FIMBANK

Condensed Interim Financial Statements 2025

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Directors' report pursuant to Capital Market Rule 5.75.2

For the six months ended 30 June 2025

The Directors ("Board" or "Directors") present their report together with the Condensed Interim Financial Statements of FIMBank p.l.c. ("the Bank"), and FIMBank Group of Companies ("the Group") for the six months ended 30 June 2025. The report is prepared in accordance with Article 177 of the Companies Act, 1995 (Chapter 386, Laws of Malta, the "Companies Act") including further provisions as set out in the Sixth Schedule of the Companies Act and in accordance with the requirements of Capital Markets Rule 5.75.2.

Results for the period

For the six months ended 30 June 2025, the FIMBank Group reported an after-tax loss of USD1.8 million, compared to an after-tax profit of USD0.8 million registered for the six months ended 30 June 2024. No reserves are currently available for distribution.

These published figures have been extracted from the FIMBank Group's Condensed Interim Financial Statements for the six months ended 30 June 2025 as approved by the Board of Directors on 28 August 2025.

Further information about the results are provided in the Condensed Interim Statements of Profit or Loss and the Condensed Interim Statements of Other Comprehensive Income on pages 12 and 13 and in the Review of Performance section within this report.

Group structure and principal activities

The Group comprises the Bank and its wholly owned subsidiaries, London Forfaiting Company Limited ("LFC"), FIM Property Investment Limited ("FPI"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), and FIMFactors B.V. ("FIMFactors"). LFC and FIMFactors are themselves parents of a number of subsidiaries as set out in Note 12 - Investment in Subsidiaries, of these Condensed Interim Financial Statements. The Group is supervised on a consolidated basis by the Malta Financial Services Authority ("MFSA"), while some of its subsidiaries and branches are subject to authorisation and regulation according to the respective jurisdictions in which they operate.

A brief description of the activities in the Group follows (% shareholding follows after the name):

- The Bank is a public limited company registered under the laws of Malta and listed on the Malta Stock Exchange. It is licensed as a credit institution under the Banking Act, 1994. The Bank is primarily engaged in international trade finance, real estate financing, factoring, and loan syndications, and it serves as an intermediary for other financial institutions in international settlements.

  The Bank has a branch registered with the Dubai International Finance Centre, United Arab Emirates, which is regulated by the Dubai Financial Services Authority in the United Arab Emirates.

- LFC (100%) is registered in the United Kingdom as a private limited liability company. It was founded in 1984 and provides international trade finance services, with particular focus on forfaiting business, through an international network of offices. Some of these offices have distinct corporate status in the various jurisdictions where they are providing the service. LFC's activities include the trading of bills of exchange, promissory notes, loans, deferred payment letters of credit and the provision of other financial facilities to banks, corporates and companies.

- FPI (100%), registered in Malta, owns and manages FIMBank's Head Office and other properties leased from third parties. FPI is responsible for facility management activities and the leasing of commercial and office space within Mercury Tower to related parties and third-party tenants.

- Egypt Factors (100%), registered in Egypt, is active in providing factoring services to Egyptian companies.

- FIMFactors (100%), registered in the Netherlands, is the corporate vehicle for the Bank's holdings in factoring subsidiaries and associated companies. These are:

  a. India Factoring and Finance Solutions (Private) Limited (99.54%), incorporated in Mumbai, India, is to carry out the business of factoring in India. India Factoring is regulated by the Reserve Bank of India.

     In March 2025, the Bank, through its subsidiary FIMFactors, subscribed to newly issued and allotted shares of India Factoring for INR 261,000,000 (USD 3,012,817). This increased the Group's shareholding in India Factoring from 88.16% to 88.80%.

     In April 2025, the Bank, through FIMFactors, acquired existing shares of India Factoring from a non-controlling interest for INR 116,229,385 (USD 1,352,418), raising the Group's shareholding from 88.80% to 92.87%.

     In June 2025, the shares held by a non-controlling interest, the Employee Welfare Trust, were extinguished pursuant to an order of the National Company Law Tribunal, Mumbai. Subsequently, the Registrar of Companies in India issued a certificate of reduction of share capital for India Factoring. As a result, the non-controlling interest of the Employee Welfare Trust was eliminated and the Bank's shareholding, through FIMFactors, increased to 99.54%.

  b. BrasilFactors S.A. (50%), equity-accounted investee incorporated in São Paulo, Brazil, specialising in factoring services for small and medium-sized enterprises. The remaining 50% is owned by Bank of China

Annual general meeting

The Bank convened its Annual General Meeting as per Legal Notice 288 of 2020 on 13 May 2025.

Directors

The Directors who served during the financial period ended 30 June 2025 (inclusive of any changes to the date of this report) were:

John C. Grech (Chairman)
Masaud M.J. Hayat (Vice Chairman)
Edmond Brincat
Hussain Abdul Aziz Lalani
Rabih Soukarieh
Samer Abbouchi
Simon Jethro Lay (Regulatory approval obtained on 6 March 2025)
Sunny Bhatia
Teuta Bakalli

Related party transactions pursuant to Capital Market Rule 5.82

The ultimate parent company of FIMBank p.l.c. is Kuwait Projects Company (Holding) K.S.C.P. ("KIPCO") a company registered in Kuwait. The Bank has a related party relationship with its significant shareholders, subsidiaries, directors, executive officers and companies forming part of the KIPCO Group.

Related party transactions carried out by the Bank and its subsidiaries during the first semester are disclosed in Note 18 of these Condensed Interim Financial Statements.

Review of performance

For the six-month period ended 30 June 2025, the Group recorded a loss before tax of USD0.4 million, compared to a profit of USD4.0 million in the same period of 2024. After tax, the result was a loss of USD1.8 million, versus a profit of USD0.8 million in the prior year. The headline result was affected by an unrealised fair value adjustment of USD 4.5 million from the Bank's investment in unlisted sub-fund units, which is considered a non-core item. Excluding this impact, underlying operational performance remained stable, supported by disciplined execution of the Group's transformation programme and ongoing optimisation of its balance sheet.

Business growth resumed toward the end of the review period. On average, consolidated assets for the first half of 2025 were lower compared to the first half of 2024, reflecting the Group's cautious positioning ahead of the implementation of the Capital Requirements Directive VI (CRD VI) and the Capital Requirements Regulation III (CRR III). Consequently portfolios were reduced in late 2024 in preparation for the updated regulatory framework. However, growth markedly increased towards the close of the first half of 2025, placing the Group in a position to benefit from higher income in the second half of 2025. This asset growth was driven mainly by portfolio expansion in key subsidiaries, supported by efficient capital deployment.

Liquidity optimisation remained a key priority during this period and contributed towards not only a lower cost of funding, but also to higher spreads, and a more diversified deposit base, particularly at FIMBank p.l.c. Expense discipline was maintained during this period despite the foreign exchange impact from a stronger euro, considering that much of the Group's cost base is denominated in this currency. Additionally prudent cost management, despite continued investment in technology and resources to support improved operational efficiency and innovation remain firmly on the Group's agenda.

Credit quality remained sound, with the Non-Performing Loan (NPL) ratio stable at 2.74%. Net impairment losses were contained. Stage 1 and Stage 2 coverage for performing clients increased in line with the portfolio growth, while recoveries of non-performing exposures continued to feature during the period under review. Stage 3 provisions were also released due to repayments, and only two new non-performing exposures required a small amount of additional provision coverage. These outcomes reflect the success of the Group's sustained de-risking strategy, which has notably improved asset quality, among other benefits.

The Group ended the period with a Total Capital Ratio (TCR) of 19.2%, well above the regulatory minimum of 16.98%. Liquidity remained strong, with an average Liquidity Coverage Ratio (LCR) of 227% and an average Net Stable Funding Ratio (NSFR) of 159 %, both comfortably exceeding regulatory and internal thresholds.

Tax provisions across all Group entities totalled USD1.3 million, down from USD3.2 million in the prior period, reflecting changes in profitability across components.

In June 2025, Fitch Ratings upgraded the Group's rating to 'B+' with a Stable Outlook, providing external validation of the Group's strategy, capital strength, and operational resilience.

To strengthen its capital base, the Bank received a USD20 million subordinated loan from a subsidiary of its ultimate parent in early 2025, qualifying as Tier 2 capital under the Capital Requirements Regulation. This capital injection reinforced the Group's balance sheet, supporting its asset growth ambitions, and reflected the continued confidence and commitment of its major shareholder.

Statements of profit or loss

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

	Group		
	30 Jun 2025	30 Jun 2024	Movement
	USD	USD	USD
Net interest income	23,715,695	27,444,629	(3,728,934)
Net fee and commission income	187,832	454,563	(266,731)
Other operating (expense)/ income	(4,115,893)	12,420	(4,128,313)
Operating results from non-trading portfolio	**19,787,634**	**27,911,612**	**(8,123,978)**
Operating expenses	(20,411,979)	(20,950,485)	538,506
(Expense)/Income before net impairment and net trading results	**(624,345)**	**6,961,127**	**(7,585,472)**
Net trading results	1,602,878	(946,644)	2,549,522
Net impairment losses	(1,397,808)	(1,995,152)	597,344
(Loss)/Profit before taxation	**(419,275)**	**4,019,331**	**(4,438,606)**
Taxation	(1,332,582)	(3,194,076)	1,861,494
(Loss)/Profit for the period	**(1,751,857)**	**825,255**	**(2,577,112)**

Operating results from the non-trading portfolio amounted to USD19.8 million, a decrease of USD8.1 million (29.1%) from the comparative period.

Net interest income declined by USD3.7 million (13.6%) to USD23.7 million. The decrease reflected a USD12.3 million fall in interest income, including USD7.8 million from trading assets due to both lower portfolio balances and reduced interest rates. Income on balances with the Central Bank of Malta and amounts owed to institutions fell by USD1.9 million, while income from treasury bills declined by USD1.5 million, both owing to lower holdings and lower interest rates compared with the comparative period.

These reductions were partly offset by an USD8.5 million decrease in interest expense. Of this, USD6.2 million related to amounts owed to customers, driven by significantly lower term deposit balances and the benefit of lower base rates. A further USD2.6 million reduction arose on amounts owed to institutions, following reduced participation in liquidity-providing operations with the European Central Bank.

Net fees and commission income fell to USD0.2 million from USD0.5 million in June 2024. Fee income decreased by USD0.6 million to USD2.6 million, mainly due to lower fees on forfaiting, letters of credit and guarantees. This was partly offset by a USD0.4 million reduction in fee expenses to USD2.4 million, largely reflecting lower forfaiting-related costs and credit insurance fees.

Other operating expenses amounted to USD4.1 million, primarily reflecting a fair value loss on unlisted sub-fund units within the legacy financial investments portfolio, measured at fair value through profit or loss. No similar charge arose in the prior year. The loss relates to a non-core investment in a windfarm project in northern Sweden, where valuations were affected by weakness in local electricity prices and sector-specific challenges.

Operating expenses totalled USD20.4 million, down USD0.5 million (2.6%) on the comparative period, mainly due to lower staff costs. Net trading results recorded a gain of USD1.6 million, compared with a loss of USD0.9 million in the previous year, mainly reflecting favourable foreign exchange movements.

Net impairment losses amounted to USD1.4 million, down from USD2.0 million in June 2024. Stage 1 and Stage 2 provisions for performing clients increased by USD1.4 million (June 2024: USD1.7 million). Stage 3 provisions were reversed by USD0.9 million (June 2024: USD2.9 million), comprising USD1.6 million (June 2024: USD6.1 million) of reversals from recoveries and write-offs of non-performing exposures, partly offset by USD0.7 million (June 2024: USD3.3 million) in additional coverage for legacy non-performing exposures.

During the period, the Group wrote off USD2.3 million of non-performing exposures, including legal fees incurred in the recovery process, down from USD3.8 million in the six-month period ended 30 June 2024. Recoveries of previously written-off debt amounted to USD1.5 million, compared with USD0.8 million in the six-month period ended 30 June 2024. As a result, the Group's Non-Performing Loan (NPL) ratio remained stable at 2.74% as at 30 June 2025, well below the 5% threshold set by the MFSA under Banking Rule BR/09.

Tax provisions across all Group entities totalled USD1.3 million, down from USD3.2 million in June 2024, reflecting lower profitability across the Group.

Financial position

As of 30 June 2025, the Group's Consolidated Assets stood at USD1.26 billion, reflecting an increase of USD110.3 million (9.6%) compared to 31 December 2024. This growth was broad-based across most portfolios and outweighed a substantial reduction in balances with the Central Bank of Malta, in line with the Group's ongoing strategy to optimise liquidity positions.

On average, however, Consolidated Assets for the six-month period ended 30 June 2025 were 17.2% lower than the average for the corresponding period in 2024, reflecting the Group's conservative balance sheet positioning following the implementation of the Capital Requirements Directive VI (CRD VI) and the Capital Requirements Regulation III (CRR III). The Group began reducing its portfolios in late 2024 ahead of the introduction of these updated capital regulations.

The most significant reduction was recorded in balances with the Central Bank of Malta and treasury bills, which decreased by USD104.7 million (78.0%). This was a continuation of the liquidity optimisation strategy initiated in 2024, whereby surplus liquidity was strategically deployed into more productive assets.

Trading assets increased by USD128.2 million (46.7%), while loans and advances to banks and loans and advances to customers rose by USD24.8 million (25.7%) and USD24.5 million (5.7%), respectively. These increases were also supported by the Group's stronger capital position following the receipt of a subordinated loan qualifying as Tier 2 Capital, as well as the conclusion of preparatory actions taken in 2024 to align with the new CRR III, effective 1 January 2025. The Group resumed selective asset growth following regulatory implementation, reflecting its ability to flexibly manage portfolio scale in response to changes in the capital environment.

Financial investments at fair value through other comprehensive income (FVOCI) increased modestly by USD1.5 million (1.2%), the net result of USD12.7 million in maturities, a foreign exchange gain of USD12.0 million on euro-denominated bonds, and USD2.2 million in unrealised gains. Financial investments at amortised cost rose by USD22.6 million, to USD24.6 million, as maturing FVOCI bonds and treasury bills were replaced by higher-yielding instruments intended to be held to maturity.

In contrast, financial investments at fair value through profit or loss (FVTPL) declined by USD2.8 million (20.0%), primarily due to an unrealised fair value loss, partially offset by foreign exchange gains on unlisted sub-fund units held within the Sustainability Investment Fund.

The Group's deferred tax asset was maintained at USD15.6 million, consistent with the balance reported at 31 December 2024. Management continues to monitor the Group's tax position, with particular focus on the recoverability of tax losses within a reasonable timeframe, in line with the Group's strategy and long-term planning.

During the first half of 2025, the Group conducted a review to identify any indicators of impairment in its investments in subsidiaries, based on the underlying performance of each entity. This assessment included a retrospective evaluation of the assumptions and projections applied in the impairment analysis carried out as at 31 December 2024. Based on the results of this review, it was concluded that, there are no impairment triggers.

The Group recorded an increase in both property, plant and equipment (PPE) and investment property, by USD1.2 million and USD2.7 million, respectively. These movements primarily reflect foreign exchange gains recognised at subsidiary level, where the functional currency is the euro. The strengthening of the euro against the US dollar during the first half of the year contributed to the uplift in carrying values.

As of 30 June 2025, the Group's Consolidated Liabilities amounted to USD1.07 billion, a USD112.1 million (11.6%) increase, mirroring the rise in Consolidated Assets. This was driven by a USD112.9 million (16.6%) increase in amounts owed to customers, primarily due to higher term deposits. Amounts owed to institutions and banks decreased by USD40.4 million (16.7%), reflecting reduced repayable-on-demand deposits. Subordinated loans qualifying as Tier 2 capital under the Capital Requirements Regulation increased by USD20.3 million (December 2024: Nil).

Total equity declined by USD1.8 million (1.0%) to USD181.8 million, mainly reflecting a USD1.8 million loss for the year and a USD0.9 million reduction in retained earnings following the transfer of losses from the non-controlling interest due to changes in its percentage shareholding. These impacts were partially offset by a USD1.0 million net fair value gain on financial investments measured at FVOCI. As of 30 June 2025, the Group's TCR ratio at 19.2% (December 2024: 21.3%) remained well above the regulatory minimum of 16.98%.

