



FIMBANK
GROUP

Pillar III Disclosures Report 2025

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Pillar III Disclosures Report

For the year ended 31 December 2025

1 Introduction

1.1 Background

This document comprises the Pillar III regulatory disclosures required by Banking Rule BR/07 'Publication of Annual Report and audited Financial Statements of credit institutions authorised under the Banking Act, 19/94' for FIMBank p.l.c. (the 'Bank') and its subsidiary undertakings (the 'Group'). These are disclosed based on 31 December 2025 year-end data unless otherwise stated, taking into consideration the requirements under EBA/GL/2014/14 in relation to materiality and frequency of disclosures.

These disclosures reflect the requirements of Part Eight of Regulation (EU) No 575/2013 (Capital Requirements Regulation, hereinafter referred to as 'CRR'), as amended by Regulation (EU) 2019/876 and Regulation (EU) 2024/1623, including the updated disclosure obligations introduced under CRR3. The Group is subject to the disclosure requirements prescribed under Article 433c of the CRR, since it does not fall under the definition of a 'large institution' and is not classified as a 'small and non-complex institution'. This article requires the Group to disclose the key metrics referred to in Article 447 of the CRR on a semi-annual basis and all other information required under Part Eight of the CRR on an annual basis.

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

Disclosures are prepared in accordance with Commission Implementing Regulation (EU) 2021/637 and its amendment, Implementing Regulation (EU) 2022/631, together forming the ITS on Pillar 3 disclosure, and in line with the applicable implementing and delegated regulations issued under Regulation (EU) No 575/2013 as amended by Regulations (EU) 2019/876 and (EU) 2024/1623 (CRR3), as well as the relevant EBA guidelines and technical standards..

1.2 Publication and verification

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

An Agreed-Upon Procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised) Agreed-Upon Procedures *Engagements*, was performed by an independent statutory auditor on this Pillar 3 disclosures report for the reference date 31 December 2025. The purpose of this engagement was to carry out procedures relating to the requirements laid down in Part Eight of the CRR and the related guidelines and technical standards published by the EBA. The observations of this engagement together with this report are shared with the Group's Audit Committee and the Board of Directors (the 'Board'). The Board then provides a written attestation that they are satisfied that the internal controls implemented around the preparation of these disclosures are adequate and such disclosures present a fair and accurate picture of the Group's risk profile and capital position.

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

2 Scope

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

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

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

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

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

		Carrying values of items				
		Carrying values as reported in published financial statements and under scope of prudential consolidation	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
		USD	USD	USD	USD	USD
		a, b	c	d	f	g
1	Balances with Central Bank of Malta, treasury bills and cash	84,495,977	84,495,977	-	84,489,364	-
2	Derivative assets held for risk management	4,162,262	-	4,162,262	-	-
3	Trading assets	444,796,402	-	-	444,796,402	-
4	Loans and advances to banks	88,016,744	88,114,135	-	42,033,340	(97,391)
5	Loans and advances to customers	438,403,451	438,642,534	-	226,007,725	(239,083)
6	Financial investments at fair value through profit or loss	9,882,219	9,547,785	-	9,829,861	334,434
7	Financial investments at fair value through other comprehensive income	105,254,684	105,254,684	-	105,254,684	-
8	Financial investments at amortised cost	41,294,459	41,294,459	-	4,187,117	-
9	Assets classified as held for sale	67,726,291	67,821,609	-	67,726,291	(95,318)
10	Property and equipment	24,491,834	24,491,834	-	47,662,108	-
11	Investment property	23,667,187	23,667,187	-	-	-
12	Intangible assets	3,026,193	2,510,204	-	-	515,989
13	Current tax assets	1,596,656	1,596,656	-	1,596,656	-
14	Deferred tax assets	15,218,420	15,218,420	-	425,572	-
15	Other assets	9,274,697	12,260,164	-	5,663,103	(2,985,467)
16	Total assets	1,361,307,476	914,915,648	4,162,262	1,039,672,223	(2,566,836)

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

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

		Carrying values as reported in published financial statements and under scope of prudential consolidation	Carrying values of items	
			Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
		USD	USD	USD
		a, b	f	g
1	Derivative liabilities held for risk management	2,842,770	-	2,842,770
2	Amounts owed to institutions and banks	222,566,779	52,056,840	170,509,940
3	Amounts owed to customers	849,044,732	786,342,352	62,702,380
4	Debt securities in issue	17,782,045	17,782,045	-
5	Liabilities directly associated with the assets held for sale	41,838,974	41,838,974	-
6	Current tax liabilities	697,426	539,373	158,053
7	Deferred tax liabilities	4,537,187	3,759,840	777,347
8	Provision for liabilities and charges	950,447	114,912	835,535
9	Other liabilities	16,839,561	8,226,963	8,612,598
10	Subordinated liabilities	20,281,111	-	20,281,111
11	Total liabilities	1,177,381,032	910,661,299	266,719,734

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

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

		Total	Items subject to		
			Credit risk framework	Counterparty credit risk framework	Market risk framework
		USD	USD	USD	USD
		a	b	d	e
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	1,361,307,476	914,915,648	4,162,262	1,039,672,223
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	1,177,381,032	-	-	910,661,299
3	Total net amount under the scope of prudential consolidation	183,926,444	914,915,648	4,162,262	129,010,925
4	Off-balance sheet amounts	200,905,845	208,569,445	-	
5	Differences in valuations	-	-	-	
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	
7	Differences due to consideration of provisions	(835,535)	(835,535)	-	
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(33,237,696)	(33,237,696)	-	
9	Differences due to credit conversion factors	(155,631,390)	(155,631,390)	-	
10	Differences due to Securitisation with risk transfer	-	-	-	
11	Other differences	23,066,807	-	23,066,807	
12	Exposure amounts considered for regulatory purposes	218,194,475	933,780,472	27,229,069	290,248,144

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

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

(a)	<p><i>Explanation and origins of any significant differences between the amounts in columns (a) and (b) in template EU LI1</i></p> <p>All assets and liabilities reported in published financial statements are under scope of prudential consolidation. Liabilities are not subject to the credit risk or counterparty credit risk framework. No item is subject to the securitisation framework.</p> <p>The main significant difference in Template EU LI1 relates to the payment commitments of Depositor Compensation Scheme and Single Resolution Fund. Under IFRS, such commitments ('IPC') are treated as contingent liabilities due to the lower probability of an outflow of resources. However, for regulatory purposes IPCs are reported as provisions in the FINREP reporting set and deducted from the previous years' retained earnings in compliance with the MFSA's and EBA's prudential requirements and the EBA/GL/2015/09 guidelines on payment commitments under Directive 2014/49/EU on deposit guarantee schemes.</p>
(b)	<p><i>Explanation and origins of differences between carrying values under the scope of prudential consolidation and amounts considered for regulatory purposes shown in template EU LI2</i></p> <p><u>Credit risk framework</u>: Net amounts under the scope of prudential consolidation (including off-balance sheet amounts) are adjusted as follows:</p> <ul style="list-style-type: none"> • <i>Credit risk mitigation techniques</i>: Chapter 4 of Title II, Part Three of the CRR requires reporting agents to adjust their exposure value for any risk mitigants that qualify under the prescribed articles. These include cash collateral and guarantees. • <i>Credit conversion factors</i>: Off-balance sheet amounts are subject to those that are based on the five buckets within Annex I of the CRR that distinguishes between different types of exposures. <p><u>Counterparty credit risk framework</u>: Forward derivative contracts are accounted for on the balance sheet by recording the unrealised gain or loss as an asset or a liability respectively. Within the regulatory framework, the exposure value of these derivatives is calculated based on the Original Exposure Method prescribed under Chapter 6 of Title II, Part Three of the CRR.</p> <p><u>Market risk framework</u>: The Group is subject to foreign exchange risk and position risk. The exposure values are calculated under the under Chapter 2 and 3 of Title IV, Part Three of the CRR.</p>

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

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

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

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

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

3 Risk governance

Table EU OVA - Institution risk management approach

<p>(a)</p>	<p><i>Disclosure of concise risk statement approved by the management body</i></p> <p>The Bank’s business model and risk appetite are primarily focused on the support of international trade, which is typically facilitated by way of short term, self-liquidating structures. The Bank monitors its risk profile using a number of metrics covering capital & liquidity, profitability, asset quality and market-based indicators, which are tracked against a mixture of regulatory and internally set thresholds. These metrics comprise the Bank’s overall Risk Appetite Statement. These measures are tracked by various business lines and committees (both management and board appointed) and are reported quarterly (or more frequently) to the Board Risk Committee and subsequently presented to the Board. The Bank has an escalation process governing these risk parameters to ensure that breaches are raised to senior management and beyond so that corrective action is taken as necessary.</p> <p>The Group considers its key risk metrics to be: Capital Ratios, Leverage Ratio, Liquidity Coverage Ratio (‘LCR’) and Net Stable Funding Ratio (‘NSFR’). See table KM1 of section 4.1 of this document for details of the specific metrics.</p> <p>The Group’s intragroup and related party transactions are detailed in note 45 to the audited financial statements. There was a reduction in the risk associated with said exposures, in view of a reduction in financial investments at amortised cost.</p> <p>The overall Risk Appetite Statement for the Group is presented by the Group Chief Risk Officer (‘GCRO’) to the Board Risk Committee for review and recommendation to the Board on (at a minimum) an annual basis.</p>
<p>(b)</p>	<p>Information on the risk governance structure for each type of risk</p> <p>The risk factors associated with the banking industry are multiple and varied. Exposure to risk arises in the normal course of both the Bank’s and the Group’s business. The Group is engaged in trade finance business, therefore control over contingent liabilities and commitments is fundamental since the risks involved are substantively the same as with on-balance sheet items.</p> <p>The Group adopts the three lines of defence model as outlined in the below diagram.</p> <div data-bbox="188 1099 1503 1503" data-label="Diagram"> <p>The diagram illustrates the Three Lines of Defence model. It consists of three nested levels of responsibility:</p> <ul style="list-style-type: none"> First Line of Defence: Represented by a white rounded rectangle containing two grey boxes: "Business Units" and "Support Units". Second Line of Defence: Represented by a blue rounded rectangle containing two grey boxes: "Risk Management" and "Compliance". Third Line of Defence: Represented by a grey rounded rectangle containing one grey box: "Internal Audit". </div> <p>The Group adopts a three lines of defence model for risk management, with the first line of defence represented by the business origination units. The second line of defence is represented by: (i) the Risk Management Department, which reports to an independent GCRO and oversees all risks within the Group, and (ii) the Compliance Department. The third line of defence is constituted by Internal Audit, being the function which provides independent assurance to the Board on the processes and procedures employed by the Bank. The three lines of defence model attributes responsibility for risk management at all levels within the Group. The Internal Audit function monitors compliance with policies, standards and procedures and the effectiveness of the internal control environment of the Group. The Internal Auditor periodically reviews and tests the internal systems of control independently from Management, adopting a risk-based approach. The Internal Auditor reports to the Board Audit Committee. All audit reports are circulated and also copied to the Chairman of the Board of Directors.</p> <p>The Board is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the business of the Group and for ensuring that proper systems of internal controls are in place. The Board has established a number of Board Committees to support the fulfilment of its responsibilities.</p> <p>The Board Risk Committee ("BRC"), a Board committee, has the task of assisting the Board in fulfilling its responsibilities concerning the establishment and implementation of the Group’s risk management strategy, systems and policies. The scope of the Committee’s responsibility covers the Bank and all its Group entities. Management is ultimately delegated with the task of creating an effective</p>

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

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

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

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



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

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

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

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

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

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

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

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

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

	<p>ratings, interest rate shocks on both the banking and trading book, and liquidity shock events. Additionally, as the need arises, the bank considers the impact of external events on various parameters of its operations, such as when Malta was 'grey listed'.</p>
(g)	<p><i>Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants</i></p> <p>When managing the risks the Group faces, it is considered whether such risks should be: (i) avoided by stopping the activity leading to the risk; (ii) treated by first assessing the level of risk and subsequently determining the mitigants that reduce the risk to an acceptable level; (iii) transferred (often achieved by purchasing insurance coverage or hedges); or (iv) accepted because it is not practical to either avoid, treat or transfer the risk.</p> <p>The Group makes use of the following to manage, hedge and mitigate risks:</p> <ul style="list-style-type: none"> • Collateral – Such as cash margins, mortgages over property taken to reduce expected losses; • Professional services – Such as the use of external valuation agents to determine the value of properties financed or the use of collateral management agents to monitor and control physical collateral taken in support of transactions; • Insurance – Policies for both credit and non-credit risks, either purchased by the Group or by customers with the Group as loss payee; • Hedging – To protect the Group against interest rate risk or foreign exchange risks; and • External or Internal models – Tools purchased or built in-house to permit the Group to monitor and manage the risks it faces. An example of an external tool is Moody's CreditLens, used to calculate probabilities of default for the Group's credit exposures. An example of an internal tool is the Interest Rate Risk in the Banking Book model, developed with the assistance of an external consultant, that allows the Group to ensure that the structure of its balance sheet does not expose it to undue risk from the maturity transformation activities it undertakes. It also uses inhouse built tools to monitor liquidity risk. <p>The effectiveness of these strategies is monitored by executive management via their impact on the P&L, by the Risk Management Department via exposure reporting and regulatory returns, by the ALCO through its regular meetings, and by the Operational Risk Management team and Operational Risk Management Committee (as appropriate) when failures in processes or controls lead to losses.</p>

