporate website. This can be found at www.fimbank.com.

2 Scope

Both the Bank and the Group are supervised on a solo and consolidated basis, by the Malta Financial Services Authority ('MFSA'), in terms of the general provisions under Part 1 of the CRR.

The following templates and tables are prescribed by the main disclosure ITS and disclose:

- i. A breakdown of the differences between the accounting scope and the scope of prudential consolidation (Templates EU LI1 & LI2 and Table LIA); and
- ii. Additional information on the scope of consolidation (Template EU LI3 and Table LIB).

Template EUR PV1 does not apply to the Group and is not being disclosed since it does not breach the EUR15 billion threshold. The Group applies the simplified approach in line with Commission Delegated Act 2016/101.

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories
Breakdown by asset classes according to the balance sheet in the published financial statements

		Carrying values as reported in published financial statements and under scope of prudential consolidation	Carrying values of items			
			Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
		USD	USD	USD	USD	USD
		a, b	c	d	f	g
1	Balances with Central Bank of Malta, treasury bills and cash	134,192,217	134,192,217	-	134,188,694	-
2	Derivative assets held for risk management	1,464,641	-	1,464,641	-	-
3	Trading assets	274,733,298	-	-	274,733,298	-
4	Loans and advances to banks	96,457,392	96,526,947	-	27,269,966	(69,556)
5	Loans and advances to customers	427,976,723	428,489,022	-	251,514,546	(512,299)
6	Financial investments at fair value through profit or loss	13,958,450	16,612,035	-	13,906,093	(2,653,584)
7	Financial investments at fair value through other comprehensive income	120,265,095	120,265,095	-	95,091,372	-
8	Financial investments at amortised cost	2,073,906	2,073,906	-	-	-
9	Property and equipment	23,576,823	23,576,823	-	42,332,227	-
10	Investment property	20,925,767	20,925,767	-	-	-
11	Intangible assets and goodwill	2,906,773	2,694,940	-	-	211,833
12	Current tax assets	886,247	886,247	-	886,247	-
13	Deferred tax assets	15,654,513	15,654,513	-	683,391	-
14	Other assets	11,088,122	7,759,835	-	6,036,064	3,328,287
15	Total assets	1,146,159,967	869,657,346	1,464,641	846,641,899	304,682

The column 'Subject to the securitisation framework' (e) was not included in the above table as the Group is not subject to this framework.

Breakdown by liability classes according to the balance sheet in the published financial statements

		Carrying values as reported in published financial statements and under scope of prudential consolidation	Carrying values of items	
			Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
		USD	USD	USD
		a, b	f	g
1	Derivative liabilities held for risk management	1,109,346	-	1,109,346
2	Amounts owed to institutions and banks	241,193,331	49,597,963	191,595,367
3	Amounts owed to customers	679,118,749	619,705,607	59,413,142
4	Debt securities in issue	15,851,701	15,851,701	-
5	Current tax liabilities	1,953,622	459,593	1,494,028
6	Deferred tax liabilities	4,011,635	3,324,330	687,305
7	Provision for liabilities and charges	582,401	107,182	475,219
8	Other liabilities	18,691,243	9,046,469	9,644,774
9	Total liabilities	962,512,028	698,092,846	264,419,182

There are no liability amounts that are subject to credit risk, credit counterparty risk and securitisation frameworks, and hence columns (c), (d) and (e) were not disclosed in the above table.

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		Total	Items subject to		
			Credit risk framework	Counterparty credit risk framework	Market risk framework
		USD	USD	USD	USD
		a	b	d	e
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	1,146,159,967	869,657,346	1,464,641	846,641,899
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	962,512,028	-	-	698,092,846
3	Total net amount under the scope of prudential consolidation	183,647,939	869,657,346	1,464,641	148,549,053
4	Off-balance sheet amounts	163,162,228	163,162,228	-	
5	Differences in valuations	-	-	-	
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	
7	Differences due to consideration of provisions	(475,219)	(475,219)	-	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(27,776,603)	(27,776,603)	-	
9	Differences due to credit conversion factors	(111,377,382)	(111,377,382)	-	
10	Differences due to Securitisation with risk transfer	-	-	-	
11	Other differences	9,437,810	-	9,437,810	
12	Exposure amounts considered for regulatory purposes	216,618,772	893,190,370	10,902,450	260,073,572

The column 'Securitisation framework' (c) was not included in the above table as the Group is not subject to the Securitisation framework.

Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts

(a)	<i>Explanation and origins of any significant differences between the amounts in columns (a) and (b) in template EU LI1</i> All assets and liabilities reported in published financial statements are under scope of prudential consolidation. Liabilities are not subject to the credit risk or counterparty credit risk framework. No item is subject to the securitisation framework. The main significant difference in Template EU LI1 relates to the payment commitments of Depositor Compensation Scheme and Single Resolution Fund. Under IFRS, such commitments ('IPC') are treated as contingent liabilities due to the lower probability of an outflow of resources. However, for regulatory purposes IPCs are reported as provisions in the FINREP reporting set and deducted from the previous years' retained earnings in compliance with the MFSA's and EBA's prudential requirements and the EBA/GL/2015/09 guidelines on payment commitments under Directive 2014/49/EU on deposit guarantee schemes.
(b)	<i>Explanation and origins of differences between carrying values under the scope of prudential consolidation and amounts considered for regulatory purposes shown in template EU LI2</i> <u>Credit risk framework</u>: Net amounts under the scope of prudential consolidation (including off-balance sheet amounts) are adjusted as follows: • <i>Provisions</i>: Article 473a of the CRR allows institutions to apply transitional provisions to mitigate the impact of the introduction of the International Financial Reporting Standard ('IFRS') 9 standard. As a result of the prescribed computation, part of the provision is adjusted when calculating the exposure amount for regulatory purposes. • <i>Credit risk mitigation techniques</i>: Chapter 4 of Title II, Part Three of the CRR requires reporting agents to adjust their exposure value for any risk mitigants that qualify under the prescribed articles. These include cash collateral and guarantees. • <i>Credit conversion factors</i>: Off-balance sheet amounts are subject to four factors prescribed under Article 111(1) of the CRR based on the type of exposures that are classified as full-risk (100%), medium-risk (50%), medium/low-risk (20%) and low-risk (0%) within Annex I of the CRR. <u>Counterparty credit risk framework</u>: Forward derivative contracts are accounted for on the balance sheet by recording the unrealised gain or loss as an asset or a liability respectively. Within the regulatory framework, the exposure value of these derivatives is calculated based on the Original Exposure Method prescribed under Chapter 6 of Title II, Part Three of the CRR. <u>Market risk framework</u>: The Group is subject to foreign exchange risk and position risk. The exposure values are calculated under the under Chapter 2 and 3 of Title IV, Part Three of the CRR.

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Full consolidation	Equity method	Description of the entity
a	b	c	e	h
FIMBank p.l.c.	Full consolidation	X		Credit institution
London Forfaiting Company Limited	Full consolidation	X		Forfaiting company
India Factoring and Finance Solutions (Private) Limited	Full consolidation	X		Factoring company
The Egyptian Company for Factoring S.A.E	Full consolidation	X		Factoring company
BrasilFactors S.A.	Equity Method		X	Factoring company
FIMFactors B.V.	Full consolidation	X		Holding company
FIM Property Investment Limited	Full consolidation	X		Property management

Columns (d), (f) and (g) of the above table were not disclosed, since none of the entities are being consolidated using the following methods: 'proportional consolidation', 'neither deducted nor consolidated', 'deducted'.

Table EU LIB – Other qualitative information on the scope of application

(a)	There are no current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries.
(b)	All subsidiaries are included in the consolidation as disclosed in Template EU LI3.
(c)	The Group has not made use of the derogation referred to in Article 7 CRR or the individual consolidation method laid down in Article 9 CRR.
(d)	All subsidiaries are included in the consolidation as disclosed in Template EU LI3 and as a result this disclosure requirement is not applicable.

3 Risk governance

Table EU OVA - Institution risk management approach

(a)	<i>Disclosure of concise risk statement approved by the management body</i> The Bank's business model and risk appetite are primarily focused on the support of international trade, which is typically facilitated by way of short term, self-liquidating structures. The Bank monitors its risk profile using a number of metrics covering capital & liquidity, profitability, asset quality and market-based indicators, which are tracked against a mixture of regulatory and internally set thresholds. These metrics comprise the Bank's overall Risk Appetite Statement. These measures are tracked by various business lines and committees (both management and board appointed) and are reported quarterly (or more frequently) to the Board Risk Committee and subsequently presented to the Board. The Bank has an escalation process governing these risk parameters to ensure that breaches are raised to senior management and beyond so that corrective action is taken as necessary. The Group considers its key risk metrics to be: Capital Ratios, Leverage Ratio, Liquidity Coverage Ratio ('LCR') and Net Stable Funding Ratio ('NSFR'). See table KM1 of section 4.1 of this document for details of the specific metrics. The Group's intragroup and related party transactions are detailed in note 43 to the audited financial statements. There was a reduction in the risk associated with said exposures, in view of a reduction in financial investments at amortised cost. The overall Risk Appetite Statement for the Group is presented by the Group Chief Risk Officer ('GCRO') to the Board Risk Committee for review and recommendation to the Board on (at a minimum) an annual basis.
(b)	Information on the risk governance structure for each type of risk The risk factors associated with the banking industry are multiple and varied. Exposure to risk arises in the normal course of both the Bank's and the Group's business. The Group is engaged in trade finance business, therefore control over contingent liabilities and commitments is fundamental since the risks involved are substantively the same as with on-balance sheet items. The Group adopts the three lines of defence model as outlined in the below diagram. <pre> graph LR subgraph "Third Line of Defence" IA[Internal Audit] end subgraph "Second Line of Defence" RM[Risk Management] C[Compliance] subgraph "First Line of Defence" BU[Business Units] SU[Support Units] end end IA --- SLD[Second Line of Defence] SLD --- FL1[First Line of Defence] </pre> The Group adopts a three lines of defence model for risk management, with the first line of defence represented by the business origination units. The second line of defence is represented by: (i) the Risk Management Department, which reports to an independent GCRO and oversees all risks within the Group, and (ii) the Compliance Department. The third line of defence is constituted by Internal Audit, being the function, which provides independent assurance to the Board on the processes and procedures employed by the Bank. The three lines of defence model attributes responsibility for risk management at all levels within the Group. The Internal Audit function monitors compliance with policies, standards and procedures and the effectiveness of the internal control environment of the Group. The Internal Auditor periodically reviews and tests the internal systems of control independently from Management, adopting a risk-based approach. The Internal Auditor reports to the Board Audit Committee. All reports are circulated and also copied to the Chairman of the Board of Directors. The Board is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the business of the Group and for ensuring that proper systems of internal controls are in place. The Board has established a number of Board Committees to support the fulfilment of its responsibilities. The Board Risk Committee ("BRC"), a Board committee, has the task of assisting the Board in fulfilling its responsibilities concerning the establishment and implementation of the Group's risk management strategy, systems and policies. The scope of the Committee's responsibility covers the Bank and all its Group entities. Management is ultimately delegated with the task of creating an effective

control environment to the highest possible standards. The Risk Management Department ('RMD') is responsible for the implementation of the risk strategy approved by the Board as part of the overall vision and strategy for the Group.

The Board Credit Committee ('BCC') is responsible for review and approval of credit limits granted to customers and limits set at country level.

The Board Corporate Governance Committee ('CGC') is responsible for governance matters concerning the Group, including the policies of the organisation.

The Board Environment, Social and Governance Committee ('BESG') is responsible for overseeing and managing the Group's ESG strategy and related policies and systems



In addition to the above Committees, there are also the: Board Review and Implementation Committee ('BRIC') and Board Nomination and Remuneration Committee ('BNRC').

Details of the composition and responsibilities of these Committees are laid out in the Statement of Compliance with the Principles of Good Corporate Governance.

The GCRO reports directly to the Chairman of the Board Risk Committee, with a dotted reporting line to the Group's Chief Executive Officer ('GCEO'). The GCRO is Modesto Luengo who was appointed in October 2023.

The Risk Management Department is a group function and oversees and manages risks for the Bank and all consolidated subsidiaries of the Group. The department includes a wide range of professionals with a degree of specialisation in certain areas of risk (credit, market, operational, funding and liquidity risks) and is supported by risk specialists located at the different subsidiaries of the Group, who report directly to the Group's central Risk Management Department. The risk profile of the Group is defined in the Risk Appetite Statement endorsed by the Board and gathers key risk metrics on a Group level, encompassing credit, market, liquidity, operational and reputational risk metrics. Overall, the risk profile is a mirror of the Group's business model; that is to provide: short-term finance solutions, with risk diversification across several geographies; multiple trade finance products (structured trade finance, forfaiting, factoring, etc.) to customers operating in several sectors; correspondent banking services; and real estate finance and working capital finance to corporate customers in Malta. The risk dimension of the various portfolios is managed by risk professionals both locally and in the markets where the Group has presence.

The Group identified the following risks, assessed under Pillar I and under the economic perspective, as being significant and the above committees have oversight responsibility for their management:

- Credit risk – The risk that an obligor fails to satisfy its obligations to the organisation leading to a financial loss. This risk includes default risk, concentration risk, counterparty credit risk, settlement risk and foreign exchange lending risk;
- Market risk – The risk that changes in market prices cause fluctuations in or a change in fair value of future cash flows. This risk includes foreign exchange risk, interest rate risk in the banking book, position risk in traded debt instruments and price risk;
- Operational risk – The risk of loss resulting from inadequate or failed internal processes, people or IT systems, or from external events (includes business continuity considerations);
- Liquidity risk – The risk of loss resulting from the Group's inability to meet its obligations due to lack of cash or illiquidity of assets held for funding purposes;
- Environmental, Social and Governance Risk – The risk that environmental, social or governance factors negatively impact the Group's financial stability; and
- Other risks – The risk of loss due to conduct failures or reputational events, or failure in strategy.

The Risk Management Department is organised into a number of distinct areas of responsibility, namely: credit risk, operational risk, market risk (incl. interest rate risk), and liquidity risk. Furthermore, the Risk Management Department is responsible for business continuity planning, and Environment, Social and Governance ('ESG') initiatives. The department also dedicates resources to the preparation of management information used in the day-to-day oversight and management of the risks. All areas, ultimately, report to the GCRO.

	Credit risk is managed by a team that comprises of risk analysts that are responsible for the risk assessment of transactions and facility reviews presented by the business units. In addition to default risk the analysis carried out also considers concentration risk related to country, industry and single-name/group large exposure limits. In line with the delegated authorities, credit facility related proposals, whether new limit, limit review or transactional approvals, are recommended by the Risk Management Department to the respective authorities for approval. The group has a multi-tier approval matrix comprising of authorities delegated (in ascending order) to individuals, to the Management Credit Committee and to the Board Credit Committee. A number of factors, such as quantum, tenor, and structure of the facilities proposed determine the level to which a request must be escalated to receive formal approval. The Group has also delegated to certain of its subsidiaries' boards selected authorities to approve their own transactions. All approvals granted at subsidiary level are subsequently reviewed by the Head Office Risk Management Department. A team within the Risk Management Department maintains risk parameters in the Group's core system and monitors limits and exposures on a daily basis. Operational risk is overseen within the Risk Management by the Operational Risk Management Unit ('ORMU'), supported by designated Risk Champions in each department throughout the Group who are responsible for identifying and resolving operational risk incidents observed in the course of normal operations. Operational Risk Incidents are captured in a dedicated system to ensure they are tracked and resolved as well as to capture any financial impact associated with these operational loss/gain or 'near miss' events. The ORMU also owns the Group's model for assessing operational risk capital requirements as part of ICAAP process. Market and Liquidity Risk are managed collectively, from an oversight perspective, and the Risk Management Department is a decision maker within the ALCO committee ensuring oversight of the management of liquidity risk. Business Continuity Risk is managed within the Risk Management Department supported by a Business Continuity Team comprised of Risk, IT, and Property Management individuals who review and discuss Business Continuity matters and initiatives. The Group's ESG initiatives are being coordinated by the Risk Management Department. The Group has established both management and board level committees to oversee its ESG initiatives and activities. The Management Governance Committee is primarily responsible for policy documentation within the Group. The Management Product Committee is responsible for overseeing products, including the introduction of new products and alteration of existing ones. Outsourcing risk is jointly managed by the Risk and Compliance departments. For prudent valuation adjustments, the bank does not use the core approach. The Group applies the simplified approach in line with Commission Delegated Act 2016/101; FIM does not breach the EUR 15billion threshold.
(c)	<i>Declaration approved by the management body on the adequacy of the risk management arrangements</i> The Board of Directors confirms its satisfaction with the scope and robustness of the Group's risk management arrangements, which provide sufficient comfort to the Board that the Group's risks are being controlled adequately.
(d)	<i>Disclosure on the scope and nature of risk disclosure and/or measurement systems</i> The Group monitors its risk profile using a number of metrics covering capital & liquidity, profitability, asset quality and market-based indicators, which are tracked against a mixture of regulatory and internally set thresholds. The Group makes use of a suite of systems and tools purchased from reputable international vendors to support its monitoring of day-to-day business activities across all of its sites. Each site of the Group monitors its key risks on a standalone basis and, in addition, all data is aggregated centrally for oversight by the Group headquarters in Malta and for reporting to the Competent Authority being the MFSA. The data collected daily is used to monitor activity to ensure issues identified can be responded to swiftly, and also for the preparation of reporting packages for executive management, board committees and the board itself. This aggregated data is also used to monitor the Group's performance against its Risk Appetite Thresholds and for escalation purposes should any of the thresholds come under pressure or be found to be in breach.
(e)	<i>Disclosure information on the main features of risk disclosure and measurement systems</i> The risk management framework and processes in place reflect the business strategy being followed by the Group. The Bank's Board acknowledges that such processes need to be robust to safeguard against inherent risks faced in the markets in which it operates, including those of political and economic nature. Trade flows may also be affected by market downturns in supply and demand, whether cyclical, economic or seasonal that may impact significantly on the business. The Group continuously endeavours to upgrade its risk management processes to meet such developments. The risk management processes cascade down to all entities within the Group and are monitored and controlled at various levels. Members of the Bank's executive team form part of the respective Boards of each local entity and are tasked with maintaining control over the respective operations' key business decisions.

	The Risk Appetite Statement defines the acceptable field of play of the Group and is integrated in business decision making and management of the various risks the Group faces given the nature of diversified trade finance products provided globally. The Risk Appetite Statement sets out acceptable risk levels and has been endorsed by the Board – being presented for review on a quarterly basis (at a minimum) and revisited and refined annually or as the need arises. Risk levels vis-à-vis the set thresholds are reported to the Board Risk Committee and Board in each meeting. Deviations from the Risk Appetite Statement (within the risk tolerance set by the management body) are approved and/or ratified as appropriate. Exposure and portfolio management takes place on a continuous basis. Usage of all approved limits is monitored centrally through a number of different systems and platforms. All credit proposals, except in limited cases where a delegated authority has been granted, are reviewed and approved at Head Office level. The Group's core banking platform is Oracle Flexcube. In addition, product specific platforms have been purchased to support the needs of different business lines. In particular, the Factoring business is supported by the iMX (in Malta and India) and Kastle (in Egypt) systems and the Forfaiting business by a tool called Forfaiting Manager. The Group's Finance system is provided by Sun Microsystems and the Group's Risk assessments are supported by a number of tools purchased from Moody's and a workflow solution called 'K2' from Nintex/Microsoft. Compliance uses Financial Crime Risk Management (FCRM) system from Fiserv to manage financial crime and sanctions risk. By the end of 2025, Compliance intends to have replaced FCRM with the Oracle – developed Financial Crime and Compliance Management (FCCM) system will replace FCRM, offering all its functionalities along with additional flexibility and features. The Group uses the RiskNucleus system from BenchMatrix to manage operational risk. The Group makes use of a number of other platforms to support its activities, such as Bloomberg, the SWIFT payment network, and has built certain in-house solutions to address other risks. These systems are used at entity and Group level to manage client engagement, track exposures, monitor customer transactions and prepare financial performance figures, amongst other things. The outputs from these systems, in addition to other data points collected by other means, are aggregated at Group level to populate the Risk Appetite Statement which is then used by the Group to monitor the risks identified in (b) above.
(f)	<i>Strategies and processes to manage risks for each separate category of risk</i> Credit risk – The Group has a defined set of risk appetite metrics, risk frameworks and policy documents governing its exposure to credit risk. These frameworks are used to define target markets, clients and products. Risk Frameworks define parameters – such as country origin, sector, credit strength, maximum tenor, product structure and security packages – that guide the acquisition of clients and granting of credit facilities. Additionally, the Group monitors the concentration of its exposures to connected parties; sectors; and countries with maximums set for each category to control said risk. All proposals to provide credit facilities to clients, except within certain delegated authorities, are routed to the Group headquarters for approval within authorities clearly delegated by the Board. The Risk Management Department makes use of a number of tools and reports to monitor credit risk in the portfolio. See section 4.2 for further detail. Market risk – The Group also has a defined set of risk appetite metrics and policy documents governing its exposure to market risk. The Group's market risk activities are centralised within the Treasury function in Group headquarters and its activities are overseen by the Risk Management Department. See section 4.4 for further detail. Operational risk – The Group manages operational risk through a dedicated team within the Risk Management Department and a network of Risk Champions dispersed through the organisation, with oversight from the Operational Risk Management Committee ('ORMC'). Identified operational risks are logged in an incident management system which is used to track incidents until their resolution and any action plans developed to remedy identified process failures or weaknesses. See section 4.5 for further detail. The Group has in place an internal model for Operational Risk that captures risk factors that can lead to reputational and conduct risk related losses. Liquidity risk – The Group's liquidity risk is managed by its Treasury function and overseen by both the Risk Management Department, for adherence to risk thresholds/appetite, and the Assets Liabilities Committee ('ALCO') from a strategic perspective. See section 4.6 for further detail. Climate risk – The Group's climate risks are overseen by the Management ESG and Board ESG Committees. The Group is in the process of defining its risks and determining appropriate risk thresholds/appetite metrics. Other risks – Various committees exist within the Group to oversee a range of other risks faced by the bank. These committees consist of those comprised of the Group's executive management and those established by the Board to address such topics as governance and remuneration. The assessment of 'other risks' is judgemental in nature and hence is not subject to more detailed assessment or stress testing. In all cases, the Group employs a three lines of defence model to ensure that the above risks are adequately controlled. In order to ensure that the Group is cognisant of the potential impact of downside risks on its portfolio it regularly carries out a number of stress simulations as part of its day-to-day activities. These stress tests involve, amongst others, downward shocks on credit portfolio

	ratings, interest rate shocks on both the banking and trading book, and liquidity shock events. Additionally, as the need arises, the bank considers the impact of external events on various parameters of its operations, such as when Malta was 'grey listed'.
(g)	<i>Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants</i> When managing the risks the Group faces, it is considered whether such risks should be: (i) avoided by stopping the activity leading to the risk; (ii) treated by first assessing the level of risk and subsequently determining the mitigants that reduce the risk to an acceptable level; (iii) transferred (often achieved by purchasing insurance coverage or hedges); or (iv) accepted because it is not practical to either avoid, treat or transfer the risk. The Group makes use of the following to manage, hedge and mitigate risks: • Collateral – Such as cash margins, mortgages over property taken to reduce expected losses; • Professional services – Such as the use of external valuation agents to determine the value of properties financed or the use of collateral management agents to monitor and control physical collateral taken in support of transactions; • Insurance – Policies for both credit and non-credit risks, either purchased by the Group or by customers with the Group as loss payee; • Hedging – To protect the Group against interest rate risk or foreign exchange risks; and • External or Internal models – Tools purchased or built in-house to permit the Group to monitor and manage the risks it faces. An example of an external tool is Moody's CreditLens, used to calculate probabilities of default for the Group's credit exposures. An example of an internal tool is the Interest Rate Risk in the Banking Book model, developed with the assistance of an external consultant, that allows the Group to ensure that the structure of its balance sheet does not expose it to undue risk from the maturity transformation activities it undertakes. It also uses inhouse built tools to monitor liquidity risk. The effectiveness of these strategies is monitored by executive management via their impact on the P&L, by the Risk Management Department via exposure reporting and regulatory returns, by the ALCO through its regular meetings, and by the Operational Risk Management team and Operational Risk Management Committee (as appropriate) when failures in processes or controls lead to losses.