Total Consolidated Commitments stood at USD169.1 million, up from USD132.2 million in December 2024. These primarily comprised confirmed letters of credit, documentary credits, commitments to purchase forfaiting assets, and undrawn credit facilities. Total Consolidated Contingent Liabilities remained stable at USD29.3 million, compared to USD31.0 million in December 2024, consisting mainly of outstanding guarantee obligations.

Principal risks and uncertainties

FIMBank is a banking group offering a suite of trade finance products across the different geographies it operates in, mainly emerging markets. The risks associated with this business model are multiple and varied. Exposure to credit risk, liquidity risk, interest rate risk and foreign exchange risk arises in the normal course of the Group's business. As the Group is mainly engaged in cross-border trade finance transactions, the business performance is also impacted by the overall performance of the world economy, in particular to the level of cross-border trade between countries at varying stages of their economic development and which may not yet have achieved the level of stability of developed countries. This exposes the Group to risks of political and economic changes including volatilities to commodity prices, exchange control regulation and difficulties in preserving own legal rights.

Both FIMBank and its main Group entities are exposed to such risks in different degrees based on their size and complexity. FIMBank, as the parent company, ensures that all Group entities adhere to the Group's risk, governance and compliance frameworks as updated from time to time.

Further disclosures on the Group's principal risks and uncertainties are provided in Note 4 of the Annual Report and Financial Statements 2024 and the Pillar 3 Disclosures Report of FIMBank p.l.c, published on the Bank's website.

Outlook for the second semester of 2025

The global economic environment for the remainder of 2025 is expected to remain fragile, characterised by elevated uncertainty driven by increased trade restrictions, geopolitical tensions, weaker-than-expected performance in major economies, and climate-related disruptions. Growth forecasts have been revised downward across both advanced and emerging markets, with global output projected to expand at its slowest pace outside of recessionary periods since 2008. According to the World Bank, global growth is now forecast at 2.3%, nearly half a percentage point below earlier projections. Trade tensions and heightened policy uncertainty are key factors weighing on investment, trade, and overall economic activity. Inflation remains above central bank targets in several regions, largely due to persistent services price pressures, while commodity prices have declined in response to weakening demand and supply-side adjustments. Financial market volatility and reduced investor confidence continue to challenge global sentiment. In emerging markets and developing economies, progress in poverty reduction remains limited, with fiscal and investment pressures particularly acute in low-income and fragile states. These global dynamics are particularly relevant to the Group, given its international footprint, strategic focus on commodity trade, and exposure to both advanced and emerging markets, along with associated currency risks.

Despite the global macro backdrop, the first half of 2025 has already shown encouraging signs of progress under the Group's transformation programme, reinforcing confidence in its strategic direction. Excluding the fair value loss on unlisted units in the Sustainability Investment Fund, a legacy investment outside the Group's core business, underlying performance remained strong. Nonetheless, the Group recognises that meaningful change takes time and remains committed to a measured, long-term approach to delivering sustainable results.

The focus remains on disciplined execution, supported by transformation initiatives centred on simplification, data-driven decision-making, and reduced organisational complexity. Internal efforts continue to target improved efficiency by addressing operational challenges, empowering teams, and aligning resources with strategic priorities.

Growth is expected to continue within the established risk appetite, guided by risk-adjusted return discipline and careful oversight of capital deployment. With the USD20 million subordinated loan received earlier in the year (qualifying as Tier 2 capital), the Group anticipates reaching optimal capital utilisation during the second half of 2025. This enhanced capital position provides flexibility to support controlled portfolio expansion across the Bank and its subsidiaries.

A key strategic focus remains on enhancing coordination across Group entities, with greater emphasis on collaboration and knowledge-sharing to unlock synergies and improve execution. At the same time, the Group is streamlining internal structures and processes to eliminate inefficiencies and strengthen cost-effectiveness.

Profitability, particularly at the Bank (Solo) level, continues to be a core priority. Asset growth will remain selective and aligned with the Group's broader capital and return considerations. Cross-regional collaboration is also being reinforced to ensure consistent delivery across business lines.

With a solid capital base, a unified team, and continued focus on long-term objectives, the Group is well-positioned to sustain momentum and deliver further progress through the remainder of 2025.

Approved by the Board on 28 August 2025 and signed on its behalf by:

John C. Grech
Chairman

Masaud M. J. Hayat
Vice Chairman

Statement pursuant to Capital Market Rule 5.75.3

We hereby confirm that to the best of our knowledge:

- the Condensed Interim Financial Statements set out on pages 10 to 56 give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2025, as well as of the financial performance and cash flows for the period then ended, fully in compliance with IAS 34, Interim Financial Reporting, adopted by the EU; and

- the Interim Directors' Report includes a fair review of the information required in terms of Capital Market Rules 5.75.2 and 5.81 to 5.84.

Simon Jethro Lay
Group Chief Executive Officer

Juraj Beno
Group Chief Financial Officer

Condensed interim statements of financial position

	Note	Group 30 Jun 2025 USD	Group 31 Dec 2024 USD	Bank 30 Jun 2025 USD	Bank 31 Dec 2024 USD
Assets					
Balances with the Central Bank of Malta, treasury bills and cash		29,533,141	134,192,217	29,500,967	134,179,290
Derivative assets held for risk management	11	11,375,271	1,464,641	11,375,271	1,464,641
Trading assets		402,965,760	274,733,298	-	-
Loans and advances to banks		121,246,977	96,457,392	108,274,836	90,098,124
Loans and advances to customers		452,480,402	427,976,723	655,195,932	517,783,911
Financial investments at fair value through profit or loss		11,167,569	13,958,450	11,167,569	13,958,450
Financial investments at fair value through other comprehensive income		121,736,984	120,265,095	121,736,984	120,265,095
Financial investments at amortised cost		24,626,475	2,073,906	24,626,475	2,073,906
Investments in subsidiaries	12	-	-	120,728,825	116,182,573
Property and equipment		24,782,319	23,576,823	5,956,178	1,916,689
Investment property		23,575,776	20,925,767	-	-
Intangible assets		2,933,564	2,906,773	2,933,564	2,906,773
Current tax assets		1,602,023	886,247	-	-
Deferred tax assets		15,626,049	15,654,513	15,004,834	15,004,834
Other assets		12,825,209	11,088,122	10,171,423	9,312,395
Total assets		**1,256,477,519**	**1,146,159,967**	**1,116,672,858**	**1,025,146,681**
Liabilities and equity					
Liabilities					
Derivative liabilities held for risk management	11	8,219,605	1,109,346	8,227,706	1,165,387
Amounts owed to institutions and banks		200,816,989	241,193,331	107,594,911	168,729,126
Amounts owed to customers		791,996,956	679,118,749	794,508,502	679,691,057
Debt securities in issue	13	17,793,448	15,851,701	-	-
Subordinated liabilities	14	20,278,056	-	20,278,056	-
Current tax liabilities		909,594	1,953,622	-	-
Deferred tax liabilities		4,519,663	4,011,635	-	-
Provision for liabilities and charges		649,070	582,401	531,839	211,125
Other liabilities		29,452,740	18,691,243	21,884,814	8,584,443
Total liabilities		**1,074,636,121**	**962,512,028**	**953,025,828**	**858,381,138**
Equity					
Called-up share capital		261,221,882	261,221,882	261,221,882	261,221,882
Share premium		858,885	858,885	858,885	858,885
Currency translation reserve		(15,039,454)	(15,308,700)	-	-
Fair value reserve		1,529,309	509,378	(11,175,273)	(12,195,204)
Other reserve		2,964,943	2,982,435	2,681,041	2,681,041
Accumulated losses		(69,862,323)	(67,150,466)	(89,939,505)	(85,801,061)
Total equity attributable to equity holders of the Group		**181,673,242**	**183,113,414**	**163,647,030**	**166,765,543**
Non-controlling interests	12	168,156	534,525	-	-
Total equity		**181,841,398**	**183,647,939**	**163,647,030**	**166,765,543**
Total liabilities and equity		**1,256,477,519**	**1,146,159,967**	**1,116,672,858**	**1,025,146,681**

Condensed interim statements of financial position

	Note	Group 30 Jun 2025 USD	Group 31 Dec 2024 USD	Bank 30 Jun 2025 USD	Bank 31 Dec 2024 USD
Memorandum items					
Contingent liabilities	15	**29,320,694**	**30,956,786**	**29,320,694**	**30,960,840**
Commitments	16	**169,086,660**	**132,205,442**	**162,756,682**	**111,629,563**

These Condensed Interim Statements were approved by the Board of Directors and authorised for issue on 28 August 2025 and signed on its behalf by:

John C. Grech
Chairman

Masaud M. J. Hayat
Vice Chairman

Simon Jethro Lay
Group Chief Executive Officer

Juraj Beno
Group Chief Financial Officer

Condensed interim statements of profit or loss

For the six months ended 30 June

	Note	Group 2025 USD	Group 2024 USD	Bank 2025 USD	Bank 2024 USD
Interest income		39,623,473	51,887,669	21,008,548	29,271,268
Interest expense		(15,907,778)	(24,443,040)	(11,065,528)	(19,915,983)
Net interest income		**23,715,695**	**27,444,629**	**9,943,020**	**9,355,285**
Fee and commission income		2,623,292	3,271,486	1,981,947	2,069,130
Fee and commission expense		(2,435,460)	(2,816,923)	(554,773)	(614,859)
Net fee and commission income	8	**187,832**	**454,563**	**1,427,174**	**1,454,271**
Net trading results	9	1,602,878	(946,644)	1,054,923	(530,849)
Net loss from equity investments measured at fair value through profit or loss		(4,496,794)	(287,054)	(4,496,794)	(287,054)
Dividend income	10	-	-	840,796	2,000,000
Impairment charge in respect of investments in subsidiaries	12	-	-	-	(1,500,000)
Other operating income		546,519	418,447	466,179	99,644
Other operating expenses		(165,618)	(118,973)	(35,786)	(1)
Operating income before credit losses		**21,390,512**	**26,964,968**	**9,199,512**	**10,591,296**
Net movement in expected credit losses and other credit impairment charges	6	(1,397,808)	(1,995,152)	(677,266)	(2,914,618)
Operating income		**19,992,704**	**24,969,816**	**8,522,246**	**7,676,678**
Administrative expenses		(18,581,101)	(19,169,080)	(10,732,140)	(11,189,322)
Depreciation and amortisation		(1,830,878)	(1,781,405)	(1,487,610)	(1,402,269)
Total operating expenses		**(20,411,979)**	**(20,950,485)**	**(12,219,750)**	**(12,591,591)**
(Loss)/Profit before tax		**(419,275)**	**4,019,331**	**(3,697,504)**	**(4,914,913)**
Taxation		(1,332,582)	(3,194,076)	(440,940)	(460,152)
(Loss)/Profit for the period		**(1,751,857)**	**825,255**	**(4,138,444)**	**(5,375,065)**
(Loss)/Profit for the period attributable to:					
Equity holders of the Group		(1,820,603)	575,849	(4,138,444)	(5,375,065)
Non-controlling interests		68,746	249,406	-	-
		(1,751,857)	**825,255**	**(4,138,444)**	**(5,375,065)**
Earnings per share					
Basic earnings per share (US cents)		**(0.35)**	**0.11**		

Condensed interim statements of other comprehensive income

For the six months ended 30 June

	Group		Bank	
	2025 USD	2024 USD	2025 USD	2024 USD
(Loss)/Profit for the period	**(1,751,857)**	**825,255**	**(4,138,444)**	**(5,375,065)**
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations - foreign currency translation differences	277,803	(528,717)	-	-
Debt instruments at fair value through other comprehensive income:				
– Fair value gains	1,019,931	177,296	1,019,931	177,296
Other comprehensive income, net of tax	**1,297,734**	**(351,421)**	**1,019,931**	**177,296**
Total comprehensive income	**(454,123)**	**473,834**	**(3,118,513)**	**(5,197,769)**
Total comprehensive income attributable to:				
Equity holders of the Group	(531,426)	226,524	(3,118,513)	(5,197,769)
Non-controlling interests	77,303	247,310	-	-
	(454,123)	**473,834**	**(3,118,513)**	**(5,197,769)**

Condensed interim statements of changes in equity

For the six months ended 30 June 2025

Group

	Attributable to equity holders of the Group								
	Called up share capital USD	Share premium USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD	Non-controlling interests USD	Total equity USD
Balance at 1 January 2025	**261,221,882**	**858,885**	**(15,308,700)**	**509,378**	**2,982,435**	**(67,150,466)**	**183,113,414**	**534,525**	**183,647,939**
Total comprehensive income									
(Loss)/Profit for the period	-	-	-	-	-	(1,820,603)	**(1,820,603)**	68,746	**(1,751,857)**
Other comprehensive income:									
Debt instruments at fair value through other comprehensive income:									
– Fair value gains, net of tax	-	-	-	1,019,931	-		**1,019,931**	-	**1,019,931**
Foreign operations - foreign currency translation differences	-	-	269,246	-	-	-	**269,246**	8,557	**277,803**
Total other comprehensive income	**-**	**-**	**269,246**	**1,019,931**	**-**	**-**	**1,289,177**	**8,557**	**1,297,734**
Total comprehensive income	**-**	**-**	**269,246**	**1,019,931**	**-**	**(1,820,603)**	**(531,426)**	**77,303**	**(454,123)**
Transactions with owners:									
Changes in ownership in subsidiary that do not result in loss of control:									
– Impact of change in non-controlling interest in subsidiary	-	-	-	-	(17,492)	461,164	**443,672**	(443,672)	**-**
– Consideration paid to non-controlling interest	-	-	-	-		(1,352,418)	**(1,352,418)**	-	**(1,352,418)**
Total transaction with owners	-	-	-	-	**(17,492)**	**(891,254)**	**(908,746)**	**(443,672)**	**(1,352,418)**
Balance at 30 June 2025	**261,221,882**	**858,885**	**(15,039,454)**	**1,529,309**	**2,964,943**	**(69,862,323)**	**181,673,242**	**168,156**	**181,841,398**

Condensed interim statements of changes in equity

For the six months ended 30 June 2024

Group

	Attributable to equity holders of the Group								
	Called up share capital USD	Share premium USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD	Non-controlling interests USD	Total equity USD
Balance at 1 January 2024	**261,221,882**	**858,885**	**(14,337,472)**	**(4,677,868)**	**2,982,435**	**(67,269,892)**	**178,777,970**	**519,162**	**179,297,132**
Total comprehensive income									
Profit for the period	-	-	-	-	-	575,849	**575,849**	249,406	**825,255**
Other comprehensive income:									
Debt instruments at fair value through other comprehensive income:									
– Fair value gains, net of tax	-	-	-	177,296	-	-	**177,296**	-	**177,296**
Foreign operations - foreign currency translation differences	-	-	(526,621)	-	-	-	**(526,621)**	(2,096)	**(528,717)**
Total other comprehensive income	**-**	**-**	**(526,621)**	**177,296**	**-**	**-**	**(349,325)**	**(2,096)**	**(351,421)**
Total comprehensive income	**-**	**-**	**(526,621)**	**177,296**	**-**	**575,849**	**226,524**	**247,310**	**473,834**
Balance at 30 June 2024	**261,221,882**	**858,885**	**(14,864,093)**	**(4,500,572)**	**2,982,435**	**(66,694,043)**	**179,004,494**	**766,472**	**179,770,966**

Condensed interim statements of changes in equity

For the six months ended 30 June 2025

Bank

	Called up share capital USD	Share premium USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2025	**261,221,882**	**858,885**	**(12,195,204)**	**2,681,041**	**(85,801,061)**	**166,765,543**
Total comprehensive income						
Loss for the period	-	-	-	-	(4,138,444)	**(4,138,444)**
Other comprehensive income:						
Debt investments at fair value through other comprehensive income:						
– Fair value gains, net of tax	-	-	1,019,931	-	-	**1,019,931**
Total other comprehensive income	**-**	**-**	**1,019,931**	**-**	**-**	**1,019,931**
Total comprehensive income	**-**	**-**	**1,019,931**	**-**	**(4,138,444)**	**(3,118,513)**
Balance at 30 June 2025	**261,221,882**	**858,885**	**(11,175,273)**	**2,681,041**	**(89,939,505)**	**163,647,030**