Table EU OVB - Disclosure on governance arrangements

<p>(a)</p>	<p><i>The number of directorships held by members of the management body [Point (a) of Article 435(2) CRR]</i></p> <p>The management body of the Group is deemed to be the Board of Directors, which is appointed in accordance with the Bank’s Articles of Association. As at 31 December 2025, the Board of Directors consisted of:</p> <table border="1" data-bbox="193 376 1506 685"> <thead> <tr> <th></th> <th style="color: #0070C0;">Number of directorships held (including FIMBank p.l.c. and its subsidiaries)</th> </tr> </thead> <tbody> <tr> <td>John C. Grech (Chairman)</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Masaud M. J. Hayat (Vice Chairman)</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Edmond Brincat</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Hussain Abdul Aziz Lalani</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Rabih Soukarieh</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Teuta Bakalli</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Sunny Bhatia</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Samer Abbouchi</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Simon Jethro Lay</td> <td style="text-align: right;">1</td> </tr> </tbody> </table> <p>The MFSA had no objection to the list of directorships held by the Chairman of the Board of Directors. The directorships held by the rest of the Directors in non-EU entities are not subject to MFSA approval or any other relevant European authority. Directorships having an executive or non-executive role held within the same group have been counted as one single directorship.</p> <p>In 2015 the Board set up the Board Nomination and Remuneration Committee which was granted the power to lead the process for the Board and Board Committee appointments.</p> <p>As disclosed in Principle 8 of the Statement of Compliance with the Principles of Good Corporate Governance, this Committee can amongst others, present recommendations to the Board regarding nomination to the Board’s membership in accordance with approved policies, standards, and instructions on nomination regulations for the Board of Director’s membership. Prior to making its recommendations for appointment, this Committee evaluates the balance of knowledge, skills, diversity and experience of candidates for the Board to ensure that they have the requisite experience, personal abilities, integrity and that they adhere to sound professional practices. Furthermore, it prepares a description of the roles and capabilities for a particular appointment and assesses the time commitment expected for the execution of duties related to the role.</p> <p>The knowledge, skills and expertise of the Board are disclosed in the Statement of Compliance with the Principles of Good Corporate Governance. The Committee is empowered to perform an annual review of the needs required with regard to suitable skills for board membership and it prepares a description of the skills and qualifications required for board membership. The relative assessment of the knowledge, skill and experience of the individual members of the Board is exercised by the Board Nomination and Remuneration Committee on an annual basis and in adherence with the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (EBA/GL/2017/12).</p> <p>The Board has established separate Risk and Credit Committees with specific responsibilities on risk management and governance across the Group. Further details on the duties, composition and number of times these Committees have met during the year are disclosed in Principle 8 of the Statement of Compliance with the Principles of Good Corporate Governance.</p>		Number of directorships held (including FIMBank p.l.c. and its subsidiaries)	John C. Grech (Chairman)	4	Masaud M. J. Hayat (Vice Chairman)	1	Edmond Brincat	10	Hussain Abdul Aziz Lalani	1	Rabih Soukarieh	1	Teuta Bakalli	5	Sunny Bhatia	1	Samer Abbouchi	1	Simon Jethro Lay	1
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Sunny Bhatia	1																				
Samer Abbouchi	1																				
Simon Jethro Lay	1																				
<p>(b), (c)</p>	<p><i>Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise and on the diversity policy with regard of the members of the management body [Point (c) of Article 435(2) CRR]</i></p> <p>FIMBank p.l.c. is committed to complying with diversity and equality related legislation throughout its policies. In addition, the Group has a Diversity Policy and a Recruitment Policy. In order to ensure that senior management positions reporting directly to the GCEO are filled by candidates who satisfy the respective knowledge, skills and expertise criteria, the Recruitment Policy requires that the candidate is also interviewed by a member of the BNRC or delegate except when this requirement is waived by the BNRC itself. In the case of Directors, the selection process will include the involvement of the Chairperson of the Board of Directors, the GCEO and other Directors as nominated by the BNRC. Their assessment will be considered by the BNRC and a recommendation is made to the Board of Directors. FIMBank p.l.c. is committed to foster diversity and equality, and periodically reviews its approach to ensure alignment with regulations and evolving best practices.</p> <p>The Directors, individually and collectively, are of the calibre required by the Group. They possess the appropriate knowledge, skills, and experience required to formulate the strategy of the Group and oversee its implementation in full respect of the values of the Group and the statutory and regulatory requirements as applicable from time-to-time. The Directors also demonstrate their suitability towards the fulfilment of their role through their regular attendance to the Board and Board Committee meetings and the sufficient time they extend throughout the year.</p> <p>The BNRC monitors that there is an adequate pool of internal candidates who can potentially be nurtured as successors of the Executive Management and Key Function Holders. In absence of such a pool of candidates both quantitatively and qualitatively, to the extent</p>																				

	<p>possible, the BNRC conducts a market search for potential externally available candidates. Maintaining the Succession Plan ensures continuity in decision-making and prevents a scenario in which a large portion of the Group Management Body would need to be replaced at the same time.</p>
(d)	<p><i>Information whether or not the institution has set up a separate risk committee and the frequency of the meetings [Point (d) of Article 435(2) CRR]</i></p> <p>The Group has two primary committees which monitor the Group's management of risk. These are the BCC and the BRC. The BCC meets as may be required in order to promptly meet the business needs of the Bank. Taking into consideration that many transactions are approved via circulation unless a formal meeting is required to discuss the transaction/s in more detail. The BRC meets at least quarterly or more frequently as may be required. In 2025, the BCC and BRC met on 4 and 9 occasions respectively.</p> <p>The BCC is a committee appointed by the Board of Directors of the Bank. The BCC is directly responsible and accountable to the Board. The BCC's main powers and duties include but are not limited to: (i) to review credit applications and approve credit limits and specific transactions, up to the legal lending limit of the Bank; and (ii) to analyse and approve country limits for approval within the guidelines specified in the Group's Credit Policy Procedures.</p> <p>The BRC is responsible for overseeing the Group's risk management strategy, systems and policies, and for recommending appropriate risk appetite parameters for approval by the Board of Directors. The BRC is also responsible for the oversight of operational, market, reputational and legal risk matters amongst other similar responsibilities.</p>
(e)	<p><i>Description on the information flow on risk to the management body [Point (e) Article 435(2) CRR]</i></p> <p>The BCC's responsibility is for the review and approval of credit limits granted to the Group's clients and for country limits. All facility requests exceeding a certain threshold must be presented to the BCC for approval. The BCC has delegated to management approval powers for lower value exposures. At least quarterly the Chairman of the BCC presents to the board a report of all credit limits approved by the BCC or under its delegated authorities.</p> <p>The BRC is responsible for setting the Group's risk strategy, appetite (for credit, market, operational and other risks) and tolerance, which are ultimately presented to and approved by the Board. At least quarterly, or more frequently as needed, the GCRO will present to the BRC the Group's performance against the risk appetite metrics defined in the Risk Appetite Statement as well as more granular analysis of specific risks as driven by the agenda of the meeting in question. The BRC presents to the Board its views following each BRC meeting and may, at any time, escalate matters to the Board for consideration. Matters discussed during other committees related to liquidity, market, and operational risk are communicated to the BRC in summary as part of the report presented to the BRC by the GCRO (or other risk management members as appropriate). Where necessary, matters from these other committees are escalated to the BRC outside of the regular meeting schedule.</p> <p>The Board ESG Committee is responsible for the oversight of the Bank's compliance with its regulatory expectations in respect of ESG, and for approval of ESG policies and procedures following the review and recommendations of the Management ESG Committee.</p> <p>The Board Corporate Governance Committee is responsible for: overseeing the structure of the organisation; ensuring appropriate control frameworks are in place, and that the Group operates within the boundaries of its own policies and the laws/regulations governing the Group's activities; assessing the impact of new regulations and pronouncements on the organisation; and overseeing and reviewing the Group's committee charters and policies. Assisting the CGC in its responsibilities concerning the oversight and review of Group policy documentation is the Management Governance Committee.</p> <p>The Board Review and Implementation Committee is responsible for reviewing the implementation of actions / decisions taken by the Board. This includes reviewing performance of the Group, its subsidiaries and its business unit against detailed budgets, and making recommendations to the Board concerning resource allocation when appropriate.</p> <p>The Nomination and Remuneration Committee is responsible for ensuring that there is a sufficient number of appropriately skilled directors on the board to adequately manage the organisation. It is also responsible for the appointment of the Group CEO, staff holding an Executive Vice President position or higher, and Group Heads. Additionally, the NRC is responsible for putting mechanisms in place to ensure that remuneration practices that are in line with business and strategic objectives, and corporate culture, whilst also encouraging appropriate staff behaviour that supports sound risk management practices.</p>

4 Identification of risks

4.1 Key metrics and overview of risk-weighted exposure amounts

Template EU KM1 – Key metrics template

		December 2025	June 2025	December 2024
		USD	USD	USD
<i>Available own funds (amounts)</i>				
1	Common Equity Tier 1 (CET1) capital	189,605,890	187,337,806	188,844,639
2	Tier 1 capital	189,605,890	187,337,806	188,844,639
3	Total capital	209,887,001	207,615,862	188,844,639
<i>Risk-weighted exposure amounts</i>				
4	Total risk exposure amount	1,085,936,453	1,080,989,032	885,602,534
4a	Total risk exposure pre-floor	1,085,936,453	1,080,989,032	885,602,534
<i>Capital ratios (as a percentage of risk-weighted exposure amount)</i>				
5	Common Equity Tier 1 ratio (%)	17.5%	17.3%	21.3%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	17.5%	17.3%	21.3%
6	Tier 1 ratio (%)	17.5%	17.3%	21.3%
7	Total capital ratio (%)	19.3%	19.2%	21.3%
7b	Total capital ratio considering unfloored TREA (%)	19.3%	19.2%	21.3%
<i>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</i>				
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.7%	3.7%	3.7%
EU 7e	of which: to be made up of CET1 capital (percentage points)	2.1%	2.1%	2.1%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	2.8%	2.8%	2.8%
EU 7g	Total SREP own funds requirements (%)	11.7%	11.7%	11.7%
<i>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</i>				
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%)	0.1%	0.1%	0.2%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer (%)	0.0%	0.0%	0.0%
11	Combined buffer requirement (%)	2.6%	2.6%	2.7%
EU 11a	Overall capital requirements (%)	14.3%	14.3%	14.4%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.6%	7.5%	9.6%
<i>Leverage ratio</i>				
13	Total exposure measure	1,407,061,970	1,301,780,805	1,196,066,651
14	Leverage ratio (%)	12.7%	13.6%	14.8%
<i>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</i>				
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%
<i>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</i>				
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%
<i>Liquidity Coverage Ratio</i>				
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	146,246,952	186,643,409	244,743,603
EU 16a	Cash outflows - Total weighted value	264,859,303	261,101,758	279,083,590
EU 16b	Cash inflows - Total weighted value	281,139,550	278,354,346	283,555,468
16	Total net cash outflows (adjusted value)	66,214,826	65,275,440	69,770,898
17	Liquidity coverage ratio (%)	220.9%	285.9%	350.8%
<i>Net Stable Funding Ratio</i>				
18	Total available stable funding	726,101,614	698,348,375	609,989,091
19	Total required stable funding	487,524,169	492,087,138	379,284,729
20	NSFR ratio (%)	148.9%	141.9%	160.8%

The Group is not subject to additional own funds requirements to address the risk of excessive leverage and as a result rows EUR14a and EU14b have been omitted from the above template.

In addition, the Group is expected to hold an additional 1% of own funds requirement, representing its Pillar II Guidance. The Group has no appetite to breach its minimum requirement for own funds and eligible liabilities (MREL requirements) and hence monitors its MREL position. Based on the latest letter issued by the Resolution Committee, the Group is required to maintain an MREL Target ratio (capital) of 17.0%.

Template EU OV1 – Overview of total risk exposure amounts

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		December 2025	December 2024	December 2025
		USD	USD	USD
		a	b	c
1	Credit risk (excluding CCR)	625,708,289	540,641,331	50,056,663
2	of which the standardised approach	625,708,289	540,641,331	50,056,663
6	Counterparty credit risk - CCR	8,461,019	4,097,336	676,882
9	of which other CCR	8,461,019	4,097,336	676,882
15	Settlement risk	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	350,601,451	251,239,651	28,048,116
EU 21a	of which the Simplified standardised approach (S-SA)	350,601,451	251,239,651	28,048,116
EU 22a	Large exposures	-	-	-
23	Operational risk	101,165,694	89,624,217	8,093,256
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	38,046,049	41,398,782	3,043,684
29	Total	1,085,936,453	885,602,535	86,874,917

Additional notes on the above table:

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

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

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

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

Operational risk: The Group applies the standardised approach.

Any rows not included in the above template are not applicable in line with Commission Implementing Regulation (EU) 2021/637.