Table EU OVB - Disclosure on governance arrangements

(a)	<i>The number of directorships held by members of the management body [Point (a) of Article 435(2) CRR]</i> The management body of the Group is deemed to be the Board of Directors, which is appointed in accordance with the Bank's Articles of Association. As at 31 December 2024, the Board of Directors consisted of: <table border="1" data-bbox="193 371 1505 680"> <thead> <tr> <th></th><th>Number of directorships held (including FIMBank p.l.c. and its subsidiaries)</th></tr> </thead> <tbody> <tr> <td>John C. Grech (Chairman)</td><td>4</td></tr> <tr> <td>Masaud M. J. Hayat (Vice Chairman)</td><td>1</td></tr> <tr> <td>Edmond Brincat</td><td>10</td></tr> <tr> <td>Hussain Abdul Aziz Lalani</td><td>1</td></tr> <tr> <td>Rabih Soukarieh</td><td>1</td></tr> <tr> <td>Teuta Bakalli</td><td>4</td></tr> <tr> <td>Sunny Bhatia</td><td>1</td></tr> <tr> <td>Samer Abbouchi</td><td>1</td></tr> <tr> <td>Simon Jethro Lay (approved on 6th March 2025)</td><td>1</td></tr> </tbody> </table> The MFSA had no objection to the list of directorships held by the Chairman of the Board of Directors. The directorships held by the rest of the Directors in non-EU entities are not subject to MFSA approval or any other relevant European authority. Directorships having an executive or non-executive role held within the same group have been counted as one single directorship. In 2015 the Board set up a Nomination and Remuneration Committee which was granted the power to lead the process for the Board and Board Committee appointments. As disclosed in Principle 8 of the Statement of Compliance with the Principles of Good Corporate Governance, this Committee can amongst others, present recommendations to the Board regarding nomination to the Board's membership in accordance with approved policies, standards, and instructions on nomination regulations for the Board of Director's membership. Prior to making its recommendations for appointment, this Committee evaluates the balance of knowledge, skills, diversity and experience of candidates for the Board to ensure that they have the requisite experience, personal abilities, integrity and that they adhere to sound professional practices. Furthermore, it prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected for the execution of duties related to the role. The knowledge, skills and expertise of the Board are disclosed in the Statement of Compliance with the Principles of Good Corporate Governance. The Committee is empowered to perform an annual review of the needs required with regard to suitable skills for board membership and it prepares a description of the skills and qualifications required for board membership. The relative assessment of the knowledge, skill and experience of the individual members of the Board is exercised by the Nomination and Remuneration Committee on an annual basis and in adherence with the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (EBA/GL/2017/12). The Board has established separate Risk and Credit Committees with specific responsibilities on risk management and governance across the Group. Further details on the duties, composition and number of times these Committees have met during the year are disclosed in Principle 8 of the Statement of Compliance with the Principles of Good Corporate Governance.		Number of directorships held (including FIMBank p.l.c. and its subsidiaries)	John C. Grech (Chairman)	4	Masaud M. J. Hayat (Vice Chairman)	1	Edmond Brincat	10	Hussain Abdul Aziz Lalani	1	Rabih Soukarieh	1	Teuta Bakalli	4	Sunny Bhatia	1	Samer Abbouchi	1	Simon Jethro Lay (approved on 6 th March 2025)	1
	Number of directorships held (including FIMBank p.l.c. and its subsidiaries)																				
John C. Grech (Chairman)	4																				
Masaud M. J. Hayat (Vice Chairman)	1																				
Edmond Brincat	10																				
Hussain Abdul Aziz Lalani	1																				
Rabih Soukarieh	1																				
Teuta Bakalli	4																				
Sunny Bhatia	1																				
Samer Abbouchi	1																				
Simon Jethro Lay (approved on 6 th March 2025)	1																				
(b), (c)	<i>Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise and on the diversity policy with regard to the members of the management body [Point (c) of Article 435(2) CRR]</i> FIMBank p.l.c. is committed to complying with diversity and equality related legislation throughout its policies. In addition, the Group has a Diversity Policy and a Recruitment Policy. In order to ensure that senior management positions reporting directly to the GCEO are filled by candidates who satisfy the respective knowledge, skills and expertise criteria, the Recruitment Policy requires that the candidate is also interviewed by a member of the BNRC or delegate except when this requirement is waived by the BNRC itself. In the case of Directors, the selection process will include the involvement of the Chairperson of the Board of Directors, the GCEO and other Directors as nominated by the BNRC. Their assessment will be considered by the BNRC and a recommendation is made to the Board of Directors. FIMBank p.l.c. is committed to foster diversity and equality, and periodically reviews its approach to ensure alignment with regulations and evolving best practices. The Directors, individually and collectively, are of the calibre required by the Group. They possess the appropriate knowledge, skills, and experience required to formulate the strategy of the Group and oversee its implementation in full respect of the values of the Group and the statutory and regulatory requirements as applicable from time-to-time. The Directors also demonstrate their suitability towards the fulfilment of their role through their regular attendance to the Board and Board Committee meetings and the sufficient time they extend throughout the year. The BNRC monitors that there is an adequate pool of internal candidates who can potentially be nurtured as successors of the Executive Management and Key Function Holders. In absence of such a pool of candidates both quantitatively and qualitatively, to the extent																				

	possible, the BNRC will conduct a market search for potential externally available candidates. The maintenance of the Succession Plan shall ensure continuity of decision-making and prevent a situation where a significant number of members of the Group Management Body have to be replaced simultaneously. The Group is in the process of appointing a Chief Commercial Officer. This is the only envisaged change to the overall composition of the Group Management Body.
(d)	<i>Information whether or not the institution has set up a separate risk committee and the frequency of the meetings [Point (d) of Article 435(2) CRR]</i> The Group has two primary committees which monitor the Group's management of risk. These are the BCC and the BRC. The BCC meets as may be required in order to promptly meet the business needs taking into consideration that many transactions are approved via circulation unless a formal meeting is required to discuss the transaction/s in more detail. The BRC meets at least quarterly or more frequently as may be required. In 2024, the BCC and BRC met on 2 and 11 occasions respectively. The BCC is a committee appointed by the Board of Directors of the Bank. The BCC is directly responsible and accountable to the Board. The Board may delegate any of its authorities and powers in relation to the BCC to the BRC. The BCC's main powers and duties include but are not limited to: (i) to review credit applications and approve credit limits and specific transactions, up to the legal lending limit of the Bank and within the guidelines specified in the Group's Credit Policies; and (ii) to analyse and recommend country limits for approval within the guidelines specified in the Group's Credit Policy Procedures. The BRC is responsible for overseeing the Group's risk management strategy, systems and policies, and for recommending appropriate risk appetite parameters for approval by the Board of Directors. The BRC is also responsible for the oversight of operational and legal risk matters amongst other similar responsibilities.
(e)	<i>Description on the information flow on risk to the management body [Point (e) Article 435(2) CRR]</i> The BCC's responsibility is for the review and approval of credit limits granted to the Group's clients and for country limits. All facility requests exceeding a certain threshold must be presented to the BCC for approval. The BCC has delegated to management approval powers for lower value exposures. At least quarterly the Chairman of the BCC presents to the board a report of all credit limits approved by the BCC or under its delegated authorities. The BRC is responsible for setting the Group's risk strategy, appetite (for credit, market, operational and other risks) and tolerance, which are ultimately presented to and approved by the Board. At least quarterly, or more frequently as needed, the GCRO will present to the BRC the Group's performance against the risk appetite metrics defined in the Risk Appetite Statement as well as more granular analysis of specific risks as driven by the agenda of the meeting in question. The BRC presents to the Board its views following each BRC meeting and may, at any time, escalate matters to the Board for consideration. Matters discussed during other committees related to liquidity, market, and operational risk are communicated to the BRC in summary as part of the report presented to the BRC by the GCRO (or other risk management members as appropriate). Where necessary, matters from these other committees are escalated to the BRC outside of the regular meeting schedule. The Board ESG Committee is responsible for the oversight of the Bank's compliance with its regulatory expectations in respect of ESG, and for approval of ESG policies and procedures following the review and recommendations of the Management ESG Committee. The Board Corporate Governance Committee is responsible for: overseeing the structure of the organisation; ensuring appropriate control frameworks are in place, and that the Group operates within the boundaries of its own policies and the laws/regulations governing the Group's activities; assessing the impact of new regulations and pronouncements on the organisation; and overseeing and reviewing the Group's committee charters and policies. Assisting the CGC in its responsibilities concerning the oversight and review of Group policy documentation is the Management Governance Committee. The Board Review and Implementation Committee is responsible for reviewing the implementation of actions / decisions taken by the Board. This includes reviewing performance of the Group, its subsidiaries and its business unit against detailed budgets, and making recommendations to the Board concerning resource allocation when appropriate. The Nomination and Remuneration Committee is responsible for ensuring that there is a sufficient number of appropriately skilled directors on the board to adequately manage the organisation. It is also responsible for the appointment of the Group CEO, staff holding an Executive Vice President position or higher, and Group Heads. Additionally, the NRC is responsible for putting mechanisms in place to ensure that remuneration practices that are in line with business and strategic objectives, and corporate culture, whilst also encouraging appropriate staff behaviour that supports sound risk management practices.

4 Identification of risks

4.1 Key metrics and overview of risk-weighted exposure amounts

Template EU KM1 – Key metrics template

		December 2024	June 2024	December 2023
		USD	USD	USD
<i>Available own funds (amounts)</i>				
1	Common Equity Tier 1 (CET1) capital	188,844,639	172,520,389	171,347,059
2	Tier 1 capital	188,844,639	172,520,389	171,347,059
3	Total capital	188,844,639	172,520,389	171,347,059
<i>Risk-weighted exposure amounts</i>				
4	Total risk exposure amount	885,602,534	889,958,415	943,756,998
<i>Capital ratios (as a percentage of risk-weighted exposure amount)</i>				
5	Common Equity Tier 1 ratio (%)	21.3%	19.4%	18.2%
6	Tier 1 ratio (%)	21.3%	19.4%	18.2%
7	Total capital ratio (%)	21.3%	19.4%	18.2%
<i>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</i>				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.7%	3.7%	4.5%
EU 7b	of which: to be made up of CET1 capital (percentage points)	2.1%	2.1%	2.5%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.8%	2.8%	3.4%
EU 7d	Total SREP own funds requirements (%)	11.7%	11.7%	12.5%
<i>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</i>				
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	0.2%	0.1%	0.1%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	2.7%	2.6%	2.6%
EU 11a	Overall capital requirements (%)	14.4%	14.3%	15.1%
12	CET1 available after meeting the total SREP own funds requirements (%)	9.6%	7.7%	5.7%
<i>Leverage ratio</i>				
13	Total exposure measure	1,196,066,651	1,342,004,837	1,630,200,919
14	Leverage ratio (%)	14.8%	12.9%	10.5%
<i>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</i>				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%	0.0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%
<i>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</i>				
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%
<i>Liquidity Coverage Ratio</i>				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	244,743,603	212,411,088	202,297,945
EU 16a	Cash outflows - Total weighted value	279,083,590	273,676,446	281,787,511
EU 16b	Cash inflows - Total weighted value	283,555,468	277,476,973	276,956,101
16	Total net cash outflows (adjusted value)	69,770,898	68,419,112	70,446,878
17	Liquidity coverage ratio (%)	350.8%	310.5%	287.2%
<i>Net Stable Funding Ratio</i>				
18	Total available stable funding	609,989,091	630,868,822	656,443,545
19	Total required stable funding	379,284,729	410,438,052	430,200,146
20	NSFR ratio (%)	160.8%	153.7%	152.6%

In addition, the Group is expected to hold an additional 1% of own funds requirement, representing its Pillar II Guidance. The Group has no appetite to breach its minimum requirement for own funds and eligible liabilities (MREL requirements), and hence monitors its MREL position. Based on the latest letter issued by the Resolution Committee, the Group is required to maintain an MREL Target ratio (capital) of 16.77%.

Template EU OV1 – Overview of total risk exposure amounts

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		December 2024	December 2023	December 2024
		USD	USD	USD
		a	b	c
1	Credit risk (excluding CCR)	540,641,331	557,817,269	43,251,307
2	of which the standardised approach	540,641,331	557,817,269	43,251,307
6	Counterparty credit risk - CCR	4,097,336	1,631,123	327,787
9	of which other CCR	4,097,336	1,631,123	327,787
15	Settlement risk	-	-	-
20	Position, foreign exchange and commodities risks (market risk)	251,239,651	300,970,913	20,099,172
21	of which the standardised approach	251,239,651	300,970,913	20,099,172
EU 22a	Large exposures	-	-	-
23	Operational risk	89,624,217	83,337,693	7,169,937
EU 23a	of which basic indicator approach	89,624,217	83,337,693	7,169,937
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	39,136,283	44,033,666	3,130,903
29	Total	885,602,535	943,756,998	70,848,203

Additional notes on the above table:

Credit risk: The Group applies the standardised approach for credit risk and as a result, rows (3) to (5) are not applicable and are not being disclosed in the above table given that these relate to the IRB approach.

Counterparty credit risk: The Group applies the original exposure method and as a result, rows (7) to (8b) are not applicable and are not being disclosed in the above table given they relate to the standardised approach or the internal model method.

Securitisation risk: The Group does not hold securitisation exposures and as a result, rows (16) to (EU 19a) are not applicable and are not being disclosed in the above table given they relate to securitisation.

Market risk: The Group applies the standardised approach and as a result, row (22) is not applicable and is not disclosed in the above table given this relates to the internal model approach.

Operational risk: The Group applies the basic indicator approach and as a result, rows (EU 23b to EU 23c) are not applicable and are not disclosed in the above table given these relate to the standardised and the advanced measurement approach.

Rows (10) to (14) and (25) to (28) are not applicable in line with Commission Implementing Regulation (EU) 2021/637.

Table EU OVC - ICAAP information

(a)	<i>Approach to assessing the adequacy of internal capital</i> The Group's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group is cognisant of the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The second pillar of the Capital Requirements Directive involves both institutions and regulators taking a view on whether an institution should hold additional capital against risks not covered in Pillar I. Part of the Pillar II process is the Internal Capital Adequacy Assessment Process ('ICAAP') which is the Bank's self-assessment of risks not captured by Pillar I. The Group's current and forward-looking business strategy is assessed on an annual basis to identify the key revenue drivers and core business lines and the Group's Long-Range Plan is formulated to ensure that capital metrics remain within the ranges defined in the Group's Risk Appetite Statement. Based on this analysis, the Group's key risks emanating from the business model are utilised to inform the risk quantification approach adopted as part of the ICAAP. The process employed by the Group ensures that its capital allocation addresses the Group's most significant vulnerabilities, both from a Pillar I and economic perspective. The results of the Pillar I and economic perspective are compared to the Group's Total SREP Capital Requirement ('TSCR') to establish the minimum level of capital that the Group is required to hold and is used to determine whether the Group's minimum risk appetite thresholds require re-calibration. Under the Pillar I, Group performs a multi-year assessment of its ability to fulfil all its capital related regulatory and supervisory requirements on an ongoing basis over the medium term. The assessment is based on the following scenarios: (i) a baseline scenario – the Group's projected financial, and capital position under normal conditions; and (ii) a selection of adverse scenarios resulting in severe but plausible impacts that would affect the Group's capital. The economic perspective covers the full universe of risks that may have a material impact on the Group's capital and liquidity position from an economic perspective. As recommended by the ECB Guides to the internal capital adequacy assessment process the Group identifies, quantifies, and sets aside internal capital against the unexpected losses that it might be subject to. In this respect, the Group performs a point-in-time risk quantification of the current situation as at the end of the reference year. The economic perspective comprises internal ratios calculated by the Group on current financial results, whereby all risks with potential to cause material economic losses and deplete internal capital are accounted for. The ICAAP process is managed by the Group's Risk Management Department which is responsible for the preparation, formulation and overall coordination of this process and the respective ICAAP document. Inputs are received as appropriate by other relevant departments, including but not limited to the Finance, Legal, Treasury, IT, Human Resources and Operations departments. Each of these departments has a direct connection with one or more risks, policies and procedures analysed and assessed in the ICAAP. Throughout this process, senior officers from each department provide their input and guidance on how risks are being mitigated and how these risks can be analysed and assessed both in a qualitative as well as quantitative manner. The final document is subjected to a review by the Group's Internal Audit department, and the findings arising from this review are documented in an Auditor's report. The final version of the ICAAP is eventually discussed by the Audit Committee before being presented to the Board Risk Committee, and following its recommendation, it is ultimately approved and further ratified by the Board of Directors and submitted to the Regulator. The Group is also bound by the terms of the capital requirements outlined within the Supervisory Review and Evaluation Process ('SREP') decision.
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4.2 Credit and counterparty risk

4.2.1 Credit risk

Table EU CRA: General qualitative information about credit risk

(a)

How the business model translates into the components of the institution's credit risk profile

The Group has four main business lines being Trade Finance, Factoring, Real Estate and Forfaiting. In addition, it offers corporate lending to Maltese corporates, correspondent banking services and cash management solutions. A treasury function exists to manage the Group's liquidity and funding, and the Group holds investments in two funds. As the Forfaiting book is a traded portfolio it is captured in the assessment of market risk hence is excluded from the following table.

Below is a tabulation of these various business lines against the risks each face.

	Trade Finance	Factoring	Corporate Finance*	Correspondent Banking	Cash Management	Treasury	Funds
Default Risk	x	x	x	x	x	x	
Price Risk						x	x
Counterparty Credit Risk						x	
Concentration Risk	x	x	x	x	x	x	
Foreign Exchange Lending Risk	x	x		x	x		

* The unit handling Real Estate loans, the 'Corporate Finance' unit, also provides a comprehensive suite of financing solutions to Maltese corporates. These financing solutions are typically provided to corporates against tangible security, whether movable or immovable. For risk identification purposes, the lending to Maltese corporate is integrated with the Real Estate line item in the table above as the exposure during the year of review is not material enough to be reported separately. The target client base is comprised of Malta based entities borrowing in Euro and therefore not subject to FX lending risk.

(b)

The criteria and approach used for defining the credit risk management policy and for setting credit risk limits

Strict credit assessment and control procedures are in place in order to monitor credit exposures. A credit risk framework has been developed for each credit product (or product line) offered by the Group. These risk frameworks detail the acceptable parameters within which clients and facilities should fit in order to align with the Group's credit risk appetite. With respect to borrowers themselves the risk framework will consider such factors as: the number of years a borrower has existed, the turnover of the borrower and its equity base, the activity, industry and location of the borrower and the credit rating of the borrower. With respect to the facilities themselves the Group will consider such factors as: the quantum, usage, tenor, documentation and security available. For each product the Group has defined a maximum portfolio concentration, a target weighted Loss Given Default range and a target weighted Expected Losses range. Overlaying the risk frameworks is the Group's Risk Appetite Statement therefore, in addition to seeking business that fits within the risk framework, the Group also ensures that the entire credit portfolio remains within the defined parameters set in the Risk Appetite Statement.

The Board Credit Committee is responsible for approving individual limits for banks and corporates within its delegated parameters of authority set out in the Statement of Compliance with the Principles of Good Corporate Governance.

All on- and off- balance sheet exposures are approved after a thorough review of the counterparties' creditworthiness. Whilst any external rating of the counterparty by established Credit Rating Agencies is taken into account, an internal rating is given to each obligor and credit support provider through an internal rating system provided by Moody's. The Group uses Moody's CreditLens software to establish internal ratings. In addition to this, a credit review is also done by means of other assessment criteria, including but not limited to, financial statements review, analysis of relevant markets and sectors, commodity prices outlook, structure of proposed transactions and market position of the relevant parties.

The Group has established policies requiring limits on counterparties and countries, and controls in relation to concentration to sector, and industries, thus ensuring a more diversified on- and off-balance sheet lending portfolios.

The Group maintains a prudent provisioning policy in accordance with the applicable laws and regulations to ensure that losses are immediately recognised in the Statement of Profit or Loss. Efforts at recovering losses incurred in past financial periods are continuous. To this purpose, legal proceedings have been undertaken in the courts of competent jurisdictions.

Default Risk

Default Risk is the chance that a borrower, whether corporate or personal or other, becomes unable to repay their credit obligations to the Bank. The Group makes use of models purchased from Moody's to estimate likelihood of default and considers a number of other factors to determine the expected loss on exposures in its loan book.