Condensed interim statements of changes in equity

For the six months ended 30 June 2024

Bank

	Called up share capital USD	Share premium USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2024	**261,221,882**	**858,885**	**(17,382,450)**	**2,681,041**	**(82,597,375)**	**164,781,983**
Total comprehensive income						
Loss for the period	-	-	-	-	(5,375,065)	**(5,375,065)**
Other comprehensive income:						
Debt investments at fair value through other comprehensive income:						
– Fair value gains, net of tax	-	-	177,296	-	-	**177,296**
Total other comprehensive income	**-**	**-**	**177,296**	**-**	**-**	**177,296**
Total comprehensive income	**-**	**-**	**177,296**	**-**	**(5,375,065)**	**(5,197,769)**
Balance at 30 June 2024	**261,221,882**	**858,885**	**(17,205,154)**	**2,681,041**	**(87,972,440)**	**159,584,214**

Condensed interim statements of cash flows

For the six months ended 30 June

	Group		Bank	
	2025 USD	2024 USD	2025 USD	2024 USD
Cash flows from operating activities				
Interest and commission receipts	42,431,149	60,708,156	16,178,307	21,395,823
Interest and commission payments	(22,070,833)	(32,740,025)	(15,213,378)	(20,881,295)
Payments to employees and suppliers	(18,463,360)	(21,098,405)	(9,616,990)	(11,852,973)
Operating profit/(loss) before changes in operating assets/liabilities	**1,896,956**	**6,869,726**	**(8,652,061)**	**(11,338,445)**
(Increase)/Decrease in operating assets:				
– Loans and advances to customers and banks	(75,499,762)	54,377,280	(62,412,290)	69,392,339
– Other assets	(1,067,536)	(860,369)	(1,147,397)	103,100
Increase/(Decrease) in operating liabilities:				
– Amounts owed to institutions, banks and customers	114,910,633	(237,479,527)	103,278,276	(239,803,769)
– Other liabilities	9,362,904	1,343,057	9,180,232	1,173,647
– Net (outflows)/inflows from balances with subsidiary companies	-	-	(115,818,929)	2,550,211
Cash flows used in trading assets:				
– Payments to acquire trading assets	(490,277,813)	(504,127,673)	-	(9,900,000)
– Proceeds on settlement of trading assets	380,612,139	527,288,313	-	-
Net cash used in operating activities before income tax	**(60,062,479)**	**(152,589,193)**	**(75,572,169)**	**(187,822,917)**
Income tax paid	(3,047,659)	(2,459,052)	(440,940)	(460,152)
Net cash flows used in operating activities	**(63,110,138)**	**(155,048,245)**	**(76,013,109)**	**(188,283,069)**
Cash flows from investing activities				
Payments to acquire financial investments at amortised cost	(24,192,362)	-	(24,192,362)	-
Payments to acquire treasury bills at amortised cost	-	(31,587,228)	-	(31,587,228)
Payments to acquire shares and additional contributions in subsidiary companies	-	-	(4,546,251)	-
Payments to acquire property and equipment	(156,871)	(86,356)	(6,204)	(30,585)
Payments to acquire intangible assets	(474,681)	(151,284)	(474,681)	(151,284)
Proceeds on redemption of financial investments at fair value through profit or loss	-	993,777	-	993,777
Proceeds on maturity of financial investments at fair value through other comprehensive income	12,689,000	5,000,000	12,689,000	5,000,000
Proceeds on maturity of financial investments at amortised cost	2,000,000	17,211,727	2,000,000	17,211,727
Proceeds on maturity and disposals of treasury bills at amortised cost	5,174,912	121,354,737	5,174,912	121,354,737
Proceeds on cancellation of shares of a subsidiary company	-	-	-	40,000,000
Proceeds on merger by acquisition of a subsidiary company	-	-	-	3,487
Proceeds on disposal of property and equipment	600	197	-	-
Receipt of dividends	-	-	840,796	2,000,000
Net cash flows (used in)/from investing activities	**(4,959,402)**	**112,735,570**	**(8,514,790)**	**154,794,631**
Decrease in cash and cash equivalents c/f	**(68,069,540)**	**(42,312,675)**	**(84,527,899)**	**(33,488,438)**

Condensed interim statements of cash flows

For the six months ended 30 June

	Group		Bank	
	2025 USD	2024 USD	2025 USD	2024 USD
Decrease in cash and cash equivalents b/f	**(68,069,540)**	**(42,312,675)**	**(84,527,899)**	**(33,488,438)**
Cash flows from/(used in) financing activities				
– Proceeds on issue of debt securities in issue	17,556,180	21,339,307	-	-
– Payments to settle debt securities in issue	(17,556,180)	(31,655,888)	-	-
– Transactions with non-controlling interests	(1,352,418)	-	-	-
– Payment of lease liabilities	(588,527)	(665,560)	(1,761,622)	(976,467)
– Proceeds on issue of subordinated liabilities	20,000,000	-	20,000,000	-
Net cash flows from/(used in) financing activities	**18,059,055**	**(10,982,141)**	**18,238,378**	**(976,467)**
Effect of net exchange (losses)/gains attributable to assets and liabilities	(35,376,641)	9,534,594	(16,508,667)	6,799,758
Decrease in cash and cash equivalents	**(85,387,126)**	**(43,760,222)**	**(82,798,188)**	**(27,665,147)**
Analysed as follows:				
– Effect of exchange rate changes on cash and cash equivalents	16,570,738	(7,468,700)	16,418,762	(6,241,310)
– Net decrease in cash and cash equivalents	(101,957,864)	(36,291,522)	(99,216,950)	(21,423,837)
Decrease in cash and cash equivalents	**(85,387,126)**	**(43,760,222)**	**(82,798,188)**	**(27,665,147)**
Cash and cash equivalents at beginning of period	**41,459,890**	**113,043,444**	**67,479,505**	**127,729,732**
Cash and cash equivalents at end of period	**(43,927,236)**	**69,283,222**	**(15,318,683)**	**100,064,585**

Notes to the condensed interim financial statements

For the six months ended 30 June 2025

1 Reporting entity

FIMBank p.l.c. ("the Bank") is a credit institution domiciled in Malta with its registered address at Mercury Tower, The Exchange Financial and Business Centre, Elia Zammit Street, St. Julian's, STJ3155, Malta.

The Bank and its subsidiaries, namely London Forfaiting Company Limited ("LFC"), FIMFactors B.V. ("FIMFactors"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors") and FIM Property Investment Limited, are included in the scope of consolidation as at and for the six months ended 30 June 2025 and are referred to as the "Group" in these Condensed Interim Financial Statements and individually as "Group entities".

The Financial Statements of the Group as at, and for the year ended, 31 December 2024 are available upon request from the Bank's registered office and are available for viewing on its website at www.fimbank.com/en/financial-information.

2 Basis of preparation

These Condensed Interim Financial Statements have been prepared in accordance with IAS 34 - Interim Financial Reporting - as adopted by the European Union ("EU"). These include the comparative Statement of Financial Position as of 31 December 2024 and the comparative Statements of Profit or Loss, Statements of Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the six month period ended 30 June 2024. These Condensed Interim Financial Statements do not include all the information required for the publication of the Annual Reports and Financial Statements and therefore these Condensed Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements 2024 of FIMBank p.l.c.

The Board of Directors confirm that, at the time of approving these Condensed Interim Financial Statements, the Group and Bank are capable of continuing to operate as a going concern for the foreseeable future.

The FIMBank Group Condensed Interim Financial Statements 2025 were approved by the Board of Directors on 28 August 2025.

3 Material accounting policies

The Accounting Policies applied for the preparation of these Condensed Interim Financial Statements are the same as those applied in the Annual Report and Financial Statements 2024 of FIMBank p.l.c. as at and for the year ended 31 December 2024, as described in those Financial Statements.

3.1 Standards, interpretations and amendments to published standards effective in 2025

In 2025, the Group and Bank adopted the following amendments to existing standards effective for accounting periods beginning on 1 January 2025, which amendments did not have a material effect on the Group's and Bank's financial statements:

- amendments to IAS 21 – the effects of change in foreign exchange rates - lack of exchangeability (issued on 15 August 2023), that contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

3.2 Standards, interpretations and amendments to published standards issued but not yet effective

Certain new standards and amendments to existing standards have been published by the date of authorisation of these Condensed Interim Financial Statements but are not yet effective for the current financial period beginning on 1 January 2025. Although earlier adoption is permitted, the Group and Bank have not early adopted any of the new or amended standards in preparing these Condensed Interim Financial Statements.

The following amended standards are not expected to have a significant impact on the Group's and Bank's Financial Statements:

- amendments to IFRS 9 and IFRS 7 – classification and measurement of financial instruments; and
- IFRS 19 – subsidiaries without public accountability: disclosures.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning on or after 1 January 2027. However, IFRS 18 has not yet been endorsed by the EU as at the date of authorisation for issue of these Financial Statements. The new standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 - Presentation of Financial Statements, but carries over many requirements from that standard.

In addition, there are new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information. While IFRS 18 will not change recognition criteria or measurement bases, it may have a significant impact on presenting information in the financial statements, in particular the income statement and the cash flow statement. The Group and Bank will be assessing the detailed implications of applying the new standard on the Group's and Bank's Financial Statements, subsequent to endorsement by the EU.

4 Use of judgements and accounting estimates

The preparation of these Condensed Interim Financial Statements in conformity with IFRSs as adopted by the EU requires Management to make judgements, estimates and assumptions that affect the application of Accounting Policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Group's and Bank's Management also makes judgements, apart from those involving estimations, in the process of applying the Group's Accounting Policies that may have a significant effect on the amounts recognised in the Financial Statements. In particular, the measurement of the expected credit losses, in respect of financial instruments measured at amortised cost and fair value through other comprehensive income ("FVOCI"), is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour, requiring a number of significant judgements.

In preparing these Condensed Interim Financial Statements, the significant judgements made by Management in applying the Group's Accounting Policies and the key sources of estimation uncertainty were the same as those applied to the Financial Statements as at and for the year ended 31 December 2024.

5 Operating segments

The Group has five significant reportable segments (trade finance, forfaiting, factoring, real estate and treasury) which are represented by different Group entities. There were no differences in the basis of segmentation or in the basis of measurement of segment profit or loss from the FIMBank Group Annual Report and Financial Statements 2024.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by Executive Management. Executive Management is further defined in the Remuneration Report published with the Annual Report and Financial Statements 2024 of FIMBank p.l.c. Segment profit is used to measure performance as Management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

5.1 Information about operating segments

Group – June 2025

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
External revenue						
Net interest income	2,528,099	8,100,478	8,719,894	3,607,963	1,731,511	**24,687,945**
Net fee and commission income/(expense)	676,251	214,055	(1,215,364)	297,235	207,960	**180,137**
Net trading and other operating income/(expense)	422,358	(283,613)	264,052	14,503	407,272	**824,572**
	3,626,708	**8,030,920**	**7,768,582**	**3,919,701**	**2,346,743**	**25,692,654**
Reportable segment profit/(loss) before income tax	1,041,962	2,228,630	240,877	161,830	(389,223)	**3,284,076**

Group – June 2024

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
External revenue						
Net interest income/(expense)	4,880,606	12,299,964	8,561,503	3,625,196	(1,220,007)	**28,147,262**
Net fee and commission income/(expense)	1,046,047	(136,860)	(929,596)	153,044	319,730	**452,365**
Net trading and other operating income/(expense)	116,555	(506,624)	(160,201)	11,505	(599,391)	**(1,138,156)**
	6,043,208	**11,656,480**	**7,471,706**	**3,789,745**	**(1,499,668)**	**27,461,471**
Reportable segment (loss)/profit before income tax	(206,520)	6,741,189	2,822,582	(336,960)	(1,828,043)	**7,192,248**

Group – June 2025

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
Reportable segment assets	67,674,492	476,442,969	285,656,004	96,875,287	662,587,052	**1,589,235,804**
Reportable segment liabilities	17,667,937	326,537,482	197,480,870	3,938,405	865,470,204	**1,411,094,898**

Group – December 2024

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
Reportable segment assets	62,251,071	278,557,068	271,311,696	103,458,445	654,326,409	**1,369,904,689**
Reportable segment liabilities	15,860,868	198,745,632	174,321,513	410,893	826,661,619	**1,216,000,525**

5.2 Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

The financial position and financial performance of activities not falling within any of the significant reportable segments are grouped as 'other', and these include non-core activities mainly related to the letting of property to third parties and equity investments classified at fair value through profit or loss.

Group

	30 Jun 2025 USD	30 Jun 2024 USD
Revenues		
Total revenue for reportable segments	25,692,654	27,461,471
Consolidation adjustments	(579,272)	(669,107)
Other net revenue for non-reportable segments	(3,722,870)	172,604
Consolidated revenue	**21,390,512**	**26,964,968**
Profit or loss		
Total profit for reportable segments	3,284,076	7,192,248
Other losses	(4,519,509)	(3,941,407)
	(1,235,433)	**3,250,841**
Effect of other consolidation adjustments on segment results	816,158	768,490
Consolidated profit before tax	**(419,275)**	**4,019,331**

	30 Jun 2025 USD	31 Dec 2024 USD
Assets		
Total assets for reportable segments	1,589,235,804	1,369,904,689
Other assets	311,925,142	283,719,567
	1,901,160,946	**1,653,624,256**
Effect of other consolidation adjustments on segment financial position	(644,683,427)	(507,464,289)
Consolidated assets	**1,256,477,519**	**1,146,159,967**
Liabilities		
Total liabilities for reportable segments	1,411,094,898	1,216,000,525
Other liabilities	108,569,909	59,448,688
	1,519,664,807	**1,275,449,213**
Effect of other consolidation adjustments on segment financial position	(445,028,686)	(312,937,185)
Consolidated liabilities	**1,074,636,121**	**962,512,028**

6 Financial instruments

6.1 Summary of financial instruments to which the impairment requirements in IFRS 9 are applied

The risks to which the Group is exposed principally relate to the Group's and Bank's banking activities and are managed by the Board of Directors. As a result, this note presents information about the Group's and Bank's financial risk management.

6.1.1 Maximum exposure to credit risk

The Group's exposure to credit risk mainly arises from its lending activities. Credit risk is the risk that one party to a financial transaction might fail to fulfil an obligation and cause the other party to incur a financial loss. The Group finances international trade in many countries worldwide, especially emerging markets, which in turn entails an exposure to sovereign, bank and corporate credit risk. In addition, the Group's lending activities comprise the financing of real estate activities of local commercial entities.

Focusing specifically on 'Loans and advances to customers', the Group has four lending portfolios:

- the Local Corporate Lending portfolio, predominantly comprising loans to the real estate activities sector in Malta;
- the Factoring Receivables portfolio, comprising portfolios of factored receivables (both on a non-recourse and recourse basis) in Europe, India and the Middle East;
- the Trade Finance portfolio, comprising import and export finance facilities in Europe; and
- a portfolio of other facilities comprising syndicated senior secured facilities to international corporates and shipping finance facilities.

Credit risk is not only associated with loans but also with other on- and off- balance sheet exposures such as acceptances, money market products, letters of credit and guarantees.

The Group's and Bank's maximum credit risk exposure to on- and off-balance sheet financial instruments, before taking account of any collateral held or other credit enhancements, is presented in the following table. For financial assets recognised in the Statement of Financial Position, the maximum exposure to credit risk is equivalent to the carrying amount. For commitments and financial guarantees, the maximum exposure to credit risk is equivalent to the full amount of the committed facilities.