Table EU OVC - ICAAP information

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

4.2.1 Credit risk

Table EU CRA: General qualitative information about credit risk

(a)	<p><i>How the business model translates into the components of the institution's credit risk profile</i></p> <p>The Group functions as a wholesale bank offering products and services to corporate clients, Financial Institutions and Non-Bank Financial Institutions around the world, with a significant proportion of its risk emanating from emerging markets exposures. It primarily focuses on short term financing (one year or less) taking comfort from well structured transactions with appropriate risk mitigants.</p> <p>The Group has four main business lines being Trade Finance, Factoring, Real Estate and Forfaiting. In addition, it offers corporate lending to Maltese corporates, correspondent banking services and cash management solutions. A treasury function exists to manage the Group's liquidity and funding, and the Group holds investments in two funds. As the Forfaiting book is a traded portfolio it is captured in the assessment of market risk hence is excluded from the following table.</p> <p>Below is a tabulation of these various business lines against the risks each face.</p> <table border="1"> <thead> <tr> <th></th> <th>Trade Finance</th> <th>Factoring</th> <th>Corporate Lending*</th> <th>Real Estate</th> <th>Correspondent Banking</th> <th>Cash Management</th> <th>Treasury</th> <th>Funds</th> </tr> </thead> <tbody> <tr> <td>Default Risk</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td></td> </tr> <tr> <td>Price Risk</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>x</td> <td>x</td> </tr> <tr> <td>Counterparty Credit Risk</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>x</td> <td></td> </tr> <tr> <td>Concentration Risk</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td>x</td> <td></td> </tr> <tr> <td>Foreign Exchange Lending Risk</td> <td>x</td> <td>x</td> <td></td> <td></td> <td>x</td> <td>x</td> <td></td> <td></td> </tr> </tbody> </table> <p>* The 'Corporate Lending' unit, provides a comprehensive suite of financing solutions to Maltese corporates. These financing solutions are typically provided to corporates against tangible security, whether movable or immovable. The client base is comprised of Malta based entities borrowing in Euro and therefore not subject to FX lending risk.</p> <p>The Board approves the Group's strategy and the risk frameworks (including the Risk Appetite Statement) that place the boundaries on how the strategy can be achieved. The process is recursive: where strategic direction knowingly requires the Group to take on heightened risk for improved returns, the risk frameworks and parameters are set to ensure that the heightened risk is adequately contained and regularly monitored; and where the risks introduced by the proposed strategic direction become excessive, introducing material threats to the ongoing satisfaction of regulatory capital or liquidity thresholds, necessary changes to the strategic direction are required. The overarching aim is to ensure that the Group is able to strike the appropriate balance between risk taken and return earned. The Group's Long-Range Plan is developed incorporating the Group's risk appetite metrics for capital and liquidity.</p> <p>The Risk Appetite metrics used, and the thresholds applied, are reviewed at least annually in alignment with the ICAAP process, part of which includes the Board's formal approval the Group's Risk Appetite Statement. Sections 3 (c), (d) and (e) of these disclosures document the Board's satisfaction with the Group's Risk Appetite Statement.</p> <p>Any ad-hoc changes to Risk Appetite metrics or their associated thresholds required during the year are reviewed by the Board Risk Committee and approved by the Board. The risk appetite metrics are monitored by the Risk Management Department and breaches are escalated to the Board Risk Committee and from there to the Board, when necessary.</p> <p>The Group's Risk Appetite metrics can be summarised as follows:</p> <table border="1"> <tbody> <tr> <td> <p>Capital</p> <p>Capital ratios (CET 1, Tier 1, Total Capital)</p> <p>MREL - TREA</p> <p>Leverage Ratio</p> <p>MREL - LRE</p> </td> <td> <p>Liquidity</p> <p>LCR</p> <p>NSFR</p> <p>Survival horizon</p> <p>Unencumbered eligible assets</p> <p>Retail funding as a share of total funding</p> </td> </tr> <tr> <td> <p>Profitability</p> <p>Income deviation from budget</p> <p>Net Asset Yield</p> <p>ROA</p> <p>ROE</p> <p>RAROC</p> <p>Operational losses</p> </td> <td> <p>Asset quality</p> <p>NPL/NPA ratios</p> <p>Coverage Ratios</p> <p>Growth rate of NPAs</p> <p>Net Cost of Credit</p> <p>Net Naked Exposure to Capital</p> <p>Expected Loss</p> <p>Concentration (Country, Segment)</p> <p>Large Exposure Limits (banking book, trading book, insurance)</p> </td> </tr> </tbody> </table>		Trade Finance	Factoring	Corporate Lending*	Real Estate	Correspondent Banking	Cash Management	Treasury	Funds	Default Risk	x	x	x	x	x	x	x		Price Risk							x	x	Counterparty Credit Risk							x		Concentration Risk	x	x	x	x	x	x	x		Foreign Exchange Lending Risk	x	x			x	x			<p>Capital</p> <p>Capital ratios (CET 1, Tier 1, Total Capital)</p> <p>MREL - TREA</p> <p>Leverage Ratio</p> <p>MREL - LRE</p>	<p>Liquidity</p> <p>LCR</p> <p>NSFR</p> <p>Survival horizon</p> <p>Unencumbered eligible assets</p> <p>Retail funding as a share of total funding</p>	<p>Profitability</p> <p>Income deviation from budget</p> <p>Net Asset Yield</p> <p>ROA</p> <p>ROE</p> <p>RAROC</p> <p>Operational losses</p>	<p>Asset quality</p> <p>NPL/NPA ratios</p> <p>Coverage Ratios</p> <p>Growth rate of NPAs</p> <p>Net Cost of Credit</p> <p>Net Naked Exposure to Capital</p> <p>Expected Loss</p> <p>Concentration (Country, Segment)</p> <p>Large Exposure Limits (banking book, trading book, insurance)</p>
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Price Risk							x	x																																																			
Counterparty Credit Risk							x																																																				
Concentration Risk	x	x	x	x	x	x	x																																																				
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	<p>Note 23 of the Annual Report details the facilities granted by FIMBank plc to its subsidiaries.</p> <p>Note 45 of the Annual Report provides details concerning exposures to Kuwait Projects Company (Holding) K.S.C.P. (“KIPCO”) and its subsidiaries, which includes the Group’s largest shareholder United Gulf Holding Company B.S.C (“UGH”). Exposures to KIPCO Group entities are monitored under the Large Exposure framework to ensure that total exposure to these related entities does not exceed the regulatory maxima measured as a percentage of Tier 1 capital.</p>		
<p>(b)</p>	<p><i>The criteria and approach used for defining the credit risk management policy and for setting credit risk limits</i></p> <p>Strict credit assessment and control procedures are in place in order to monitor credit exposures. A credit risk framework has been developed for each credit product (or product line) offered by the Group. These risk frameworks detail the acceptable parameters within which clients and facilities should fit in order to align with the Group’s credit risk appetite. With respect to borrowers themselves the risk framework will consider such factors as: the number of years a borrower has existed, the turnover of the borrower and its equity base, the activity, industry and location of the borrower and the credit rating of the borrower. With respect to the facilities themselves the Group will consider such factors as: the quantum, usage, tenor, documentation and security available. For each product the Group has defined a maximum portfolio concentration, a target weighted Loss Given Default range and a target weighted Expected Losses range. Overlaying the risk frameworks is the Group’s Risk Appetite Statement therefore, in addition to seeking business that fits within the risk framework, the Group also ensures that the entire credit portfolio remains within the defined parameters set in the Risk Appetite Statement.</p> <p>The Board Credit Committee is responsible for approving individual limits for banks and corporates within its delegated parameters of authority set out in the Statement of Compliance with the Principles of Good Corporate Governance.</p> <p>All on- and off- balance sheet exposures are approved after a thorough review of the counterparties’ creditworthiness. Whilst any external rating of the counterparty by established Credit Rating Agencies is taken into account, an internal rating is given to each obligor and credit support provider through an internal rating system provided by Moody’s. The Group uses Moody’s CreditLens software to establish internal ratings. In addition to this, a credit review is also done by means of other assessment criteria, including but not limited to, financial statements review, analysis of relevant markets and sectors, commodity prices outlook, structure of proposed transactions and market position of the relevant parties.</p> <p>The Group has established policies requiring limits on counterparties and countries, and controls in relation to concentration to sector, and industries, thus ensuring a more diversified on- and off-balance sheet lending portfolios.</p> <p>The Group maintains a prudent provisioning policy in accordance with the applicable laws and regulations to ensure that losses are immediately recognised in the Statement of Profit or Loss. Efforts at recovering losses incurred in past financial periods are continuous. To this purpose, legal proceedings have been undertaken in the courts of competent jurisdictions.</p> <p>With respect to the policies governing the hedging and mitigation of risk, the Group has in place the following policies:</p> <ul style="list-style-type: none"> • Credit Risk Policy • Collateral Manager Acceptance Policy • Treatment of Collateral Policy • Watchlist and NPA Policy • Country Risk Limits Setting Policy • ESG Policy • Recoveries Policy <p>These assorted documents detail the approaches used by the Group to mitigate, control and monitor credit risk, and cover the responsibilities of both the first and second lines. These documents detail: how clients should be selected; what activities are restricted; what the credit review process entails, and the responsibilities of the parties involved; credit underwriting standards and minimum expectations; the frequency of facility reviews; how transactional approval requests are to be processed; the required monitoring of exposures; the handling of problem credits; the identification and management of financially distressed and defaulted clients; the types of security that can be accepted, how it is valued, who can control it, and how control is monitored; and more.</p>		

	<p>The operations and risk teams are responsible for various aspects of monitoring and controlling risk mitigants taken in support of client facilities. This may include such activities as tracking commodity prices, tracking the location of vessels, monitoring of currency exchange rates and mark-to-market positions, running periodic checks on collateral managers, controlling cash margins, and more. Third party providers are used to track credit ratings, collateral values, and both internal and external resources are used for property valuation. The Group has an in-house legal function that prepares facility and security documentation, however the Group makes use of enteral legal advice for certain specialised products and when advice on foreign jurisdictions is required.</p> <p><i>Default Risk</i></p> <p>Default Risk is the chance that a borrower, whether corporate or personal or other, becomes unable to repay their credit obligations to the Bank. The Group makes use of models purchased from Moody's to estimate likelihood of default and considers a number of other factors to determine the expected loss on exposures in its loan book.</p> <p><i>Concentration Risk</i></p> <p>In addition to policies aimed at managing credit risk and concentrations within credit portfolios, as part of the annual ICAAP the Group estimates the capital requirements for concentration risk as part of the economic perspective. Quantification of concentration risk is based on Section 6 of the Prudential Regulation Authority's methodologies for setting Pillar II capital dated July 2021 whereby the Herfindhal-Hirschmann index (HHI) is used to calculate concentration across the three portfolio classifications; (i) Individual concentration; (ii) Sectoral concentration; and (iii) Geographical concentration.</p> <p><i>Counterparty Credit Risk</i></p> <p>Refer to section 4.2.2.</p> <p><i>Settlement Risk</i></p> <p>Settlement risk arises through failed Delivery versus Payment ('DvP') transactions and all non-DvP trades. The Group faces settlement risk due to the fact that a few financial transactions are settled simultaneously or on a same day basis. Consequently, the Group could suffer a loss if the counterparty fails to deliver on settlement date. In order to mitigate against this risk, the Group has in place settlement lines where a limit is placed on the maximum settlement exposure against a single counterparty as explained in Note 4.2.4 of the Annual Report. The capital requirements for settlement risk are nil under Pillar I as prescribed by Articles 378 and 379 of Title V of Part Three of CRR.</p> <p><i>Foreign Exchange Lending Risk</i></p> <p>Foreign exchange lending risk is the risk that borrowers default due to movements in foreign exchange rates. The Group lends primarily in USD, but the customers of the Group may not necessarily operate in USD. As a result, foreign exchange rate movements could negatively affect the Group's borrowers. In the event that the currency of lending appreciates when compared to their currency of operation, loan repayments may be more costly in real terms and may increase the Group's probability of default. Borrowing customers whose borrowing is in a currency that is pegged to their main currency of operations are not considered to represent a foreign exchange lending risk. In addition, customers may be sufficiently sophisticated that they manage such foreign exchange risks as part of their day-to-day operations.</p> <p>Transactions may be for the purchase of a commodity that is purchased and settled in the same currency, such as USD, ensuring that the foreign exchange risk is negated even if the currency of the transaction is different to that of the client's primary currency of operations. Other customers may engage in back-to-back transactions that are in matching currencies such that the completion of the first leg of the transaction will generate cash in the same currency necessary to settle the second leg. It may also be the case that customers hedge transactions on a portfolio or case-by-case basis as necessary to protect themselves from foreign exchange risk. Such hedges may be purchased from the Group or from third parties. The Group considers the presence of such mitigants as part of its risk assessment processes when granting credit limits or approving transactions. The Group accepts any residual 'open' FX lending risk as part of its business.</p> <p>The Group quantifies its capital requirements for foreign exchange lending risk under the economic perspective as explained in Note 4.2.5 of the Annual Report.</p>
(c)	<p><i>The structure and organisation of the credit risk management and control function</i></p> <p>The Board has delegated to the BCC and BRC the responsibility for managing the Group's credit risk. The BCC is responsible for the authorisation of credit limits for customers and the BRC is responsible for determining the risk appetite levels and risk frameworks that determine what business is attractive to the Group. The majority of the Group's credit proposals pass through the Risk Management Department in Malta prior to approval either under delegated authority granted by the BCC or by the BCC itself. The Group's subsidiaries have been delegated a limited ability to approve credit limits without reference to Group headquarters, however all such approvals are advised to the BCC post-facto.</p> <p>Within the Risk Management Department in Malta there are a number of specialised Risk Managers responsible for overseeing credit proposals from the sectors that they have responsibility for. They act as the first line of challenge to proposals received from the business lines (including the Group's Treasury function). Proposals are ultimately routed to the Group Chief Risk Officer. The Risk Management Department also has a team responsible for the creation and maintenance of limits within the Group's core banking</p>