Concentration Risk

In addition to policies aimed at managing credit risk and concentrations within credit portfolios, as part of the annual ICAAP the Group estimates the capital requirements for concentration risk as part of the economic perspective. Quantification of concentration risk is based on Section 6 of the Prudential Regulation Authority's methodologies for setting Pillar II capital dated July 2021 whereby the Herfindhal-Hirschmann index (HHI) is used to calculate concentration across the three portfolio classifications; (i) Individual concentration; (ii) Sectoral concentration; and (iii) Geographical concentration.

Counterparty Credit Risk

Refer to section 4.2.2.

Settlement Risk

Settlement risk arises through failed Delivery versus Payment ('DvP') transactions and all non-DvP trades. The Group faces settlement risk due to the fact that a few financial transactions are settled simultaneously or on a same day basis. Consequently, the Group could suffer a loss if the counterparty fails to deliver on settlement date. In order to mitigate against this risk, the Group has in place settlement lines where a limit is placed on the maximum settlement exposure against a single counterparty as explained in Note 4.2.4 of the Annual Report & Financial Statements 2024. The capital requirements for settlement risk are nil under Pillar I as prescribed by Article 378 of Title V of Part Three of CRR.

Foreign Exchange Lending Risk

Foreign exchange lending risk is the risk that borrowers default due to movements in foreign exchange rates. The Group lends primarily in USD, but the customers of the Group may not necessarily operate in USD. As a result, foreign exchange rate movements could negatively affect the Group's borrowers. In the event that the currency of lending appreciates when compared to their currency of operation, loan repayments may be more costly in real terms and may increase the Group's probability of default. Borrowing customers whose borrowing is in a currency that is pegged to their main currency of operations are not considered to represent a foreign exchange lending risk. In addition, customers may be sufficiently sophisticated that they manage such foreign exchange risks as part of their day-to-day operations.

Transactions may be for the purchase of a commodity that is purchased and settled in the same currency, such as USD, ensuring that the foreign exchange risk is negated even if the currency of the transaction is different to that of the client's primary currency of operations. Other customers may engage in back-to-back transactions that are in matching currencies such that the completion of the first leg of the transaction will generate cash in the same currency necessary to settle the second leg. It may also be the case that customers hedge transactions on a portfolio or case-by-case basis as necessary to protect themselves from foreign exchange risk. Such hedges may be purchased from the Group or from third parties. The Group considers the presence of such mitigants as part of its risk assessment processes when granting credit limits or approving transactions. The Group accepts any residual 'open' FX lending risk as part of its business.

The Group quantifies its capital requirements for foreign exchange lending risk under the economic perspective as explained in Note 4.2.5 of the Annual Report & Financial Statements 2024.

(c) *The structure and organisation of the credit risk management and control function*

The Board has delegated to the BCC and BRC the responsibility for managing the Group's credit risk. The BCC is responsible for the authorisation of credit limits for customers and the BRC is responsible for determining the risk appetite levels and risk frameworks that determine what business is attractive to the Group. The majority of the Group's credit proposals pass through the Risk Management Department in Malta prior to approval either under delegated authority granted by the BCC or by the BCC itself. The Group's subsidiaries have been delegated a limited ability to approve credit limits without reference to Group headquarters, however all such approvals are advised to the BCC post-facto.

Within the Risk Management Department in Malta there are a number of specialised Risk Managers responsible for overseeing credit proposals from the sectors that they have responsibility for. They act as the first line of challenge to proposals received from the business lines (including the Group's Treasury function). Proposals are ultimately routed to the Group Chief Risk Officer. The Risk Management Department also has a team responsible for the creation and maintenance of limits within the Group's core banking system, Flexcube. Limits within iMX and Kastle systems, which are used for factoring transactions, are maintained by the operations teams in the headquarters (for Malta, Dubai and Greece clients), in Egypt (for Egypt based clients), and in India (for India based clients). Limits within Forfaiting Manager, which is used for forfaiting transactions, are maintained by the risk function in Malta.

The front-line business units are responsible for the day-to-day management of credit risk relating to their clients. The relationship teams are responsible for preparing papers for submission to the Risk Management Department seeking approval for new and existing credit facilities for their clients. The relationship teams are also responsible for monitoring their client's financial health, by overseeing

	the use of their facilities, the transactions they are involved in and any other consideration that might affect the borrower's ability to repay facilities extended to them.
(d)	<i>The relationships between credit risk management, risk control, compliance and internal audit functions</i> The authority of the risk management function is vested in the GCRO who is appointed by and reports to the Board Risk Committee. The GCRO is a member of executive management. The GCRO is responsible for the policies and procedures governing risk within the organisation, which are regularly reviewed and presented to the BRC for approval. Furthermore, the GCRO is responsible for ensuring that the Group remains within the tolerance thresholds set for risk metrics in the Group's Risk Appetite statement. The Group deploys a three lines of defence model in the management of risk as a whole. With respect to credit risk the model also holds true. The front line is the first line of defence responsible for monitoring individual clients, their limits and transactions, and for preparing credit submissions and carrying out customer due diligence activities (including KYC, KYCC, etc.). The Risk and Compliance departments constitute the second line of defence and work collaboratively to protect the Group against the range of risks that it faces. The Internal Audit function acts as the third line of defence. These three lines do not operate in isolation of each other nor do the second- and third-lines function purely as an oversight mechanism. There is two-way exchange between the lines. For example, the observations of the second line concerning an identified risks can be conveyed to the third line for more thorough analysis in an ad-hoc review or in a subsequent audit cycle. This ensures that there is free flow of information and ideas between the lines of defence.

Article 449 which denotes exposures to securitisation positions is not applicable to the Group as at disclosure reporting date given that the Group does not hold securitisation exposures.

Template EU CR5 – Standardised approach

Exposure classes		Risk weight								Total		
		0%	10%	20%	35%	50%	75%	100%	150%	250%	Total	of which
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	unrated
		a	d	e	f	g	i	J	k	l	p	q
1	Central governments or central banks	209,573,982	-	737,070	-	-	-	-	-	-	210,311,052	-
2	Regional government or local authorities	6,739,291	-	-	-	-	-	-	-	-	6,739,291	-
3	Public sector entities	29,944,802	-	5,009,506	-	-	-	-	-	-	34,954,308	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	6,254,838	-	-	-	-	-	-	-	-	6,254,838	-
6	Institutions	6,974,054	-	124,353,650	-	4,045,608	-	341,628	105,628	-	135,820,569	-
7	Corporates	-	-	14,667,061	-	23,660,661	-	262,755,344	9,876,520	-	310,959,587	-
8	Retail	-	-	-	-	-	14,978,317	-	-	-	14,978,317	-
9	Secured by mortgages on immovable property	-	-	-	2,522,232	5,202,701	-	-	-	-	7,724,933	-
10	Exposures in default	-	-	-	-	-	-	3,427,644	-	-	3,427,644	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	69,577,966	-	69,577,966	-
12	Covered bonds	-	1,860,295	-	-	-	-	-	-	-	1,860,295	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
14	Unit or shares in collective investment undertakings	3,556,122	-	-	-	-	-	11,253	12,992,302	-	16,559,677	16,559,677
15	Equity	-	-	-	-	-	-	52,358	-	-	52,358	52,358
16	Other items	16,662	-	-	-	-	-	58,298,364	-	15,654,513	73,969,538	73,969,538
17	Total	263,059,751	1,860,295	144,767,287	2,522,232	32,908,971	14,978,317	324,886,590	92,552,416	15,654,513	893,190,372	90,581,573

The Group does not have exposures subject to the following risk weights: 2%; 4%; 70%; 370%; 1250%; and others. None of the Group's products were deemed to fall under the definition of specialised lending as at the disclosure reporting date. As a result, the respective columns have not been disclosed in the above table: (b), (c), (h), (m), (n) and (o). The above amounts represent the Exposure Value of each exposure class before it is risk weighted and excluding the SME supporting factor.

4.2.2 Counterparty credit risk

Table EU CCRA - Qualitative disclosure related to counterparty credit risk (CCR)

(a)	<i>Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties</i> Counterparty credit risk ('CCR') is defined as the risk that a counterparty may default before completing the settlement of the transaction. An economic loss might occur if the transaction has a positive economic value at the time of default. Use of derivatives within the Group is limited to hedging balance-sheet positions and, to a lesser extent, to satisfy customer requests (for example, for foreign exchange hedging). The Treasury unit is responsible for the internal management of such instruments. The Group enters into Over the Counter ('OTC') derivative transactions, typically, to manage the Group's own risk. Prior to entering any OTC derivative transaction, the Treasury unit must seek approval from the Risk Management Department for suitable limits against the counterparty. Details of CCR exposure as of 31 December 2024 are provided in tables EU CCR1 and EU CCR3 below. Counterparty credit risk is monitored through the setting up of counterparty limits to capture the position and settlement risks associated with forward and other derivative instruments. Credit limits to capture counterparty credit risk are requested by either the Treasury team or by Relationship Managers dependent on the counterparty in question. Such requests are assessed by the Risk Management Department thorough review of the counterparties' creditworthiness (in line with the credit review process) and approved within the authorities delegated by the Board to the Board Credit Committee. The Group has in place operational procedures to mitigate these risks. Counterparty credit risk is assigned a capital charge using the original exposure method, based on the residual maturities of the contracts. The Group calculates the capital requirements for counterparty credit risk under Pillar I using the 'original exposure' model, based on the residual maturities of the contracts in line with the approach as laid down in Article 274 of the CRR.
(b)	<i>Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves</i> The Group has limited exposure to counterparty credit risk and engages with top tier banks when engaging in derivative transactions. Credit limits must be in place for the specific counterparty to a derivative transaction and exposure against these limits is monitored by both the Treasury department and Risk function. The Group does not hold collateral in relation to such instruments and as a result EU CCR5 is not being disclosed.
(c)	<i>Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR</i> Given the Group's limited derivatives activity, where much of the activity is to protect the Group against risks in its funding or liquidity structure, the Group believes its wrong-way risk is minimal and has no internal policies covering this risk type.
(d)	<i>Any other risk management objectives and relevant policies related to CCR</i> There are no other risk management objectives and policies in relation to CCR, other than the ones mentioned earlier.
(e)	<i>The amount of collateral the institution would have to provide if its credit rating was downgraded</i> The Group's provision of collateral to third parties is mainly limited to arrangements with a contractual maturity generally not exceeding 12months. Given the short nature of such transactions, the Group does not expect a material change to its collateral value as a result of a downgrade. The Group did not make use of any liquidity assistance from the Central Bank of Malta during year under review.

Template EU CCR1 - Analysis of CCR exposure by approach

		a	b	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		USD	USD	No	USD	USD	USD	USD
EU1	EU – Original Exposure Method (for derivatives)	1,464,641	6,322,824	1.4	10,902,450	10,902,450	10,902,450	4,097,336
6	Total				10,902,450	10,902,450	10,902,450	4,097,336

The above table has been tailored from the original format to exclude the remaining approaches (rows (EU 2) to (5) and column (c)), since the Group only applies and is only subject to the original exposure method. Additionally, the Group has no securities financing exposure on which to report.

Template EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes		Exposure value			
		Risk weight			Total
		20%	50%	100%	
		USD	USD	USD	USD
		e	f	i	l
6	Institutions	7,672,477	1,334,266	-	9,006,743
7	Corporates	-	-	1,895,707	1,895,707
11	Total exposure value	7,672,477	1,334,266	1,895,707	10,902,450

The above table has been tailored from the original format to exclude the remaining exposure classes (rows (1) to (5) and (8) to (10)) and risk weights (columns (a) to (d), (g), (h), (j) and (k)), since the Group does not have exposures subject to counterparty credit risk that fall under these classifications.

Template EU CCR2 which includes details of transactions subject to own funds requirements for CVA risk is not applicable to the Group as the reporting date. Additionally, Template EU CCR6 which includes any credit derivative protection bought or sold is not applicable to the Group as at disclosure reporting date. The same applies for EU CCR8 which includes details of exposures to CCPs, whether qualified or non-qualified, as FIMBank did not have any such exposures as of the reporting date.

4.3 Credit and market risk from equities not included in the trading book

The Group's only exposure to equities is in its non-trading book and such equities are held in unlisted entities. The accounting and valuation methodologies differ depending on the percentage holding and marketability of the instruments. All interests in equity investments are in line with the Group's strategic objectives of investing in trade finance related companies to be able to carry out trade finance activities.

4.3.1 Equity investments less than 10%

Equity investments comprising less than 10% of the investee company's capital are classified as 'financial assets at fair value through profit or loss'. None of the equity securities carried by the Group are listed on an exchange and there is no readily available active market. These unquoted securities are carried at fair value, with fair value movement being in the Statement of Profit or Loss.

The Group calculates the overall minimum capital requirement for equity investments representing less than 10% of the ownership of the investee, using the Standardised Approach for credit risk expressed as 8% of the risk weighted exposure amount, as shown in the table below:

	Balance sheet value	Fair value	Risk weighted exposure amount	Minimum capital requirement
	USD	USD	USD	USD
Credit risk	52,358	52,358	52,358	4,189

During 2024, 4,516,254 shares in one of the equity instruments held in a foreign holding company were fully disposed of, resulting in a cumulative realised loss of USD55,320.

4.3.2 Equity investments between 10% and 50%

Equity investments comprising between 10% and 50% of the investee company's capital are generally classified as 'investments in equity-accounted investees' and are accounted for using the equity method, recognised at cost less impairment allowances.

The Consolidated Financial Statements include the Group's share of the income and expenses and equity movement of equity-accounted investees, after adjustments to align the Accounting Policies with those of the Group. When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee. This accounting treatment is also applied on those investments where the Group has joint control (50%) over the strategic, financial and operational decisions of the investee.

All interests in equity-accounted investees are allocated (a) a 'specific risk' charge by multiplying the overall position by 8% and (b) a 'general risk' charge which also requires multiplying the overall position by 8%, under market risk. As at 31 December 2024, the balance sheet value and the fair value of such interests was nil, resulting in a USD nil risk weighted exposure and no minimum capital requirement.

4.3.3 Equity investments exceeding 50%

Equity investments exceeding 50% of the investee company's capital are classified as 'subsidiaries' and are fully consolidated in the Group results and financial position. The equity investment in the Group's Financial Statements is therefore replaced by the financial result and position of the subsidiaries, net of any minority interests.

4.3.4 Unit investments in collective investment schemes

Unit investments in collective investment schemes are classified as 'financial assets at fair value through profit or loss'. These unit investments are not listed on an exchange and there is no readily available active market. Fair value for the collective investment schemes is determined by reference to the funds' net asset values, with fair value movement being recognised in the Statement of Profit or Loss. This fair value amount that is recognised in the balance sheet is equal to the number of units held multiplied by the net asset value per unit.

The Group calculates the overall minimum capital requirement for unit investments in collective investment schemes using the look-through approach prescribed under the standardised approach for credit risk expressed as 8% of the risk weighted exposure amount, as shown in the table below. The look through approach requires the Group to consider the individual underlying exposures of a scheme to calculate the risk-weighted exposure amount, risk-weighting all such underlying exposures as if they were directly held by the Group. The total of the underlying exposures within the scope of the prudential consolidation are considered as the Group's exposure value.

	Balance sheet value	Look-through approach value	Risk weighted exposure amount	Minimum capital requirement
	USD	USD	USD	USD
Credit risk	13,906,093	16,559,677	19,499,705	1,559,976

During 2024, a total unrealised loss of USD358,188 and a total revaluation loss of USD1,103,084 were recorded.

4.4 Market risk

Table EU MRA - Qualitative disclosure requirements related to market risk

	<i>A description of the institution's strategies and processes to manage market risk</i> Market risk for the Group is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: foreign exchange risk, interest rate risk in the banking book, position risk in the traded debt instrument and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group has implemented policies, established limits and maintains currency and interest derivative contracts to mitigate market risks. With respect to the trading book of London Forfeiting Company, the Group determines its maximum asset levels as part of the annual budgeting process and sets risk parameters to ensure that asset quality, country of exposure, tenor and other key factors remain within the Group's appetite. All assets purchased or financed by LFC must pass through a rigorous credit assessment prior to execution of the transaction. The Group's appetite for market risk is set through the Risk Appetite Statement. Performance against the RAS is tracked in BRC meetings and also at regular meetings of the ALCO. The ALCO is also responsible for setting the strategy for the management of the Group's key market and liquidity risks. The GCRO and Head of Non-Credit Risk are members of the ALCO and matters arising from the ALCO are escalated to the BRC by the GCRO as and when necessary. <i>Foreign Exchange Risk</i> Foreign exchange risk is managed at a Group level with a relatively low tolerance for open market positions with currency hedges purchased as necessary. Foreign Exchange Risk is attached to those monetary assets and monetary liabilities of the Group that are not denominated in the functional currency of the Group. Transactional exposures give rise to foreign currency gains and losses that are recognised in the Statement of Profit or Loss. Currency risk is mitigated by a closely monitored currency position and is managed through matching within the foreign currency portfolio and capital hedging. However, mismatches could arise where the Group enters into foreign exchange transactions (for example, foreign currency swaps) which could result in an on-balance sheet mismatch mitigated by an off-balance sheet hedging contract. Other mismatches are allowed up to an established threshold, and any excesses are regularised immediately. The Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies spot or forward rates when considered appropriate. (a) The Group has in place a hedge against currency fluctuation resulting from its investment in India Factoring and Finance Solutions ('IFFS'). This is a dynamic hedge that is adjusted using an in-house model developed with the assistance of a major shareholder. The Group has in place a policy and Risk Appetite Measure governing the minimum percentage of the investment in India Factoring that should be hedged at any given time. The Treasury and Risk functions are responsible for respectively ensuring and monitoring that sufficient hedging is always in place. When calculating its capital requirements under Pillar I, the Group considers its net open foreign currency position in terms of Article 352 of the CRR. Through this approach, each net currency position is analysed and a capital charge is taken on the net short or long currency exposure (whichever is the higher). <i>Interest Rate Risk in the Banking Book</i> Interest rate risk on positions not included in the trading book (i.e. Interest Rate Risk in the Banking Book or 'IRRBB') refers to the risk to earnings or Group's financial instruments to movements in interest rates. The risk impacts the earnings and equity of the Group as a result of changes in the economic value of its assets, liabilities and off-balance sheet instruments. The Group's operations are subject to interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or at different amounts. The Group manages its interest rate risk on a monthly basis using an in-house IRRBB model that considers the maturity mismatch for its primary currencies and the effect the 6 European Central Bank mandated interest rate shock scenarios have on the Economic Value of Equity ('EVE') and the impact of 2 of these 6 scenarios (parallel up and parallel down) on the Net Interest Income ('NII'). The Group assesses IRRBB on positions denominated in different currencies. In line with the EBA/GL/2022/14 the interest rate shocks are performed on 'material' currencies, which in 2024 are USD and EUR, but monitors and sets risk parameters on the basis of the consolidated position. Those assets and liabilities in currencies which are not 'material' are combined with the Group's assets and liabilities in its primary currency, USD, and shocked using the USD based stresses. Results and analysis from the IRRBB tool are provided in the Table EU IRRBBA. Notwithstanding that no capital charge is taken under the Pillar I framework, the Group calculates its capital requirements as part of its assessment for capital requirements under the economic perspective.
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	During 2024 the Group enhanced the in-house IRRBB tool with the assistance of external consultants, to capture the new requirements introduced by EBA/GL/2022/14. These include additional considerations for Non-Maturity Deposits, basis risk, commercial margins, and off-balance sheet items. <i>Position Risk in Traded Debt Instruments</i> Position risk in traded debt instruments refers to the risk of adverse effects on the value of positions in the trading book of general movements in market interest rates or prices or movements specific to the issuer of a security. The Group has non-securitised debt instruments for which a capital charge under Pillar I is considered. Such assets are allocated a) a 'specific risk' charge based on percentage risk weight which would be attributable to the assets under the Standardised Approach for credit risk in line with Article 336 of the CRR and b) a 'general risk' charge based on the coupon and maturity of the asset in line with Article 339 of the CCR. The forfeiting portfolio (position risk) is comprised of assets originating from banks and companies operating in many market sectors in a very broad range of countries, the majority of which are emerging markets. The Group regularly updates its mark-to-market positions and recording the unrealized and realized profits and losses. Performance of this portfolio remained within risk parameters and well within the unexpected loss assessment for the portfolio determined as part of the regular ICAAP process. <i>Price Risk</i> The Group's bond portfolio (other price risk) is largely comprised of investments in bonds issued by the governments of countries in the European Union and European banks. It is to be noted that the Bank's purchase of government and bank bonds is primarily for the purposes of liquidity management. ECB initiatives to support the Eurozone has moderated volatility in these assets and maintained liquidity.
(b)	<i>A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.</i> The responsibility for market risk management rests with the Head of Non-Credit Risk, who reports directly to the GCRO. Requests for credit limits to facilitate markets activities are approved via the credit approval process headed by the GCRO, the Head of Non-Credit Risk is responsible for monitoring market risk limits, challenging models used by the Treasury department, ensuring that market risks are captured appropriately, and challenging liquidity management and hedging strategies. The Group's Risk Appetite Statement and supporting Treasury policies clearly outline the Group's appetite for market risk. The ALCO sets the strategy for liquidity and market risk management within the parameters set by the RAS and the GCRO, who is a member of ALCO, ensures there is robust challenge and that pertinent matters are escalated to the attention of the BRC as and when necessary.
(c)	<i>Scope and nature of risk reporting and measurement systems</i> The Group's Treasury activities are centrally controlled by the Treasury department located in the Group's headquarters. The Treasury department draws data from external market sources, pipeline management activities, the Group's core systems, its subsidiaries and the Finance department to facilitate risk monitoring and strategic decision making. It deploys inhouse developed tools to quantify the impact of interest rate shocks on its assets and liabilities, and external platforms to model the potential impact of market shocks on its bond holdings. Data is shared through the Group's intranet, reports and as briefing packs for executive management meetings, ALCO meetings and BRC meetings.

Template EU MR1 - Market risk under the standardised approach

		RWEAs
		USD
		a
	Outright products	
1	Interest rate risk (general and specific)	242,183,730
2	Equity risk (general and specific)	-
3	Foreign exchange risk	9,055,921
4	Commodity risk	-
9	Total	251,239,651

The Group does not deal in options or securitisations. As a result, the above table does not include the respective rows (rows 5 to 8).

Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

(a)	<i>A description of how the institution defines IRRBB for purposes of risk control and measurement</i> Interest rate risk on positions not included in the trading book (IRRBB) refers to the risk to earnings or Group's financial instruments to movements in interest rates. The risk impacts the earnings and equity of the Group as a result of changes in the economic value of its assets, liabilities and off-balance sheet instruments. The Group's operations are subject to interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or at different amounts. The Group manages its IRRBB risk on a consolidated basis using a tool developed with the assistance of an external consultancy. This tool is used to generate a monthly calculation of the Group's exposure to a change, as a percentage of Tier 1 capital, in the Economic Value of Equity ('EVE') and in Net Interest Income ('NII') resulting from a number of pre-defined shock scenarios. The Group's Treasury function is responsible for managing the Group's IRRBB risk with oversight by the Risk Management function. The Group has set a risk appetite for the maximum ΔEVE and ΔNII resulting from the prescribed supervisory shock scenarios. Every month the Group calculates its ΔEVE and ΔNII, and reports the results, every 2 months or less, to the ALCO and, quarterly, to the Board Risk Committee. The Group's Treasury function manages the Group's IRRBB via managing the repricing gaps in the Group's interest sensitive assets and liabilities, may also use, if needed, hedging instruments to manage IRRBB risk. As of reporting date the Group has not used any hedging instruments to manage its IRRBB risk
(b)	<i>A description of the institution's overall IRRBB management and mitigation strategies</i> During 2024, the Group's IRRBB model with the assistance of external consultants, was enhanced to meet the requirements within EBA/GL/2022/14 which specifies the evaluation and management of interest rate risk in the banking book referred to in Article 84 of Directive 2013/36/EU and was in a position to report to the competent authority the first set of reporting by the submission date – November 2024. The existing in-house IRRBB model considers the repricing mismatch on positions denominated in different currencies. The interest rate shocks are performed on 'material' currencies, which in 2024 are USD and EUR, but the Group monitors and sets risk parameters on the basis of the consolidated position. Those assets and liabilities in currencies which are not 'material' are combined with the Group's assets and liabilities in its primary currency, USD, and shocked using the USD-based stresses. The model provides the effect the 6 European Central Bank mandated interest rate shock scenarios have on the EVE and NII. An assessment of IRRBB expressly excludes items that are considered to be part of the trading book, as position risk accounts for a changing interest rate's effect on the value of a traded instrument. Furthermore, the Bank's trading book does not satisfy the definition of a 'Small trading book' (i.e., the size of the trading book is not less than EUR 50 million and not less than 5% of the total assets). In this respect, the Bank does not include its Trading book business in the calculation of IRRBB as described in the EBA guidelines. Therefore, the IRRBB model includes only those banking book items that are sensitive to changes in the interest rate. The identification of interest sensitive asset and liability classes is a task jointly completed by the Finance and Treasury departments. The list of interest sensitive items is reviewed from time-to-time to ensure that all interest sensitive items in the banking book are captured in the IRRBB assessment. Positions denominated in different currencies can expose the Bank to IRRBB in each of those currencies. Since yield curves vary from currency to currency, the Bank assesses exposures in each material currency. Therefore, the interest rate shock scenarios are currency specific. Exposures in non-material currencies are grouped together and shocked using the interest rate shock scenarios for the Bank's primary currency: USD. The Bank has set risk appetite metrics for the maximum negative movement in EVE and NII on the basis of the Supervisory Outlier Test parameters (detailed in EBA/RTS/2022/10) and the latest Commission Delegated Regulation (EU) 2024/856 published April 2024. The Group's IRRBB model is owned by the ALCO, a management committee established by the GCEO. The ALCO is responsible for the approval and regular review of the behavioural assumptions concerning Non-Maturity Deposits included within the IRRBB model. The Group Treasury function is responsible for reviewing the output of the model in order to formulate forward looking strategies to ensure that the ΔEVE and ΔNII remain within agreed thresholds taking into account forthcoming asset and liability maturities as well as the Group's pipeline of expected facility repayments and draw downs. The Risk Management Department monitors changes in regulation relating directly to IRRBB and others that might affect underlying assumptions of the model. When such changes are identified, dependent on their complexity, the Group will either independently amend the model or seek external assistance. The Internal Audit function is responsible for the independent validation of the model and its underlying assumptions.

(c)	<i>The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB</i> As mentioned, the Bank measures its IRRBB on a monthly basis. The Bank measures the risk towards interest rate in the banking book using the two complementary approaches: changes in the economic value of equity ('EVE') and changes in expected earnings ('NII') as a percentage of the Group's Tier 1 capital. The EVE measures the economic value of the bank's equity under a given yield curve assumption. Under the EVE, notional repricing cash flows for all interest sensitive assets and liabilities are allocated into 19 pre-defined time buckets depending on the next repricing date (variable rate instruments) or maturity date (fixed interest rate) in order to produce a repricing gap (the difference between assets and liabilities) in each time bucket. The net notional repricing cash flows are discounted towards a present value using a discount factor based on the base yield curve and six defined stresses. EVE measures the changes in the net present value of the interest rate sensitive instruments over their remaining life resulting from interest rate movements, i.e., until all positions have run off. A run-off-balance sheet is a balance sheet where existing non-trading book positions amortise and are not replaced by any new business. In this way, EVE is a long-term measure, assessing the impact over the remaining life of the balance sheet. The NII measure looks at the impact of changes in interest rates on future earnings. The change in earnings is the difference between expected earnings under a base scenario and expected earnings under two adverse shocks. NII is a short-medium term measure, assessing the impact to expected future profitability within a given time horizon resulting from interest rate movements. In accordance with Article 5 (e) of EBA/CP/2021/36, the Bank measures its NII under a constant balance sheet assumption, whereby interest sensitive balance-sheet items (in their total size and composition) are maintained by replacing maturing or repricing cash flows with new cash flows that have identical features with regard to the amount, repricing period and spread components.																
(d)	<i>A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income</i> Six supervisory scenarios are applied for the EVE measure as per Article 3 of EBA/CP/2021/36. i. parallel shock up; ii. parallel shock down; iii. steepener shock (short rates down and long rates up); iv. flattener shock (short rates up and long rates down); v. short rates shock up; and vi. short rates shock down. The size of the interest rate shocks adopted for the Bank's material currencies is in line with those prescribed by EBA in the Regulatory Technical Standards as follows: <table><tr><td></td><td>EUR (in basis points)</td><td>USD (in basis points)</td><td>INR (in basis points)</td></tr><tr><td>Parallel (up / down)</td><td>+200 / -200</td><td>+200 / -200</td><td>+400 / -400</td></tr><tr><td>Short (up / down)</td><td>+250 / -250</td><td>+300 / -300</td><td>+500 / -500</td></tr><tr><td>Long (up / down)</td><td>+100 / -100</td><td>+150 / -150</td><td>+300 / -300</td></tr></table> Formulas prescribed by the EBA determine the shape of the curve that must be applied for the Parallel, Short and Long shocks and the Group makes use of these prescribed formulas in its model. Within the NII, forward rates used for calculating the projected income/expense are based on the risk-free yield curves. These yield curves are shocked under two interest rate shock scenarios: the parallel shock up and parallel shock down scenarios as per Article 1 (2) of EBA/CP/2021/36. The shocks are implemented for each material currency and time bucket. For both USD and EUR, a shock of 200 basis points is applied in both the Parallel Up and Parallel Down scenarios, whilst for INR a 400 basis point is applied. Where the regulator has imposed a floor or a cap on the scenario curves the Group applies such caps in its modelling.		EUR (in basis points)	USD (in basis points)	INR (in basis points)	Parallel (up / down)	+200 / -200	+200 / -200	+400 / -400	Short (up / down)	+250 / -250	+300 / -300	+500 / -500	Long (up / down)	+100 / -100	+150 / -150	+300 / -300
	EUR (in basis points)	USD (in basis points)	INR (in basis points)														
Parallel (up / down)	+200 / -200	+200 / -200	+400 / -400														
Short (up / down)	+250 / -250	+300 / -300	+500 / -500														
Long (up / down)	+100 / -100	+150 / -150	+300 / -300														
(e)	<i>A description of the key modelling and parametric assumptions different from those used for disclosure template EU IRRBB 1</i> The Bank does not make any modelling or parametric assumptions different to those used for the disclosure template EU IRRBB 1 as the Bank is in alignment with the requirements of Directive (EU) 2013/36, Article 98 (5a). Therefore, this section is not applicable.																
(f)	<i>A high-level description of how the Institution hedges its IRRBB, as well as the associated accounting treatment</i> The Bank has managed the maturity / repricing of its banking book assets and liabilities in such a way that it remains within its risk tolerance levels even under the supervisory shock scenarios. For this reason, the Bank has not used hedging to manage its IRRBB, therefore this section is not applicable.																

(g) *A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB 1**Different shocks for material currencies*

The Bank measures the interest rate sensitivity for financial instruments denominated in EUR and USD (being the two currencies that satisfy the definition of material currencies) separately, under the six supervisory shock scenarios. The Bank still considers the interest rate sensitivity of financial instruments denominated in non-material currencies by grouping them under the USD denominated financial instruments.

Under the NII measure, the Bank considers instrument-specific interest rate floors. The floors are implemented as the Bank believes that some instrument types would never be subjected to a negative yield either due to the very nature of the product or because it will be contractually prohibited and hence floored to zero.

Behaviouralisation of Non-Maturity Deposits

For Non-Maturity Deposits (NMDs) (i.e. deposits with no fixed maturity date, such as current account balances) the Group allocates a portion of these balances to different maturity buckets based on a behaviouralisation assessment. To carry out the behaviouralisation assessment, NMDs are grouped by material currency (for the Group these are USD and EUR) into four categories: (i) retail – transactional; (ii) retail non-transactional; (iii) wholesale – non-financial; and (iv) wholesale – financial, of which, in view of Article 7(9) of EBA/RTS/2022/09) categories (i) – (iii) can be behaviouralised.

The Group determined that categories (ii) and (iii) capture its NMDs, and within these two categories contain a number of different account classes. The assessment considers for categories (ii) and (iii) what portion of the NMD balances can be treated as ‘stable’, which are balances that are typically maintained in the account. The next step is to determine what portion of the ‘stable’ balances can be considered ‘core’, which is the portion of the ‘stable’ balance that remains with the Group regardless of changes in interest rates.

The behaviouralisation assessment analysed 10 years of historical balance and interest data to determine the relative portion of ‘core’ deposits within each account class in categories (ii) and (iii). The computed ‘core’ balance of each account class was then compared against the caps set under EBA/RTS/2022/09. Where the computed ‘core’ percentage exceeds the regulatory cap, the cap is applied. Finally, the ‘core’ balances are assumed to ‘decay’ at a constant rate over a period of 4.5 years (for retail non-transactional NMDs) and 4 years (for wholesale non-financial NMDs) as shown in the table under IRRBBA (1) (2) for repricing maturities buckets assigned to non-maturity deposits.

Unconditional cash flow modelling approach

The IRRBB models developed by the Bank are based on an unconditional cash flow modelling approach. This approach assumes that the timing and amount of cash flows is independent of the specific interest rate scenarios. Hence, the assumptions (e.g., relating to behaviour, contribution to risk, and balance sheet size and composition) are themselves not functions of changing interest rate levels. The Bank does not deem it necessary to follow a conditional cash flow modelling approach on the premise that only Category 1 and Category 2 institutions are expected to adopt a conditional cash flow modelling approach. In fact, a footnote to Annex II to EBA/GL/2018/02 and the most recent EBA/GL/2022/14 states that for category 1 and category 2 institutions, unconditional cash flow modelling approaches do not reflect supervisory expectations.

As per Annex II of the EBA/CP/2021/371 a ‘Category 3’ institution such as FIMBank p.l.c. is expected to use the time buckets advised in BCBS Standards, apply standard (i.e. the 200 basis points parallel up and parallel down shift in interest rates) and other interest rate shocks, and adopt a yield curve model with tenors corresponding to the time buckets.

Net Interest Income – Allocation of repricing cashflows

For the purposes of the NII calculation, the one-year time horizon is split into twelve-time buckets (one for each month). This differs from the time bucketing size used in the standardised approach adopted in EBA/CP/2021/382 where only five-time buckets are used. This means that the approach used by the Group in building its IRRBB tool is more granular in that, for example, two instruments repricing in 4 months and 6 months are placed in separate time buckets rather than one (if the standardised approach were to be implemented). *Net Interest Income – Flooring of negative interest rate shocks on certain products*

Under NII measure, the Bank considers instrument-specific interest rate floors. The floors are implemented as the Bank has identified that some instrument types would never be subjected to a negative yield either due to the very nature of the product or because the Bank would be contractually prohibited, or prohibited by regulation, to apply a negative interest rate and hence negative shocks on such products are floored to zero.

Trading book boundaries

The Bank’s forfeiting portfolio of assets is held by London Forfeiting Company Limited and is comprised of bills of exchange, promissory notes and transferable trade-related loans. These assets are held for short-term trading and originate from banks and companies operating in several market sectors in a very broad range of countries. As the forfeiting portfolio is considered to be part of the trading book rather than the banking book, it is excluded from the IRRBB calculation and so this risk is encapsulated under position risk in the ICAAP.

	Furthermore, the Bank’s trading book does not satisfy the definition of a ‘Small trading book’ (i.e., the size of the trading book is not less than EUR50 million and not less than 5% of the total assets). In this respect, the Bank does not include its Trading book business in the calculation of IRRBB. <i>Basis risk</i> Basis risk is the risk arising from the impact of relative changes in interest rates on interest rate sensitive instruments that have similar tenors but are priced using different interest rate indices. Taking into consideration such definition, basis risk is only relevant for floating rate instruments. As the Bank’s floating rate instruments, other than those with the overnight reference rate/benchmark, amount to more than 5% of interest rate sensitive assets according to article 21 of EBA/RTS/2022/09, the Bank is required to calculate the Basis risk add-on for NII. To calculate the Basis Risk add-on for each respective material currency the Bank: (i) determines the ‘tightening’ and ‘widening’ shocks by comparing the historical difference between the rates for the 1 month, 3 months, 6 months and 12 months reference terms and the overnight rate; and (ii) applies these shocks to the to the cash flows allocated to the different referenced terms. The impact on NII for each reference term under the ‘tightening’ shock are summed and separately the impact on NII under the ‘widening’ shock are summed. As per Article 21 of EBA/RTS/2022/09 the NII add on is taken as the lower of the ‘tightening’ or ‘widening’ shock. Basis Risk is not reported in the Pillar 3 disclosures. However, it forms part of the Group’s regular Internal Capital Adequacy Assessment Process (ICAAP).												
(h)	<i>Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosure</i> Results from the previous disclosure is reflective of the update in the behaviouralisation of the NMDs, further liabilities structure improvements, supporting self-hedging of the IRRBB book. The change in net interest income resulting from the parallel up shock scenario also improved, because the repricing gap, caused by LFC trading book exclusion from IRRBB, was reduced further. The interest expenses, generated by the repricing gap, are still very well compensated by the LFC book interest income. Refer to table within template EU IRRBB1 for shock impact on EVE and NII.												
(i)	<i>Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1</i> <i>Economic Value of Equity</i> Commercial margins and other spread components are excluded from the calculation of the EVE. In this respect, for EVE purposes, cash flows are discounted using a risk-free rate. The Bank determines an appropriate general ‘risk-free’ yield curve per currency as follows: <table><tr><th>EUR</th><th>USD</th><th>INR</th></tr><tr><td>ESTR for ON tenor</td><td>SOFR ON till 1-year tenors</td><td>Modified MIFOR ON till 1-year tenors</td></tr><tr><td>EURIBOR for up to 1-year tenors</td><td>IRS rates for tenors up to 31 years</td><td>INR MIFOR IRS rates up to 20 years</td></tr><tr><td>IRS rates for tenors up to 31 years</td><td></td><td></td></tr></table> Such curves do not include instrument-specific or entity-specific credit spreads or liquidity spreads. <i>Net Interest Income</i> The interest rate earned or paid by the Bank is a composite of five different price components which, as defined in Annex 1 of BCBS D368 Principles, are: • The risk-free rate (also referred to as the funding rate); • Market duration spread; • Market liquidity spread; • General market credit spread; and • Idiosyncratic credit spread. For the purposes of the NII calculation the interest rate is split into the projected risk-free yield and the commercial margin. The projected risk-free yield encapsulates the yield generated from the risk-free rate and the market duration spread and can also contain a reference rate which is an external benchmark rate. For the NII calculation, risk-free yield is projected for the different repricing dates according to their time bucket slotting and so the need for forward rates. For the purposes of calculating the contribution to net interest income of the projected risk-free yield on the reinvestment or refinancing of repricing cash flows, the Bank determines forward rates representative of the risk-free component of interest rates (for each currency and scenario) that is expected to be applied to risk free loans. Interest rates used for resetting transactions are based on forward rates. The rate for each instrument also contains appropriate projected spreads and margins.	EUR	USD	INR	ESTR for ON tenor	SOFR ON till 1-year tenors	Modified MIFOR ON till 1-year tenors	EURIBOR for up to 1-year tenors	IRS rates for tenors up to 31 years	INR MIFOR IRS rates up to 20 years	IRS rates for tenors up to 31 years		
EUR	USD	INR											
ESTR for ON tenor	SOFR ON till 1-year tenors	Modified MIFOR ON till 1-year tenors											
EURIBOR for up to 1-year tenors	IRS rates for tenors up to 31 years	INR MIFOR IRS rates up to 20 years											
IRS rates for tenors up to 31 years													

- (1) *Disclosure of the average and longest repricing maturity assigned to non-maturity deposits*
 (2)

The respective repricing maturities buckets assigned to non-maturity deposits from retail and non-financial wholesale counterparties are presented in the table below.

Category	Type	Estimated core element	Subject to cap	Final core element for the IRRBB model
R1: Savings deposits in EUR	Retail non-transactional	90.83%	Yes, 70%	70.00%
R2: Savings deposits in USD	Retail non-transactional	22.05%	No	22.04%
R3: Retail non-transactional grouped products in EUR	Retail non-transactional	68.38%	No	68.37%
R4: Retail non-transactional grouped products in USD	Retail non-transactional	32.54%	No	32.58%
R5: Wholesale non-financial grouped products in EUR	Wholesale non-financial	0.00%	No	0.00%
R6: Wholesale non-financial grouped products in USD	Wholesale non-financial	64.22%	Yes, 50%	50.00%

With respect to the above table, all non-core elements of the NMDs identified above are allocated to the overnight maturity bucket. For example, 70% of “R1: Savings deposits in EUR” are ‘core’ therefore the remaining 30% of such deposits are ‘non-core’ and are allocated to the overnight maturity bucket.

The maximum permitted behaviouralisation period for “retail non-transactional” NMDs is 4.5 years. The Group assumes a linear ‘decay’ of the ‘core’ element of such deposits. This means that over a 4.5 year period the ‘core’ balance reduces by 1.85% per month (1/54 months). The maximum permitted behaviouralisation period for “wholesale non-financial” NMDs is 4 years. Again, the Group assumes a linear ‘decay’ of the ‘core’ element of such deposits. This means that over a 4 year period the ‘core’ balance reduces by 2.08% per month (1/48 months).

Template EU IRRBB1 - Interest rate risks of non-trading book activities

		Changes of the economic value of equity		Changes of net interest income	
		2024	2023	2024	2023
Supervisory shock scenarios		USD	USD	USD	USD
1	Parallel up	(7,306,782)	(7,487,322)	(3,727,994)	(4,682,140)
2	Parallel down	3,552,582	4,281,044	1,171,399	2,340,881
3	Steepener	(1,953,472)	(3,885,533)		
4	Flattener	149,469	1,154,989		
5	Short rates up	(1,603,126)	(80,259)		
6	Short rates down	396,874	(338,276)		

4.5 Operational risk

Table EU ORA - Qualitative information on operational risk

(a)	<i>Disclosure of the risk management objectives and policies</i> The Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. When policies, processes or controls fail to perform, there is potential of business disruption which can lead to financial losses. The management of operational risk is an integrated part of the Bank's overall risk management activities and concerns all functions and personnel of the Bank. Operational risks can have legal or regulatory implications, potentially also leading to financial loss. Operational risk exposures are managed through the implementation of a common framework for the identification, assessment, reporting, control, monitoring and mitigation of operational risk. The Group has invested in technology to manage and mitigate against operational risk and a strong awareness of operational risk has been embedded in the culture of the Group. The Framework's purpose is to contain the risk within acceptable levels and parameters as determined by management and to ensure that the Group has sufficient information to make informed decisions about additional controls, adjustments to existing controls or other risk mitigation efforts. However, the Group cannot expect to eliminate its exposure to operational risk, therefore its main objective is to maintain such risk within acceptable levels and parameters. The primary responsibility for managing operational risk lies with the Businesses and the support functions (i.e. the First Line of Defence) and the appointed Operational Risk Champion in each department. They are responsible for collation of key risk indicators, incident reporting and the execution of Risk Control Self-Assessment (RCSAs). The second line of defence is performed by the Operational Risk Management Unit within the Group's Risk Management Department and a senior management Operational Risk Committee (ORMC). Each of the respective roles and responsibilities are covered under the Group Operational Risk Management policy as approved by the Board. Note 4.5 of the Annual Report & Financial Statements 2024 further details the monitoring and processes in place to manage this risk. Two key components of Operational Risk are IT risk and Legal risk. In view of their importance, they are considered separately as detailed in Note 4.5.1 and 4.5.2 of the Annual Report & Financial Statements 2024.
(b)	<i>Disclosure of the approaches for the assessment of minimum own funds requirements</i> The Group assesses the capital requirements for operational risk under Pillar I by reference to the Basic Indicator Approach ('BIA') in line with Article 315 of the CRR. Moreover, the Bank undertakes an additional assessment on Operational Risk capital requirements under the economic perspective. In prior years the Bank has used the Standardised Measurement Approach ('SMA'), as defined in Article 317 of the CRR, to assess operational risk capital requirements under the economic perspective. However, in 2022 the Bank deployed an internal model for assessing its operational risk capital requirements under the economic perspective. The model takes into account the Bank's material operational risks and their estimated likelihood of loss and severity of loss using such data points as inputs to a Monte Carlo simulation. The output of the Monte Carlo simulation determines the Bank's operational risk capital under the economic perspective. Under the Basic Indicator Approach the capital requirement for operational risk is equal to 15% of the relevant indicator, being the average over the last three years of the sum of Operating Income before net impairment.

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

		Relevant indicator			Own funds requirements	Risk exposure amount
		December 2022	December 2023	December 2024		
		USD	USD	USD		
		a	b	c		
1	Banking activities subject to basic indicator approach (BIA)	39,178,415	52,997,749	51,222,582	7,169,937	89,624,217

The Group's activities are only subject to the basic indicator approach to operational risk requirements.