	Group		Bank	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Balances with the Central Bank of Malta, treasury bills and cash	29,533,141	134,192,217	29,500,967	134,179,290
Loans and advances to banks	121,246,977	96,457,392	108,274,836	90,098,124
Loans and advances to customers	452,480,402	427,976,723	655,195,932	517,783,911
Financial investments at fair value through other comprehensive income	121,736,984	120,265,095	121,736,984	120,265,095
Financial investments at amortised cost	24,626,475	2,073,906	24,626,475	2,073,906
Other assets	7,885,790	6,804,541	7,694,217	6,603,179
Off-balance sheet:				
– Guarantees	26,402,759	27,628,498	26,402,759	27,632,552
– Commitments	169,086,660	132,205,442	162,756,682	111,629,563
	952,999,188	**947,603,814**	**1,136,188,852**	**1,010,265,620**

The following table contains an analysis of the maximum credit risk exposure from financial assets subject to credit risk but not subject to impairment (i.e. financial assets measured at fair value through profit or loss).

	Group		Bank	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Derivative assets held for risk management	11,375,271	1,464,641	11,375,271	1,464,641
Trading assets	402,965,760	274,733,298	-	-
Financial investments at fair value through profit or loss	11,167,569	13,958,450	11,167,569	13,958,450
	425,508,600	**290,156,389**	**22,542,840**	**15,423,091**

6.1.2 Credit quality analysis

The following table sets out information about the credit quality of assets. Unless specifically indicated, for financial assets the amounts in the table represent gross carrying amounts. For contingent liabilities and commitments, the amounts in the table represent the amounts committed.

Group – 30 June 2025

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta, treasury bills and cash					
Grades 1 to 4- low risk	0.07%	29,547,111	-	-	**29,547,111**
		29,547,111	**-**	**-**	**29,547,111**
Loss allowance		(13,970)	-	-	**(13,970)**
Carrying amount		**29,533,141**	**-**	**-**	**29,533,141**
Loans and advances to banks					
Grades 1 to 4- low risk	0.07% - 0.77%	41,751,650	-	-	**41,751,650**
Grades 5+ to 5- fair risk	0.57% - 1.76%	14,675,021	-	-	**14,675,021**
Grades 6+ to 7 high risk	0.95% - 13.75%	62,072,605	3,135,453	-	**65,208,058**
		118,499,276	**3,135,453**	**-**	**121,634,729**
Loss allowance		(387,731)	(21)	-	**(387,752)**
Carrying amount		**118,111,545**	**3,135,432**	**-**	**121,246,977**
Loans and advances to customers					
Grades 1 to 4- low risk	0.05% - 1.02%	30,423,493	1,050,376	-	**31,473,869**
Grades 5+ to 5- fair risk	0.58% - 4.07%	130,396,142	12,112,339	-	**142,508,481**
Grades 6+ to 7 high risk	0.78% - 32.83%	190,377,693	14,819,411	-	**205,197,104**
Grade 7- to 8- substandard	12.22% - 20.82%	42,435,172	34,215,572	-	**76,650,744**
Grade 9 to 10 doubtful/loss	100%	-	-	14,551,817	**14,551,817**
		393,632,500	**62,197,698**	**14,551,817**	**470,382,015**
Loss allowance		(2,866,384)	(5,371,954)	(9,663,275)	**(17,901,613)**
Carrying amount		**390,766,116**	**56,825,744**	**4,888,542**	**452,480,402**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.05% - 0.43%	121,736,984	-	-	**121,736,984**
Carrying amount at fair value		**121,736,984**	**-**	**-**	**121,736,984**
Loss allowance		(94,866)	-	-	**(94,866)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.03% - 0.07%	24,626,475	-	-	**24,626,475**
		24,626,475	**-**	**-**	**24,626,475**
Loss allowance		-	-	-	**-**
Carrying amount		**24,626,475**	**-**	**-**	**24,626,475**
Guarantees					
Grades 1 to 4- low risk	0.2% - 0.5%	258,688	-	-	**258,688**
Grades 5+ to 5- fair risk	0.52% - 1.91%	12,322,101	-	-	**12,322,101**
Grades 6+ to 7 high risk	1.23% - 18.3%	12,867,632	18,008	-	**12,885,640**
Grade 7- to 8- substandard	14.64%	-	936,330	-	**936,330**
Nominal amount		**25,448,421**	**954,338**	**-**	**26,402,759**
Loss allowance		(171,344)	-	-	**(171,344)**
Commitments					
Grades 1 to 4- low risk	0.03% - 0.36%	11,721,208	-	-	**11,721,208**
Grades 5+ to 5- fair risk	0.61% - 3.91%	67,102,236	4,053,842	-	**71,156,078**
Grades 6+ to 7 high risk	1.22% - 20.64%	76,006,646	10,202,728	-	**86,209,374**
Nominal amount		**154,830,090**	**14,256,570**	**-**	**169,086,660**
Loss allowance		(358,184)	(2,311)	-	**(360,495)**

Group – 31 December 2024

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta, treasury bills and cash					
Grades 1 to 4- low risk	0.07% - 0.08%	134,243,880	-	-	**134,243,880**
		134,243,880	**-**	**-**	134,243,880
Loss allowance		(51,663)	-	-	**(51,663)**
Carrying amount		**134,192,217**	**-**	**-**	134,192,217
Loans and advances to banks					
Grades 1 to 4- low risk	0.08% - 0.69%	72,295,044	-	-	**72,295,044**
Grades 5+ to 5- fair risk	0.47% - 0.93%	2,354,093	-	-	**2,354,093**
Grades 6+ to 7 high risk	0.93% - 5.04%	17,565,219	4,422,889	-	**21,988,108**
		92,214,356	**4,422,889**	**-**	96,637,245
Loss allowance		(164,312)	(15,541)	-	**(179,853)**
Carrying amount		**92,050,044**	**4,407,348**	**-**	96,457,392
Loans and advances to customers					
Grades 1 to 4- low risk	0.05% - 0.94%	27,475,262	196,197	-	**27,671,459**
Grades 5+ to 5- fair risk	0.44% - 3.21%	108,933,392	10,854,764	-	**119,788,156**
Grades 6+ to 7 high risk	1.81% - 21.37%	202,202,614	17,186,096	-	**219,388,710**
Grade 7- to 8- substandard	11.81% - 17.10%	40,527,255	24,054,932	-	**64,582,187**
Grade 9 to 10 doubtful/loss	100%	-	-	13,685,866	**13,685,866**
		379,138,523	**52,291,989**	**13,685,866**	445,116,378
Loss allowance		(2,432,221)	(4,560,632)	(10,146,802)	**(17,139,655)**
Carrying amount		**376,706,302**	**47,731,357**	**3,539,064**	427,976,723
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.02% - 0.46%	120,265,095	-	-	**120,265,095**
Carrying amount at fair value		**120,265,095**	**-**	**-**	120,265,095
Loss allowance		(77,794)	-	-	**(77,794)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.05%	2,073,927	-	-	**2,073,927**
		2,073,927	**-**	**-**	2,073,927
Loss allowance		(21)	-	-	**(21)**
Carrying amount		**2,073,906**	**-**	**-**	2,073,906
Guarantees					
Grades 1 to 4- low risk	0.41% - 0.78%	225,193	-	-	**225,193**
Grades 5+ to 5- fair risk	0.42% - 3.08%	22,211,817	4,436	-	**22,216,253**
Grades 6+ to 7 high risk	1.44% - 18.38%	4,341,934	14,036	-	**4,355,970**
Grades 7- to 8- substandard	19.78%	-	831,082	-	**831,082**
Nominal amount		**26,778,944**	**849,554**	**-**	27,628,498
Loss allowance		(12,602)	-	-	**(12,602)**
Commitments					
Grades 1 to 4- low risk	0.08% - 0.94%	23,279,472	-	-	**23,279,472**
Grades 5+ to 5- fair risk	0.5% - 3.04%	58,783,397	4,158,425	-	**62,941,822**
Grades 6+ to 7 high risk	1.4% - 19.57%	33,710,268	11,235,027	-	**44,945,295**
Grade 7- to 8- substandard	19.55%	1,038,853	-	-	**1,038,853**
Nominal amount		**116,811,990**	**15,393,452**	**-**	132,205,442
Loss allowance		(457,971)	(4,650)	-	**(462,621)**

Bank – 30 June 2025

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta, treasury bills and cash					
Grades 1 to 4- low risk	0.07%	29,514,937	-	-	**29,514,937**
		29,514,937	**-**	**-**	**29,514,937**
Loss allowance		(13,970)	-	-	**(13,970)**
Carrying amount		**29,500,967**	**-**	**-**	**29,500,967**
Loans and advances to banks					
Grades 1 to 4- low risk	0.07% - 0.63%	33,164,687	-	-	**33,164,687**
Grades 5+ to 5- fair risk	0.57% - 1.76%	14,217,549	-	-	**14,217,549**
Grades 6+ to 7 high risk	1.03% - 13.75%	58,119,868	3,135,453	-	**61,255,321**
		105,502,104	**3,135,453**	**-**	**108,637,557**
Loss allowance		(362,700)	(21)	-	**(362,721)**
Carrying amount		**105,139,404**	**3,135,432**	**-**	**108,274,836**
Loans and advances to customers					
Grades 1 to 4- low risk	0.09% - 0.84%	422,716,536	312,517	-	**423,029,053**
Grades 5+ to 5- fair risk	0.61% - 2.7%	87,747,231	9,882,664	-	**97,629,895**
Grades 6+ to 7 high risk	0.78% - 32.83%	117,048,880	12,991,127	-	**130,040,007**
Grade 7- to 8- substandard	20.43%	-	7,008,480	-	**7,008,480**
Grade 9 to 10 doubtful/loss	100%	-	-	12,618,057	**12,618,057**
		627,512,647	**30,194,788**	**12,618,057**	**670,325,492**
Loss allowance		(2,247,059)	(4,573,385)	(8,309,116)	**(15,129,560)**
Carrying amount		**625,265,588**	**25,621,403**	**4,308,941**	**655,195,932**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.05% - 0.43%	121,736,984	-	-	**121,736,984**
Carrying amount at fair value		**121,736,984**	**-**	**-**	**121,736,984**
Loss allowance		(94,866)	-	-	**(94,866)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.03% - 0.07%	24,626,475	-	-	**24,626,475**
		24,626,475	**-**	**-**	**24,626,475**
Loss allowance		-	-	-	**-**
Carrying amount		**24,626,475**	**-**	**-**	**24,626,475**
Guarantees					
Grades 1 to 4- low risk	0.2% - 0.5%	258,688	-	-	**258,688**
Grades 5+ to 5- fair risk	0.52% - 1.91%	12,322,101	-	-	**12,322,101**
Grades 6+ to 7 high risk	1.23% - 18.3%	12,867,632	18,008	-	**12,885,640**
Grade 7- to 8- substandard	14.64%	-	936,330	-	**936,330**
Nominal amount		**25,448,421**	**954,338**	**-**	**26,402,759**
Loss allowance		(171,344)	-	-	**(171,344)**
Commitments					
Grades 1 to 4- low risk	0.09% - 0.36%	8,234,526	-	-	**8,234,526**
Grades 5+ to 5- fair risk	0.61% - 3.91%	67,102,236	4,053,842	-	**71,156,078**
Grades 6+ to 7 high risk	1.22% - 20.64%	73,163,350	10,202,728	-	**83,366,078**
Nominal amount		**148,500,112**	**14,256,570**	**-**	**162,756,682**
Loss allowance		(358,184)	(2,311)	-	**(360,495)**

Bank – 31 December 2024

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta, treasury bills and cash					
Grades 1 to 4- low risk	0.07% - 0.08%	134,230,953	-	-	**134,230,953**
		134,230,953	**-**	**-**	**134,230,953**
Loss allowance		(51,663)	-	-	**(51,663)**
Carrying amount		**134,179,290**	**-**	**-**	**134,179,290**
Loans and advances to banks					
Grades 1 to 4- low risk	0.08% - 0.69%	69,444,715	-	-	**69,444,715**
Grades 5+ to 5- fair risk	0.47%	514,486	-	-	**514,486**
Grades 6+ to 7 high risk	0.93% - 1.95%	15,894,835	4,422,889	-	**20,317,724**
		85,854,036	**4,422,889**	**-**	**90,276,925**
Loss allowance		(163,260)	(15,541)	-	**(178,801)**
Carrying amount		**85,690,776**	**4,407,348**	**-**	**90,098,124**
Loans and advances to customers					
Grades 1 to 4- low risk	0.08% - 0.94%	295,464,276	-	-	**295,464,276**
Grades 5+ to 5- fair risk	0.5% - 3.04%	65,347,585	9,513,551	-	**74,861,136**
Grades 6+ to 7 high risk	1.81% -21.37%	126,138,895	16,885,557	-	**143,024,452**
Grade 7- to 8- substandard	11.81% - 17.10%	23,873	7,016,575	-	**7,040,448**
Grade 9 to 10 doubtful/loss	100.00%	-	-	12,886,098	**12,886,098**
		486,974,629	**33,415,683**	**12,886,098**	**533,276,410**
Loss allowance		(1,935,067)	(4,116,527)	(9,440,905)	**(15,492,499)**
Carrying amount		**485,039,562**	**29,299,156**	**3,445,193**	**517,783,911**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.02% - 0.46%	120,265,095	-	-	**120,265,095**
Carrying amount at fair value		**120,265,095**	**-**	**-**	**120,265,095**
Loss allowance		(77,794)	-	-	**(77,794)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.05%	2,073,927	-	-	**2,073,927**
		2,073,927	**-**	**-**	**2,073,927**
Loss allowance		(21)	-	-	**(21)**
Carrying amount		**2,073,906**	**-**	**-**	**2,073,906**
Guarantees					
Grades 1 to 4- low risk	0.41% - 0.78%	229,247	-	-	**229,247**
Grades 5+ to 5- fair risk	0.42% - 3.08%	22,211,817	4,436	-	**22,216,253**
Grades 6+ to 7 high risk	1.44% - 18.38%	4,341,934	14,036	-	**4,355,970**
Grade 7- to 8- substandard	19.78%	-	831,082	-	**831,082**
Nominal amount		**26,782,998**	**849,554**	**-**	**27,632,552**
Loss allowance		(12,606)	-	-	**(12,606)**
Commitments					
Grades 1 to 4- low risk	0.08% - 0.94%	5,283,377	-	-	**5,283,377**
Grades 5+ to 5- fair risk	0.5% - 3.04%	58,783,396	4,158,425	-	**62,941,821**
Grades 6+ to 7 high risk	1.4% - 19.57%	31,130,485	11,235,027	-	**42,365,512**
Grade 7- to 8- substandard	19.55%	1,038,853	-	-	**1,038,853**
Nominal amount		**96,236,111**	**15,393,452**	**-**	**111,629,563**
Loss allowance		(193,869)	(4,650)	-	**(198,519)**

6.1.3 Measurement of expected credit losses

Methodology

The recognition and measurement of expected credit losses ('ECL') involves the use of significant judgement and estimation. The Group's and Bank's methodology in relation to the estimation of ECLs is described in Note 4.2.1.3 of the Annual Report and Financial Statements 2024, with the Group's and Bank's methodology in relation to the adoption and generation of economic scenarios being described in detail in Note 4.2.1.7 of the Annual Report and Financial Statements 2024. There were no changes to the ECL methodology during the period ended 30 June 2025.

Incorporation of forward-looking information

The Group applies three economic scenarios to capture non-linearity across portfolios in the estimation of ECLs: a base case, which is the median scenario assigned a 40% probability of occurring, and two less likely scenarios, namely an upside and a downside scenario, each assigned a 30% probability of occurrence. Moody's Analytics regularly updates the base case forecast and alternative scenarios. The upside and downside scenarios represent hypothetical events that push the economy away from the base case outlook.

Forecasted economic data in respect of each of the three scenarios are sourced from Moody's Analytics on a quarterly basis. The historical data in the Group's model reflects economic data published by national statistics offices and reputable third-party aggregators such as the World Bank and the International Monetary Fund.

There were no changes to the probability weightings assigned in respect of each of the three economic scenarios during the financial period ended 30 June 2025.