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

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

Template EU CR5 – Standardised approach

		Risk Weight														Total USD	of which unrated USD
		0%	4%	10%	20%	30%	45%	50%	60%	75%	100%	105%	150%	250%	Others		
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD		
	Exposure classes	a	c	d	e	f	i	j	k	m	p	q	t	u	y	z	aa
1	Central government central banks	154,770,930	6,861,285	7,235,648	-	-	-	-	-	-	11,737,586	-	-	-	-	180,605,449	-
2	Non-central government public sector entities	-	-	-	32,293,917	-	-	19,428,884	-	-	-	-	-	-	-	51,722,801	-
EU 2a	Regional governments or local authorities	-	-	-	9,509,890	-	-	-	-	-	-	-	-	-	-	9,509,890	-
EU2b	Public sector entities	-	-	-	22,784,027	-	-	19,428,884	-	-	-	-	-	-	-	42,212,911	-
3	Multilateral development banks	5,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	-
EU 3a	International organisations	10,320,466	-	-	-	-	-	-	-	-	-	-	-	-	-	10,320,466	473,686
4	Institutions	-	-	-	87,067,983	750,851	-	2,193,534	-	271,068	1,363,048	-	-	-	-	91,646,484	976,446
5	Covered bonds	-	-	2,165,268	-	-	-	-	-	-	-	-	-	-	-	2,165,268	-
6	Corporates	-	-	-	18,172,707	-	-	29,182,431	-	3,555,047	319,259,493	-	9,830,079	-	-	379,999,757	299,178,850
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	52,358	-	-	-	-	52,358	52,358
EU 7b	Equity	-	-	-	-	-	-	-	-	-	52,358	-	-	-	-	52,358	52,358
8	Retail Exposures	-	-	-	-	-	-	-	11,806,337	-	-	-	-	-	-	11,806,337	11,806,337
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	109,566	3,981,750	5,767,489	-	7,727,227	-	49,103,614	1,307,315	36,349,581	-	367,811	104,714,352	104,714,352
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	109,566	-	-	-	-	-	-	-	-	-	-	109,566	109,566
9.1.2	loan splitting applied (secured)	-	-	-	109,566	-	-	-	-	-	-	-	-	-	-	109,566	109,566
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	3,981,750	5,767,489	-	-	-	-	1,307,315	-	-	-	11,056,553	11,056,553
9.3	Secured by mortgages on commercial immovable property – non IPRE	-	-	-	-	-	-	-	7,727,227	-	5,803,336	-	-	-	-	13,530,563	13,530,563
9.3.1	No loan splitting applied	-	-	-	-	-	-	-	-	-	1,188,177	-	-	-	-	1,188,177	1,188,177
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	7,727,227	-	-	-	-	-	-	7,727,227	7,727,227
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	4,615,159	-	-	-	-	4,615,159	4,615,159
9.4	Secured by mortgages on commercial immovable property – IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	367,811	367,811	367,811
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	43,300,278	-	36,349,581	-	-	79,649,859	79,649,859
10	Exposures in default	-	-	-	-	-	-	-	-	-	2,591,695	-	303,859	-	-	2,895,554	2,895,554
EU10b	Collective investment undertakings (CIU)	852,158	-	-	-	-	-	-	-	-	8,089,092	-	554,176	-	-	9,495,427	9,495,427
EU10c	Other items	27,609	-	-	-	-	-	-	-	-	68,110,189	-	-	15,218,420	-	83,356,218	83,356,218
EU 11c	Total	170,971,164	6,861,285	9,400,916	137,644,172	4,732,601	5,767,489	50,804,849	7,727,227	15,632,452	460,307,076	1,307,315	47,037,696	15,218,420	367,811	933,780,472	512,949,228

The Group does not have exposures subject to the following risk weights: 2%; 35%; 40%; 70%; 80%; 90%; 110%; 130%; 370%; 400% and 1250%. None of the Group’s products were deemed to fall under the definition of specialised lending as at the disclosure reporting date. As a result, the respective columns have not been disclosed in the above table: (b), (g), (h), (l), (n), (o), (r), (s), (v), (w) and (x). The above amounts represent the Exposure Value of each exposure class before it is risk weighted and excluding the SME supporting factor.

4.2.2 Counterparty credit risk

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

(a)	<p><i>Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties</i></p> <p>Counterparty credit risk ('CCR') is defined as the risk that a counterparty may default before completing the settlement of the transaction. An economic loss might occur if the transaction has a positive economic value at the time of default. Use of derivatives within the Group is limited to hedging balance-sheet positions and, to a lesser extent, to satisfy customer requests (for example, for foreign exchange hedging). The Treasury unit is responsible for the internal management of such instruments.</p> <p>The Group enters into Over the Counter ('OTC') derivative transactions, typically, to manage the Group's own risk. Prior to entering any OTC derivative transaction, the Treasury unit must seek approval from the Risk Management Department for suitable limits against the counterparty. Details of CCR exposure as of 31 December 2025 are provided in tables EU CCR1 and EU CCR3 below.</p> <p>Counterparty credit risk is monitored through the setting up of counterparty limits to capture the position and settlement risks associated with forward and other derivative instruments. Credit limits to capture counterparty credit risk are requested by either the Treasury team or by Relationship Managers dependent on the counterparty in question. Such requests are assessed by the Risk Management Department thorough review of the counterparties' creditworthiness (in line with the credit review process) and approved within the authorities delegated by the Board to the Board Credit Committee. The Group has in place operational procedures to mitigate these risks. Counterparty credit risk is assigned a capital charge using the mark-to-market method, based on the residual maturities of the contracts.</p> <p>The Group calculates the capital requirements for counterparty credit risk under Pillar I using the 'original exposure' model, based on the residual maturities of the contracts in line with the approach as laid down in Article 274 of the CRR.</p>
(b)	<p><i>Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves</i></p> <p>The Group has limited exposure to counterparty credit risk and engages with top tier banks when engaging in derivative transactions. Credit limits must be in place for the specific counterparty to a derivative transaction and exposure against these limits is monitored by both the Treasury department and Risk function. The Group does not hold collateral in relation to such instruments and as a result EU CCR5 is not being disclosed.</p>
(c)	<p><i>Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR</i></p> <p>Given the Group's limited derivatives activity, where much of the activity is to protect the Group against risks in its funding or liquidity structure, the Group believes its wrong-way risk is minimal and has no internal policies covering this risk type.</p>
(d)	<p><i>Any other risk management objectives and relevant policies related to CCR</i></p> <p>There are no other risk management objectives and policies in relation to CCR, other than the ones mentioned earlier.</p>
(e)	<p><i>The amount of collateral the institution would have to provide if its credit rating was downgraded</i></p> <p>The Group's provision of collateral to third parties is mainly limited to arrangements with a contractual maturity generally not exceeding 12months. Given the short nature of such transactions, the Group does not expect a material change to the value of collateral it must provide as a result of a downgrade.</p> <p>The Group did not make use of any liquidity assistance from the Central Bank of Malta during year under review.</p>

Template EU CCR1 - Analysis of CCR exposure by approach

		a	b	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		USD	USD	No	USD	USD	USD	USD
EU1	EU – Original Exposure Method (for derivatives)	4,162,262	15,287,073	1.4	27,229,069	27,229,069	27,229,069	8,461,019
6	Total				27,229,069	27,229,069	27,229,069	8,461,019

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

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

		Risk weight			Total exposure value
		20%	50%	100%	Others
		USD	USD	USD	USD
<i>Exposure classes</i>		e	f	i	k
3	Public sector entities		5,288,342		5,288,342
6	Institutions	16,851,736			3,774,986
7	Corporates			1,314,005	
11	Total exposure value	16,851,736	5,288,342	1,314,005	3,774,986

The above table has been tailored from the original format to exclude the remaining exposure classes and risk weights, since the Group does not have exposures subject to counterparty credit risk that fall under these classifications.

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

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

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

4.3.1 Equity investments less than 10%

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

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

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

4.3.2 Equity investments between 10% and 50%

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

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

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

4.3.3 Equity investments exceeding 50%

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

4.3.4 Unit investments in collective investment schemes

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

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

	Balance sheet value	Look-through approach value	Risk weighted exposure amount	Minimum capital requirement
	USD	USD	USD	USD
Credit risk	9,829,861	9,495,427	8,920,357	713,629

During 2025, a total unrealised loss of USD5,797,998 and a total revaluation loss of USD7,145,621 were recorded.

4.4 Market risk

Table EU MRA - Qualitative disclosure requirements related to market risk

(a)	<p><i>A description of the institution's strategies and processes to manage market risk</i></p> <p>Market risk for the Group is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: foreign exchange risk, interest rate risk in the banking book, position risk in traded debt instruments and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.</p> <p>The Group has implemented policies, established limits and makes use of currency and interest derivative contracts to mitigate market risks. With respect to the trading book of London Forfaiting Company, the Group determines its maximum asset levels as part of the annual budgeting process and sets risk parameters to ensure that asset quality, country of exposure, tenor and other key factors remain within the Group's appetite. All assets purchased or financed by LFC must pass through a rigorous credit assessment prior to execution of the transaction.</p> <p>The Group's appetite for market risk is set through the Risk Appetite Statement. Performance against the RAS is tracked in BRC meetings and also at regular meetings of the ALCO. The ALCO is also responsible for setting the strategy for the management of the Group's key market and liquidity risks. The GCRO and Head of Non-Credit Risk are members of the ALCO and matters arising from the ALCO are escalated to the BRC by the GCRO as and when necessary.</p> <p><i>Foreign Exchange Risk</i></p> <p>Foreign exchange risk is managed at a Group level with a relatively low tolerance for open market positions with currency hedges purchased as necessary. Foreign Exchange Risk is attached to those monetary assets and monetary liabilities of the Group that are not denominated in the functional currency of the Group. Transactional exposures give rise to foreign currency gains and losses that are recognised in the Statement of Profit or Loss. Currency risk is mitigated by a closely monitored currency position and is managed through matching within the foreign currency portfolio and capital hedging. However, mismatches could arise where the Group enters into foreign exchange transactions (for example, foreign currency swaps) which could result in an on-balance sheet mismatch mitigated by an off-balance sheet hedging contract. Other mismatches are allowed up to an established threshold, and any excesses are regularised immediately. The Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies spot or forward rates when considered appropriate.</p> <p>When calculating its capital requirements under Pillar I, the Group considers its net open foreign currency position in terms of Article 352 of the CRR. Through this approach, each net currency position is analysed and a capital charge is taken on the net short or long currency exposure (whichever is the higher).</p> <p><i>Interest Rate Risk in the Banking Book</i></p> <p>Interest rate risk on positions not included in the trading book (i.e. Interest Rate Risk in the Banking Book or 'IRRBB') refers to the risk to earnings or Group's financial instruments to movements in interest rates. The risk impacts the earnings and equity of the Group as a result of changes in the economic value of its assets, liabilities and off-balance sheet instruments. The Group's operations are subject to interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or at different amounts.</p> <p>The Group manages its interest rate risk on a monthly basis using an in-house IRRBB model that considers the maturity mismatch for its primary currencies and the effect the 6 European Central Bank mandated interest rate shock scenarios have on the Economic Value of Equity ('EVE') and the impact of 2 of these 6 scenarios (parallel up and parallel down) on the Net Interest Income ('NII'). The Group assesses IRRBB on positions denominated in different currencies. In line with the EBA/GL/2022/14 the interest rate shocks are performed on 'material' currencies, which in 2025 were at various times USD, EUR and INR, but monitors and sets risk parameters on the basis of the consolidated position. Those assets and liabilities in currencies which are not 'material' are combined with the Group's assets and liabilities in its primary currency, USD, and shocked using the USD based stresses.</p> <p>Results and analysis from the IRRBB tool are provided in the Table EU IRRBBA.</p> <p>Notwithstanding that no capital charge is taken under the Pillar I framework, the Group calculates its capital requirements as part of its assessment for capital requirements under the economic perspective.</p>
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	<p>During 2025 the Group enhanced the in-house IRRBB tool with the assistance of external consultants, to capture the new requirements introduced by EBA/GL/2022/14. These include additional considerations for Non-Maturity Deposits, basis risk, commercial margins, and off-balance sheet items.</p> <p><i>Position Risk in Traded Debt Instruments</i> Position risk in traded debt instruments refers to the risk of adverse effects on the value of positions in the trading book of general movements in market interest rates or prices or movements specific to the issuer of a security.</p> <p>The Group has non-securitised debt instruments for which a capital charge under Pillar I is considered. Such assets are allocated a) a 'specific risk' charge based on percentage risk weight which would be attributable to the assets under the Standardised Approach for credit risk in line with Article 336 of the CRR and b) a 'general risk' charge based on the coupon and maturity of the asset in line with Article 339 of the CCR.</p> <p>The forfeiting portfolio (position risk) is comprised of assets originating from banks and companies operating in many market sectors in a very broad range of countries, the majority of which are emerging markets. The Group regularly updates its mark-to-market positions and recording the unrealized and realized profits and losses. Performance of this portfolio remained within risk parameters and well within the unexpected loss assessment for the portfolio determined as part of the regular ICAAP process.</p> <p><i>Price Risk</i> The Group's bond portfolio (other price risk) is largely comprised of investments in bonds issued by the governments of countries in the European Union and European banks. It is to be noted that the Bank's purchase of government and bank bonds is primarily for the purposes of liquidity management. ECB initiatives to support the Eurozone has moderated volatility in these assets and maintained liquidity.</p>
(b)	<p><i>A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.</i></p> <p>The responsibility for day-to-day management of market risk in the non-trading book rests with the Treasury function. The responsibility for oversight of market risk rests with the Head of Non-Credit Risk, who reports directly to the GCRO. Requests for credit limits to facilitate markets activities are approved via the credit approval process headed by the GCRO, the Head of Non-Credit Risk is responsible for monitoring market risk limits, challenging models used by the Treasury department, ensuring that market risks are captured appropriately, and challenging liquidity management and hedging strategies.</p> <p>The Group's Risk Appetite Statement and supporting Treasury policies clearly outline the Group's appetite for market risk. The ALCO sets the strategy for liquidity and market risk management within the parameters set by the RAS and the GCRO, who is a member of ALCO, ensures there is robust challenge and that pertinent matters are escalated to the attention of the BRC as and when necessary.</p>
(c)	<p><i>Scope and nature of risk reporting and measurement systems</i></p> <p>The Group's Treasury activities are centrally controlled by the Treasury department located in the Group's headquarters. The Treasury department draws data from external market sources, pipeline management activities, the Group's core systems, its subsidiaries and the Finance department to facilitate risk monitoring and strategic decision making. It deploys inhouse developed tools to quantify the impact of interest rate shocks on its assets and liabilities, and external platforms to model the potential impact of market shocks on its bond holdings. Data is shared through the Group's intranet, reports and as briefing packs for executive management meetings, ALCO meetings and BRC meetings.</p>