4.6 Liquidity risk

4.6.1 Liquidity requirements

Table EU LIQA - Liquidity risk management

(a)	<i>Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding</i> Liquidity risk is the risk that the Group may be unable to meet its obligations as they become due because of an inability to liquidate assets or obtain adequate funding ('funding liquidity risk') or that it cannot easily unwind or offset specific exposures without significantly lowering market prices due to inadequate market depth or market disruptions ('market liquidity risk'). The Group takes a prudent approach with respect to liquidity risk management by ensuring that on a day-to-day basis it maintains a healthy buffer over and above the mandated regulatory minima for the LCR and NSFR. In line with the delegated regulation on liquidity coverage requirements the Group seeks to maintain a proper diversification of High-Quality Liquid Assets (HQLAs) held as part of the Bank's liquidity buffer at all times. The Group also seeks to maintain stability in its funding by maintaining a diversified deposit base, ensuring an adequate presence of longer dated deposits and a mix in size of relationships. In managing the funding position, the Treasury Function seeks to avail itself of committed and uncommitted lines from related as well unrelated parties, that is, upstream and downstream institutions, and retail funding. A key indicator used to monitor concentration is a basic risk metric, namely customer funding compared to the Group's total funding. An internal threshold is set in line with the Group's risk appetite and strategy to maintain a well-diversified and broad mix of funding. Furthermore, the bank models the impact of an adverse and extreme liquidity shock event on its funding structure to calculate its 'survival horizon' under these scenarios. Under both shock scenarios the Group seeks to maintain a survival horizon sufficiently in excess of the 30-day period of the LCR assessment. Liquidity risk is managed by maintaining significant levels of liquid funds and identifying and monitoring changes in funding required to meet business goals driven by management. The daily application of the asset and liability management policies rests with the Treasury unit of the Group. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To support this the Group also maintains a buffer of 'counterbalancing capacity' that it can draw upon to support liquidity in times of stress. Intraday liquidity risk management is an important component of the Group's broader liquidity management strategy and critical to implementing the Group's longer-term growth strategy. Primarily responsibility of intraday liquidity management is the Treasury unit. In addition to the number of policies, procedures and internal controls which the Group has in place to manage its liquidity and funding risks it prepares, in line with Article 86 of Directive 2013/36/EU, an Internal Liquidity Adequacy Assessment Process ('ILAAP') report on an annual basis. The ILAAP forms part of the Group's management process. The ILAAP is designed to demonstrate the Group's robust funding and liquidity management strategies whilst also to ensure that the Group has adequate liquidity to meet its liabilities both in normal and stressed conditions. Liquidity Risk Management is described in detail in Note 4.3.1 of the Annual Report & Financial Statements 2024.
(b)	<i>Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)</i> The Group's Assets Liabilities Committee, a committee established by the GCEO, is responsible for setting appropriate asset and liability management policies, monitoring their application and reviewing financial information on the basis of which investment and funding decisions are taken. The Treasury Policy, and the market risk limits documented as an annex to the policy, governs the activities of the Treasury function. The Treasury Policy was formulated in conjunction with the Risk Management Department and approved by the Board Risk Committee. The Risk Management Department is also responsible for setting and monitoring the thresholds applicable to

	the Group's key liquidity metrics, escalating its concerns to the Head of Treasury, ALCO or Board Risk Committee as necessary, and notifying these same parties if there is a breach in any of the liquidity metrics contained in the Group's Risk Appetite Statement. The Group's Pillar I liquidity buffer requirements are determined on the basis of LCR in line with the requirements of the Delegated Regulation, with a binding minimum requirement of 100%. Consequently, the Group considers the LCR as its most relevant liquidity monitoring tool. The Group sets an internal threshold higher than the minimum requirement, intended as an additional management buffer (during the review period following the annual ILAAP and stress testing process the threshold was recalibrated from 25% to 60% over the LCR minimum regulatory requirement). The Group also performs an assessment of its funding considering the Net Stable Funding Ratio (NSFR) over the projected period. CRR II includes a binding NSFR requirement for institutions set at 100%. Similar to the LCR, the annual ILAAP and stress testing assessment resulted in a recalibration of the threshold from 105% to 116%, higher than the minimum requirement of 100% prescribed by the regulations.
(c)	<i>A description of the degree of centralisation of liquidity management and interaction between the group's units</i> The Group's liquidity management activities are centralised with the Treasury department in the Malta headquarters. The majority of the Group's funding is raised by FIMBank p.l.c. and distributed to subsidiaries as required. The subsidiaries do, however, obtain a certain amount of funding from banks in their own markets at the encouragement of the Treasury department. The Group's Treasury department is responsible for setting the Group's funds transfer pricing, with oversight from ALCO.
(d)	<i>Scope and nature of liquidity risk reporting and measurement systems</i> The determination of the Group's liquidity risk metrics relies on data collected from all parts of the organisation. This data is then compiled by Finance to generate the Group's two key liquidity risk metrics, the LCR and NSFR. The former is estimated daily by the Treasury department and calculated weekly by the Finance department, and the latter is calculated monthly by the Finance department. These estimations/calculations use the methodology laid out by the EBA. The Group conducts weekly pipeline calls to allow for near term cash flow forecasting to ensure that the Treasury department is able to make available sufficient funds to satisfy requirements and that surplus liquidity is not left undeployed. Furthermore, the ALCO reviews funding requirements over a longer-term horizon, including potential unexpected outflows, to ensure sufficient liquidity buffer is maintained.
(e)	<i>Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants</i> The Group's policies set out the requirement for the Treasury department to maintain sufficient liquidity of appropriate maturities such that the Group's thresholds for the LCR, NSFR and survival horizons remain within tolerance thresholds. The LCR and NSFR are calculated with the frequency described in (d) above, and the survival horizons quarterly. The Group also maintains a 'counterbalancing capacity' of supplemental liquidity resources that can be utilised to bridge any liquidity gaps that might be exposed in times of significant stress for the Group. The assets that comprise the HQLAs are central bank deposits, treasury bills and bonds primarily issued by European governments or government-linked entities ensuring confidence that the Group is able to rapidly acquire necessary funds through these assets should the need arise. Furthermore, the components that comprise the counterbalancing capacity are tested (or have been tested) in order to confirm their viability as sources of funding in times of stress for the Group.
(f)	<i>An outline of the bank's contingency funding plans</i> The Treasury department monitors market conditions for signs that indicate whether a Group-specific, Malta-specific or global dislocation from the baseline funding expectations has occurred. Should it note that such a dislocation has occurred, it can escalate the matter to the GCEO to declare a liquidity crisis is being faced and to implement contingency plans. Such contingency plans include drawing upon any of a number of sources of liquidity the Group maintains, whether placements with the Central Bank of Malta (in addition to the minimum requirements), money market placements with other banks, unutilised credit limits, or a portfolio of highly liquid bonds and treasury bills. Furthermore, given the shorter tenor and transaction driven nature of the Group's book, and the fact that the majority of its credit facilities are uncommitted in nature, liquidity can be bolstered by preventing new draw down under approved credit limits or demanding immediate repayment of facilities. The Group also has the ability to repo or sell assets held in the forfeiting, trade or factoring portfolios to raise funding.
(g)	<i>An explanation of how stress testing is used</i> As part of its ILAAP process, the Group makes use of the ECB's 'Sensitivity analysis of Liquidity Risk – Stress Test' methodology to determine its 'survival horizon' under an adverse and extreme stress scenario. The output of this ECB sensitivity analysis is used by the Group to calibrate its LCR. Additionally, the Group's Stress Test, a complementary document to the ICAAP and ILAAP, includes a number

of different stress scenarios – a macroeconomic shock, Group specific idiosyncratic shocks, a geopolitical shock event and liquidity specific shocks – with each scenario considering impacts on both capital and liquidity. The output of these scenarios is used to stress the Group's LCR and NSFR. The results of these stress tests are used to recalibrate the early warning threshold within the Risk Appetite Statement for the LCR ratio and to confirm the adequacy of the Group's early warning threshold for NSFR. These early warning thresholds then guide the Treasury department in its management of funding sources, the quality of treasury assets and the maturity profile of liabilities.

In addition, via the ALCO, the Treasury department considers various scenarios that might affect funding requirements and maintains additional reserves to ensure sufficient liquidity at all times.

- (h) *A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy*

The Board of Directors confirms its satisfaction with the scope and robustness of the Group's liquidity risk management arrangements, which provide sufficient comfort to the Board that the Group's liquidity risks are being controlled adequately.

- (i) *A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy*

The Group's focus on trade finance and other working capital solutions, with only limited longer term facilities, means that the maturity profile of its funding book is relatively short. As the Group is not focused on retail banking its funding is not primarily by way of non-maturity deposits and liabilities are, therefore, raised with a profile that seeks to adequately match the maturity profile of the Group's assets. The Group's assets are primarily denominated in USD whilst its liabilities are raised in EUR. To ensure adequate liquidity in USD the Group maintains swap lines with a number of financial institutions and makes use of USD denominated collateralised borrowing facilities from the Central Bank of Malta and the ECB.

Maintaining adequate liquidity is a key strategic objective for the Group and the Group's tolerance for liquidity related risk is defined through its Risk Appetite Statement, the thresholds of which are set at a level to ensure that the Group remains above the regulatory minima at all times. The primary measures used by the Group to monitor its liquidity are the LCR and NSFR ratios, which are monitored with a frequency as described in (d) above. The Group also monitors its 'survival horizon' under the ECB's adverse and extreme liquidity shock scenarios, which it calculates on a quarterly basis. The Group regularly reviews the key metrics it uses to monitor liquidity risk and, over and above the measures already mentioned, adds or removes metrics as appropriate.

To ensure that the Group always remains above its early warning thresholds for its liquidity related Risk Appetite metrics it closely monitors day-to-day activities – such as projected draw downs and repayments – and wider market influences on liquidity. The ALCO considers stress scenarios on its liquidity and takes steps to ensure adequate resources are available to counter any stressed outflows that the Group might face. This may involve building a buffer of excess liquidity, securing increased borrowing limits from correspondent banks or any number of other steps that the Group is able to take to maintain a robust liquidity position.

The Group's Treasury function is responsible for the day-to-day management of liquidity and the ALCO is responsible for the oversight of the Group's liquidity strategy and liquidity risk management. The Board Risk Committee monitors liquidity metrics with respect to the Risk Appetite Statement and escalates concerns to the Board if necessary. Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.

The table below provides a breakdown of the funding (in USD) of each subsidiary by currency and source.

	in USD m	USD	EUR	GBP	INR	EGP	Total
London Forfaiting Co.							
From FIMBank p.l.c.	55.7	89.6	0.4	-	-	-	145.7
From third parties	27.5	20.7	-	-	-	-	48.2
India Factoring							
From FIMBank p.l.c.	85.5	21.9	5.9	-	-	-	113.3
From third parties	-	-	-	13.4	-	-	13.4
Egypt Factors							
From FIMBank p.l.c.	11.8	-	-	-	-	-	11.8
From third parties	-	-	-	-	26.3	-	26.3
FIM Property Investment							
From FIMBank p.l.c.	31.9	-	-	-	-	-	31.9
From third parties	-	-	-	-	-	-	-
Total							
From FIMBank p.l.c.	184.9	111.5	6.3	-	-	-	302.7
From third parties	27.5	20.7	-	13.4	26.3	-	87.9
Grand Total	212.4	132.2	6.3	13.4	26.3	-	390.6

FIMBank provides funding in USD, EUR and GBP to its subsidiaries, covering approximately 80% of their funding needs. The remaining 20% is sourced by subsidiaries in the form of external funding lines provided by third parties, which includes some limits in local currency to support local lending. Such lines are either obtained on a 'clean' basis or with the support of a guarantee from FIMBank p.l.c.

The Group's support of its subsidiaries by way of direct funding is not limited or impeded by legal or regulatory barriers and is of limited operational complexity. As all such funding is in the form of credit limits, there are no timing concerns with regard to converting 'liquid assets' into usable liquidity.

Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps

Please refer to Note 4.3.2.4 of the Annual Report & Financial Statements 2024.

Template EU LIQ1 - Quantitative information of LCR

EU 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		December 2024 USD	September 2024 USD	June 2024 USD	March 2024 USD	December 2024 USD	September 2024 USD	June 2024 USD	March 2024 USD
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12 months preceding end of quarter							
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of Regulation (EU) 2015/61					244,743,603	235,826,009	212,411,088	209,034,102
	CASH – OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	63,053,749	58,549,622	100,348,367	246,553,199	32,015,452	29,154,295	27,296,811	22,550,308
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	34,592,871	32,744,439	31,067,957	31,095,844	3,554,573	3,349,112	3,181,376	3,211,530
5	Unsecured wholesale funding	312,108,761	331,570,559	337,906,643	354,369,853	132,350,902	138,873,505	143,421,093	153,294,770
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	312,108,761	331,570,559	337,906,643	354,369,853	132,350,902	138,873,505	143,421,093	153,294,770
8	Unsecured debt	-	-	-	-	-	-	-	-
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	104,764,797	99,898,366	95,596,858	89,716,486	39,168,207	37,670,304	36,609,710	35,057,927
11	Outflows related to derivative exposures and other collateral requirements	25,157,648	25,630,490	26,157,037	25,712,634	25,157,648	25,630,490	26,157,037	25,712,634
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	79,607,150	74,267,876	69,439,821	64,003,852	14,010,559	12,039,814	10,452,673	9,345,293
14	Other contractual funding obligations	87,847,925	82,138,648	79,230,196	76,886,661	73,714,721	67,974,190	64,173,647	62,574,495
15	Other contingent funding obligations	36,686,154	42,001,897	43,503,704	44,262,361	1,834,308	2,100,095	2,175,185	2,213,118
16	TOTAL CASH OUTFLOWS					279,083,590	275,772,389	273,676,446	275,690,618

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	December 2024	September 2024	June 2024	March 2024	December 2024	September 2024	June 2024	March 2024
		USD	USD	USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12 months preceding end of quarter							
	CASH – INFLOWS								
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	284,261,294	284,759,466	278,232,791	270,493,900	282,650,113	283,322,918	276,796,916	269,155,236
19	Other cash inflows	3,419,815	3,202,711	2,811,738	1,991,827	905,355	869,581	680,058	454,294
EU- 19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU- 19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	287,681,109	287,962,177	281,044,529	272,485,728	283,555,468	284,192,499	277,476,973	269,609,530
EU- 20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU- 20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU- 20c	Inflows subject to 75% cap	287,681,109	287,962,177	281,044,529	272,485,728	283,555,468	284,192,499	277,476,973	269,609,530
	TOTAL ADJUSTED VALUE								
21	LIQUIDITY BUFFER					244,743,603	235,826,009	212,411,088	209,034,102
22	TOTAL NET CASH OUTFLOWS					69,770,898	68,943,097	68,419,112	68,922,654
23	LIQUIDITY COVERAGE RATIO					351%	342%	310%	303%

Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1

(a)	<i>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time</i> The LCR was maintained at an adequate level throughout 2024, maintaining a sufficient contingency liquidity buffer to mitigate major liquidity risks: funding concentration, limited Money Market access, and potential for unexpected limit decreases. Retail deposits sourced through online deposit platforms have proven to be stable with the Group maintaining equilibrium in the tenor composition of term deposits, ensuring adequate funding stability. The Group continues to ensure diversity in its funding structure and ongoing use of the ECB refinancing pool. Lastly, the Asset and Liability Management maturity profile has been streamlined further by eliminating maturity spikes and to reduce daily/monthly net outflows levels.
(b)	<i>Explanations on the changes in the LCR over time</i> During 2024, the Group continued to monitor the LCR on a daily basis maintaining an average daily LCR comfortably in excess of the regulatory minimum of 100% and the internal threshold of 160% as set in the Group's Risk Appetite Statement. Following the ILAAP and stress testing process during 2024, the Group's internal threshold was recalibrated to 160% (maintaining a tolerance floor of 120%). A sensitivity analysis determined the extent of depletion in the LCR if the uncommitted line from KIPCO Group Financial Institutions was not available. This scenario results in a depletion of HQLAs that leads to a decrease in LCR by approximately 60%. This result established the revised threshold of 60% above the regulatory requirement for the 'amber' threshold.
(c)	<i>Explanations on the actual concentration of funding sources</i> The Group seeks to maintain stability in its funding by maintaining a diversified deposit base, ensuring an adequate presence of longer dated deposits and a mix in size of relationships. In managing the funding position, the Treasury function seeks to avail itself of committed and uncommitted lines from related as well unrelated parties, that is, upstream and downstream institutions, and retail funding. A key indicator used to monitor concentration is a basic risk metric, namely customer funding compared to the Group's total funding. An internal threshold is set in line with the Group's risk appetite and strategy to maintain a well-diversified and broad mix of funding base.
(d)	<i>High-level description of the composition of the institution's liquidity buffer</i> In line with the delegated regulation on liquidity coverage requirements the Group seeks to maintain a proper diversification of High-Quality Liquid Assets (HQLAs) held as part of the Bank's liquidity buffer at all times. These HQLAs are primarily composed of deposits held with the central bank of Malta, treasury bills and highly rated bonds issued by European governments or European government linked entities.
(e)	<i>Derivative exposures and potential collateral calls</i> The Group has very limited derivative exposures and, typically, these are entered into for the Group's own needs. For the Group's current derivative exposures, it is not expected that there will be any call for additional collateral during the next 12 months.
(f)	<i>Currency mismatch in the LCR</i> As an internationally focused trade finance bank, the Group's operating currency is USD, however much of its funding is raised in EUR either through Eurozone depositors or the repo of bonds and treasury bills held as part of the Group's liquidity pool. The Group is able to access USD funding from the Central Bank of Malta and the ECB's USD liquidity operations. The remaining USD are obtained through currency swaps. Although the Group continues to pursue funding options in USD, the market for USD/EUR exchange is extremely liquid and the Group does not foresee any scenario in which liquidity in this currency pair would cease to be available. As a result, it believes currency mismatch risk is managed within acceptable parameters.

Template EU LIQ2 on disclosure of Net Stable Funding Ratio

December 2024

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	e
	Available stable funding (ASF) Items					
1	Capital items and instruments	204,445,671	-	-	-	204,445,671
2	Own funds	204,445,671	-	-	-	204,445,671
3	Other capital instruments		-	-	-	-
4	Retail deposits		126,099,274	5,113,862	14,719,793	132,811,616
5	Stable deposits		-	-	-	-
6	Less stable deposits		126,099,274	5,113,862	14,719,793	132,811,616
7	Wholesale funding:		731,611,760	51,645,107	8,853,348	268,720,169
8	Operational deposits		-	-	-	-
9	Other wholesale funding		731,611,760	51,645,107	8,853,348	268,720,169
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	243,302	19,347,889	-	4,011,635	4,011,635
12	NSFR derivative liabilities	243,302				
13	All other liabilities and capital instruments not included in the above categories		19,347,889	-	4,011,635	4,011,635
14	Total ASF					609,989,091
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					130,395
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		477,107,155	147,266,550	170,640,254	273,714,563
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		81,297,844	296,813	19,808,489	28,086,680
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		10,887,708	8,629,182	68,461,789	67,950,966
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		384,921,603	138,340,556	82,369,976	177,676,917
25	Interdependent assets		-	-	-	-
26	Other assets:	-	169,353,070	1,045,620	82,260,002	96,783,673
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		344,390	-	-	292,732
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		159,508,537			7,975,427
31	All other assets not included in the above categories		9,500,142	1,045,620	82,260,002	88,515,514
32	Off-balance sheet items		92,820,854	14,050,158	52,962,928	8,656,098
33	Total RSF					379,284,729
34	Net Stable Funding Ratio (%)					160.83%

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	e
	Available stable funding (ASF) Items					
1	Capital items and instruments	189,361,299	-	-	-	189,361,299
2	Own funds	189,361,299	-	-	-	189,361,299
3	Other capital instruments		-	-	-	-
4	Retail deposits		117,737,105	8,666,463	15,450,843	129,214,055
5	Stable deposits		-	-	-	-
6	Less stable deposits		117,737,105	8,666,463	15,450,843	129,214,055
7	Wholesale funding:		991,851,006	38,152,940	8,571,836	384,581,706
8	Operational deposits		-	-	-	-
9	Other wholesale funding		991,851,006	38,152,940	8,571,836	384,581,706
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	30,156,288	-	4,323,332	4,323,332
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		30,156,288	-	4,323,332	4,323,332
14	Total ASF					707,480,391
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					139,876
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational Purposes		-	-	-	-
17	Performing loans and securities:		549,242,788	171,451,250	184,297,018	309,400,650
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		47,406,117	305,389	21,124,003	26,017,309
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		22,324,201	9,417,712	91,172,309	93,367,419
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		479,512,470	161,728,150	72,000,707	190,015,922
25	Interdependent assets		-	-	-	-
26	Other assets:	-	275,606,761	1,339,768	93,163,649	113,842,214
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		288,441	-	-	245,175
29	NSFR derivative assets		696,631			696,631
30	NSFR derivative liabilities before deduction of variation margin posted		265,518,501			13,275,925
31	All other assets not included in the above categories		9,103,188	1,339,768	93,163,649	99,624,483
32	Off-balance sheet items		92,477,781	19,440,998	53,276,321	8,999,298
33	Total RSF					432,382,038
34	Net Stable Funding Ratio (%)					163.62%

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	
	Available stable funding (ASF) Items					
1	Capital items and instruments	171,886,954	-	-	-	171,886,954
2	Own funds	171,886,954	-	-	-	171,886,954
3	Other capital instruments		-	-	-	-
4	Retail deposits		64,433,175	39,167,489	14,141,282	107,381,880
5	Stable deposits		-	-	-	-
6	Less stable deposits		64,433,175	39,167,489	14,141,282	107,381,880
7	Wholesale funding:		814,164,509	134,461,718	16,279,598	347,465,956
8	Operational deposits		-	-	-	-
9	Other wholesale funding		814,164,509	134,461,718	16,279,598	347,465,956
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	22,529,346	-	4,134,033	4,134,033
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		22,529,346	-	4,134,033	4,134,033
14	Total ASF					630,868,822
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					279,474
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		505,247,987	157,466,758	187,580,290	293,568,927
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		44,627,439	2,477,658	13,644,295	19,345,868
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		7,052,146	22,035,641	85,715,092	87,401,721
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		453,568,402	132,953,460	88,220,903	186,821,338
25	Interdependent assets		-	-	-	-
26	Other assets:	-	206,725,128	2,466,058	90,139,246	108,218,527
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		421,397	-	-	358,187
29	NSFR derivative assets		793,140			793,140
30	NSFR derivative liabilities before deduction of variation margin posted		196,591,299			9,829,565
31	All other assets not included in the above categories		8,919,293	2,466,058	90,139,246	97,237,634
32	Off-balance sheet items		81,198,088	24,322,468	45,806,359	8,371,124
33	Total RSF					410,438,052
34	Net Stable Funding Ratio (%)					153.71%

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	e
	Available stable funding (ASF) Items					
1	Capital items and instruments	159,168,926	-	-	-	159,168,926
2	Own funds	159,168,926	-	-	-	159,168,926
3	Other capital instruments		-	-	-	-
4	Retail deposits		58,186,821	40,392,715	12,448,811	101,170,393
5	Stable deposits		-	-	-	-
6	Less stable deposits		58,186,821	40,392,715	12,448,811	101,170,393
7	Wholesale funding:		854,120,359	160,668,822	8,750,838	386,656,139
8	Operational deposits		-	-	-	-
9	Other wholesale funding		854,120,359	160,668,822	8,750,838	386,656,139
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	6,035,788	-	-	-
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		6,035,788	-	-	-
14	Total ASF					646,995,458
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					280,567
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		582,376,449	92,052,427	92,109,010	187,665,126
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		320,353,813	886,464	15,316,460	47,795,074
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		7,027,850	54,836,089	75,165,183	94,822,375
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		254,994,786	36,329,873	1,627,367	45,047,677
25	Interdependent assets		-	-	-	-
26	Other assets:	-	228,625,105	1,272,256	202,130,319	226,513,312
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		400,102	-	-	340,087
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		213,153,617			10,657,681
31	All other assets not included in the above categories		15,071,386	1,272,256	202,130,319	215,515,544
32	Off-balance sheet items		105,341,487	33,785,901	32,245,106	9,358,540
33	Total RSF					423,817,544
34	Net Stable Funding Ratio (%)					152.66%

4.6.2 Encumbered assets

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
		Total		Total		Total		Total	
		USD	USD	USD	USD	USD	USD	USD	USD
		010	030	040	050	060	080	090	100
010	Assets of the reporting institution	127,555,745	106,238,318			1,217,899,767	223,146,396		
030	Equity instruments	-	-	-	-	17,868,468	-	19,445,677	-
040	Debt securities	97,564,427	97,564,427	97,067,336	97,067,336	440,212,617	94,477,974	439,950,862	94,179,924
050	of which: covered bonds	1,996,243	1,996,243	1,986,854	1,986,854	931,393	931,393	930,148	930,148
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	89,518,738	89,518,738	89,050,821	89,050,821	152,427,922	67,756,514	152,265,873	67,594,464
080	of which: issued by financial corporations	8,045,689	8,045,689	8,016,514	8,016,514	194,126,925	21,035,913	194,018,676	20,939,179
090	of which: issued by non-financial corporations	-	-	-	-	102,005,773	5,095,909	101,961,184	5,059,682
120	Other assets	29,979,326	8,673,891			719,456,815	124,740,926		

The value disclosed in row 010 is the median of the sums of four quarterly end-of-period values over the previous twelve months for rows 030, 040 and 120.