The model applies three possible scenarios covering a wide range of possible outcomes. Each scenario assumes different economic circumstances, including assumptions around global oil prices, the impact of the EU's embargo on Russian oil, tensions in the Middle East and the impact of United States ('US') broad-based tariff increases, supply chain problems, monetary and fiscal policy decisions, and growth levels. The main assumptions used in the model include different levels of:

- geopolitical tensions, growth outlook, labour market conditions, supply chain shortages;
- financial market conditions, debt sustainability, fiscal stimulus, consumer and business sentiment;
- oil prices, gas supply, surging energy costs, inflation, unemployment rates, GDP rates, input prices and demand for services; and
- deposit rates, bond yields, disposable income, interbank market rates, money and bond market sentiment.

As at 30 June 2025 and 31 December 2024, the projected macroeconomic paths in respect of the key macroeconomic variables selected for the top five geographical regions applied in the ECL calculation across the three macroeconomic scenarios and for the five-year forecasted period from the financial year ending 30 June 2026 to 2030 (31 December 2024: 31 December 2025 to 2029) are presented in the following tables. Given that the Group and Bank present information in respect of the top five geographical regions in terms of exposure amounts at each reporting date, different countries might be presented for different financial years in order to present information which is relevant for the ECL calculation at each respective reporting date.

30 June 2025

Country: Malta		2026	2027	2028	2029	2030
Equity: MSE index, year-on-year	Base	23.4%	10.3%	9.3%	6.7%	5.5%
	Upside	32.0%	11.0%	9.1%	6.0%	5.0%
	Downside	-2.5%	12.5%	15.8%	10.0%	6.1%
Real GDP growth rate	Base	6.4%	3.2%	4.1%	3.2%	3.1%
	Upside	9.5%	2.8%	3.7%	2.9%	3.0%
	Downside	0.6%	3.7%	5.2%	3.3%	3.1%
Unemployment rate	Base	3.3%	3.4%	3.3%	3.2%	3.2%
	Upside	3.2%	3.3%	3.3%	3.2%	3.2%
	Downside	3.3%	3.8%	3.6%	3.5%	3.3%

Country: Germany		2026	2027	2028	2029	2030
Equity: DAX Index, year-on-year	Base	3.6%	5.2%	3.3%	3.2%	3.0%
	Upside	11.7%	6.1%	2.1%	1.3%	2.8%
	Downside	-32.9%	14.7%	19.7%	13.9%	5.5%
Real GDP growth rate	Base	0.7%	2.3%	1.9%	1.7%	1.5%
	Upside	3.4%	2.0%	1.8%	1.7%	1.5%
	Downside	-4.3%	2.8%	2.9%	1.8%	1.5%
Unemployment rate	Base	6.5%	5.8%	5.8%	5.7%	5.7%
	Upside	5.6%	5.1%	5.4%	5.6%	5.7%
	Downside	7.8%	7.3%	6.5%	6.0%	5.8%

Country: India		2026	2027	2028	2029	2030
Equity: Sensex Index, year-on-year	Base	5.0%	3.0%	6.5%	7.1%	7.8%
	Upside	14.6%	2.6%	4.6%	5.6%	7.3%
	Downside	-29.4%	17.0%	18.7%	12.2%	8.8%
Real GDP growth rate	Base	5.8%	7.2%	6.5%	6.6%	6.1%
	Upside	7.8%	8.4%	6.9%	6.6%	6.1%
	Downside	-2.7%	6.1%	7.0%	7.5%	6.9%
Unemployment rate	Base	7.0%	7.0%	7.0%	7.0%	7.0%
	Upside	6.6%	6.6%	6.7%	6.8%	6.9%
	Downside	9.3%	9.8%	8.3%	7.5%	7.2%
Exchange Rate, INR per USD	Base	86.34	87.49	88.62	89.66	90.52
	Upside	85.09	86.19	87.30	88.33	89.17
	Downside	90.69	92.48	93.67	94.77	95.68

Country: Egypt		2026	2027	2028	2029	2030
Equity: EGX 30 Index, year-on-year	Base	4.6%	4.0%	4.9%	4.0%	4.6%
	Upside	19.1%	0.3%	2.3%	2.2%	4.3%
	Downside	-38.1%	24.9%	22.3%	11.5%	6.2%
Real GDP growth rate	Base	4.2%	5.4%	5.6%	5.3%	5.1%
	Upside	6.8%	5.4%	5.6%	5.3%	5.1%
	Downside	-0.9%	5.4%	6.5%	6.1%	5.6%
Unemployment rate	Base	7.0%	7.3%	7.4%	7.5%	7.6%
	Upside	6.6%	7.0%	7.3%	7.5%	7.6%
	Downside	8.9%	8.9%	8.3%	8.0%	7.8%

Country: United Arab Emirates		2026	2027	2028	2029	2030
Equity: ADX General Index, year-on-year	Base	-0.6%	0.3%	3.8%	4.2%	4.2%
	Upside	7.2%	-1.0%	2.6%	3.6%	4.2%
	Downside	-36.6%	19.6%	9.6%	7.9%	6.6%
Unemployment rate	Base	1.7%	1.9%	2.1%	2.3%	2.3%
	Upside	1.0%	1.6%	2.1%	2.3%	2.3%
	Downside	2.6%	2.3%	2.4%	2.4%	2.4%
Futures Price: NYMEX Light Sweet Crude Oil, USD per barrel	Base	64.79	63.37	65.08	66.34	67.46
	Upside	69.72	66.42	66.39	67.53	68.72
	Downside	45.76	54.11	62.22	63.73	65.43

31 December 2024

Country: Malta		2025	2026	2027	2028	2029
Equity: MSE index, year-on-year	Base	16.3%	9.5%	9.4%	7.0%	5.4%
	Upside	24.1%	11.3%	8.4%	6.1%	5.0%
	Downside	-7.4%	11.3%	15.3%	10.3%	6.2%
Real GDP growth rate	Base	4.8%	5.2%	3.4%	2.9%	2.7%
	Upside	7.9%	4.7%	3.1%	2.6%	2.6%
	Downside	-1.1%	5.8%	4.6%	3.0%	2.7%
Unemployment rate	Base	3.2%	3.1%	3.1%	3.0%	3.0%
	Upside	3.2%	3.1%	3.0%	3.0%	3.0%
	Downside	3.3%	3.5%	3.4%	3.3%	3.2%

Country: Germany		2025	2026	2027	2028	2029
Equity: DAX index, year-on-year	Base	0.9%	2.3%	3.3%	3.1%	2.9%
	Upside	8.7%	3.2%	2.1%	1.1%	2.7%
	Downside	-34.6%	11.5%	19.8%	13.7%	5.3%
Real GDP growth rate	Base	1.0%	1.5%	1.8%	1.0%	0.9%
	Upside	3.7%	1.2%	1.6%	1.0%	0.9%
	Downside	-4.3%	2.0%	2.8%	1.1%	0.8%
Unemployment rate	Base	6.5%	5.9%	5.6%	5.6%	5.6%
	Upside	5.6%	5.2%	5.2%	5.4%	5.5%
	Downside	7.8%	7.4%	6.4%	6.1%	6.0%

Country: India		2025	2026	2027	2028	2029
Equity: Sensex Index, year-on-year	Base	2.0%	3.1%	6.4%	7.4%	7.0%
	Upside	11.3%	2.7%	4.6%	5.9%	6.4%
	Downside	-31.4%	17.2%	18.6%	12.5%	8.0%
Real GDP growth rate	Base	6.1%	6.4%	6.6%	6.7%	6.4%
	Upside	8.1%	7.6%	7.0%	6.7%	6.4%
	Downside	-2.5%	5.3%	7.1%	7.6%	7.1%
Unemployment rate	Base	7.0%	7.2%	7.3%	7.2%	7.1%
	Upside	6.6%	6.7%	7.0%	7.0%	7.0%
	Downside	9.3%	10.0%	8.6%	7.7%	7.3%
Exchange Rate, INR per USD	Base	83.85	86.20	86.75	87.90	87.58
	Upside	82.47	84.92	85.46	86.59	86.27
	Downside	88.08	91.11	91.70	92.91	92.57

Country: Egypt		2025	2026	2027	2028	2029
Equity: EGX 30 Index, year-on-year	Base	-1.5%	0.0%	5.0%	3.9%	3.2%
	Upside	11.2%	-3.6%	2.4%	2.2%	3.1%
	Downside	-41.0%	21.7%	22.4%	11.0%	5.1%
Real GDP growth rate	Base	4.6%	5.3%	5.7%	5.4%	5.1%
	Upside	7.2%	5.3%	5.7%	5.4%	5.1%
	Downside	-0.5%	5.4%	6.6%	6.2%	5.5%
Unemployment rate	Base	7.2%	7.4%	7.5%	7.6%	7.7%
	Upside	6.8%	7.1%	7.4%	7.6%	7.7%
	Downside	9.1%	9.0%	8.4%	8.0%	7.9%

Country: United Arab Emirates		2025	2026	2027	2028	2029
Equity: ADX general index, year-on-year	Base	-3.2%	-0.7%	5.6%	4.9%	4.5%
	Upside	4.2%	-1.9%	4.5%	4.2%	4.5%
	Downside	-38.3%	18.4%	11.6%	8.5%	6.9%
Unemployment rate	Base	2.6%	2.4%	2.4%	2.3%	2.3%
	Upside	1.9%	2.1%	2.4%	2.3%	2.3%
	Downside	3.4%	2.8%	2.6%	2.4%	2.4%
Futures price: NYMEX light sweet crude oil, USD per barrel	Base	70.97	66.31	66.24	67.25	67.83
	Upside	75.84	69.36	67.52	68.43	69.08
	Downside	52.14	57.06	63.44	64.69	65.84

Sensitivity of ECL to future economic conditions

The ECL is sensitive to judgements and assumptions made in respect of the formulation and calibration of forward-looking macroeconomic scenarios and how such scenarios are incorporated into the ECL calculation. The level of economic uncertainty remained elevated during the financial period ended 30 June 2025, primarily driven by the interest rate environment being experienced as a result of the European Central Bank's ('ECB') monetary policy actions. The macroeconomic situation is characterised by a slowdown in economic growth, with lower levels of private consumption as a result of a steep rise in commodity prices, as well as subdued investment. In addition, the level of macroeconomic uncertainty is exacerbated by global geopolitical conflicts, in particular the protracted military conflict between Russia and Ukraine and the military conflict in the Middle East. In this respect, the level of estimation uncertainty and judgement has remained high during the first six months of 2025. Risks to the economic outlook include the potential impacts from anticipated changes to the United States of America's ('USA') economic and trade policy, including higher tariffs, and the possibility of retaliatory measures. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions, remain highly subjective. In this respect, Management performs a sensitivity analysis on the ECL recognised in respect of material asset classes.

The tables below show the loss allowance assuming that 100% probability weights were assigned to each of the three forward-looking macroeconomic scenarios (base case, upside and downside) instead of applying a weighted average ECL across the three macroeconomic scenarios. For ease of comparison, the tables also include the probability-weighted amounts excluding judgemental adjustments on Loans and advances to customers of USD2,534,701 (31 December 2024: USD1,547,817) at Group level and USD1,445,564 (31 December 2024: USD1,235,916) at Bank level. Judgemental adjustments are accounted for in the financial statements and included in tables in Note 6.1.2.

Group – 30 June 2025

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	470,382,015	470,382,015	470,382,015	470,382,015
Loss allowance	14,941,513	15,165,168	15,963,708	15,366,912

Group – 31 December 2024

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	445,116,378	445,116,378	445,116,378	445,116,378
Loss allowance	15,234,246	15,461,212	16,345,585	15,591,838

Bank – 30 June 2025

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	670,325,492	670,325,492	670,325,492	670,325,492
Loss allowance	12,938,994	13,252,696	15,004,064	13,683,996

Bank – 31 December 2024

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	533,276,410	533,276,410	533,276,410	533,276,410
Loss allowance	13,765,901	14,007,285	15,301,639	14,256,583

6.1.4 Reconciliation of gross carrying amounts and allowances for ECL

The following disclosure provides a reconciliation by stage of the Group's gross carrying/nominal amounts and credit loss allowances for 'Loans and advances to customers'.

Within the following tables, the line items 'New financial assets originated or purchased and further lending' and 'Financial assets that have been repaid or partially repaid' represent movements within the Group's lending portfolios in respect of gross carrying amounts and associated credit loss allowances. The former represents new lending sanctioned during the financial reporting period ended 30 June 2025. The latter reflects repayments that occurred during the financial reporting period ended 30 June 2025, which however, would only have existed on the Group's Statement of Financial Position as at 31 December 2024. Accordingly, repayments and disposals relating to loans sanctioned during the financial reporting period are netted off against new lending included within 'New financial assets originated or purchased and further lending'.

The line items showing transfers of financial instruments across stages represent the impact of stage transfers upon the gross carrying amount and associated allowance for ECL excluding the impact of remeasurement of ECL due to stage transfers. The 'Net remeasurement of loss allowance' represents the increase or decrease due to these transfers, for example, moving from a 12-month (Stage 1) to a lifetime (Stage 2) ECL measurement basis, including the movements in underlying credit risk grades attributable to the financial instruments transferring stage. Movements in ECL in respect of exposures classified within the same stage as at the beginning and end of the reporting period and arising as a result of changes to the underlying PDs and LGDs, including as a result of changes in macroeconomic scenarios, are reflected in the 'Changes in risk parameters' line item.

Group – 30 June 2025

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**379,138,523**	**(2,432,221)**	**52,291,989**	**(4,560,632)**	**13,685,866**	**(10,146,802)**	**445,116,378**	**(17,139,655)**
Transfer to Stage 1	532,051	(4,141)	(532,051)	4,141	-	-	-	-
Transfer to Stage 2	(15,449,555)	111,623	15,449,555	(111,623)	-	-	-	-
Transfer to Stage 3	-	-	(3,906,505)	32,178	3,906,505	(32,178)	-	-
Net remeasurement of loss allowance arising from stage transfers	-	4,135	-	(21,052)	-	(562,429)	-	(579,346)
Changes in risk parameters	-	224,852	-	(517,187)	-	(204,579)	-	(496,914)
New financial assets originated or purchased and further lending	326,606,328	(1,577,273)	21,091,742	(268,869)	24,625	-	347,722,695	(1,846,142)
Financial assets that have been repaid or partially repaid	(316,242,692)	808,289	(26,680,135)	71,112	(1,750,363)	752,430	(344,673,190)	1,631,831
Write-offs	-	-	-	-	(2,303,610)	989,670	(2,303,610)	989,670
Foreign exchange and other movements	19,047,845	(1,648)	4,483,103	(22)	988,794	(459,387)	24,519,742	(461,057)
Balance at 30 June	**393,632,500**	**(2,866,384)**	**62,197,698**	**(5,371,954)**	**14,551,817**	**(9,663,275)**	**470,382,015**	**(17,901,613)**
ECL change for the period								(761,958)
Assets written off								(2,303,610)
Change in expected credit losses excluding effect of write-offs								**(3,065,568)**
Recoveries								1,450,576
Foreign exchange and other movements								461,057
Change in expected credit losses and other credit impairment charges								**(1,153,935)**

	As at 30 June 2025		Six months ended 30 June 2024
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta, treasury bills and cash	29,547,111	(13,970)	37,693
Loans and advances to banks	121,634,729	(387,752)	(207,899)
Loans and advances to customers	470,382,015	(17,901,613)	(1,153,935)
Financial investments at amortised cost	24,626,475	-	21
Off-balance sheet			
– Guarantees	26,402,759	(171,344)	(158,742)
– Commitments	169,086,660	(360,495)	102,126
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**841,679,749**	**(18,835,174)**	**(1,380,736)**
Financial investments at fair value through other comprehensive income	121,736,984	(94,866)	(17,072)
Total allowance for ECL/Total income statement ECL charge		**(18,930,040)**	**(1,397,808)**