Template EU MR1 - Market risk under the standardised approach

		RWEAs
		USD
Outright products		a
1	Interest rate risk (general and specific)	335,125,727
2	Equity risk (general and specific)	-
3	Foreign exchange risk	15,475,725
4	Commodity risk	-
9	Total	350,601,451

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

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

(a)	<p><i>A description of how the institution defines IRRBB for purposes of risk control and measurement</i></p> <p>Interest rate risk on positions not included in the trading book (IRRBB) refers to the risk to earnings or Group's financial instruments to movements in interest rates. The risk impacts the earnings and equity of the Group as a result of changes in the economic value of its assets, liabilities and off-balance sheet instruments. The Group's operations are subject to interest rate fluctuations to the extent that interest-earning assets and interest-bearing liabilities mature or re-price at different times or at different amounts.</p> <p>The Group manages its IRRBB risk on a consolidated basis using a tool developed with the assistance of an external consultancy. This tool is used to generate a monthly calculation of the Group's exposure to a change, as a percentage of Tier 1 capital, in the Economic Value of Equity ('EVE') and in Net Interest Income ('NII') resulting from a number of pre-defined shock scenarios.</p> <p>The Group's Treasury function is responsible for managing the Group's IRRBB risk with oversight by the Risk Management function. The Group has set a risk appetite for the maximum ΔEVE and ΔNII resulting from the prescribed supervisory shock scenarios. Every month the Group calculates its ΔEVE and ΔNII, and reports the results, every 2 months or less, to the ALCO and, quarterly, to the Board Risk Committee. The Group's Treasury function manages the Group's IRRBB via managing the repricing gaps in the Group's interest sensitive assets and liabilities, may also use, if needed, hedging instruments to manage IRRBB risk. As of reporting date the Group has not used any hedging instruments to manage its IRRBB risk.</p>
(b)	<p><i>A description of the institution's overall IRRBB management and mitigation strategies</i></p> <p>The existing in-house IRRBB model considers the repricing mismatch on positions denominated in different currencies. The interest rate shocks are performed on 'material' currencies, which in 2025 were at various times USD, EUR and INR but the Group monitors and sets risk parameters on the basis of the consolidated position. Those assets and liabilities in currencies which are not 'material' are combined with the Group's assets and liabilities in its primary currency, USD, and shocked using the USD-based stresses. The model provides the effect the 6 European Central Bank mandated interest rate shock scenarios have on the EVE and NII.</p> <p>An assessment of IRRBB expressly excludes items that are considered to be part of the trading book, as position risk accounts for a changing interest rate's effect on the value of a traded instrument. Furthermore, the Bank's trading book does not satisfy the definition of a 'Small trading book' (i.e., the size of the trading book is not less than EUR 50 million and not less than 5% of the total assets). In this respect, the Bank does not include its Trading book business in the calculation of IRRBB as described in the EBA guidelines. Therefore, the IRRBB model includes only those banking book items that are sensitive to changes in the interest rate.</p> <p>The identification of interest sensitive asset and liability classes is a task jointly completed by the Finance and Treasury departments. The list of interest sensitive items is reviewed from time-to-time to ensure that all interest sensitive items in the banking book are captured in the IRRBB assessment.</p> <p>Positions denominated in different currencies can expose the Bank to IRRBB in each of those currencies. Since yield curves vary from currency to currency, the Bank assesses exposures in each material currency. Therefore, the interest rate shock scenarios are currency specific. Exposures in non-material currencies are grouped together and shocked using the interest rate shock scenarios for the Bank's primary currency: USD.</p> <p>The Bank has set risk appetite metrics for the maximum negative movement in EVE and NII on the basis of the Supervisory Outlier Test parameters (detailed in EBA/RTS/2022/10) and the latest Commission Delegated Regulation (EU) 2024/856 published April 2024.</p> <p>The Group's IRRBB model is owned by the ALCO, a management committee established by the GCEO. The ALCO is responsible for the approval and regular review of the behavioural assumptions concerning Non-Maturity Deposits included within the IRRBB model. The Group Treasury function is responsible for reviewing the output of the model in order to formulate forward looking strategies to ensure that the ΔEVE and ΔNII remain within agreed thresholds taking into account forthcoming asset and liability maturities as well as the Group's pipeline of expected facility repayments and draw downs.</p> <p>The Risk Management Department monitors changes in regulation relating directly to IRRBB and others that might affect underlying assumptions of the model. When such changes are identified, dependent on their complexity, the Group will either independently amend the model or seek external assistance. The Internal Audit function is responsible for the independent validation of the model and its underlying assumptions.</p>
(c)	<p><i>The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB</i></p> <p>As mentioned, the Bank measures its IRRBB on a monthly basis. The Bank measures the risk towards interest rate in the banking book using the two complementary approaches: changes in the economic value of equity ('EVE') and changes in expected earnings ('NII') as a percentage of the Group's Tier 1 capital.</p>

	<p>The EVE measures the economic value of the bank’s equity under a given yield curve assumption. Under the EVE, notional repricing cash flows for all interest sensitive assets and liabilities are allocated into 19 pre-defined time buckets depending on the next repricing date (variable rate instruments) or maturity date (fixed interest rate) in order to produce a repricing gap (the difference between assets and liabilities) in each time bucket. The net notional repricing cash flows are discounted towards a present value using a discount factor based on the base yield curve and six defined stresses. EVE measures the changes in the net present value of the interest rate sensitive instruments over their remaining life resulting from interest rate movements, i.e., until all positions have run off. A run-off-balance sheet is a balance sheet where existing non-trading book positions amortise and are not replaced by any new business. In this way, EVE is a long-term measure, assessing the impact over the remaining life of the balance sheet.</p> <p>The NII measure looks at the impact of changes in interest rates on future earnings. The change in earnings is the difference between expected earnings under a base scenario and expected earnings under two adverse shocks. NII is a short-medium term measure, assessing the impact to expected future profitability within a given time horizon resulting from interest rate movements. In accordance with Article 5 (e) of EBA/CP/2021/36, the Bank measures its NII under a constant balance sheet assumption, whereby interest sensitive balance-sheet items (in their total size and composition) are maintained by replacing maturing or repricing cash flows with new cash flows that have identical features with regard to the amount, repricing period and spread components.</p>																
(d)	<p><i>A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income</i></p> <p>Six supervisory scenarios are applied for the EVE measure as per Article 3 of EBA/CP/2021/36.</p> <ul style="list-style-type: none"> i. parallel shock up; ii. parallel shock down; iii. steeper shock (short rates down and long rates up); iv. flattener shock (short rates up and long rates down); v. short rates shock up; and vi. short rates shock down. <p>The size of the interest rate shocks adopted for the Bank’s material currencies is in line with those prescribed by EBA in the Regulatory Technical Standards as follows:</p> <table border="1" data-bbox="389 1048 1299 1205"> <thead> <tr> <th></th> <th style="text-align: center;">EUR (in basis points)</th> <th style="text-align: center;">USD (in basis points)</th> <th style="text-align: center;">INR (in basis points)</th> </tr> </thead> <tbody> <tr> <td>Parallel (up / down)</td> <td style="text-align: center;">+200 / -200</td> <td style="text-align: center;">+200 / -200</td> <td style="text-align: center;">+400 / -400</td> </tr> <tr> <td>Short (up / down)</td> <td style="text-align: center;">+250 / -250</td> <td style="text-align: center;">+300 / -300</td> <td style="text-align: center;">+500 / -500</td> </tr> <tr> <td>Long (up / down)</td> <td style="text-align: center;">+100 / -100</td> <td style="text-align: center;">+150 / -150</td> <td style="text-align: center;">+300 / -300</td> </tr> </tbody> </table> <p>Formulas prescribed by the EBA determine the shape of the curve that must be applied for the Parallel, Short and Long shocks and the Group makes use of these prescribed formulas in its model.</p> <p>Within the NII, forward rates used for calculating the projected income/expense are based on the risk-free yield curves. These yield curves are shocked under two interest rate shock scenarios: the parallel shock up and parallel shock down scenarios as per Article 1 (2) of EBA/CP/2021/36. The shocks are implemented for each material currency and time bucket. For both USD and EUR, a shock of 200 basis points is applied in both the Parallel Up and Parallel Down scenarios, whilst for INR a 400 basis point is applied.</p> <p>Where the regulator has imposed a floor or a cap on the scenario curves the Group applies such caps in its modelling.</p>		EUR (in basis points)	USD (in basis points)	INR (in basis points)	Parallel (up / down)	+200 / -200	+200 / -200	+400 / -400	Short (up / down)	+250 / -250	+300 / -300	+500 / -500	Long (up / down)	+100 / -100	+150 / -150	+300 / -300
	EUR (in basis points)	USD (in basis points)	INR (in basis points)														
Parallel (up / down)	+200 / -200	+200 / -200	+400 / -400														
Short (up / down)	+250 / -250	+300 / -300	+500 / -500														
Long (up / down)	+100 / -100	+150 / -150	+300 / -300														
(e)	<p><i>A description of the key modelling and parametric assumptions different from those used for disclosure template EU IRRBB 1</i></p> <p>The Bank does not make any modelling or parametric assumptions different to those used for the disclosure template EU IRRBB 1 as the Bank is in alignment with the requirements of Directive (EU) 2013/36, Article 98 (5a). Therefore, this section is not applicable.</p>																
(f)	<p><i>A high-level description of how the Institution hedges its IRRBB, as well as the associated accounting treatment</i></p> <p>The Bank has managed the maturity / repricing of its banking book assets and liabilities in such a way that it remains within its risk tolerance levels even under the supervisory shock scenarios. For this reason, the Bank has not used hedging to manage its IRRBB, therefore this section is not applicable.</p>																
(g)	<p><i>A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB 1</i></p> <p><i>Different shocks for material currencies</i></p> <p>The Bank measures the interest rate sensitivity for financial instruments denominated in EUR, USD and INR (being the three currencies that satisfied the definition of material currencies at various times during 2025) separately, under the six supervisory shock scenarios. The Bank still considers the interest rate sensitivity of financial instruments denominated in non-material currencies by grouping them under the USD denominated financial instruments.</p>																

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

Behaviouralisation of Non-Maturity Deposits

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

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

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

Unconditional cash flow modelling approach

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

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

Net Interest Income – Allocation of repricing cashflows

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

Net Interest Income – Flooring of negative interest rate shocks on certain products

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

Trading book boundaries

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

Furthermore, the Bank’s trading book does not satisfy the definition of a ‘Small trading book’ (i.e., the size of the trading book is not less than EUR50 million and not less than 5% of the total assets). In this respect, the Bank does not include its Trading book business in the calculation of IRRBB.