Template EU AE2 is not disclosed, since the Group does not encumber any of the collateral received or any of its debt securities issued.

Template EU AE3 – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		USD	USD
		010	030
010	Carrying amount of selected financial liabilities	80,865,704	115,304,361

Table EU AE4 – Accompanying narrative information

(a)	<i>General narrative information on asset encumbrance</i> The assets encumbered within these disclosures are also retained for the application of the liquidity requirements on a consolidated basis as defined in Chapter 2 of Title I of Part Two of the CRR, which is used to define the eligibility of liquid assets. Pledged and transferred assets in accordance with the applicable accounting frameworks and as applied by the institution are treated as encumbered assets. The exposure value used for the purposes of this disclosure is the carrying amount, which is calculated as the amount, including any accumulated interest, less any provision. The values reported in these disclosures are the median exposure values of the positions as at the end of the quarters in 2024.
(b)	<i>Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.</i> The previous tables provide an overview of the encumbered assets of the Group. The 'Debt securities' consist of debt investments which are pledged under central bank main-refinancing operation facilities. In 2024, no 'Debt securities' were pledged under other borrowing arrangements or repoed transactions. 'Other assets' encumbered represent amounts pledged in favour of the Depositor Compensation Scheme, the Single Resolution Board or to counterparties under documentary credits. The Group continues to recognise these encumbered assets since all the risks and rewards of the assets will be substantially retained in a manner that does not result in the encumbered assets being derecognised for accounting purposes. There are no encumbered assets between entities of the Group. The decrease in the reported median for encumbered assets was mainly a result of a decrease in debt securities being pledged in favour of central bank operations and money market deposits (categorised with Other Assets) during the period. The Group does not deem the unencumbered assets recorded under 'Other assets' in Template AE1 (row 120, column 060) as being available for encumbrance in the normal course of its business. These include items such as intangible assets, deferred tax assets, property, plant and other fixed assets, and derivative assets.

4.7 Environmental, Social and Governance Risk

The Group recognizes that it has a responsibility towards the environment and society beyond legal and regulatory requirements. The establishment of Board and Management Committees for ESG matters and the appointment of an ESG manager within the risk department evidences the Group's commitment to this important matter. The Group is working to establish a risk culture, set its risk appetite and to define how it will manage ESG risks on an on-going basis.

The Group is following closely regulatory guidelines, supervisory expectations and other development in this regard. There are no reporting requirements under Article 449a since FIMBank is not considered as a 'large institution' as per Article 4(146).

5 External credit assessment institutions (ECAI)

Table EU CRD – Qualitative disclosure requirements related to standardised approach

(a)	<i>Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period [Point (a) of Article 444 CRR]</i> The Group applies the ratings of the following External Credit Assessment Institutions ('ECAI') in determining the appropriate credit quality step and in line with the previous reporting period: • Fitch Ratings; or • Moody's; or • A.M. Best Fitch ratings is used as the primary reference ECAI. In instances where the counterparty is rated by more than one nominated ECAI, reference would be made to the appropriate rating following the approach outlined in the CRR. ECAs are not used to determining the credit quality step of a counterparty.
(b)	<i>The exposure classes for which each ECAI or ECA is used [Point (b) of Article 444 CRR]</i> The rating of each ECAI is linked to each exposure using the credit quality steps and risk weights prescribed in Part Three, Title II, Chapter 2 of the CRR. The Group applies the ECAI rating to the following exposure classes: • Central governments or central banks • Multilateral-development banks • Public sector entities • Institutions • Corporates
(c)	<i>A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book [Point(c) of Article 444 CRR]</i> All exposures, whether in the trading book or not, must be recorded against a credit line and all credit lines must be approved through the Group's credit approval process. For the non-trading book, when credit limits are proposed for a new client or existing limits are reviewed for an existing client an assessment is made concerning the creditworthiness of the borrower. This assessment comprises an analysis of financial and non-financial information pertaining to the client. Relevant details are input into Moody's CreditLens and a credit risk rating is generated using an internal scale. The credit risk ratings generated by the CreditLens system using the internal scale are aligned to credit rating steps issued by ECAIs. Where a client (an 'issuer') has an external credit rating issued by an ECAI and the Group has no access to the issuer's financials, it is the ECAI generated rating that determines the credit risk rating for the client not an output generated by the CreditLens tool. The same is true for an 'issue'. The external rating is mapped to the Group's internal scale in the credit application. At the completion of the credit review process the client's record in the Group's core systems is updated to capture the credit risk rating of the client as a whole. In the infrequent cases where a specific client exposure (an 'issue') has a standalone rating, the Group allocates a credit risk rating to that particular exposure. The Group classifies its on- and off- balance sheet exposures subject to credit risk under the exposure classes as defined in the CRR. The template EU CR4 includes the substitution of the exposure due to credit risk mitigation ('CRM') factors as a result of unfunded credit protection (guarantees). This substitution allows institutions to transfer the risk of an exposure from the counterparty to the protection provider. The total exposure value subject to credit risk that is covered by all eligible collateral for each exposure class as defined in CRR is provided in section 6 of this report.

(d) *The association of the external rating of each nominated ECAI or ECA [Point (d) of Article 444 CRR]*

The Group complies with the standard association published by the EBA [the Commission Implementing Regulation (EU) 2024/1872 of 1 July 2024]. The following mapping table lists the credit ratings of the ECAIs nominated by the institution and related credit quality steps in line with the EBA requirements.

Credit Quality Step	Fitch Ratings	Moody's	A.M. Best
1	AAA+ to AA-	Aaa to Aa3	A++ to A+
2	A+ to A-	A1 to A3	A to A-
3	BBB+ to BBB-	Baa1 to Baa3	B++ to B+
4	BB+ to BB-	Ba1 to Ba3	B to B-
5	B+ to B-	B1 to B3	C++ to C+
6	CCC+ to DDD	Caa1 to DDD	C to S

6 Credit risk mitigation

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount USD	Total USD	of which secured by collateral USD	Secured carrying amount of which secured by financial guarantees	
					Total USD	of which secured by credit derivatives USD
		a	b	c	d	e
1	Loans and advances	392,583,269	260,841,902	147,135,604	113,706,298	-
2	Debt securities	127,523,502	-	-	-	-
3	Total	520,106,771	260,841,902	147,135,604	113,706,298	-
4	<i>of which non-performing exposures</i>	12,473,387	1,314,412	1,213,089	101,323	-
EU-5	<i>of which defaulted</i>	12,473,387	1,314,412	1,213,089	101,323	-

The above carrying amounts are representative of the net exposure value.

Table EU CRC – Qualitative disclosure requirements related to CRM techniques

(a)	<i>A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting [Point (a) of Article 453 CRR]</i> The Group makes use of different types of collateral, all aimed at mitigating credit risk within on- and off- balance sheet credit facilities. FIMBank seeks to secure, when possible, its exposure to both financial institutions and corporate clients either by property (including shipping vessels), cash collateral, credit insurance cover, personal or bank guarantees or by pledged goods. For financial collateral, the main counterparties would be reputable credit institutions, financial institutions, or credit insurers. Procedures are in place to limit the market and credit risk concentrations of collateral, including the regular monitoring of commodity market prices and assessment of credit worthiness of collateral counterparties. The collateral policies are reviewed periodically by management both in terms of exposure to the Bank and the Group and to ensure the validity and enforceability of the security taken. Investment securities are not usually held as collateral, and no such collateral was held as at 31 December 2024. Table EU CQ6 below provides an estimate of the fair value of collateral and other security enhancements held against the Group's portfolio (some items of collateral are not being extended a value for regulatory purposes). When goods are pledged the value of goods representing collateral for such facilities is determined by monitoring the market prices of such commodities. Screen prices are readily available on most commodities exchanges and are monitored on a regular basis. Collateral management is performed on FIMBank's behalf by specialized companies (such as SGS, Bureau Veritas, Control Union, etc.) appointed ad hoc for a particular transaction. Collateral management agreements are usually tri-partite agreements (between FIMBank, the borrower and the collateral manager) and where applicable, also give FIMBank title to the goods held as collateral, in addition to physical control. The Group's provision of collateral to third parties is mainly limited to Group funding arrangements with a contractual maturity generally not exceeding 12 months. Given the short nature of such transactions, the Group does not expect a material change to its collateral value as a result of a downgrade in the credit rating of the counterparty. With the exception of cash collateral, the Group does not carry financial instruments which are subject to offsetting in the Statements of Financial Position. Group entities have a legally enforceable right to offset such collaterals against the respective facilities for which the collateral is taken. All financial assets and respective collaterals are disclosed separately in the Financial Statements without any offsetting.
(b)	<i>The core features of policies and processes for eligible collateral evaluation and management [Point (b) of Article 453 CRR]</i> The Group's credit risk policies define a categorisation system to determine the value to be given to eligible collateral when used as a credit risk mitigant. This categorisation system takes into account factors such as whether the collateral is held in the Group's name, whether the Group has a documented and legally enforceable claim to the collateral, whether the collateral is liquid or not, whether the collateral is perishable or not, whether third parties are contracted to monitor/manage the collateral and many other considerations. Such considerations determine the haircut applicable to the value of collateral with haircuts ranging from 0%, for the most liquid collateral with the strongest legal claim, to 100%, for perishable goods.

	Whenever the Group is taking collateral, it seeks to ensure that it has a legally enforceable claim to the collateral and uses both in-house and external legal counsel to achieve this. Where the collateral taken is a physical asset – whether fixed, moveable or a commodity – the Group makes use of third-party professionals (e.g. for property) or market references (e.g. for commodities) to value such assets. Where the collateral is non-physical (e.g. a guarantee, an insurance policy) the Group assesses the financial strength of the guarantor or insurer to determine whether an adjustment is required to the face value of the collateral. The frequency with which collateral is valued varies with the type of collateral, the source of the valuation (whether from a commodity exchange or a professional valuer), the cost of valuation, rapidly changing market conditions and other facts.
(c)	<i>A description of the main types of collateral taken by the institution to mitigate credit risk Point (c) of Article 453 CRR]</i> The collateral taken by the Group varies by product. For real estate exposures, the Group takes mortgages over properties and is identified as loss payee on insurance policies connected to financed real estate assets. For shipping exposures, the same approach applies. Factoring transactions may be secured by an import factor or via credit insurance. Forfaiting transactions may carry Export Credit Agency guarantees or be covered under CRR compliant insurance policies. The facilities granted by the trade business line may be secured by a cash margin, a corporate guarantee from a parent company or other related party, a charge over the goods financed, credit insurance, CRR compliant insurance, a back-to-back letter of credit or many other variations. The Group's corporate finance offering (lending to Maltese corporates) may be secured with many of the same items as applicable to the trade finance business line.
(d)	<i>For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitization structures [Point (d) of Article 453 CRR]</i> The Group takes as security in support of credit exposures, guarantees from corporates, banks and governments/government agencies, and insurance from internationally recognised insurance companies or import factors that is either CRR-compliant or non-CRR compliant. When the security provided is a guarantee or a CRR-compliant insurance policy the Group substitutes the credit worthiness of the issuer in place of the borrower. If the issuer is of a stronger credit rating than the borrower this can lead to an improvement in the risk weight originally allocated to the exposure in question. Insurance that is non-CRR compliant does not affect the risk weight applied to the exposure in question. The bank does not make use of credit derivatives or synthetic securitisation structures to reduce capital requirements.
(e)	<i>Information about market or credit risk concentrations within the credit mitigation taken [Point (e) of Article 453 CRR]</i> There are no significant concentrations of market or credit risk within the credit mitigation taken.

Template EU CR4 – Standardised approach - Credit risk exposure and CRM effects

	<i>Exposure classes</i>	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f
1	Central governments or central banks	206,664,512	2,909,470	207,401,582	2,909,470	147,414	0%
2	Regional government or local authorities	6,739,291	-	6,739,291	-	-	0%
3	Public sector entities	35,691,378	5,279,472	34,954,308	0	1,001,901	3%
4	Multilateral development banks	-	-	-	-	-	0%
5	International organisations	5,836,020	418,818	5,836,020	418,818	-	0%
6	Institutions	74,387,791	833,956	134,986,613	833,956	27,393,604	20%
7	Corporates	351,073,061	93,416,237	284,007,592	26,951,995	275,087,365	88%
8	Retail	17,719,503	567,574	14,974,961	3,356	8,559,583	57%
9	Secured by mortgages on immovable property	6,098,314	3,789,562	6,098,314	1,626,619	3,484,132	45%
10	Exposures in default	3,427,644	-	3,427,644	-	3,427,644	100%
11	Exposures associated with particularly high risk	69,577,966	55,471,920	69,577,966	-	104,366,949	150%
12	Covered bonds	1,860,295	-	1,860,295	-	186,030	10%
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
14	Collective investment undertakings	16,559,677	-	16,559,677	-	19,499,705	118%
15	Equity	52,358	-	52,358	-	52,358	100%
16	Other items	73,969,538	-	73,969,538	-	97,434,647	132%
17	Total	869,657,348	162,687,010	860,446,159	32,744,213	540,641,331	61%

The RWEA is the final risk weighted amount after applying the SME supporting factor.

Template EU CQ6: Collateral valuation - loans and advances

Performing

		Loans and advances		
		Total	Performing	
			Total	of which past due > 30 days <= 90 days
		USD	USD	USD
		a	b	c
010	Gross carrying amount	484,352,968	470,565,168	11,494,661
020	of which: secured	295,705,143	291,620,887	11,494,661
030	of which: secured with immovable property	100,490,612	96,508,287	1,089,821
040	of which: instruments with LTV higher than 60% and lower or equal to 80%	28,016,879	28,016,879	
050	of which: instruments with LTV higher than 80% and lower or equal to 100%	6,208,708	6,208,708	
060	of which: instruments with LTV higher than 100%	38,742,038	34,759,712	
070	Accumulated impairment for secured assets	(3,334,391)	(565,144)	(23,085)
080	Collateral			
090	of which value capped at the value of exposure	147,135,604	145,922,514	4,753,612
100	of which: Immovable property	96,939,079	95,725,989	1,089,821
110	of which value above the cap	117,906,091	117,767,756	4,804,065
120	of which: Immovable property	37,012	-	-
130	Financial guarantees received	113,706,298	113,604,975	4,760,633
140	Accumulated partial write-off	-	-	-

Non-Performing

		Loans and advances								
		Non-Performing								
		Total								
			Unlikely to pay that are not past due or past due <= 90 days	Past due > 90 days	of which Past due > 90 days <= 180 days	of which Past due > 180 days <= 1 year	of which Past due > 1 years <= 2 years	of which Past due > 2 years <= 5 years	of which Past due > 5 years <= 7 years	of which Past due > 7 years
		USD	USD	USD	USD	USD	USD	USD	USD	USD
		a	d	e	f	g	h	i	j	k
010	Gross carrying amount	484,352,968	13,787,800	3,163,325	10,624,474	503,257	4,201,476	152,091	4,349,873	1,417,778
020	of which: secured	295,705,143	4,084,256	-	4,084,256	101,930	3,982,326	-	-	-
030	of which: secured with immovable property	100,490,612	3,982,326	-	3,982,326	-	3,982,326	-	-	-
040	of which: instruments with LTV higher than 60% and lower or equal to 80%	28,016,879	-	-	-					
050	of which: instruments with LTV higher than 80% and lower or equal to 100%	6,208,708	-	-	-					
060	of which: instruments with LTV higher than 100%	38,742,038	3,982,326	-	3,982,326					
070	Accumulated impairment for secured assets	(3,334,391)	(2,769,247)	-	(2,769,247)	(11)	(2,769,236)	-	-	-
080	Collateral									
090	of which value capped at the value of exposure	147,135,604	1,213,089	-	1,213,089	-	1,213,089	-	-	-
100	of which: Immovable property	96,939,079	1,213,089	-	1,213,089	-	1,213,089	-	-	-
110	of which value above the cap	117,906,091	138,335	-	138,335					
120	of which: Immovable property	37,012	37,012	-	37,012	-	-	-	-	-
130	Financial guarantees received	113,706,298	101,323	-	101,323	101,323	-	-	-	-
140	Accumulated partial write-off	-	-	-	-	-	-	-	-	-

The Group does not hold any collateral obtained by taking possession and execution processes. As a result, Template EU CQ7 and CQ8 of the main ITS are not applicable to the Group.

7 Credit risk adjustments

7.1 Credit quality of assets

Table EU CRB: Additional disclosure related to the credit quality of assets

(a)	<i>The scope and definitions of ‘past-due’ and ‘impaired’ exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR</i> The Group reviews its exposures individually on an on-going basis. For those exposures where no individual impairment is identified, the Group calculates an expected credit loss in line with the requirements of IFRS 9. An identification of a facility which breaches its terms and conditions would trigger an impairment process and a possible charge to the credit reserve. The basis of allocating amounts to the specific credit reserve is dependent on the grading of non-performing exposures assigned in accordance with Banking Rule 09 and EBA/GL/2022/13. In addition, these are measured on the basis of the adopted policy that is noted under Accounting Policy 3.9.5 of the Annual Report & Financial Statements 2024 following the requirements of IFRS 9. Further information on how expected credit losses and loss allowances resulting from this review are measured is provided under Note 4.2 of the Annual Report & Financial Statements 2024. The Group’s Non-Performing Loan ratio, which stands at 2.85%, is beneath the threshold of 5% as specified in the rule. Past due, but not impaired, facilities are exposures where contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group. Impaired facilities are exposures for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s).
(b)	<i>The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this</i> As of 31 December 2024, the Group had no Stage 1 and 2 exposures that were over 90 days past due.
(c)	<i>Description of methods used for determining general and specific credit risk adjustments</i> The Group calculates specific credit risk adjustments for all of its exposures. This is calculated in line with the IFRS 9 accounting standard. Please refer to Note 4.2.1.4 of the Annual Report & Financial Statements 2024.
(d)	<i>The institution’s own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.</i> The Group uses the definition of forborne exposure as defined in Annex V to Commission Implementing Regulation (EU) 680/2014.