Group – 31 December 2024

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**348,322,143**	**(1,992,933)**	**74,817,853**	**(3,235,201)**	**27,115,371**	**(13,685,159)**	**450,255,367**	**(18,913,293)**
Transfer to Stage 1	8,117,042	(163,525)	(8,117,042)	163,525	-	-	-	-
Transfer to Stage 2	(12,550,486)	44,257	12,550,486	(44,257)	-	-	-	-
Transfer to Stage 3	-	-	(826,664)	14,774	826,664	(14,774)	-	-
Net remeasurement of loss allowance arising from stage transfers	-	(19,442)	-	12,541	-	(305,675)	-	**(312,576)**
Changes in risk parameters	-	83,145	-	(1,502,211)	-	(3,574,526)	-	**(4,993,592)**
New financial assets originated or purchased and further lending	432,469,819	(1,470,719)	18,556,170	(144,706)	40,221	(40,221)	**451,066,210**	**(1,655,646)**
Financial assets that have been repaid or partially repaid	(382,567,759)	1,079,287	(39,828,212)	174,762	(8,149,871)	3,699,466	**(430,545,842)**	**4,953,515**
Write-offs	-	-	-	-	(4,672,416)	3,279,949	**(4,672,416)**	**3,279,949**
Foreign exchange and other movements	(14,652,236)	7,709	(4,860,602)	141	(1,474,103)	494,138	**(20,986,941)**	**501,988**
Balance at 31 December	**379,138,523**	**(2,432,221)**	**52,291,989**	**(4,560,632)**	**13,685,866**	**(10,146,802)**	**445,116,378**	**(17,139,655)**
ECL change for the period								1,773,638
Assets written off								(4,672,416)
Change in expected credit losses excluding effect of write-offs								**(2,898,778)**
Recoveries								1,056,082
Foreign exchange and other movements								(501,988)
Change in expected credit losses and other credit impairment charges								**(2,344,684)**

	As at 31 December 2024		Twelve months ended 31 December 2024
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta, treasury bills and cash	134,243,880	(51,663)	32,363
Loans and advances to banks	96,637,245	(179,853)	59,731
Loans and advances to customers	445,116,378	(17,139,655)	(2,344,684)
Financial investments at amortised cost	2,073,927	(21)	131,140
Off-balance sheet			
– Guarantees	27,628,498	(12,602)	(5,051)
– Commitments	132,205,442	(462,621)	(380,314)
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**837,905,370**	**(17,846,415)**	**(2,506,815)**
Financial investments at fair value through other comprehensive income	120,265,095	(77,794)	5,439
Total allowance for ECL/Total income statement ECL charge		**(17,924,209)**	**(2,501,376)**

Bank – 30 June 2025

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**486,974,629**	**(1,935,067)**	**33,415,683**	**(4,116,527)**	**12,886,098**	**(9,440,905)**	**533,276,410**	**(15,492,499)**
Transfer to Stage 2	(11,365,393)	14,595	11,365,393	(14,595)	-	-	**-**	**-**
Transfer to Stage 3	-	-	(2,580,428)	-	2,580,428	-	**-**	**-**
Net remeasurement of loss allowance arising from stage transfers	-	-	-	11,164	-	(12,853)	**-**	**(1,689)**
Changes in risk parameters	-	295,766	-	(412,290)	-	(146,850)	**-**	**(263,374)**
New financial assets originated or purchased and further lending	296,336,362	(1,263,948)	5,161,863	(51,306)	24,625	-	**301,522,850**	**(1,315,254)**
Financial assets that have been repaid or partially repaid	(179,155,275)	641,595	(20,787,141)	10,169	(1,548,616)	752,430	**(201,491,032)**	**1,404,194**
Write-offs	-	-	-	-	(2,303,610)	989,670	**(2,303,610)**	**989,670**
Foreign exchange and other movements	34,722,324	-	3,619,418	-	979,132	(450,608)	**39,320,874**	**(450,608)**
Balance at 30 June	**627,512,647**	**(2,247,059)**	**30,194,788**	**(4,573,385)**	**12,618,057**	**(8,309,116)**	**670,325,492**	**(15,129,560)**
ECL change for the period								362,939
Assets written off								(2,303,610)
Change in expected credit losses excluding effect of write-offs								**(1,940,671)**
Recoveries								1,296,789
Foreign exchange and other movements								450,608
Change in expected credit losses and other credit impairment charges								**(193,274)**

	As at 30 June 2025		Six months ended 30 June 2025
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta, treasury bills and cash	29,514,937	(13,970)	37,693
Loans and advances to banks	108,637,557	(362,721)	(183,920)
Loans and advances to customers	670,325,492	(15,129,560)	(193,274)
Financial investments at amortised cost	24,626,475	-	21
Off-balance sheet:			
– Guarantees	26,402,759	(171,344)	(158,738)
– Commitments	162,756,682	(360,495)	(161,976)
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**1,022,263,902**	**(16,038,090)**	**(660,194)**
Financial investments at fair value through other comprehensive income	121,736,984	(94,866)	(17,072)
Total allowance for ECL/Total income statement ECL charge		**(16,132,956)**	**(677,266)**

Bank – 31 December 2024

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**574,232,438**	**(2,749,760)**	**36,066,877**	**(2,641,065)**	**20,605,923**	**(7,396,188)**	**630,905,238**	**(12,787,013)**
Transfer to Stage 2	(10,513,718)	20,800	10,513,718	(20,800)	-	-	**-**	**-**
Net remeasurement of loss allowance arising from stage transfers	-	-	-	20,737	-	-	**-**	**20,737**
Changes in risk parameters	-	915,593	-	(1,469,666)	-	(3,372,617)	**-**	**(3,926,690)**
New financial assets originated or purchased and further lending	285,368,787	(1,315,820)	9,610,643	(16,845)	40,221	(40,221)	**295,019,651**	**(1,372,886)**
Financial assets that have been repaid or partially repaid	(342,169,821)	1,194,120	(21,337,893)	11,112	(5,876,002)	1,176,694	**(369,383,716)**	**2,381,926**
Write-offs	-	-	-	-	(1,161,683)	-	**(1,161,683)**	**-**
Foreign exchange and other movements	(19,943,057)	-	(1,437,662)	-	(722,361)	191,427	**(22,103,080)**	**191,427**
Balance at 31 December	**486,974,629**	**(1,935,067)**	**33,415,683**	**(4,116,527)**	**12,886,098**	**(9,440,905)**	**533,276,410**	**(15,492,499)**
ECL change for the period								(2,705,486)
Assets written off								(1,161,683)
Change in expected credit losses excluding effect of write-offs								**(3,867,169)**
Recoveries								793,350
Foreign exchange and other movements								(191,427)
Change in expected credit losses and other credit impairment charges								**(3,265,246)**

	As at 31 December 2024		Twelve months ended 31 December 2024
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta, treasury bills and cash	134,230,953	(51,663)	32,363
Loans and advances to banks	90,276,925	(178,801)	36,877
Loans and advances to customers	533,276,410	(15,492,499)	(3,265,246)
Financial investments at amortised cost	2,073,927	(21)	131,140
Off-balance sheet			
– Guarantees	27,632,552	(12,606)	(4,778)
– Commitments	111,629,563	(198,519)	(116,212)
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**899,120,330**	**(15,934,109)**	**(3,185,856)**
Financial investments at fair value through other comprehensive income	120,265,095	(77,794)	5,439
Total allowance for ECL/Total income statement ECL charge		**(16,011,903)**	**(3,180,417)**

6.2 Fair values of financial instruments

6.2.1 Valuation of financial instruments

A number of the Group's Accounting Policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This framework includes reports to the Group's Chief Financial Officer and Executive Management having overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. Market risk and related exposure to fair value movement is also a key function of the Group's Assets Liabilities Committee and all valuations of financial instruments are reported to the Committee for review and approval. Significant valuation issues are reported to the Group's Board Audit Committee.

The Group measures fair values of an asset or liability using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1**: inputs that are quoted (unadjusted) market prices in active markets for identical assets or liabilities.

- **Level 2**: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets or liabilities valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- **Level 3**: inputs that are unobservable. This category includes all assets or liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category also includes assets or liabilities that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt securities and exchange traded derivatives and simple over-the-counter derivatives like currency and interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and, also reduces the uncertainty associated with the determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Group uses proprietary valuation models, which are usually developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain loans and securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments, and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Group believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and the counterparty where appropriate.

6.2.2 Financial instruments measured at fair value – fair value hierarchy

The table below analyses financial instruments measured at fair value by the level in the fair value hierarchy into which the fair value measurement is categorised.

Group - 30 June 2025

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
– foreign exchange	-	11,375,271	-	**11,375,271**
Trading assets	-	-	402,965,760	**402,965,760**
Financial investments at fair value through profit or loss	-	-	11,167,569	**11,167,569**
Financial investments at fair value through other comprehensive income	121,736,984	-	-	**121,736,984**
Liabilities				
Derivative liabilities held for risk management:				
– foreign exchange	-	8,219,605	-	**8,219,605**

Group - 31 December 2024

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
– foreign exchange	-	1,464,641	-	**1,464,641**
Trading assets	-	-	274,733,298	**274,733,298**
Financial investments at fair value through profit or loss	-	-	13,958,450	**13,958,450**
Financial investments at fair value through other comprehensive income	120,265,095	-	-	**120,265,095**
Liabilities				
Derivative liabilities held for risk management:				
– foreign exchange	-	1,109,346	-	**1,109,346**

Bank - 30 June 2025

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
– foreign exchange	-	11,375,271	-	**11,375,271**
Financial investments at fair value through profit or loss	-	-	11,167,569	**11,167,569**
Financial investments at fair value through other comprehensive income	121,736,984	-	-	**121,736,984**
Liabilities				
Derivative liabilities held for risk management:				
– foreign exchange	-	8,219,605	-	**8,219,605**
– interest rate	-	8,101	-	**8,101**

Bank - 31 December 2024

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
– foreign exchange	-	1,464,641	-	**1,464,641**
Financial investments at fair value through profit or loss	-	-	13,958,450	**13,958,450**
Financial investments at fair value through other comprehensive income	120,265,095	-	-	**120,265,095**
Liabilities				
Derivative liabilities held for risk management:				
– foreign exchange	-	1,109,346	-	**1,109,346**
– interest rate	-	56,041	-	**56,041**

The Bank and the Group recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. The Bank and the Group did not transfer any assets or liabilities between levels of the fair value hierarchy during the financial periods ended 31 December 2024 and 30 June 2025.

6.2.3 Level 3 fair value measurements

6.2.3.1 Reconciliation

The following table shows a reconciliation of the opening balances to the closing balances for fair value measurements classified in Level 3 of the fair value hierarchy.

Group - 30 June 2025

	Trading assets USD	Financial investments at fair value through profit or loss USD	Total USD
Balance at 1 January 2025	274,733,298	13,958,450	**288,691,748**
Total gains/(losses) in profit or loss	1,260,321	(4,496,794)	**(3,236,473)**
Purchases	490,277,813	-	**490,277,813**
Settlements/Redemptions	(380,612,139)	-	**(380,612,139)**
Effects of movement in exchange rates	17,306,467	1,705,913	**19,012,380**
Balance at 30 June 2025	**402,965,760**	**11,167,569**	**414,133,329**

Group - 30 June 2024

	Trading assets USD	Financial investments at fair value through profit or loss USD	Total USD
Balance at 1 January 2024	374,177,108	19,329,840	**393,506,948**
Total losses in profit or loss	(1,105,754)	(287,054)	**(1,392,808)**
Purchases	504,127,673	-	**504,127,673**
Settlements/Redemptions	(527,288,313)	(993,777)	**(528,282,090)**
Effects of movement in exchange rates	(3,695,598)	(579,315)	**(4,274,913)**
Balance at 30 June 2024	**346,215,116**	**17,469,694**	**363,684,810**

Bank - 30 June 2025

	Trading assets USD	Financial investments at fair value through profit or loss USD	Total USD
Balance at 1 January 2025	-	13,958,450	**13,958,450**
Total losses in profit or loss	-	(4,496,794)	**(4,496,794)**
Effects of movement in exchange rates	-	1,705,913	**1,705,913**
Balance at 30 June 2025	**-**	**11,167,569**	**11,167,569**

Bank - 30 June 2024

	Trading assets USD	Financial investments at fair value through profit or loss USD	Total USD
Balance at 1 January 2024	-	19,329,840	**19,329,840**
Total gains/(losses) in profit or loss	11,831	(287,054)	**(275,223)**
Purchases	9,900,000	-	**9,900,000**
Settlements/Redemptions	-	(993,777)	**(993,777)**
Effects of movement in exchange rates	-	(579,315)	**(579,315)**
Balance at 30 June 2024	**9,911,831**	**17,469,694**	**27,381,525**

6.2.3.2 Unobservable inputs used in measuring fair value

The below sets out information about significant unobservable inputs used at 30 June 2025 and 31 December 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Trading assets

The 'Trading assets' portfolio represents forfaiting assets, that is the discounting of receivables generated from an export contract on a without recourse basis. The assets would be evidenced by a number of different debt instruments including bills of exchange, promissory notes, letters of credit and trade or project related syndicated and bi-lateral loan (financing) agreements.

The Group establishes the fair value of its trading assets using a valuation technique based on the discounted expected future principal and interest cash flows. The discount rate is an estimate based on current expected credit margin spreads and market interest rates at the reporting date. Inputs to the valuation technique reasonably represent market expectation and measures of risk-return factors inherent in the financial instrument.

The Group uses the Risk Free Rates (RFRs) yield curve plus an adequate credit margin spread to discount cash flows from the trading assets held. At 30 June 2025, the discount rates used by the Group range between 4.06% and 12.49% (31 December 2024: between 5.39% and 13.57% for the Group and Bank). The effect of a one-percentage point increase/(decrease) in the interest rate on trading assets at 30 June 2025 would increase/(decrease) the Group's profit or loss by approximately USD3,674,331 (31 December 2024: USD1,065,181).

Financial investments at fair value through profit or loss

As at 30 June 2025, 'Financial investments at fair value through profit or loss' mainly represent holdings in two sub-funds, as follows:

- an unlisted sub-fund of a local collective investment scheme regulated by the MFSA, which is independently run by an investment manager licensed and regulated by the Financial Conduct Authority in the United Kingdom. The sub-fund invests in sustainable energy plants with returns generated throughout the life of each plant.

  The fair value is measured by the Group based on periodical net asset valuations prepared by the scheme's independent administrator. The sub-fund's assets are marked to market. Assets are marked at observable traded prices where that is possible. Where there is no observable price, the assets are marked in accordance with best market practice. This may involve the use of models and forward projections. Inputs and assumptions used in these models may be subjective and could include a number of highly judgemental uncertainties including the projected valuations of the individual plants and the future potential income from each plant.

  During the six month period ended 30 June 2025, the fair value of the above investment decreased by USD 4,484,686, primarily due to unfavourable movements in the energy prices prevailing in the relevant region, which had an impact on the forecasted cash flows used by the Group and Bank to the derive the net asset valuation and the fair value of the investment. This decline in the fair value of the investment was partially offset by favourable exchange movements amounting to USD 1,563,207 during the six-month period ended 30 June 2025.

  The effect of a ten-percentage point increase/(decrease) in the net asset value of the sub-fund at 30 June 2025 would increase/(decrease) the Bank and Group profit or loss by approximately USD985,907 (31 December 2024: USD1,278,055).

- an unlisted sub-fund of a local collective investment scheme regulated by the MFSA, which is independently run by an investment manager licensed and regulated by the Financial Conduct Authority in the United Kingdom. The sub-fund invests in a variety of investments, with relativity complex structures and limited liquidity.

  The fair value is measured by the Group based on periodical net asset valuations prepared by the scheme's independent administrator. The sub-fund's assets are marked to market. Assets are marked at observable traded prices where that is possible. Where there is no observable price, the assets are marked in accordance with best market practice. This may involve the use of models and forward projections. Inputs and assumptions used in these models may be subjective and could include a number of highly judgemental uncertainties including the projected valuations of the individual assets and the future potential income from each asset.

  The effect of a ten-percentage point increase/(decrease) in the net asset value of the sub-fund at 30 June 2025 would increase/(decrease) the Group and Bank profit or loss by approximately USD125,614 (31 December 2024: USD112,554).