Basis risk

Basis risk is the risk arising from the impact of relative changes in interest rates on interest rate sensitive instruments that have similar tenors but are priced using different interest rate indices. Taking into consideration such definition, basis risk is only relevant for floating rate instruments. As the Bank’s floating rate instruments, other than those with the overnight reference rate/benchmark, amount to

	<p>more than 5% of interest rate sensitive assets according to article 21 of EBA/RTS/2022/09, the Bank is required to calculate the Basis risk add-on for NII.</p> <p>To calculate the Basis Risk add-on for each respective material currency the Bank: (i) determines the ‘tightening’ and ‘widening’ shocks by comparing the historical difference between the rates for the 1 month, 3 months, 6 months and 12 months reference terms and the overnight rate; and (ii) applies these shocks to the to the cash flows allocated to the different referenced terms. The impact on NII for each reference term under the ‘tightening’ shock are summed and separately the impact on NII under the ‘widening’ shock are summed. As per Article 21 of EBA/RTS/2022/09 the NII add on is taken as the lower of the ‘tightening’ or ‘widening’ shock.</p> <p>Basis Risk is not reported in the Pillar 3 disclosures. However, it forms part of the Group’s regular Internal Capital Adequacy Assessment Process (ICAAP).</p>												
(h)	<p><i>Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosure</i></p> <p>Results from the previous disclosure is reflective of normal fluctuations in the balance of NMDs and ongoing management of liabilities maturity profiles vis-à-vis asset maturity profiles, supporting self-hedging of the IRRBB book.</p> <p>The change in net interest income resulting from the parallel up shock scenario deteriorated, as the repricing gap widened as the Bank increased funding requirement to fund the growing trading portfolio (which is excluded from the IRRBB calculation). On the other hand, EVE further improved as the Bond portfolio is getting closer to the maturity profile hence an overall WAL shortening.</p> <p>Refer to table within template EU IRRBB1 for shock impact on EVE and NII.</p>												
(i)	<p><i>Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1</i></p> <p><i>Economic Value of Equity</i> Commercial margins and other spread components are excluded from the calculation of the EVE. In this respect, for EVE purposes, cash flows are discounted using a risk-free rate. The Bank determines an appropriate general ‘risk-free’ yield curve per currency as follows:</p> <table border="1" data-bbox="183 1021 1506 1146"> <thead> <tr> <th style="text-align: center;">EUR</th> <th style="text-align: center;">USD</th> <th style="text-align: center;">INR</th> </tr> </thead> <tbody> <tr> <td>ESTR for ON tenor</td> <td>SOFR ON till 1-year tenors</td> <td>Modified MIFOR ON till 1-year tenors</td> </tr> <tr> <td>EURIBOR for up to 1-year tenors</td> <td>IRS rates for tenors up to 31 years</td> <td>INR MIFOR IRS rates up to 20 years</td> </tr> <tr> <td>IRS rates for tenors up to 31 years</td> <td></td> <td></td> </tr> </tbody> </table> <p>Such curves do not include instrument-specific or entity-specific credit spreads or liquidity spreads.</p> <p><i>Net Interest Income</i> The interest rate earned or paid by the Bank is a composite of five different price components which, as defined in Annex 1 of BCBS D368 Principles, are:</p> <ul style="list-style-type: none"> • The risk-free rate (also referred to as the funding rate); • Market duration spread; • Market liquidity spread; • General market credit spread; and • Idiosyncratic credit spread. <p>For the purposes of the NII calculation the interest rate is split into the projected risk-free yield and the commercial margin. The projected risk-free yield encapsulates the yield generated from the risk-free rate and the market duration spread and can also contain a reference rate which is an external benchmark rate. For the NII calculation, risk-free yield is projected for the different repricing dates according to their time bucket slotting and so the need for forward rates.</p> <p>For the purposes of calculating the contribution to net interest income of the projected risk-free yield on the reinvestment or refinancing of repricing cash flows, the Bank determines forward rates representative of the risk-free component of interest rates (for each currency and scenario) that is expected to be applied to risk free loans. Interest rates used for resetting transactions are based on forward rates. The rate for each instrument also contains appropriate projected spreads and margins.</p>	EUR	USD	INR	ESTR for ON tenor	SOFR ON till 1-year tenors	Modified MIFOR ON till 1-year tenors	EURIBOR for up to 1-year tenors	IRS rates for tenors up to 31 years	INR MIFOR IRS rates up to 20 years	IRS rates for tenors up to 31 years		
EUR	USD	INR											
ESTR for ON tenor	SOFR ON till 1-year tenors	Modified MIFOR ON till 1-year tenors											
EURIBOR for up to 1-year tenors	IRS rates for tenors up to 31 years	INR MIFOR IRS rates up to 20 years											
IRS rates for tenors up to 31 years													
(1) (2)	<p><i>Disclosure of the average and longest repricing maturity assigned to non-maturity deposits</i></p> <p>The respective repricing maturities buckets assigned to non-maturity deposits from retail and non-financial wholesale counterparties are presented in the table below.</p>												

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

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

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

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

		Changes of the economic value of equity		Changes of net interest income	
		2025	2024	2025	2024
		USD	USD	USD	USD
1	Parallel up	(6,452,528)	(7,306,782)	(6,294,589)	(3,727,994)
2	Parallel down	1,277,621	3,552,582	1,929,018	1,171,399
3	Steeper	(1,413,957)	(1,953,472)		
4	Flattener	(683,218)	149,469		
5	Short rates up	(1,675,664)	(1,603,126)		
6	Short rates down	170,516	396,874		

4.5 Operational risk

Table EU ORA - Qualitative information on operational risk

(a)	<p><i>Disclosure of the risk management objectives and policies</i></p> <p>The Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. When policies, processes or controls fail to perform, there is potential of business disruption which can lead to financial losses. The management of operational risk is an integrated part of the Bank's overall risk management activities and concerns all functions and personnel of the Bank. Operational risks can have legal or regulatory implications, potentially also leading to financial loss. Operational risk exposures are managed through the implementation of a common framework for the identification, assessment, reporting, control, monitoring and mitigation of operational risk. The Group has invested in technology to manage and mitigate against operational risk and a strong awareness of operational risk has been embedded in the culture of the Group.</p> <p>The Framework's purpose is to contain the risk within acceptable levels and parameters as determined by management and to ensure that the Group has sufficient information to make informed decisions about additional controls, adjustments to existing controls or other risk mitigation efforts. However, the Group cannot expect to eliminate its exposure to operational risk, therefore its main objective is to maintain such risk within acceptable levels and parameters. The primary responsibility for managing operational risk lies with the Businesses and the support functions (i.e. the First Line of Defence) and the appointed Operational Risk Champion in each department. They are responsible for collation of key risk indicators, incident reporting and the execution of Risk Control Self-Assessment (RCSAs). The second line of defence is performed by the Operational Risk Management Unit within the Group's Risk Management Department and a senior management Operational Risk Committee (ORMC). Each of the respective roles and responsibilities are covered under the Group Operational Risk Management policy as approved by the Board.</p> <p>Note 4.5 of the Annual Report further details the monitoring and processes in place to manage this risk.</p> <p>Two key components of Operational Risk are IT risk and Legal risk. In view of their importance, they are considered separately as detailed in Notes 4.5.1 and 4.5.2 of the Annual Report.</p>
(b)	<p><i>Disclosure of the approaches for the assessment of minimum own funds requirements</i></p> <p>The Group assesses the capital requirements for operational risk under Pillar I by reference to the Business Indicator Component ('BIC') in line with Article 312 of the CRR. Moreover, the Bank undertakes an additional assessment on Operational Risk capital requirements under the economic perspective. The Bank deploys an internal model for assessing its operational risk capital requirements under the economic perspective. The model takes into account the Bank's material operational risks and their estimated likelihood of loss and severity of loss using such data points as inputs to a Monte Carlo simulation. The output of the Monte Carlo simulation determines the Bank's operational risk capital under the economic perspective.</p> <p>Under the Business Indicator Component methodology the capital requirement for operational risk is reflective of the interaction between three factors: (i) net income generated from interest, leases and dividends; (ii) net other income and net fees and commissions; and (iii) the sum of the three year average of the net profit/loss generated in the trading book, the three year average of net profit/loss generated in the banking book from financial assets/liabilities measured at Fair Value through the Profit and Loss, hedge accounting, foreign exchange differences, and from realised gains/losses on financial assets/liabilities not measured at fair value through the profit and loss. In FIMBank's case the result of the sum of these three components is less than EUR 1 billion and its own funds requirement for operational risk is the sum of these three components multiplied by 12%.</p>
(c)	<p><i>Description of the scope and nature of the measurement system</i></p> <p>A component of the Business Indicator calculation is the value of losses from 'operational risk events'. The Group uses a third-party platform for managing operational risk events and capturing operational risk losses. The losses captured in the system contribute to the calculation of the operational risk capital charge.</p> <p>See EU OVA (b), (e), (f) and (g). See also, EU OVB (e) and EU ORA (b).</p>
(d)	<p><i>Description of the scope and nature of the operational risk reporting framework</i></p> <p>This has been detailed further in Note 4.5 of the Annual Report and also as explained in sections EU OVA (b), (e), (f) and (g), and EU OVB (e) in this Disclosures Report.</p>

(e)	<p><i>Description of the policies and strategies of the risk mitigation and risk hedge</i></p> <p>Operational Risk management is embedded across all business lines, managed within the parameters set in the Risk Appetite Statement, and in line with the Group’s Operational Risk Policy and Outsourcing Policy.</p> <p>The Group applies a combination of risk avoidance, mitigation, transfer and acceptance strategies, ensuring that material risks are managed within approved tolerance levels. The Group can choose not to offer a product or service, or to change the way in which they are offered, in order to avoid identified operational risks. If it is not possible to avoid the identified risks, then the Group documents the risk and the controls that can be put in place to reduce the identified risk to an acceptable level. If it is not possible to put in place controls, or if management of the risk is outside of the Group’s capabilities, risk transfer can be achieved through the purchase of appropriate insurance policies. Finally, where an operational risk is not avoided, is not fully mitigated and cannot be transferred, the Group assesses whether the remaining risk can be accepted. These considerations are documented as part of the Group’s Risk Control Self-Assessment process.</p>
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The following template shows the minimum required operational risk capital that the Group must hold under the regulatory framework. Template OR1 is not applicable to the Group since the business indicator component is not greater or equal to EUR 750 million. Template OR2 has not been disclosed, since this requirement was deferred to apply from disclosure period June 2026.

Template EU OR3 - Operational risk own funds requirements and risk exposure amounts

		USD
		a
1	Business Indicator Component (BIC)	8,093,256
EU1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	8,093,256
4	Operational Risk Exposure Amounts (REA)	101,165,694