7.2 Performing and non-performing exposures

Template EU CR1: Performing and non-performing exposures and related provisions

		Gross carrying amount/nominal amount					
		Performing exposures			Non-Performing exposures		
		Total	of which:	of which:	Total	of which:	of which:
		USD	stage 1	stage 2	USD	stage 2	stage 3
		a	b	c	d	e	f
005	Cash balances at central banks and other demand deposits	186,437,718	186,437,718	-	-	-	-
010	Loans and advances	470,565,168	415,146,320	55,418,849	13,787,800	101,930	13,372,419
020	Central banks	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-
040	Credit institutions	39,236,586	34,813,697	4,422,889	-	-	-
050	Other financial corporations	45,995,979	38,979,404	7,016,575	3,832,264	-	3,832,264
060	Non-financial corporations	385,332,603	341,353,219	43,979,385	9,955,535	101,930	9,540,155
070	of which: SMEs	107,082,387	87,646,791	19,435,596	8,664,969	-	8,351,519
080	Households	-	-	-	-	-	-
090	Debt Securities	127,529,181	127,529,181	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	102,273,717	102,273,717	-	-	-	-
120	Credit institutions	20,209,617	20,209,617	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	5,045,848	5,045,848	-	-	-	-
150	Off-balance sheet exposures	159,833,941	143,590,935	16,243,006	-	-	-
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	50,427,479	40,101,577	10,325,902	-	-	-
190	Other financial corporations	10,462,178	9,631,096	831,082	-	-	-
200	Non-financial corporations	98,944,283	93,858,261	5,086,021	-	-	-
210	Households	-	-	-	-	-	-
220	Total	944,366,008	872,704,153	71,661,855	13,787,800	101,930	13,372,419

		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write- off USD
		Performing exposures			Non-Performing exposures			
		Total	of which: stage 1	of which: stage 2	Total	of which: stage 2	of which: stage 3	
		USD	USD	USD	USD	USD	USD	
		g	h	i	j	k	l	
005	Cash balances at central banks and other demand deposits	(71,552)	(71,552)	-	-	-	-	-
010	Loans and advances	(7,147,150)	(2,603,187)	(4,543,962)	(10,146,813)	(11)	(9,833,352)	-
020	Central banks	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-
040	Credit institutions	(154,305)	(138,764)	(15,541)	-	-	-	-
050	Other financial corporations	(4,761,798)	(662,178)	(4,099,620)	(3,832,264)	-	(3,832,264)	-
060	Non-financial corporations	(2,231,047)	(1,802,245)	(428,802)	(6,314,549)	(11)	(6,001,088)	-
070	of which: SMEs	(226,361)	(186,109)	(40,253)	(5,219,773)	-	(4,906,322)	-
080	Households	-	-	-	-	-	-	-
090	Debt Securities	(5,680)	(5,680)	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-
110	General governments	(5,680)	(5,680)	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-
150	Off-balance sheet exposures	475,219	470,569	4,650	-	-	-	
160	Central banks	-	-	-	-	-	-	
170	General governments	-	-	-	-	-	-	
180	Credit institutions	329,282	324,632	4,650	-	-	-	
190	Other financial corporations	17,370	17,370	-	-	-	-	
200	Non-financial corporations	128,567	128,567	-	-	-	-	
210	Households	-	-	-	-	-	-	
220	Total	(6,749,163)	(2,209,850)	(4,539,313)	(10,146,813)	(11)	(9,833,352)	-

Collaterals and financial guarantees received

		On performing exposures	On non-performing exposures
		USD	USD
		n	o
005	Cash balances at central banks and other demand deposits	-	-
010	Loans and advances	259,527,489	1,314,412
020	Central banks	-	-
030	General governments	-	-
040	Credit institutions	2,868,054	-
050	Other financial corporations	13,745,605	-
060	Non-financial corporations	242,913,830	1,314,412
070	of which: SMEs	93,901,338	1,213,089
080	Households	-	-
150	Off-balance sheet exposures	103,672,246	-
160	Central banks	-	-
170	General governments	-	-
180	Credit institutions	7,406,256	-
190	Other financial corporations	9,153,554	-
200	Non-financial corporations	87,112,436	-
210	Households	-	-
220	Total	363,199,735	1,314,412

No collaterals and financial guarantees received are held against debt securities. Note that the 'purchased or originated credit-impaired financial assets' of USD313,450 are excluded from the 'stage 3' classification in EU CR1 as it is outside the scope of the related EBA mapping guidelines. This amount is fully impaired.

Template EU CR1-A: Maturity of exposures

		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
		USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f
1	Loans and advances	17,033,985	351,256,269	91,336,904	7,431,846	-	467,059,005
2	Debt securities	-	36,054,385	34,370,259	57,098,857	-	127,523,502
3	Total	17,033,985	387,310,654	125,707,163	64,530,704	-	594,582,506

Template EU CR2: Changes in the stock of non-performing loans and advances

		Gross carrying amount
		USD
		a
010	Initial stock of non-performing loans and advances	27,115,371
020	Inflows to non-performing portfolios	5,313,053
030	Outflows from non-performing portfolios	(17,018,097)
040	Outflows due to write-offs	-
050	Outflow due to other situations	(1,622,528)
060	Final stock of non-performing loans and advances	13,787,800

The Group does not have any related recoveries as a result of taking possession of collaterals, liquidations of collaterals, sale of instruments and risk transfer. Therefore, Template EU CR2a is not being disclosed.

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

		Gross carrying amount / Nominal amount											
		Performing exposures				Non-performing exposures							
		Total USD	Not past due or Past due < 30 days USD	Past due > 30 days < 90 days USD	Total USD	Unlikely to pay that are not past-due or past-due < = 90 days USD	Past due > 90 days <= 180 days USD	Past due > 180 days < =1 year USD	Past due > 1 year <= 2 years USD	Past due > 2 year <= 5 years USD	Past due > 5 year <= 7 years USD	Past due > 7 years USD	of which defaulted USD
a	b	c	d	e	f	g	h	i	j	k	l		
005	Cash balances at central banks and other demand deposits	186,437,718	186,437,718	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	470,565,168	459,070,507	11,494,661	13,787,800	3,163,325	503,257	4,201,476	152,091	4,349,873	1,417,778	-	13,787,800
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	39,236,586	39,236,586	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	45,995,979	45,995,979	-	3,832,264	-	-	-	-	3,832,264	-	-	3,832,264
060	Non-financial corporations	385,332,603	373,837,942	11,494,661	9,955,535	3,163,325	503,257	4,201,476	152,091	517,609	1,417,778	-	9,955,535
070	of which SMEs	107,082,387	104,442,901	2,639,486	8,664,969	3,163,325	-	4,201,476	39,218	313,450	947,500	-	8,664,969
080	Households	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	127,529,181	127,529,181	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	102,273,717	102,273,717	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	20,209,617	20,209,617	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	5,045,848	5,045,848	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	159,833,941			-								-
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	50,427,479			-								-
190	Other financial corporations	10,462,178			-								-
200	Non-financial corporations	98,944,283			-								-
210	Households	-			-								-
220	Total	944,366,008	773,037,406	11,494,661	13,787,800	3,163,325	503,257	4,201,476	152,091	4,349,873	1,417,778	-	13,787,800

Template EU CQ4: Quality of non-performing exposures by geography

		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	
			of which: non-performing		of which: subject to impairment			
Total USD	Total USD	of which: defaulted USD						
a	b	c	d	e	f			
010	On-balance sheet exposures	611,882,149	13,787,800	13,787,800	611,882,149	(17,299,643)		
	Malta	159,511,310	8,072,958	8,072,958	159,511,310	(7,586,468)		
	India	66,064,168	398,440	398,440	66,064,168	(612,568)		
	Egypt	50,062,168	401,327	401,327	50,062,168	(1,410,526)		
	United Arab Emirates	47,049,490	3,552,194	3,552,194	47,049,490	(1,909,301)		
	Germany	21,246,713	5,518	5,518	21,246,713	(18,103)		
	Other countries	267,948,300	1,357,363	1,357,363	267,948,300	(5,762,675)		
080	Off-balance sheet exposures	159,833,941	-	-			475,219	
	Malta	89,302,742	-	-			37,524	
	Qatar	18,000,000	-	-			231,047	
	United Kingdom	13,243,521	-	-			11,347	
	United Arab Emirates	11,354,161	-	-			87,869	
	Liberia	7,500,000	-	-			16,640	
	Other countries	20,433,517	-	-	-	-	90,792	
150	Total	771,716,090	13,787,800	13,787,800	611,882,149	(17,299,643)	475,219	

There were no accumulated negative changes in fair value due to credit risk on non-performing exposures.

The Group's non-domestic original exposures in all non-domestic countries in all exposure classes are higher than 10% of the total (domestic and non-domestic) original exposures. The above template discloses the top 5 on- and off-balance sheet exposures. No countries have exposures equal to or above 10% of the total exposure value other than Malta. Additionally, a breakdown is provided for those countries in which the Group has non-performing exposures.

Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

		Gross carrying amount				Accumulated impairment USD
		Total USD a	of which: non-performing		of which: loans and advances subject to impairment USD d	
			Total USD b	of which: defaulted USD c		
010	Agriculture, forestry and fishing	525,198	-	-	525,198	-
020	Mining and quarrying	2,395,684	-	-	2,395,684	(98,015)
030	Manufacturing	159,830,096	601,126	601,126	159,830,096	(1,650,188)
040	Electricity, gas, steam and air conditioning supply	916,206	-	-	916,206	(2,584)
050	Water supply	-	-	-	-	-
060	Construction	33,169,033	3,163,325	3,163,325	33,169,033	(1,331,687)
070	Wholesale and retail trade	107,859,567	689,439	689,439	107,859,567	(1,297,815)
080	Transport and storage	947,726	947,500	947,500	947,726	(559,198)
090	Accommodation and food service activities	-	-	-	-	-
100	Information and communication	17,165,463	0	0	17,165,463	(87,531)
110	Real estate activities	54,902,487	313,450	313,450	54,902,487	(414,617)
120	Financial and insurance activities	308,890	-	-	308,890	-
130	Professional, scientific and technical activities	9,406,240	4,240,694	4,240,694	9,406,240	(3,028,792)
140	Administrative and support service activities	4,562,494	-	-	4,562,494	(1,282)
150	Public administration and defence, compulsory social security	-	-	-	-	-
160	Education	-	-	-	-	-
170	Human health services and social work activities	3,299,056	-	-	3,299,056	(73,886)
180	Arts, entertainment and recreation	-	-	-	-	-
190	Other services	-	-	-	-	-
200	Total	395,288,138	9,955,535	9,955,535	395,288,138	(8,545,596)

There were no accumulated negative changes in fair value due to credit risk on non-performing exposures.

7.3 Forborne exposures

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Forbearance refers only to those loan modification or renegotiations in response to actual or perceived financial difficulties of a customer. Note 4.2.1.6 of the Annual Report & Financial Statements 2024 provides further detailed information on the Group forbearance policy.

No debt securities or loan commitments given were forborne as at 31 December 2024.

Template EU CQ1: Credit quality of forborne exposures

		Gross carrying amount / Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Non-performing forborne							
		Performing forborne	Total	of which defaulted	of which impaired	On performing forborne exposures	On non-performing forborne exposures	Total	of which: on non-performing exposures with forbearance measures
		USD	USD	USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f	g	h
010	Loans and advances	10,632,504	11,714,674	11,714,674	11,714,674	-	(8,657,780)	11,669,787	1,213,089
050	Other financial corporations	-	3,832,264	3,832,264	3,832,264	-	(3,832,264)	-	-
060	Non-financial corporations	10,632,504	7,882,410	7,882,410	7,882,410	-	(4,825,516)	11,669,787	1,213,089
100	Total	10,632,504	11,714,674	11,714,674	11,714,674	-	(8,657,780)	11,669,787	1,213,089

None of the following items were subject to forbearance measures: cash balances at central banks and other demand deposits, debt securities, loan commitments given and loans and advances to central banks, general governments, credit institutions and households.

Template EU CQ2: Quality of forbearance

		Gross carrying amount of forborne exposures
		USD
		a
010	Loans and advances that have been forborne more than twice	-
020	Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	11,510,516

8 Capital ratio

8.1 Composition of regulatory own funds

Template EU CC1 – Composition of regulatory own funds

		Amounts	Template EU CC2
		USD	cross-reference
		a	b
	<i>Common Equity Tier 1 (CET1) capital: instruments and reserves</i>		
1	Capital instruments and the related share premium accounts	262,080,767	
1a	of which: Ordinary Share Capital	262,080,767	Equity - 1, 2
2	Retained earnings	(70,598,176)	Equity - 7; Assets 14.1; 14.2
3	Accumulated other comprehensive income (and other reserves)	(11,816,886)	Equity - 3, 4, 6
EU-3a	Funds for general banking risk	-	Equity - 3
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	119,425	Equity - 8
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	179,785,130	
	<i>Common Equity Tier 1 (CET1) capital: regulatory adjustments</i>		
7	Additional value adjustments (negative amount)	(411,531)	
8	Intangible assets (net of related tax liability) (negative amount)	(211,833)	Assets - 11
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	Assets - 13.1
EU-25a	Losses for the current financial year (negative amount)	-	
27a	Other regulatory adjustments	9,682,862	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	9,059,497	
29	Common Equity Tier 1 (CET1) capital	188,844,627	
	<i>Additional Tier 1 (AT1) capital: instruments</i>		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
	<i>Additional Tier 1 (AT1) capital: regulatory adjustments</i>		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	188,844,627	
	<i>Tier 2 (T2) capital: instruments</i>		
51	Tier 2 (T2) capital before regulatory adjustments	-	
	<i>Tier 2 (T2) capital: regulatory adjustments</i>		
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	-	
59	Total capital (TC = T1 + T2)	188,844,627	
60	Total risk exposure amount	885,602,534	
	<i>Capital ratios and requirements including buffers</i>		
61	Common Equity Tier 1	21.3%	
62	Tier 1	21.3%	
63	Total capital	21.3%	
64	Institution CET1 overall capital requirements	9.2%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical capital buffer requirement	0.2%	
67	of which: systemic risk buffer requirement	0.0%	

		Amounts	Template EU CC2 cross-reference
		USD	USD
		a	b
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.0%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.1%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	9.6%	
	<i>Amounts below the thresholds for deduction (before risk weighting)</i>		
75	Deferred tax assets arising from temporary differences (amount below 17.65 threshold, net of related tax liability where the conditions in Article 38 (3) are met)	15,654,513	
	<i>Applicable caps on the inclusion of provisions in Tier 2</i>		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,106,921,190	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	

The minimum capital requirement for CET1 capital is made up of the Pillar I requirement (4.5%), Pillar II requirement (3.7%), Pillar II guidance (1%) and the Combined buffer requirement (2.5%). The difference between the CET1 capital (item 61) and this total minimum capital requirement is available CET1 capital disclosed in item 68.

The deduction for intangible assets under item 8 is representative of software assets for which a prudential accumulated amortisation is calculated in accordance with Article 13a of Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regards to regulatory technical standards for own funds and eligible liabilities requirements for institutions. No restrictions have been applied in the calculation of own funds. Omitted rows and/or columns as prescribed in the templates are not applicable to the Group.

8.2 Transitional adjustments to own funds provisions

The following breakdown is representative of the regulatory adjustments included under item 27a of Template EU CC1. These are transitional adjustments that the CRR and related regulation prescribe to mitigate the impact of provisions within the regulatory own funds, and capital and leverage ratios by phasing-in the provisions.

	USD
Deferred tax asset that rely on future profitability and arise from temporary differences and deductible from own funds	11,526,666
IFRS 9 adjustment prescribed under Regulation (EU) No 2017/2395	-
Insufficient coverage value calculated in accordance with Regulation (EU) 2019/630	(1,834,804)
Transitional provisions	(9,682,862)

The following table (Template IFRS 9/Article 468-FL) is prescribed by Regulation (EU) No 2017/2395 and the 'Guidelines amending Guidelines EBA/GL/2018/01 on uniform disclosures under Article 473a of Regulation (EU) No 575/2013 (CRR) on the transitional period for mitigating the impact of the introduction of IFRS 9 on own funds to ensure compliance with the CRR 'quick fix' in response to the COVID-19 pandemic' (EBA/GL/2020/12). It provides an overview of its impact on the Group's own funds, capital ratio and leverage ratio.

The Group decided not to apply the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income in accordance with Article 468 of the CRR. As a result, the respective rows are being excluded from the following table (2a, 4a, 6a, 10a, 12a, 14a, 17a).

Template IFRS 9/Article 468-FL - Disclosure representing impact of IFRS 9 transitional arrangements

		December 2024	December 2023
		USD	USD
		a	e
	<i>Available capital (amounts)</i>		
1	Common Equity Tier 1 (CET1) capital	188,844,639	171,347,059
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	188,844,639	171,347,059
3	Tier 1 capital	188,844,639	171,347,059
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	188,844,639	171,347,059
5	Total capital	188,844,639	171,347,059
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	188,844,639	171,347,059
	<i>Risk-weighted assets (amounts)</i>		
7	Total risk-weighted assets	885,602,534	943,756,998
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	885,602,534	943,756,998
	<i>Capital ratios</i>		
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	21.3%	18.2%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.3%	18.2%
11	Tier 1 (as a percentage of risk exposure amount)	21.3%	18.2%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.3%	18.2%
13	Total capital (as a percentage of risk exposure amount)	21.3%	18.2%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	21.3%	18.2%
	<i>Leverage ratio</i>		
15	Leverage ratio total exposure measure	1,196,066,651	1,630,200,919
16	Leverage ratio	14.83%	10.50%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.79%	10.51%

The IFRS 9 transitional arrangement continued to be applied in 2024. However, based on the December 2024 results, there was no additional arrangement required in relation to IFRS 9. As a result, the above amounts and percentages with and without the mentioned transitional arrangement are equal.

8.3 Reconciliation of regulatory own funds to the accounting financial statements

Template EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Assets - Breakdown by asset classes according to the balance sheet in the published financial statements

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	EU CC1 Reference
		USD	USD	No
		a	b	c
1	Balances with the Central Bank of Malta, treasury bills and cash	134,192,217		
2	Derivative assets held for risk management	1,464,641		
3	Trading assets	274,733,298		
4	Loans and advances to banks	96,457,392		
5	Loans and advances to customers	427,976,723		
6	Financial investments at fair value through profit or loss	13,958,450		
7	Financial investments at fair value through other comprehensive income	120,265,095		
8	Financial investments at amortised cost	2,073,906		
9	Property and equipment	23,576,823		
10	Investment property	20,925,767		
11	Intangible assets and goodwill	2,906,773	211,833	8
12	Current tax assets	886,247		
13	Deferred tax assets	15,654,513	-	
13.1	<i>Deferred tax assets arising from temporary differences</i>	-	-	21
14	<i>Other assets</i>	11,088,122	3,328,287	
14.1	<i>Payment commitments deposited with the Depositor Compensation Scheme</i>	2,909,470	2,909,470	2
14.2	<i>Payment commitments deposited with the Single Resolution Fund</i>	418,818	418,818	2
15	Total assets	1,146,159,967	3,540,121	

Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements

None of the Group's liabilities fall under the regulatory own funds scope of consolidation.

		Balance sheet as in published financial statements
		USD
		a
1	Derivative liabilities held for risk management	1,109,346
2	Amounts owed to institutions and banks	241,193,331
3	Amounts owed to customers	679,118,749
4	Debt securities in issue	15,851,701
5	Current tax liabilities	1,953,622
6	Deferred tax liabilities	4,011,635
7	Provision for liabilities and charges	582,401
8	Other liabilities	18,691,243
9	Total liabilities	962,512,028

Shareholders' equity

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	EU CC1 Reference
		USD	USD	No
		a	b	c
1	Share capital	261,221,882	261,221,882	1a
2	Share premium	858,885	858,885	1a
3	Reserve for general banking risks	-	-	3
4	Currency translation reserve	(15,308,700)	(15,308,700)	3
5	Fair value reserve	509,378	509,378	EU-3a
6	Other reserve	2,982,435	2,982,435	3
7	Accumulated losses: Retained earnings	(67,269,892)	(67,269,892)	2
8	Accumulated losses: Profit for the Year	119,426	119,426	EU-25a
9	Total equity attributable to equity holders of the Group	183,113,414	183,113,414	

8.4 Features of the regulatory own funds instrument

The following table provides the main features of the Group's ordinary share capital which is disclosed in Template EU CC1 as a CET1 capital instrument.

Table EU CCA – Main features of regulatory own funds instrument

		a
1	<i>Issuer</i>	FIMBank p.l.c.
2	<i>Unique identifier</i>	MT0000180100
2a	<i>Public or private placement</i>	Public
3	<i>Governing law(s) of the instrument</i>	Maltese law
3a	<i>Contractual recognition of write down and conversion powers of resolution authorities</i>	N/A
	Regulatory treatment	
4	<i>Current treatment taking into account, where applicable, transitional CRR rules</i>	Common Equity Tier 1
5	<i>Post-transitional CRR rules</i>	Common Equity Tier 1
6	<i>Eligible at</i>	Solo and (Sub-) Consolidated
7	<i>Instrument type</i>	Ordinary Shares
8	<i>Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of 31 December 2024)</i>	USD 261.2m - the entire amount issued is recognised as regulatory CET1 capital
9	<i>Nominal amount of instrument</i>	522,443,763 shares
EU-9a	<i>Issue price</i>	USD 0.50
EU-9b	<i>Redemption price</i>	N/A
10	<i>Accounting classification</i>	Shareholders' equity
11	<i>Original date of issuance</i>	08-Nov-94
12	<i>Perpetual or dated</i>	N/A
13	<i>Original maturity date</i>	N/A
14	<i>Issuer call subject to prior supervisory approval</i>	No
15	<i>Optional call date, contingent call dates and redemption amount</i>	N/A
16	<i>Subsequent call dates, if applicable</i>	N/A
	Coupons / dividends	
17	<i>Fixed or floating dividend/coupon</i>	Floating
18	<i>Coupon rate and any related index</i>	N/A
19	<i>Existence of a dividend stopper</i>	No
EU-20a	<i>Fully discretionary, partially discretionary or mandatory (in terms of timing)</i>	Fully discretionary
EU-20b	<i>Fully discretionary, partially discretionary or mandatory (in terms of amount)</i>	Fully discretionary
21	<i>Existence of step up or other incentive to redeem</i>	N/A
22	<i>Non-cumulative or cumulative</i>	Non-cumulative
23	<i>Convertible or non-convertible</i>	Non-convertible
30	<i>Write-down features</i>	N/A
34a	<i>Type of subordination</i>	N/A
EU-34b	<i>Ranking of the instrument in normal insolvency proceedings</i>	Rank 1 - Ranking in insolvency
35	<i>Position in subordination hierarchy in liquidation</i>	Subordinated to senior creditors and depositors
36	<i>Non-compliant transitioned features</i>	No
37a	<i>Link to the full term and conditions of the instrument</i>	Terms and conditions

Omitted rows and/or columns as prescribed in the templates are not applicable to the Group.

8.5 Capital buffers

In addition to the minimum requirements, the Group is required to maintain additional capital buffers, specifically the Capital Conservation Buffer and the Countercyclical Capital Buffer. These buffers are a requirement of Banking Rule 15, Capital Buffers of Credit Institutions authorised under the Banking Act, 1994. If the Group's CET1 capital falls below the combined buffer, automatic restrictions apply on capital distributions.

The Group is required to maintain a Capital Conservation Buffer of 2.5% (2023: 2.5%). In addition, the Group is required to retain an institution-specific Countercyclical Capital Buffer ('CCB') in line with Article 130 of Directive 2013/36/EU. This buffer is based on the weighted average of the CCB rates that apply in those countries where the exposures are located. In this regard, the following tables disclose the Group's (a) geographical distribution of exposures relevant for the calculation; and (b) amount of institution-specific CCB.