6.2.4 Financial instruments not measured at fair value

At 30 June 2025 and 31 December 2024, the fair value of the below financial assets and liabilities measured at amortised cost is approximately equal to the carrying amount unless disclosed otherwise and, as such, the fair value estimate is considered to be a Level 3 fair value estimate. The approximate fair value is based on the following:

- **'Balances with Central Bank of Malta and cash'**
  All of these assets reprice or mature in less than one hundred eighty days at 30 June 2025 and 31 December 2024. Hence their fair value is not deemed to differ materially from their carrying amount at the respective reporting dates.

- **'Loans and advances to banks' and 'Loans and advances to customers'**
  Loans and advances to banks and customers are reported net of allowances to reflect the estimated recoverable amounts as at the financial reporting date. More than 83% of the Group's (31 December 2024: 81%) and more than 83% of the Bank's (31 December 2024: 79%) loans and advances to banks and customers are repayable within a period of less than 12 months and the interest is re-priced to take into account changes in benchmark rate. As a result, the carrying amount of loans and advances to banks and customers is deemed to be a reasonable approximation of fair value.

- **'Financial investments at amortised cost'**
  At 30 June 2025, 'financial investments at amortised cost' represent the Group's and Bank's debt instruments portfolio which is largely comprised of investments in bonds issued by the governments of countries in the European Union and European banks, which are held primarily for liquidity management. The fair value of financial investments at amortised cost amounted to USD24,266,374 (31 December 2024: USD1,999,380). The fair value is derived using quoted market prices under Level 1 of the fair value hierarchy at the end of the reporting period.

- **'Amounts owed to institutions and banks', 'Amounts owed to customers' and 'Debt securities in issue'**
  The majority of these liabilities reprice or mature in less than one year. Hence their fair value is not deemed to differ materially from their carrying amount at the respective reporting dates.

  Interest rates on the Group's 'Debt securities in issue' are disclosed in Note 13.

- **'Subordinated Liabilities'**
  The subordinated loan carries a fixed interest rate until maturity. Given that the subordinated loan was originated in the first half of 2025, its fair value is not considered to differ materially from its carrying amount at the reporting date.

  Interest rates on the Group's 'Subordinated Liabilities' are disclosed in Note 14.

6.2.5 Non-financial instruments measured at fair value

The Group's freehold land and premises and improvement to premises, within 'Property and equipment', as well as the Group's 'Investment Property', are measured at fair value. All the recurring property fair value measurements use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

Land and buildings and investment properties are revalued by an independent, professionally qualified architect. Valuations of land and buildings are done using the 'investment income approach' whereby market value is derived by capitalising at an appropriate yield rate, the annual income produced, should the property be leased out to third parties. The income is based on actual rental income as per current lease agreements. To determine the reasonableness of the actual rates being used, a comparison is then drawn between the actual rates and rental rates of other properties, taking cognisance of the location, size, layout, and planning and energy performance considerations.

The land and premises and investment property were last revalued on 31 December 2023. The underlying assumptions and inputs to the derivation of the estimated fair value are disclosed in Notes 27.2 and 28.2 of the Annual Report and Financial Statements 2024. No significant changes in key assumptions and inputs, that would require a revaluation, were observed during the financial period ended 30 June 2025.

7 Classification of financial assets and liabilities

The following tables provide a reconciliation between line items in the Statements of Financial Position and categories of financial instruments.

Group – 30 June 2025

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	29,533,141	**29,533,141**
Derivative assets held for risk management	11,375,271	-	-	**11,375,271**
Trading assets	402,965,760	-	-	**402,965,760**
Loans and advances to banks	-	-	121,246,977	**121,246,977**
Loans and advances to customers	-	-	452,480,402	**452,480,402**
Financial investments at fair value through profit or loss	11,167,569	-	-	**11,167,569**
Financial investments at fair value through other comprehensive income	-	121,736,984	-	**121,736,984**
Financial investments at amortised cost	-	-	24,626,475	**24,626,475**
Total financial assets	**425,508,600**	**121,736,984**	**627,886,995**	**1,175,132,579**
Derivative liabilities held for risk management	8,219,605	-	-	**8,219,605**
Amounts owed to institutions and banks	-	-	200,816,989	**200,816,989**
Amounts owed to customers	-	-	791,996,956	**791,996,956**
Debt securities in issue	-	-	17,793,448	**17,793,448**
Subordinated Liabilities	-	-	20,278,056	**20,278,056**
Total financial liabilities	**8,219,605**	**-**	**1,030,885,449**	**1,039,105,054**

Group – 31 December 2024

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	134,192,217	**134,192,217**
Derivative assets held for risk management	1,464,641	-	-	**1,464,641**
Trading assets	274,733,298	-	-	**274,733,298**
Loans and advances to banks	-	-	96,457,392	**96,457,392**
Loans and advances to customers	-	-	427,976,723	**427,976,723**
Financial investments at fair value through profit or loss	13,958,450	-	-	**13,958,450**
Financial investments at fair value through other comprehensive income	-	120,265,095	-	**120,265,095**
Financial investments at amortised cost	-	-	2,073,906	**2,073,906**
Total financial assets	**290,156,389**	**120,265,095**	**660,700,238**	**1,071,121,722**
Derivative liabilities held for risk management	1,109,346	-	-	**1,109,346**
Amounts owed to institutions and banks	-	-	241,193,331	**241,193,331**
Amounts owed to customers	-	-	679,118,749	**679,118,749**
Debt securities in issue	-	-	15,851,701	**15,851,701**
Total financial liabilities	**1,109,346**	**-**	**936,163,781**	**937,273,127**

Bank – 30 June 2025

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	29,500,967	**29,500,967**
Derivative assets held for risk management	11,375,271	-	-	**11,375,271**
Loans and advances to banks	-	-	108,274,836	**108,274,836**
Loans and advances to customers	-	-	655,195,932	**655,195,932**
Financial investments at fair value through profit or loss	11,167,569	-	-	**11,167,569**
Financial investments at fair value through other comprehensive income	-	121,736,984	-	**121,736,984**
Financial investments at amortised cost	-	-	24,626,475	**24,626,475**
Total financial assets	**22,542,840**	**121,736,984**	**817,598,210**	**961,878,034**
Derivative liabilities held for risk management	8,227,706	-	-	**8,227,706**
Amounts owed to institutions and banks	-	-	107,594,911	**107,594,911**
Amounts owed to customers	-	-	794,508,502	**794,508,502**
Subordinated liabilities	-	-	20,278,056	**20,278,056**
Total financial liabilities	**8,227,706**	**-**	**922,381,469**	**930,609,175**

Bank – 31 December 2024

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	134,179,290	**134,179,290**
Derivative assets held for risk management	1,464,641	-	-	**1,464,641**
Loans and advances to banks	-	-	90,098,124	**90,098,124**
Loans and advances to customers	-	-	517,783,911	**517,783,911**
Financial investments at fair value through profit or loss	13,958,450	-	-	**13,958,450**
Financial investments at fair value through other comprehensive income	-	120,265,095	-	**120,265,095**
Financial investments at amortised cost	-	-	2,073,906	**2,073,906**
Total financial assets	**15,423,091**	**120,265,095**	**744,135,231**	**879,823,417**
Derivative liabilities held for risk management	1,165,387	-	-	**1,165,387**
Amounts owed to institutions and banks	-	-	168,729,126	**168,729,126**
Amounts owed to customers	-	-	679,691,057	**679,691,057**
Total financial liabilities	**1,165,387**	**-**	**848,420,183**	**849,585,570**

8 Net fee and commission income

	Group		Bank	
	30 Jun 2025 USD	30 Jun 2024 USD	30 Jun 2025 USD	30 Jun 2024 USD
Fee and commission income				
Business introductions and other services provided in respect of trading assets	779,341	1,155,925	-	1,427
Issuance and confirmation of letters of credit	586,784	815,465	586,784	815,465
Issuance and confirmation of letters of credit to subsidiary companies	-	-	-	50
Assignment fees on negotiated bills and letters of credit	331,955	260,255	331,955	260,255
Issuance of guarantees to customers	276,029	450,040	276,029	450,040
Issuance of guarantees to subsidiary companies	-	-	132	9,030
Rebates and maintenance fees on correspondent banking	198,527	107,201	198,527	107,201
Payment fees and other bank charges	165,923	162,984	160,487	162,910
Payment fees and other bank charges charged to subsidiary companies	-	-	167,255	42,543
Account opening and other operating fees on customer accounts	129,786	123,264	129,786	123,264
Fees and commissions receivable in respect of real estate lending	121,568	74,565	121,568	74,565
Fees and commissions receivable in respect of trade finance lending	9,424	21,529	9,424	21,529
Other fees receivable	-	99,037	-	-
Administrative fees on factoring receivables	23,955	1,221	-	851
	2,623,292	**3,271,486**	**1,981,947**	**2,069,130**
Fee and commission expense				
Commissions paid to correspondent factors and insurance fees in respect of factoring receivables	1,250,336	1,030,535	202,314	224,485
Insurance fees in respect of trading assets	494,853	309,398	-	-
Agent fees and other administrative fees in respect of trading assets	300,889	1,036,967	-	4,250
Insurance fees in respect of trade finance lending	250,415	198,214	250,415	198,214
Bank charges	133,977	150,235	97,054	96,336
Issuance of guarantees in respect of trade finance lending	2,683	66,042	2,683	66,042
Other fees payable in respect of real estate lending	2,153	826	2,153	826
Other fees payable	154	24,706	154	24,706
	2,435,460	**2,816,923**	**554,773**	**614,859**
Net fee and commission income	**187,832**	**454,563**	**1,427,174**	**1,454,271**

Included in Group and Bank figures in the table above are 'Fee and commission income' receivable from and 'Fee and commission expense' payable to the parent company and other related parties (refer to analysis of amounts in Note 18).

9 Net trading results

	Group		Bank	
	30 Jun 2025 USD	30 Jun 2024 USD	30 Jun 2025 USD	30 Jun 2024 USD
Fair value movements on trading assets	(204,987)	(618,823)	-	3,799
Fair value movements on derivatives held for risk management	11,572,114	(1,982,784)	11,001,776	(2,292,397)
Net (loss)/income from foreign exchange activities	(9,764,249)	1,654,963	(9,946,853)	1,757,749
	1,602,878	**(946,644)**	**1,054,923**	**(530,849)**

10 Dividend income

	Bank	
	30 Jun 2025 USD	30 Jun 2024 USD
Dividend income from subsidiary companies	840,796	2,000,000
	840,796	**2,000,000**

11 Derivatives held for risk management

	Group		Bank	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Derivative assets held for risk management				
– foreign exchange	11,375,271	1,464,641	11,375,271	1,464,641
	11,375,271	**1,464,641**	**11,375,271**	**1,464,641**
Derivative liabilities held for risk management				
– foreign exchange	(8,219,605)	(1,109,346)	(8,219,605)	(1,109,346)
– interest rate	-	-	(8,101)	(56,041)
	(8,219,605)	**(1,109,346)**	**(8,227,706)**	**(1,165,387)**

See Note 18 for derivatives with related parties.

11.1 Net investment hedge

The Bank has an exposure to Indian Rupees ("INR") in respect of the investment in India Factoring, which had a carrying amount of USD38.2 million as at 30 June 2025 (31 December 2024: USD33.7 million). In this respect, the Bank entered into forward foreign exchange derivative contracts to hedge its exposure to INR. As at 30 June 2025, the notional amount of these derivative contracts amounts to USD36.4 million (31 December 2024: USD32.1 million).

The Bank applies hedge accounting in respect of the net investment in India Factoring to mitigate the risk of changes in spot exchange rates. Hedging is undertaken using forward foreign exchange contracts where an economic relationship exists between the hedged net investment and hedging instrument due to the foreign currency risk exposure.

	Carrying amount					
	Derivative assets USD	Derivative liabilities USD	Notional amount USD	Movement in hedged item recognised in OCI USD	Movement in fair value of hedging instrument USD	Hedge ineffectiveness recognised in income statement USD
30 June 2025						
Indian rupee denominated foreign exchange	-	119,151	36,394,812	(560,834)	(598,204)	(37,370)
31 December 2024						
Indian rupee denominated foreign exchange	518,146	-	32,115,838	447,075	441,962	(5,113)

12 Investments in subsidiaries

12.1 Subsidiaries

Name of company	Country of incorporation	Nature of business	Equity interest		Bank	
			30 Jun 2025 %	31 Dec 2024 %	30 Jun 2025 USD	31 Dec 2024 USD
FIM Property Investment Limited	Malta	Property management	100	100	1,006,000	1,006,000
London Forfaiting Company Limited	United Kingdom	Forfaiting	100	100	72,966,435	72,966,435
The Egyptian Company for Factoring S.A.E.	Egypt	Factoring	100	100	8,523,448	8,523,448
FIMFactors B.V.	Netherlands	Holding company	100	100	38,232,942	33,686,690
					120,728,825	**116,182,573**

The carrying amount of the 'Investments in subsidiaries', amounting to USD120,728,825 as at 30 June 2025 (31 December 2024: USD116,182,573), is stated net of accumulated impairment, amounting to USD67,644,660 as at 30 June 2025 (31 December 2024: USD67,644,660). The accumulated impairment relates to FIMFactors B.V. (FIMFactors) and The Egyptian Company for Factoring S.A.E ("Egypt Factors").

The Bank, indirectly through FIMFactors B.V., controls India Factoring and Finance Solutions Private Limited ("India Factoring"), an entity incorporated in India and carrying out the business of factoring in India. As at 31 December 2024, the Bank held 88.16% shareholding.

During the six-month period ended 30 June 2025, the board of directors of India Factoring and its members approved the offer, issuance and allotment of 51,041,897 shares having a nominal value of INR10 each at an issue price of INR10 to existing shareholders. In March 2025, the Bank, through its subsidiary FIMFactors, subscribed to a first tranche of 26,100,000 newly issued and allotted shares of India Factoring for INR 261,000,000 (USD 3,012,817). This increased the Group's shareholding in India Factoring from 88.16% to 88.80%.

As disclosed in Note 19 to these Condensed Interim Financial Statements, the Bank further increased its shareholding through the participation in the second tranche of the share issue subsequent to 30 June 2025.

In April 2025, the Bank, through FIMFactors, entered into a share purchase agreement to acquire 19,902,291 shares in India Factoring from a non-controlling interest for a total consideration of INR 116,229,385 (USD 1,352,418), effectively raising the Group's shareholding from 88.80% to 92.87%.

In June 2025, the total number of shares held by a non-controlling interest, the India Factoring Employee Welfare Trust, amounting to 326,966,290 shares, were extinguished pursuant to an order of the National Company Law Tribunal, Mumbai. Subsequently, the Registrar of Companies in India issued a certificate of reduction of share capital for India Factoring by virtue of which the shares were officially struck off the Registry. As a result, the Bank's effective shareholding in India Factoring increased further to 99.54%.

As a result of the above transactions, the non-controlling interest in India Factoring decreased from 11.84% as at 31 December 2024 to 0.46% as at 30 June 2025, resulting in a net decrease in the non-controlling interest amounting to USD 443,322, as shown within the Group's Statement of Changes in Equity for the six month period ended 30 June 2025.

12.2 Impairment assessment

At each reporting date, the Bank carries out an impairment assessment to calculate the recoverable amount of its investments in subsidiaries and determines the possibility of an impairment loss. If an indication of impairment is detected, the Bank performs an impairment assessment to determine whether the recoverable amount of the investment in that subsidiary is less than the carrying amount.

The recoverable amount of the investments in subsidiaries is determined based on the higher of 'fair value less cost of disposal' and 'value-in-use'. The recoverable amounts of the cash generating units ("CGUs") fall in their entirety under Level 3 fair value hierarchy, as they are based on valuation techniques that include unobservable inputs that have a significant effect on the valuation of the CGUs.

As at 30 June 2025, the Bank performed an assessment to identify any impairment triggers based on the underlying performance of each subsidiary. This involved a retrospective analysis to test the effectiveness of the assumptions and projections used in the assessment as at 31 December 2024.