4.6 Liquidity risk

4.6.1 Liquidity requirements

Table EU LIQA - Liquidity risk management

(a)	<p><i>Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding</i></p> <p>Liquidity risk is the risk that the Group may be unable to meet its obligations as they become due because of an inability to liquidate assets or obtain adequate funding (‘funding liquidity risk’) or that it cannot easily unwind or offset specific exposures without significantly lowering market prices due to inadequate market depth or market disruptions (‘market liquidity risk’). The Group takes a prudent approach with respect to liquidity risk management by ensuring that on a day-to-day basis it maintains a healthy buffer over and above the mandated regulatory minima for the LCR and NSFR. In line with the delegated regulation on liquidity coverage requirements the Group seeks to maintain a proper diversification of High-Quality Liquid Assets (HQLAs) held as part of the Bank’s liquidity buffer at all times.</p> <p>The Group also seeks to maintain stability in its funding by maintaining a diversified deposit base, ensuring an adequate presence of longer dated deposits and a mix in size of relationships. In managing the funding position, the Treasury Function seeks to avail itself of committed and uncommitted lines from related as well unrelated parties, that is, upstream and downstream institutions, and retail funding. A key indicator used to monitor concentration is a basic risk metric, namely customer funding compared to the Group’s total funding. An internal threshold is set in line with the Group’s risk appetite and strategy to maintain a well-diversified and broad mix of funding. Furthermore, the bank models the impact of an adverse and extreme liquidity shock event on its funding structure to calculate its ‘survival horizon’ under these scenarios. Under both shock scenarios the Group seeks to maintain a survival horizon sufficiently in excess of the 30-day period of the LCR assessment.</p> <p>Liquidity risk is managed by maintaining significant levels of liquid funds and identifying and monitoring changes in funding required to meet business goals driven by management. The daily application of the asset and liability management policies rests with the Treasury unit of the Group. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation. To support this the Group also maintains a buffer of ‘counterbalancing capacity’ that it can draw upon to support liquidity in times of stress.</p>
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	<p>Intraday liquidity risk management is an important component of the Group's broader liquidity management strategy and critical to implementing the Group's longer-term growth strategy. Primarily responsibility of intraday liquidity management is the Treasury unit.</p> <p>In addition to the number of policies, procedures and internal controls which the Group has in place to manage its liquidity and funding risks it prepares, in line with Article 86 of Directive 2013/36/EU, an Internal Liquidity Adequacy Assessment Process ('ILAAP') report on an annual basis. The ILAAP forms part of the Group's management process. The ILAAP is designed to demonstrate the Group's robust funding and liquidity management strategies whilst also to ensure that the Group has adequate liquidity to meet its liabilities both in normal and stressed conditions. Liquidity Risk Management is described in detail in Note 4.3.1 of the Annual Report.</p>
(b)	<p><i>Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)</i></p> <p>The Group's Assets Liabilities Committee, a committee established by the GCEO, is responsible for setting appropriate asset and liability management policies, monitoring their application and reviewing financial information on the basis of which investment and funding decisions are taken. The Treasury Policy, and the market risk limits documented as an annex to the policy, governs the activities of the Treasury function. The Treasury Policy was formulated in conjunction with the Risk Management Department and approved by the Board Risk Committee. The Risk Management Department is also responsible for setting and monitoring the thresholds applicable to the Group's key liquidity metrics, escalating its concerns to the Head of Treasury, ALCO or Board Risk Committee as necessary, and notifying these same parties if there is a breach in any of the liquidity metrics contained in the Group's Risk Appetite Statement.</p> <p>The Group's Pillar I liquidity buffer requirements are determined on the basis of LCR in line with the requirements of the Delegated Regulation, with a binding minimum requirement of 100%. Consequently, the Group considers the LCR as its most relevant liquidity monitoring tool. The Group sets an internal threshold higher than the minimum requirement, intended as an additional management buffer (during the review period following the annual ILAAP and stress testing process the threshold was recalibrated from 25% to 60% over the LCR minimum regulatory requirement).</p> <p>The Group also performs an assessment of its funding considering the Net Stable Funding Ratio (NSFR) over the projected period. CRR II includes a binding NSFR requirement for institutions set at 100%. Similar to the LCR, the annual ILAAP ad stress testing assessment resulted in a recalibration of the threshold from 105% to 116%, higher than the minimum requirement of 100% prescribed by the regulations.</p>
(c)	<p><i>A description of the degree of centralisation of liquidity management and interaction between the group's units</i></p> <p>The Group's liquidity management activities are centralised with the Treasury department in the Malta headquarters. The majority of the Group's funding is raised by FIMBank p.l.c. and distributed to subsidiaries as required. The subsidiaries do, however, obtain a certain amount of funding from banks in their own markets, typically in their domestic currency, at the encouragement of the Treasury department. The Group's Treasury department is responsible for setting the Group's funds transfer pricing, with oversight from ALCO.</p>
(d)	<p><i>Scope and nature of liquidity risk reporting and measurement systems</i></p> <p>The determination of the Group's liquidity risk metrics relies on data collected from all parts of the organisation. This data is then compiled by Finance to generate the Group's two key liquidity risk metrics, the LCR and NSFR. The former is estimated daily by the Treasury department and calculated weekly by the Finance department, and the latter is calculated monthly by the Finance department. These estimations/calculations use the methodology laid out by the EBA.</p> <p>The Group conducts weekly pipeline calls to allow for near term cash flow forecasting to ensure that the Treasury department is able to make available sufficient funds to satisfy requirements and that surplus liquidity is not left undeployed. Furthermore, the ALCO reviews funding requirements over a longer-term horizon, including potential unexpected outflows, to ensure sufficient liquidity buffer is maintained.</p>
(e)	<p><i>Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants</i></p> <p>The Group's policies set out the requirement for the Treasury department to maintain sufficient liquidity of appropriate maturities such that the Group's thresholds for the LCR, NSFR and survival horizons remain within tolerance thresholds. The LCR and NSFR are calculated with the frequency described in (d) above, and the survival horizons quarterly. The Group also maintains a 'counterbalancing capacity' of supplemental liquidity resources that can be utilised to bridge any liquidity gaps that might be exposed in times of significant stress for the Group.</p> <p>The assets that comprise the HQLAs are central bank deposits, treasury bills and bonds primarily issued by European governments or government-linked entities ensuring confidence that the Group is able to rapidly acquire necessary funds through these assets should the need arise. Furthermore, the components that comprise the counterbalancing capacity are tested (or have been tested) in order to confirm their viability as sources of funding in times of stress for the Group.</p>

(f)	<p><i>An outline of the bank's contingency funding plans</i></p> <p>The Treasury department monitors market conditions for signs that indicate whether a Group-specific, Malta-specific or global dislocation from the baseline funding expectations has occurred. Should it note that such a dislocation has occurred, it can escalate the matter to the GCEO to declare a liquidity crisis is being faced and to implement contingency plans. Such contingency plans include drawing upon any of a number of sources of liquidity the Group maintains, whether placements with the Central Bank of Malta (in addition to the minimum requirements), money market placements with other banks, unutilised credit limits, or a portfolio of highly liquid bonds and treasury bills. Furthermore, given the shorter tenor and transaction driven nature of the Group's book, and the fact that the majority of its credit facilities are uncommitted in nature, liquidity can be bolstered by preventing new draw down under approved credit limits or demanding immediate repayment of facilities. The Group also has the ability to repo or sell assets held in the forfeiting, trade or factoring portfolios to raise funding.</p>
(g)	<p><i>An explanation of how stress testing is used</i></p> <p>As part of its ILAAP process, the Group makes use of the ECB's 'Sensitivity analysis of Liquidity Risk – Stress Test' methodology to determine its 'survival horizon' under an adverse and extreme stress scenario. The output of this ECB sensitivity analysis is used by the Group to calibrate its LCR. Additionally, the Group's Stress Test, a complementary document to the ICAAP and ILAAP, includes a number of different stress scenarios – a macroeconomic shock, Group specific idiosyncratic shocks, a geopolitical shock event and liquidity specific shocks – with each scenario considering impacts on both capital and liquidity. The output of these scenarios is used to stress the Group's LCR and NSFR. The results of these stress tests are used to recalibrate the early warning threshold within the Risk Appetite Statement for the LCR ratio and to confirm the adequacy of the Group's early warning threshold for NSFR. These early warning thresholds then guide the Treasury department in its management of funding sources, the quality of treasury assets and the maturity profile of liabilities.</p> <p>In addition, via the ALCO, the Treasury department considers various scenarios that might affect funding requirements and maintains additional reserves to ensure sufficient liquidity at all times.</p>
(h)	<p><i>A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy</i></p> <p>The Board of Directors confirms its satisfaction with the scope and robustness of the Group's liquidity risk management arrangements, which provide sufficient comfort to the Board that the Group's liquidity risks are being controlled adequately.</p>
(i)	<p><i>A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy</i></p> <p>The Group's focus on trade finance and other working capital solutions, with only limited longer term facilities, means that the maturity profile of its funding book is relatively short. As the Group is not focused on retail banking its funding is not primarily by way of non-maturity deposits and liabilities are, therefore, raised with a profile that seeks to adequately match the maturity profile of the Group's assets. The Group's assets are primarily denominated in USD whilst its liabilities are raised in EUR. To ensure adequate liquidity in USD the Group maintains swap lines with a number of financial institutions and makes use of USD denominated collateralised borrowing facilities from the Central Bank of Malta and the ECB.</p> <p>Maintaining adequate liquidity is a key strategic objective for the Group and the Group's tolerance for liquidity related risk is defined through its Risk Appetite Statement, the thresholds of which are set at a level to ensure that the Group remains above the regulatory minima at all times. The primary measures used by the Group to monitor its liquidity are the LCR and NSFR ratios, which are monitored with a frequency as described in (d) above. The Group also monitors its 'survival horizon' under the ECB's adverse and extreme liquidity shock scenarios, which it calculates on a quarterly basis. The Group regularly reviews the key metrics it uses to monitor liquidity risk and, over and above the measures already mentioned, adds or removes metrics as appropriate.</p> <p>To ensure that the Group always remains above its early warning thresholds for its liquidity related Risk Appetite metrics it closely monitors day-to-day activities – such as projected draw downs and repayments – and wider market influences on liquidity. The ALCO considers stress scenarios on its liquidity and takes steps to ensure adequate resources are available to counter any stressed outflows that the Group might face. This may involve building a buffer of excess liquidity, securing increased borrowing limits from correspondent banks or any number of other steps that the Group is able to take to maintain a robust liquidity position.</p> <p>The Group's Treasury function is responsible for the day-to-day management of liquidity and the ALCO is responsible for the oversight of the Group's liquidity strategy and liquidity risk management. The Board Risk Committee monitors liquidity metrics with respect to the Risk Appetite Statement and escalates concerns to the Board if necessary. Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity.</p>

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

	in USD m	USD	EUR	GBP	INR	EGP	Total
London Forfaiting Co.							
From FIMBank p.l.c.		151.5	143.2	0.2	-	-	294.9
From third parties		47.9	17.6	-	-	-	65.5
India Factoring							
From FIMBank p.l.c.		100.9	24.5	3.2	-	-	128.6
From third parties		-	-	-	12.9	-	12.9
Egypt Factors							
From FIMBank p.l.c.		5	7.1	-	-	-	12.1
From third parties		14.8	-	-	-	25.1	39.9
FIM Property Investment							
From FIMBank p.l.c.		-	35.8	-	-	-	35.8
From third parties		-	-	-	-	-	-
Total							
From FIMBank p.l.c.		257.4	210.6	3.4	-	-	471.4
From third parties		62.7	17.6	-	12.9	25.1	118.3
Grand Total		320.1	228.2	3.4	12.9	25.1	589.7

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

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

Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps
Please refer to Note 4.3.2.4 of the Annual Report.

Template EU LIQ1 - Quantitative information of LCR

EU 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		December 2025	September 2025	June 2025	March 2025	December 2025	September 2025	June 2025	March 2025
		USD	USD	USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12 months preceding end of quarter							
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of Regulation (EU) 2015/61					146,246,952	165,045,897	186,643,409	214,513,509
	CASH – OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	69,523,978	69,458,848	65,222,164	64,214,585	7,185,992	13,086,048	19,062,534	26,456,274
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	69,523,978	62,852,158	51,426,523	42,064,916	7,185,992	6,479,358	5,266,893	4,306,605
5	Unsecured wholesale funding	371,479,031	351,906,305	324,990,849	307,839,785	147,018,483	142,627,438	131,063,696	131,975,480
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	368,642,393	349,126,375	321,344,332	303,782,191	144,181,846	139,847,508	127,417,179	127,917,886
8	Unsecured debt	2,836,638	2,779,931	3,646,517	4,057,595	2,836,638	2,779,931	3,646,517	4,057,595
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	126,835,737	118,382,689	107,185,382	107,078,742	43,259,554	43,051,690	39,848,180	40,651,473
11	Outflows related to derivative exposures and other collateral requirements	25,682,657	25,040,088	23,899,393	25,742,609	25,682,657	25,040,088	23,899,393	25,742,609
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	101,153,080	93,342,601	83,285,989	81,336,133	17,576,896	18,011,602	15,948,787	14,908,864
14	Other contractual funding obligations	77,866,278	81,296,350	82,489,937	84,200,111	64,985,403	68,666,358	69,148,347	70,318,902
15	Other contingent funding obligations	48,197,436	47,664,698	39,580,023	36,808,157	2,409,872	2,383,235	1,979,001	1,840,408
16	TOTAL CASH OUTFLOWS					264,859,303	269,814,768	261,101,758	271,242,536

EU 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		December 2025	September 2025	June 2025	March 2025	December 2025	September 2025	June 2025	March 2025
		USD	USD	USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12 months preceding end of quarter							
	CASH – INFLOWS								
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	280,039,000	283,407,212	277,879,730	294,380,689	279,352,245	282,647,045	277,079,328	293,509,812
19	Other cash inflows	6,225,080	5,597,781	4,110,978	3,526,777	1,787,305	1,601,493	1,275,018	903,682
EU- 19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU- 19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	286,264,081	289,004,993	281,990,709	297,907,466	281,139,550	284,248,538	278,354,346	294,413,494
EU- 20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU- 20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU- 20c	Inflows subject to 75% cap	286,264,081	289,004,993	281,990,709	297,907,466	281,139,550	284,248,538	278,354,346	294,413,494
	TOTAL ADJUSTED VALUE								
21	LIQUIDITY BUFFER					146,246,952	165,045,897	186,643,409	214,513,509
22	TOTAL NET CASH OUTFLOWS					66,214,826	67,453,692	65,275,440	67,810,634
23	LIQUIDITY COVERAGE RATIO					221%	245%	286%	316%