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Breakdown by country

		General credit exposures	Relevant credit exposures – Market risk	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
		Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Total			
		USD	USD	USD	USD	USD	USD	USD	%	%
		a	c	f	g	h	j	k	l	m
010	Breakdown by country:									
	United Kingdom	26,964,663	5,134,635	32,099,299	1,967,301	446,713	2,414,014	30,175,178	3.855%	2.0%
	Germany	24,823,604	-	24,823,604	399,795	-	399,795	4,997,432	0.638%	0.8%
	France	18,246,430	5,949,101	24,195,531	101,367	205,936	307,303	3,841,289	0.491%	1.0%
	Sweden	11,906,496	-	11,906,496	1,428,780	-	1,428,780	17,859,745	2.281%	2.0%
	Belgium	7,669,495	1,114,124	8,783,619	6,271	98,764	105,035	1,312,935	0.168%	1.0%
	Denmark	8,460,742	-	8,460,742	24,070	-	24,070	300,876	0.038%	2.5%
	Bulgaria	3,518,999	3,306,116	6,825,115	13,799	277,714	291,512	3,643,904	0.465%	2.0%
	Luxembourg	6,251,521	-	6,251,521	16,615	-	16,615	207,692	0.027%	0.5%
	Netherlands	4,888,184	-	4,888,184	260,067	-	260,067	3,250,843	0.415%	2.0%
	Hungary	4,450,536	-	4,450,536	21,272	-	21,272	265,894	0.034%	0.5%
	Ireland	2,135,856	-	2,135,856	122,371	-	122,371	1,529,634	0.195%	1.5%
	Slovakia	948,339	-	948,339	3,877	-	3,877	48,467	0.006%	1.5%
	Norway	833,324	-	833,324	5,783	-	5,783	72,288	0.009%	2.5%
	Czech Republic	748,662	-	748,662	5,706	-	5,706	71,322	0.009%	1.3%
	Iceland	480,947	-	480,947	-	-	-	-	0.000%	2.5%
	Korea, Republic of	465,015	-	465,015	7,430	-	7,430	92,874	0.012%	1.0%
	Australia	428,526	-	428,526	20,795	-	20,795	259,943	0.033%	1.0%
	Romania	249,120	-	249,120	4,457	-	4,457	55,718	0.007%	1.0%
	Estonia	196,098	-	196,098	3,204	-	3,204	40,055	0.005%	1.5%
	Croatia	74,330	-	74,330	5,946	-	5,946	74,330	0.009%	1.5%
	Honk Kong	34,134	-	34,134	2,729	-	2,729	34,116	0.004%	1.0%
	Other countries	929,957,907	259,229,325	1,189,187,231	38,829,671	18,345,572	57,175,243	714,690,532	91.296%	0.0%
020	Total	1,053,732,927	274,733,300	1,328,466,227	43,251,307	19,374,698	62,626,005	782,825,065	0.157%	

Omitted rows and/or columns as prescribed in the templates are not applicable to the Group.

The credit exposures in the above table are presented in ascending order based on the total exposure value and only those that have countercyclical buffer rate are listed.

The other countries are aggregated in the one row 'Other countries'.

Template EU CCyB2 - Amount of institution specific countercyclical capital buffer

		a
1	Total risk exposure amount	USD 885,602,534
2	Institution specific countercyclical capital buffer rate	0.157%
3	Institution specific countercyclical capital buffer requirement	USD1,391,522*

*Note that this amount was calculated based the precise buffer rate of 0.1571387815499350000%.

9 Leverage ratio

Table EU LRA - Disclosure of LR qualitative information

(a)	<i>Description of the processes used to manage the risk of excessive leverage</i> CRR requires credit institutions to calculate a non-risk-based leverage ratio to supplement risk-based capital requirements. The leverage ratio is defined as Tier 1 capital divided by a non-risk-based measure of an institution's on- and off-balance sheet items, not deducted from Tier 1 capital (the 'exposure measure'). The leverage ratio has two objectives namely, to limit the risk of excessive leverage by constraining the building up of leverage in the banking sector during economic upswings and to act as a simple instrument that offers a safeguard against the risks associated with the risk models underpinning risk weighted assets. The minimum requirement of the Tier 1 leverage ratio is 3%. Leverage risk is managed through regular monitoring and reporting of the leverage ratio, which forms part of the Risk Appetite Framework. The Group has set a prudent threshold for the leverage ratio at 7.5% (at group level). The Group's leverage ratio has never breached the required minimum level of 3%, as prescribed by European regulations. The Group's strategy is based on profit improvement and selective asset growth which will further improve the leverage ratio. Changes in regulation relating to leverage ratio are monitored and their potential impact is assessed.
(b)	<i>Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers</i> The increase of 4.3% in leverage was mainly due to a decrease over the financial period of exposure levels when compared to the previous year which outweighed the slight increase in in CET1 capital.

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		USD
		a
1	Total assets as per published financial statements	1,146,159,967
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
8	Adjustments for derivative financial instruments	9,437,810
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	59,800,399
12	Other adjustments	(19,331,524)
13	Total exposure measure	1,196,066,651

Omitted rows and/or columns as prescribed in the templates are not applicable to the Group.

Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures December 2024 USD	CRR leverage ratio exposures December 2023 USD
		a	b
	<i>On-balance sheet exposures (excluding derivatives and SFTs)</i>		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	1,127,830,971	1,564,312,670
6	(Asset amounts deducted in determining Tier 1 capital)	(2,467,169)	(4,723,831)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	1,125,363,802	1,559,588,839
	<i>Derivative exposures</i>		
EU-9b	Exposure determined under Original Exposure Method	10,902,450	5,871,088
13	Total derivatives exposures	10,902,450	5,871,088
	<i>Other off-balance sheet exposures</i>		
19	Off-balance sheet exposures at gross notional amount	163,162,228	208,505,350
20	(Adjustments for conversion to credit equivalent amounts)	(103,361,830)	(143,764,358)
22	Off-balance sheet exposures	59,800,399	64,740,992

		CRR leverage ratio exposures	CRR leverage ratio exposures
		December 2024	December 2023
		USD	USD
		a	b
	<i>Capital and total exposure measure</i>		
23	Tier 1 capital	177,317,973	171,243,138
24	Total exposure measure	1,196,066,651	1,630,200,919
	<i>Leverage ratio</i>		
25	Leverage ratio	14.8%	10.5%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	14.8%	10.5%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	14.8%	10.5%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%
27	Leverage ratio buffer requirement (%)	0.0%	0.0%
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%
	<i>Choice on transitional arrangements and relevant exposures</i>		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in	Fully phased-in
	<i>Disclosure of mean values</i>		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,196,066,651	1,630,200,919
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,196,066,651	1,630,200,919
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	14.8%	10.5%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	14.8%	10.5%

Omitted rows and/or columns as prescribed in the templates are not applicable to the Group.

Template EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
		USD
		a
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	1,127,830,971
EU-2	Trading book exposures	274,733,300
EU-3	Banking book exposures, of which:	853,097,671
EU-4	Covered bonds	1,860,295
EU-5	Exposures treated as sovereigns	249,184,626
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	5,746,576
EU-7	Institutions	74,387,791
EU-8	Secured by mortgages of immovable properties	6,098,314
EU-9	Retail exposures	17,719,503
EU-10	Corporates	351,073,061
EU-11	Exposures in default	3,427,644
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	143,599,862

10 Remuneration policy

Table EU REMA – Remuneration policy

(a)	<i>Information relating to the bodies that oversee remuneration</i> The body responsible for overseeing remuneration is the Board Nomination and Remuneration Committee ('BNRC'). The BNRC is governed by a Charter which is reviewed on an annual basis. As at 31 December 2024, the BNRC was composed of three members one of whom is an independent director. The BNRC sought professional legal advice from internal legal counsel and independent advice from Compliance and Internal Audit when reviewing the Group Remuneration Policy and the Directors' Remuneration Policy. During 2024 there was no need to seek external legal advice or to engage consultants.
(b)	<i>Information relating to the design and structure of the remuneration system for identified staff</i> The Group Remuneration Policy ('Policy') outlines the key guiding principles and framework applicable to the Group in terms of remuneration structure and implementation mechanisms. The Policy governs the remuneration of all members of staff of the Group including the branches and the subsidiaries located in third countries unless local legislation mandates otherwise. This includes these disclosures' target population defined as 'Identified Staff'. This structure comprises both fixed and variable remuneration. The guiding principle ensures that there remains a tangible distinction between fixed and variable remuneration. This is in line with BR/21/2022, Paragraph 142. The remuneration structure is intended to attract, reward, incentivise and retain a high-performing workforce while remaining aligned to the Group's long-term strategy, risk appetite, sustainable performance, good corporate governance, regulatory compliance, corporate values, and long-term value creation for shareholders. To this effect, the Policy is based on the following principles: • Sound and effective risk management; • Non-discriminatory practices; • Internal equity; • External parity; and, • Affordability and sustainability. Additionally, the Policy includes a description of the Corporate Governance mechanisms specifically intended to ensure the appropriate implementation of the respective remuneration practices. The Total Remuneration Package consists of a Fixed component, with the possibility of a Variable component. Fixed remuneration comprises the base salary and any statutory payments as may be applicable in the respective jurisdiction, and may also include one or more of the following: • Cash allowance/s; • Anniversary /one-time payments; • Non-cash benefits applicable to employees according to their seniority; and • Other contract specific cash/non-cash benefits. Fixed remuneration reflects the relevant professional experience and organisational responsibility as set out in the employee's job description as applicable from time-to-time and it represents a sufficiently high proportion of total remuneration so as to include the possibility to pay no variable remuneration component. Fixed remuneration is determined using the annual gross remuneration calculated on full-time equivalent basis. Where a component does not meet the above conditions, it shall automatically be considered as Variable Remuneration. Variable remuneration typically comprises one or more of the following: • Performance Bonus; • Exceptional Bonus; • Retention Bonus; • Guaranteed/Sign-on Bonus; • Buy-out Compensation; and • Severance Payments. Variable remuneration rewarded reflects a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as applicable from time-to-time.

	The Group bonus pool can be up to 20% of profit before tax and general provisions. The bonus pool is recommended by the GCEO and approved by the BNRC. The approved bonus pool is allocated to the Group entities in accordance with their profit contribution to the Group. The BNRC is responsible to oversee the remuneration of all employees. Should the Group incur a loss, the BNRC may within existing regulatory parameters, decide to award a bonus to employees. The Group Remuneration Policy was last updated in April 2024. The updates were subsequent to an earlier update in December 2023 when the two policies were updated to include further detail arising from the provisions of Directive (EU) 2019/878 (CRD), the EBA Guidelines on Sound Remuneration Policies (EBA/GL/2021/04), Banking Rule 21 on Remuneration Policies and Practices (BR/21/2022), and Banking Rule 24 on Internal Governance of Credit institutions (BR/24/2022). The April 2024 changes were mostly not material, except for Para 9, where the ratio between Variable and Fixed Remuneration rather than stipulated in terms of a maximum, was defined indicatively, that is, 35% for staff in internal control functions and 50% for other staff. Another change is the amendment to Clause 17 whereby it was further clarified how deviations to the policy are governed. The current Directors' Remuneration Policy which in June 2024 replaced the Remuneration Policy Supplement is intended to attract, develop and retain a high-performing workforce while remaining aligned to FIMBank's long-term strategy, risk appetite, sustainable performance, good corporate governance, regulatory compliance, corporate values and long-term value creation for shareholders. Any material changes require the approval of the BNRC prior to being submitted to the annual general meeting ('AGM') for its binding vote. It reflects the applicable provisions of Directive (EU) 2019/878 (CRD), the EBA Guidelines on Sound Remuneration Policies (EBA/GL/2021/04), Banking Rule 21 on Remuneration Policies and Practices (BR/21/2022), Banking Rule 24 on Internal Governance of Credit institutions (BR/24/2022), the amendments to Chapter 12 of the Capital Market Rules and to the Group Remuneration Policy as amended in April 2024. The aforementioned two policies are updated annually by the Group Chief Human Resources Officer ('GCHRO') and reviewed by the Group Chief Compliance Officer ('GCCO'), the Group Chief Internal Audit Officer (GCIA) and the Management Governance Committee. Additionally, the Directors' Remuneration Policy is also reviewed annually by Company Secretary.
(c)	<i>Description of the ways in which current and future risks are taken into account in the remuneration processes</i> The Policy stipulates that every year, before paying out the deferred part of cash or the vesting of deferred instruments, a reassessment of the performance and, if necessary, an ex-post risk adjustment shall be applied to align variable remuneration to additional risks that have been identified or materialised after the award. This also applies where multi-year accrual periods are used. Furthermore, the Policy stipulates in case the Group incurs a loss in a financial year, in the interest of strengthening the capital base and getting the Group back in good standing, payment or otherwise of any deferred bonus within existing regulatory parameters will be decided by the BNRC. Such bonuses may be further deferred in the interest of Group sustainability. On a quarterly basis, or more frequently (as necessary) the GCRO updates the Board Risk Committee on the emergent risks that the Group is deemed to be facing. As required by BR/24/2022, Para 67, the nature, amount, format and frequency for sharing information on risk are determined by the non-executive directors sitting on the Board and the BRC.
(d)	<i>The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive (EU) 2013/36('CRD')</i> In the interest of balancing the variable component of the remuneration while incentivising safe and sound performance, the group has a set maximum ratio between variable and fixed remuneration of 35% for staff in internal control functions and of 50% for other staff. The ratio of variable to fixed remuneration ensures that employees are motivated to improve their performance whilst balancing the need for prudent, ethical employee behaviour. The BNRC on the GCEO's recommendation has the authority to approve deviation from these ratios which may be necessary to be either in compliance with national legislation or market practice.
(e)	<i>Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration</i> Any performance bonus is dependent on the performance rating of the employee, the performance of the team, the entity and the Group. Individual performance is linked to both core competences (qualitative) and role goals (quantitative financial and non-financial performance targets) and is assessed on a four-point scale. Employees who are rated as having met expectations or higher are awarded a performance bonus which reflects their rating. For employees holding a senior management position the quantitative assessment is additionally assessed at a more granular level through the use of a key performance indicators. The Policy requires annual reassessment and, if needed, ex post risk adjustments to align variable remuneration with newly identified or materialized risks, including potential deferral of bonuses during financial losses to prioritize the Group's sustainability. Additionally, the Group Chief Risk Officer (GCRO) regularly updates the Board Risk Committee on emergent risks, with the format and frequency of such updates determined by non-executive directors, as outlined in regulatory guidance.

(f)	<i>Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance</i> Variable remuneration recommendations are made by the Business Unit Heads against pre-set parameters for the reporting year, and targets based on a multi-year assessment and are calibrated by the GCHRO and GCEO before they are recommended to the BNRC for its consideration. A multi-year assessment takes into consideration the individual's performance rating for the previous two years as well as the current year's rating and future potential.
(g)	<i>Description of the main parameters and rationale for any variable components scheme and any other non-cash benefit, as referred to in point (f) of Article 450(1) CRR</i> The main component of variable remuneration is the performance bonus. A percentage of the awarded bonus may be deferred with a vesting period of four years. Other forms of variable remuneration in cash may include an Exceptional Bonus, a Retention Bonus, a Guaranteed Bonus/Sign-on Bonus and Buy-out Compensation. Another form of variable cash remuneration is the Severance Bonus. In financial year 2024 FIMBank p.l.c. only paid variable remuneration in the form of performance bonus.
(h)	<i>Total remuneration for each member of the management body or senior management, as referred to in point (j) of Article 450(1) CRR</i> Not applicable, since the Group has not been requested to disclose the total remuneration for each member of the management body or senior management.
(i)	<i>Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD, as referred to in point (k) of Article 450(1) CRR</i> Not applicable as the Group is neither a large institution as defined in point (146) of Article 4(1) of the CRR, nor has assets which on average and on individual basis were equal or higher to EUR 5 billion over a four-year-period immediately preceding the current financial year and thus was not required to apply for a derogation for variable remuneration awarded in 2024.
(j)	<i>Quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members, as referred to in Article 450(2) CRR</i> Not applicable, since the Group is not a large institution which is required to disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.

The identified staff is determined in line with:

- Article 92(3) of Directive 2013/36/EU4 ("**Capital Requirements Directive**" or "**CRD**"), as amended from time to time, including by Directive (EU) 2019/8785 ("**CRD**") and as transposed into Banking Rule 21;
- Articles (5) and (6) of the Commission Delegated Regulation (EU) 2021/923 ("**MRT Regulation**"), qualitative and quantitative criteria respectively;
- EBA Guidelines on Sound Remuneration Policies EBA/GL/2021/04, and EBA Guidelines on the remuneration, gender pay gap and approved higher ratio benchmarking exercises under CRD (EBA/GL/2022/06);

The Group's Identified Staff includes:

1. Management body in both its supervisory and management functions; and,
2. Senior employees/staff members:
 - with managerial responsibility over the institutions control functions or material business units;
 - who are entitled to significant remuneration in the preceding financial year, if conditions (i) and (ii) of Article 92(3)(c) of the CRD V are met;
 - with managerial responsibility for legal, soundness of accounting policies & procedures, finance, including taxation and budgeting, performing economic analysis, prevention of money laundering and terrorist financing, human resources, development/implementation of the remuneration policy, information technology, information security, managing critical outsourcing arrangements of critical or important functions as referred to in Article 30(1) of Commission Regulated Regulation (EU2017/565);
 - with managerial responsibilities, or are a voting member of a committee responsible for Credit, Counterparty, Residual, Concentration, Securitisation, Market, Interest, Operational, Liquidity, Excessive Leverage Risk;
 - who are voting members of a committee who have the authority to take, approve or veto decisions on credit risk exposures, whereby credit risk exposures of a nominal amount per transaction, representing 0.5% of the Banks CET1 capital and which is at least EUR 5 million;
 - who are voting members of a committee having the authority to take, approve or veto decisions on transactions on the trading book that in aggregate represent either one of the following thresholds: (i) If the standardised approach is used, an own funds requirement for market risks that represents 0.5% or more to the Banks CET1 capital OR (ii) If an internal model-based approach is approved for regulatory purposes, 5% or more the Banks internal value-at-risk limit for the trading book exposures at a 99th percentile**;
 - who head a group of staff who have individual authorities to commit the Bank to transactions, whereby the sum of those authorities equals or exceeds the thresholds noted in point (6) and (7) OR where an internal model-based approach is approved for regulatory

purposes, those authorities amount to 5% of more of the Banks internal value-at-risk limit for the trading book exposures at a 99th percentile**;

- who are voting members of a committee who have the authority to approve or veto the introduction of new products.

** No employees fall under these two criteria since FIMBank does not maintain a trading book. All purchased securities are part of the liquidity collateral pool, with intention to hold until maturity, and only with allowed sporadic sales needed to maintain and improve the collateral pool risk and performance parameters.

For the purpose of remuneration, the Group's 'identified staff' are being sub-categorised according to the Commission Implementing Regulation (EU) 2021/637 which namely fall under the following business areas. In aggregate, these amount to 11% of the Group's total workforce.

- Supervisory;
- Management;
- Independent Internal Controls;
- Corporate;
- Retail; and
- Others.

The Group did not pay any deferred bonuses during the financial year ended 2024 since none were outstanding. As per the Policy, in the eventuality that part of the variable remuneration is deferred, it will be spread over a period of four years. The Group reserves the right to apply Malus and Clawback as defined in Banking Rule 21 on 100% of the bonus paid and/or deferred, or in the case of serious misconduct as defined in the Disciplinary Policy and in the event that conditions stipulated in the performance targets in the subsequent two years are not met.

There were no individual employees who were remunerated deferred payments and, or more than EUR 1 million and hence Templates REM2, REM3 and REM4 are not applicable. No severance payments were made during the financial year ended 2024. One Executive received a special payment for additional services rendered to the Subsidiaries of the Group.

In 2024, the ratio of variable remuneration to fixed remuneration for the target population of Identified Staff for the whole Group stood at 9.4%. The below table further illustrates the percentage ratio between fixed and variable both at Group level as well as for the individual entities.

	% ratio of variable to fixed remuneration
FIMBank Group	9.2% vs 90.8%
FIMBank, FIM Property Investments Limited	4.3% vs 95.7%
London Forfaiting Company	17.5% vs 82.5%
India Factoring and Finance Solutions Private Limited	10.3% vs 89.7%
Egypt Factors SAE	12.0% vs 88.0%

Supplementary information on remuneration is included in the Remuneration Report of the Annual Report & Financial Statements 2024.

Template EU REM1 - Remuneration awarded for the financial year

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
			a	b	c	d
	<i>Fixed remuneration</i>					
1	Number of identified staff	No.	8	7	15	5
2	Total fixed remuneration	USD	334,817	3,137,806	2,506,150	516,849
3	of which: cash-based	USD	334,817	2,995,711	2,456,138	507,221
7	of which: other forms	USD	-	142,096	50,012	9,629
	<i>Variable remuneration</i>					
9	Number of identified staff	No.	8	7	15	5
10	Total variable remuneration	USD	-	393,831	218,543	24,932
17	Total remuneration	USD	334,817	3,531,637	2,724,693	541,781

Other forms of fixed remuneration comprise insurance premia, statutory payments like national insurance contributions and other benefits dispensed as non-cash like for example the use of a company car.

	Management body supervisory function	Management body management function	Other senior management	Other identified staff
Percentage ratio of variable to fixed remuneration	0% vs 100%	11.2% vs 88.8%	8% vs 92%	4.6% vs 95.4%

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		Management body remuneration				Business area		
		Management body supervisory function	Management body management function	Total management body	Retail banking	Corporate functions	Independent internal control functions	All other
1	Total number of identified staff							Total
2	of which: members of the MB	8*	7	15				35
3	of which: other senior management				5	3	2	5
4	of which: other identified staff	-	-	-	-	1	4	-
		USD	USD	USD	USD	USD	USD	USD
5	Total remuneration of identified staff	334,817	3,531,637	3,866,454	806,543	474,893	894,975	1,039,945
6	of which: variable remuneration	-	393,831	393,831	47,250	32,204	35,321	128,699
7	of which: fixed remuneration	334,817	3,137,806	3,472,623	759,292	442,689	859,654	911,246

The Group does not have the following business areas: Investment banking; Asset management, therefore columns (d) and (f) were not disclosed in the table above.

*exclusive of Simon Jethro Lay, Executive Director. Executive Directors are not paid Directors' Fees.