As at 30 June 2025, no indicators of impairment were identified by the Bank in relation to its investment in any of its subsidiaries. As at 30 June 2024, the revision of the financial projections of Egypt Factors by its Senior Management was deemed to represent an impairment trigger requiring an adjustment to the key assumptions applied in the impairment assessment of Egypt Factors. In this respect, the recoverable amount of the subsidiary as at the same date was deemed to be lower than its carrying amount, resulting in an impairment loss amounting to USD1,500,000 being recognised in the Bank's Statement of Profit or Loss.

13 Debt securities in issue

	Group	
	30 Jun 2025 USD	31 Dec 2024 USD
Opening balance	15,851,701	27,543,864
Debt securities issued	17,556,180	36,290,304
Principal repayments	(17,556,180)	(46,301,439)
Movement in accrued interest	(31,636)	(52,066)
Effects of movement in exchange rates	1,973,383	(1,628,962)
Closing balance	**17,793,448**	**15,851,701**

'Debt securities in issue' as at 30 June 2025 and 31 December 2024 comprise of unsecured promissory notes with a tenor of less than one year.

As at 30 June 2025 and 31 December 2024, all three promissory notes are subject to a fixed interest rate. As at 30 June 2025, the effective interest rate in respect of 'Debt securities in issue' ranges between 4.048% and 4.631% (31 December 2024: 5.036% and 5.678%). As at 30 June 2025 and 31 December 2024, the Group has an early repayment option on all promissory notes. However, in view of the short-term maturity horizon of the promissory notes, the potential impact of the Group exercising this option is deemed to be immaterial.

14 Subordinated liabilities

In February 2025, the Bank received a subordinated loan amounting to USD20,000,000 from a subsidiary of its ultimate parent. The loan carries a fixed interest rate of 5.5% and was issued on an arm's length basis. It has a contractual maturity of seven years. As at 30 June 2025, the carrying amount of the subordinated loan amounted to USD20,278,056 (31 December 2024: nil).

In the event of liquidation, dissolution, or winding up, the loan ranks below all unsubordinated, secured, and unsecured creditors of the Bank. The creditor may not set off or net the subordinated loan against any claims which the Bank may have against it. The instrument qualifies as Tier 2 capital in accordance with the criteria and conditions emanating from the Capital Requirements Regulation ("CRR").

The Bank may, at its discretion, repay the loan prior to maturity. However, any early repayment is subject to the prior consent of the Malta Financial Services Authority ("MFSA"), in line with applicable CRR requirements.

Furthermore, where the Resolution Committee or any other body with similar functions, as appointed under the MFSA Act (Chapter 330 of the Laws of Malta), exercises its powers of write-down or conversion pursuant to Regulation 59 of the Bank Recovery and Resolution Regulations ("BRR") with respect to the Bank, the subordinated loan shall be written down on a permanent basis or converted into Common Equity Tier 1 capital in accordance with the CRR.

15 Contingent liabilities

	Group		Bank	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Payment commitments to the Depositor Compensation Scheme	2,446,079	2,909,470	2,446,079	2,909,470
Payment commitments to the Single Resolution Fund	471,856	418,818	471,856	418,818
Guarantees issued to banks	1,406,514	14,105,930	1,406,514	14,105,930
Guarantees issued to customers	24,996,245	13,522,568	24,996,245	13,522,568
Guarantees issued to subsidiary companies	-	-	-	4,054
	29,320,694	**30,956,786**	**29,320,694**	**30,960,840**

As at 30 June 2025, an expected credit loss allowance, determined in accordance with IFRS 9, amounting to USD171,344 for the Group and Bank (31 December 2024: USD12,602 for the Group and USD12,606 for the Bank), was recognised and presented within 'Provision for liabilities and charges' in respect of guarantees issued by the Group and Bank.

Payment commitments to the Depositor Compensation Scheme ("DCS") and the Single Resolution Fund ("SRF") relate to possible future contributions payable to the DCS and the SRF. The DCS provides compensation, up to certain limits, to eligible customers of credit institutions that are unable, or likely to be unable, to pay claims against them. The DCS may impose a further contribution on the Group and Bank to the extent the contributions imposed to date are not sufficient to cover the compensation due to customers in any future possible collapse. The ultimate contribution to the industry as a result of a collapse cannot be estimated reliably. It is dependent on various uncertain factors including the potential recovery of assets by the DCS, changes in the level of protected products (including deposits and investments) and the population of DCS members at the time. At 30 June 2025, assets pledged in favour of the DCS comprised of cash collateral amounting to USD3,351,808 (31 December 2024: USD2,975,052). The cash collateral is classified within 'Other assets' in the Statement of Financial Position. A contingent liability for the contribution obligation of the Bank is disclosed in the table above to reflect the possibility that this commitment becomes payable.

In addition, in accordance with article 70(3) of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, the available financial means of the SRF may include irrevocable payment commitments which are fully backed by unencumbered collateral of low-risk assets. The share of irrevocable payment commitments cannot exceed 30% of the total amount of contributions. At 30 June 2025, irrevocable payment commitments to the SRF amounted to USD471,856 (31 December 2024: USD418,818). The cash collateral is classified within 'Other assets' in the Statement of Financial Position. In addition, a contingent liability for an identical amount is disclosed in the table above to reflect the possibility that this commitment becomes payable.

16 Commitments

	Group		Bank	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Commitments to purchase assets				
Undrawn credit facilities	119,699,567	89,945,159	119,699,567	89,945,159
Confirmed letters of credit	24,122,003	15,749,873	24,122,003	15,749,724
Documentary credits	18,935,112	5,934,680	18,935,112	5,934,680
Commitment to purchase assets	13,015,271	20,575,730	-	-
Commitments to sell assets				
Commitment to sell assets	(6,685,293)	-	-	-
	169,086,660	**132,205,442**	**162,756,682**	**111,629,563**

At 30 June 2025, the Group has total sanctioned limits to customers amounting to USD2,755,268,970 (31 December 2024: USD1,396,993,751). As at 30 June 2025, the Bank did not have any confirmed documentary credits in favour of subsidiary companies (31 December 2024: USD3,905). As at 30 June 2025, an expected credit loss allowance, determined in accordance with IFRS 9, amounting to USD360,495 for the Group and Bank (31 December 2024: USD462,621 for the Group and USD198,519 for the Bank), was recognised in respect of commitments and presented within 'Provision for liabilities and charges'. In this respect, this disclosure presents information required by IFRS 7 – Financial Instruments: Disclosures in relation to credit related commitments.

17 Cash and cash equivalents

Balances of cash and cash equivalents as shown on the Statements of Financial Position are analysed as follows:

	Group		Bank	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Balances with the Central Bank of Malta, treasury bills and cash	29,547,111	129,053,721	29,514,937	129,040,793
Loans and advances to banks	36,960,148	67,400,658	25,664,456	62,805,240
Amounts owed to institutions and banks	(110,434,495)	(154,994,489)	(70,498,076)	(124,366,528)
Cash and cash equivalents at end of year	**(43,927,236)**	**41,459,890**	**(15,318,683)**	**67,479,505**
Adjustment to reflect balances with contractual maturity of more than three months	(6,109,635)	(52,003,612)	45,499,575	(11,931,217)
As per statements of financial position	**(50,036,871)**	**(10,543,722)**	**30,180,892**	**55,548,288**
Analysed as follows:				
Balances with the Central Bank of Malta, treasury bills and cash	29,533,141	134,192,217	29,500,967	134,179,290
Loans and advances to banks	121,246,977	96,457,392	108,274,836	90,098,124
Amounts owed to institutions and banks	(200,816,989)	(241,193,331)	(107,594,911)	(168,729,126)
	(50,036,871)	**(10,543,722)**	**30,180,892**	**55,548,288**

18 Related parties

18.1 Identification of related parties

The ultimate parent company of FIMBank p.l.c. is Kuwait Projects Company (Holding) K.S.C.P. ("KIPCO") a company registered in the state of Kuwait. The registered address is KIPCO Tower, Khalid Bin Al Waleed Street, Sharq, Kuwait City, P.O. Box 23982, Safat 13100, State of Kuwait.

The immediate parent company is United Gulf Holding Company B.S.C. ("UGH"), a holding company licensed by the Ministry of Industry, Commerce and Tourism in Bahrain. The registered address is PO Box 5565, Diplomatic Area, UGB Tower, Manama, Kingdom of Bahrain.

The majority shareholding of the Bank is held by UGH, a subsidiary of KIPCO. All entities which are ultimately controlled by KIPCO, together with the other minority shareholders and entities controlled by them, are considered to be related parties.

Key Management Personnel of the Bank, being the Bank's Directors and Executive Officers, and close family members of Key Management Personnel are also considered to be related parties. Executive Officers are the individuals who form part of Bank's Executive Committee, which together with the Directors, fall under the responsibility of the Board Nomination and Remuneration Committee. Among other duties, this Committee ensures that the Directors and Executive Officers possess the appropriate mix of skills, qualifications, and experience necessary to fulfil their supervisory and management responsibilities. The Key Management Personnel of the Bank and Group are deemed to be identical.

Related party transactions carried out by the Bank and its subsidiaries are reported to the Board Audit Committee which reviews them and assesses their nature.

18.2 Ultimate and immediate parent companies and their subsidiaries, shareholder having significant influence and other related companies

The aggregate values of transactions and outstanding balances related to the ultimate and immediate parent companies and subsidiaries of the parent company were as follows:

	Ultimate and immediate parent companies *		Subsidiaries of ultimate parent company **		Subsidiaries of immediate parent company ***	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Assets						
Financial assets held for trading	5,907,635	10,388,531	-	-	-	-
Loans and advances to customers	28,943,099	20,477,047	-	-	-	-
Liabilities						
Amounts owed to institutions and banks	-	-	10,424,965	-	-	174,734
Amounts owed to customers	297,165	30,755	44,554	44,629	-	-
Other liabilities	-	-	754	669	-	-
Subordinated liabilities	-	-	20,278,056	-	-	-

' * 'Amounts presented in these columns represent balances and transactions with KIPCO and UGH.
' ** 'Amounts presented in these columns represent balances and transactions with subsidiary companies of KIPCO.
' ***'Amounts presented in these columns represent balances and transactions with subsidiary companies of UGH.

As of 30 June 2025 there were no outstanding balances related to the subsidiaries of the immediate parent company.

	Ultimate and immediate parent companies *		Subsidiaries of ultimate parent company **		Subsidiaries of immediate parent company ***	
	30 Jun 2025 USD	30 Jun 2024 USD	30 Jun 2025 USD	30 Jun 2024 USD	30 Jun 2025 USD	30 Jun 2024 USD
Statements of profit or loss						
Interest income	981,212	817,826	-	28,968	-	-
Interest expense	-	-	(525,833)	-	-	-
Fee and commission income	167	75	3,180	535	-	3,715
Fee and commission expense	-	-	-	(19,792)	-	-
Administrative expenses	-	-	(104,271)	(107,141)	-	-

' * 'Amounts presented in these columns represent balances and transactions with KIPCO and UGH.
' ** 'Amounts presented in these columns represent balances and transactions with subsidiary companies of KIPCO.
' *** 'Amounts presented in these columns represent balances and transactions with subsidiary companies of UGH.

In February 2025, Burgan Bank K.P.S.C. ("Burgan"), a subsidiary of KIPCO acquired 100% of United Gulf Bank B.S.C. ("UGB"), previously owned by UGH. As a result, transactions and balances with UGB are being classified under subsidiaries of ultimate parent company as from 30 June 2025.

During the six months ended 30 June 2025, there were no transactions related to the subsidiaries of the immediate parent company.

The aggregate values of transactions and outstanding balances related to the shareholder having significant influence were as follows:

	Shareholder having significant influence	
	30 Jun 2025 USD	31 Dec 2024 USD
Assets		
Loans and advances to banks	7,440	7,380

The outstanding balances from the shareholder having significant influence are interest free and, as a result, no impact on the statement of profit or loss is deemed to arise.

18.3 Transactions with subsidiaries and associates

The aggregate values of transactions and outstanding balances related to the Banks's subsidiaries and associates were as follows:

	Subsidiaries		Associates	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Assets				
Loans and advances to customers	435,736,816	311,258,277	7,008,480	7,016,575
Investments in subsidiaries (Note 12)	120,728,825	116,182,573	-	-
Other assets	1,100,884	1,215,181	-	-
Liabilities				
Derivative liabilities held for risk management	8,101	56,041	-	-
Amounts owed to customers	4,187,816	1,955,463	2,227	2,052
Provision for liabilities and charges	-	15	-	-
Other liabilities	4,572,324	687,246	-	-
Memorandum items				
Contingent liabilities	-	4,054	-	-
Commitments	-	3,905	-	-

	Subsidiaries		Associates	
	30 Jun 2025 USD	30 Jun 2024 USD	30 Jun 2025 USD	30 Jun 2024 USD
Statements of profit or loss				
Interest income	10,108,417	12,097,515	184,758	228,497
Interest expense	(169,373)	(61,915)	-	-
Fee and commission income	167,387	51,623	-	-
Dividend income	840,796	2,000,000	-	-
Other operating income	466,179	87,500	-	-
Other operating expenses	(9,325)	-	-	-
Administrative expenses	(341,037)	(396,385)	-	-
Impairment of investment in subsidiaries	-	(1,500,000)	-	-

18.4 Transactions with key management personnel

	Directors		Executive officers *	
	30 Jun 2025 USD	31 Dec 2024 USD	30 Jun 2025 USD	31 Dec 2024 USD
Liabilities				
Amounts owed to customers	754,736	648,124	174,315	152,979
Other liabilities	-	-	1,612	-

	Directors		Executive officers *	
	30 Jun 2025 USD	30 Jun 2024 USD	30 Jun 2025 USD	30 Jun 2024 USD
Statements of profit or loss				
Interest expense	(7,406)	(9,548)	(2,311)	(14)
Fee and commission income	-	80	-	6
Administrative expenses - remuneration	(185,625)	(152,124)	(1,032,450)	(1,023,362)
Administrative expenses - other long-term benefits	(200)	(942)	(149,261)	(340,413)
Administrative expenses - short-term benefits	-	-	-	(18,486)
Administrative expenses - others	-	(1,781)	(8,226)	(5,306)

' * ' The figures included in the above table in respect of 'Executives officers' comprise the remuneration payable to 'Executive Directors' and 'Executive Management' as defined in the Remuneration Report published with the Annual Report and Financial Statements 2024 of FIMBank p.l.c.

Directors of the Bank control less than 1 per cent of the voting shares of the Bank (31 December 2024: less than 1 per cent).

18.5 Other related party transactions

	Other related parties	
	30 Jun 2025 USD	31 Dec 2024 USD
Liabilities		
Amounts owed to customers	431,743	386,245

	Other related parties	
	30 Jun 2025 USD	30 Jun 2024 USD
Statements of profit or loss		
Interest expense	(6,278)	(7,314)

Other related party transactions relate to family members of Group Directors.

19 Subsequent events

In July 2025, the Bank made an additional investment of INR171,000,000 (USD1,995,565) in India Factoring and Finance Solutions Private Limited ("India Factoring"). This investment is intended to support the further growth of the company and its ability to do this within the regulatory capital requirements.

Report on review of interim financial information

To the Board of Directors of FIMBank p.l.c.

Introduction

We have reviewed the accompanying condensed consolidated and stand-alone interim statement of financial position of FIMBank p.l.c. (the "Bank") and its subsidiaries (the "Group") as at 30 June 2025 and the related condensed consolidated and stand-alone interim statements of profit or loss, other comprehensive income, statements of changes in equity and statements of cash flows for the six-month period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated and stand-alone interim financial information in accordance with International Accounting Standard 34, "Interim financial reporting". Our responsibility is to express a conclusion on this condensed consolidated and stand-alone interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and stand-alone interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim financial reporting".

Other matter

This report, including the conclusion, has been prepared for and only for the Bank and the Group and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Fabio Axisa
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

28 August 2025

a) The maintenance and integrity of the FIMBank p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.

b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.