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

(a)	<p><i>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time</i></p> <p>The LCR was maintained at an adequate level throughout 2025, maintaining a sufficient contingency liquidity buffer to mitigate major liquidity risks: funding concentration, limited Money Market access, and potential for unexpected limit decreases. Retail deposits sourced through online deposit platforms have proven to be stable with the Group maintaining equilibrium in the tenor composition of term deposits, ensuring adequate funding stability. The Group continues to ensure diversity in its funding structure and ongoing use of the ECB refinancing pool. Lastly, the Asset and Liability Management maturity profile has been streamlined further by eliminating maturity spikes and to reduce daily/monthly net outflows levels.</p>
(b)	<p><i>Explanations on the changes in the LCR over time</i></p> <p>During 2025, the Group continued to monitor the LCR on a daily basis maintaining an average daily LCR comfortably in excess of the regulatory minimum of 100% and the internal threshold of 160% as set in the Group's Risk Appetite Statement. Following the ILAAP and stress testing process during 2025, the Group's internal threshold was reconfirmed at 160% (maintaining a tolerance floor of 120%). In 2025's assessment the Group made use of the macro stress 'survival horizon assessment' methodology, but adjusted to model parameters to simulate an idiosyncratic stress. Adjustments included, inter alia, reduced facility repayments, an unavailability of liquidity support from KIPCO Group Financial Institutions, and the sale at a discount of forfeiting assets.</p>
(c)	<p><i>Explanations on the actual concentration of funding sources</i></p> <p>The Group seeks to maintain stability in its funding by maintaining a diversified deposit base, ensuring an adequate presence of longer dated deposits and a mix in size of relationships. In managing the funding position, the Treasury function seeks to avail itself of committed and uncommitted lines from related as well unrelated parties, that is, upstream and downstream institutions, and retail funding. A key indicator used to monitor concentration is a basic risk metric, namely customer funding compared to the Group's total funding. An internal threshold is set in line with the Group's risk appetite and strategy to maintain a well-diversified and broad mix of funding base.</p>
(d)	<p><i>High-level description of the composition of the institution's liquidity buffer</i></p> <p>In line with the delegated regulation on liquidity coverage requirements the Group seeks to maintain a proper diversification of High-Quality Liquid Assets (HQLAs) held as part of the Bank's liquidity buffer at all times. These HQLAs are primarily composed of deposits held with the central bank of Malta, treasury bills and highly rated bonds issued by European governments or European government linked entities.</p>
(e)	<p><i>Derivative exposures and potential collateral calls</i></p> <p>The Group has very limited derivative exposures and, typically, these are entered into mostly for the Group's own needs. For the Group's current derivative exposures, it is not expected that there will be a significant increase in additional collateral during the next 12 months.</p>
(f)	<p><i>Currency mismatch in the LCR</i></p> <p>As an internationally focused trade finance bank, the Group's operating currency is USD, however much of its funding is raised in EUR either through Eurozone depositors or the repo of bonds and treasury bills held as part of the Group's liquidity pool. The Group is able to access USD funding from the Central Bank of Malta and the ECB's USD liquidity operations. USD are also obtained through currency swaps. Although the Group continues to pursue funding options in USD, the market for USD/EUR exchange is extremely liquid and the Group does not foresee any scenario in which liquidity in this currency pair would cease to be available. As a result, it believes currency mismatch risk is managed within acceptable parameters.</p>

Template EU LIQ2 on disclosure of Net Stable Funding Ratio

December 2025

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	
Available stable funding (ASF) Items						
1	Capital items and instruments	189,605,890	-	-	20,281,111	209,887,001
2	Own funds	189,605,890	-	-	20,281,111	209,887,001
3	Other capital instruments		-	-	-	-
4	Retail deposits		157,640,176	54,082,614	14,845,751	205,396,262
5	Stable deposits		-	-	-	-
6	Less stable deposits		157,640,176	54,082,614	14,845,751	205,396,262
7	Wholesale funding:		776,849,365	105,158,859	9,018,340	286,000,053
8	Operational deposits		-	-	-	-
9	Other wholesale funding		776,849,365	105,158,859	9,018,340	286,000,053
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	961,242	19,607,836	-	24,818,298	24,818,298
12	NSFR derivative liabilities	961,242				
13	All other liabilities and capital instruments not included in the above categories		19,607,836	-	24,818,298	24,818,298
14	Total ASF					726,101,614
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					151,766
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		585,840,462	225,588,582	224,761,893	371,533,296
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		36,881,528	12,323	14,936,089	18,630,403
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		17,167,341	16,387,210	65,892,779	72,786,137
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		531,791,594	209,189,050	143,933,026	280,116,756
25	Interdependent assets		-	-	-	-
26	Other assets:	-	385,232,875	1,751,819	79,485,851	104,654,614
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		359,435	-	-	305,520
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		376,622,162			18,831,108
31	All other assets not included in the above categories		8,251,278	1,751,819	79,485,851	85,517,986
32	Off-balance sheet items		123,361,166	28,332,909	53,889,903	11,184,493
33	Total RSF					487,524,169
34	Net Stable Funding Ratio (%)					148.94%

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	
Available stable funding (ASF) Items						
1	Capital items and instruments	186,551,848	-	-	20,281,111	206,832,959
2	Own funds	186,551,848	-	-	20,281,111	206,832,959
3	Other capital instruments		-	-	-	-
4	Retail deposits		151,808,940	51,099,836	14,628,533	197,246,432
5	Stable deposits		-	-	-	-
6	Less stable deposits		151,808,940	51,099,836	14,628,533	197,246,432
7	Wholesale funding:		766,043,436	49,760,252	9,827,947	286,930,914
8	Operational deposits		-	-	-	-
9	Other wholesale funding		766,043,436	49,760,252	9,827,947	286,930,914
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	696,053	20,126,307	-	24,815,102	24,815,102
12	NSFR derivative liabilities	696,053				
13	All other liabilities and capital instruments not included in the above categories		20,126,307	-	24,815,102	24,815,102
14	Total ASF					715,825,407
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					151,335
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational Purposes		-	-	-	-
17	Performing loans and securities:		555,211,120	214,549,768	190,788,264	340,292,780
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		57,428,456	-	14,949,397	20,692,242
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		32,710,874	5,854,252	71,656,756	80,190,806
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		465,071,790	208,695,516	104,182,111	239,409,731
25	Interdependent assets		-	-	-	-
26	Other assets:	-	356,594,696	1,334,779	80,687,884	107,838,510
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		357,193	-	-	303,614
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		343,223,665			17,161,183
31	All other assets not included in the above categories		13,013,838	1,334,779	80,687,884	90,373,712
32	Off-balance sheet items		151,003,493	49,051,755	52,795,094	13,597,932
33	Total RSF					461,880,557
34	Net Stable Funding Ratio (%)					154.98%

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	
Available stable funding (ASF) Items						
1	Capital items and instruments	187,337,806	-	-	20,278,056	207,615,862
2	Own funds	187,337,806	-	-	20,278,056	207,615,862
3	Other capital instruments		-	-	-	-
4	Retail deposits		153,688,508	31,494,150	14,059,050	180,723,442
5	Stable deposits		-	-	-	-
6	Less stable deposits		153,688,508	31,494,150	14,059,050	180,723,442
7	Wholesale funding:		780,374,330	26,951,520	8,587,986	285,211,353
8	Operational deposits		-	-	-	-
9	Other wholesale funding		780,374,330	26,951,520	8,587,986	285,211,353
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	3,118,075	26,553,725	-	24,797,718	24,797,718
12	NSFR derivative liabilities	3,118,075				
13	All other liabilities and capital instruments not included in the above categories		26,553,725	-	24,797,718	24,797,718
14	Total ASF					698,348,375
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					150,213
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational Purposes		-	-	-	-
17	Performing loans and securities:		500,242,044	264,557,839	206,213,903	363,274,729
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		64,686,121	2,128,091	15,252,092	22,784,749
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		8,504,936	29,189,416	70,350,467	78,645,073
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		427,050,987	233,240,332	120,611,344	261,844,907
25	Interdependent assets		-	-	-	-
26	Other assets:	-	486,909,087	1,816,016	83,859,797	117,643,464
27	Physical traded commodities					-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		353,841	-	-	300,765
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		473,249,028			23,662,451
31	All other assets not included in the above categories		13,306,218	1,816,016	83,859,797	93,680,248
32	Off-balance sheet items		123,737,801	22,878,246	55,558,665	11,018,731
33	Total RSF					492,087,138
34	Net Stable Funding Ratio (%)					141.92%%

		Unweighted value by residual maturity				Weighted value USD
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
		USD	USD	USD	USD	
		a	b	c	d	
Available stable funding (ASF) Items						
1	Capital items and instruments	190,820,275	-	-	20,171,111	210,991,386
2	Own funds	190,820,275	-	-	20,171,111	210,991,386
3	Other capital instruments		-	-	-	-
4	Retail deposits		137,418,581	14,554,338	14,016,911	150,792,539
5	Stable deposits		-	-	-	-
6	Less stable deposits		137,418,581	14,554,338	14,016,911	150,792,539
7	Wholesale funding:		733,334,241	41,703,228	9,471,787	268,188,739
8	Operational deposits		-	-	-	-
9	Other wholesale funding		733,334,241	41,703,228	9,471,787	268,188,739
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	-	18,691,396	-	24,347,620	24,347,620
12	NSFR derivative liabilities	-				
13	All other liabilities and capital instruments not included in the above categories		18,691,396	-	24,347,620	24,347,620
14	Total ASF					654,320,284
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					136,650
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		497,266,874	194,248,587	222,486,968	341,246,695
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		74,874,048	22,884,237	19,091,328	38,020,852
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		6,045,231	22,270,733	63,456,035	68,095,611
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		416,347,595	149,093,617	139,939,605	235,130,232
25	Interdependent assets		-	-	-	-
26	Other assets:	-	385,938,307	1,530,580	83,066,012	117,507,046
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		345,737	-	-	293,877
29	NSFR derivative assets		4,676,958			4,676,958
30	NSFR derivative liabilities before deduction of variation margin posted		363,221,934			18,161,097
31	All other assets not included in the above categories		17,693,678	1,530,580	83,066,012	94,375,115
32	Off-balance sheet items		131,915,752	18,083,047	52,780,405	10,918,697
33	Total RSF					469,809,088
34	Net Stable Funding Ratio (%)					139.27%

4.6.2 Encumbered assets

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		Total	of which notionally eligible EHQLA and HQLA	Total	of which notionally eligible EHQLA and HQLA	Total	of which EHQLA and HQLA	Total	of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the reporting institution	65,153,217	36,151,145			1,220,758,844	155,737,012		
030	Equity instruments	-	-	-	-	11,241,499	-	11,632,129	-
040	Debt securities	28,661,729	28,661,729	28,518,465	28,518,465	519,630,444	106,785,936	518,171,781	106,034,127
050	of which: covered bonds	-	-	-	-	2,153,916	2,153,916	2,150,394	2,150,394
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	25,309,010	25,309,010	25,166,686	25,166,686	175,456,324	81,560,900	174,980,440	81,085,016
080	of which: issued by financial corporations	3,352,720	3,352,720	3,337,184	3,337,184	227,889,676	19,681,853	227,583,079	19,444,560
090	of which: issued by non-financial corporations	-	-	-	-	100,999,942	5,523,559	100,996,064	5,493,263
120	Other assets	32,531,109	7,801,728			688,257,424	46,314,495		

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

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

Template EU AE3 – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		USD	USD
		010	030
010	Carrying amount of selected financial liabilities	33,142,327	54,405,442

Table EU AE4 – Accompanying narrative information

(a)	<p><i>General narrative information on asset encumbrance</i></p> <p>The assets encumbered within these disclosures are also retained for the application of the liquidity requirements on a consolidated basis as defined in Chapter 2 of Title I of Part Two of the CRR, which is used to define the eligibility of liquid assets.</p> <p>Pledged and transferred assets in accordance with the applicable accounting frameworks and as applied by the institution are treated as encumbered assets.</p> <p>The exposure value used for the purposes of this disclosure is the carrying amount, which is calculated as the amount, including any accumulated interest, less any provision. The values reported in these disclosures are the median exposure values of the positions as at the end of the quarters in 2025.</p>
(b)	<p><i>Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.</i></p> <p>The previous tables provide an overview of the encumbered assets of the Group. The 'Debt securities' consist of debt investments which are pledged under central bank main-refinancing operation facilities. In 2025, no 'Debt securities' were pledged under other borrowing arrangements or repoed transactions. 'Other assets' encumbered represent amounts pledged in favour of the Depositor Compensation Scheme, the Single Resolution Board or to counterparties under documentary credits.</p> <p>The Group continues to recognise these encumbered assets since all the risks and rewards of the assets will be substantially retained in a manner that does not result in the encumbered assets being derecognised for accounting purposes. There are no encumbered assets between entities of the Group.</p> <p>The decrease in the reported median for encumbered assets was mainly a result of a decrease in debt securities being pledged in favour of central bank operations and money market deposits (categorised with Other Assets) during the period.</p> <p>The Group does not deem the unencumbered assets recorded under 'Other assets' in Template AE1 (row 120, column 060) as being available for encumbrance in the normal course of its business. These include items such as intangible assets, deferred tax assets, property, plant and other fixed assets, and derivative assets.</p>

4.7 Environmental, Social and Governance Risk

The Group recognizes that it has a responsibility towards the environment and society beyond legal and regulatory requirements. The establishment of Board and Management Committees for ESG matters and the appointment of an ESG manager within the risk department evidences the Group's commitment to this important matter. During the year the Group has completed an assessment of the materiality of the risks to prudential capital stemming from climate and environmental risk factors. Considering the typically short dated nature of the Group's portfolio, the Group's focus on trade finance, and its client mix, the Group has determined that it is not materially exposed to climate and environmental risk. As a result, it has agreed internal Key Risk Indicators that it will track to monitor the risk and to alert management and the board (where necessary) if the risk becomes more elevated.

During 2025 there were a number of changes to the regulatory expectations placed on financial institutions, in particular with respect to disclosures of environmental, social and governance risks in Pillar 3 reporting and the implementation of the Corporate Sustainability Reporting Directive (CSRD). The Group is following closely regulatory guidelines, supervisory expectations and other developments in this regard. With respect to ESG disclosures in the Pillar 3 report, following the publication of a 'no action letter' by the EBA in August 2025, there are no reporting requirements under Article 449a since FIMBank is not considered as a 'large institution' as per Article 4(146). With respect to CSRD reporting, the European Commission's Omnibus legislative package on sustainability reporting and subsequent developments, mean that the Group is out of scope for CSRD reporting. For further details see Notes 4.6 of the Annual Report.

5 External credit assessment institutions (ECAI)

Table EU CRD – Qualitative disclosure requirements related to standardised approach

<p>(a)</p>	<p><i>Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period [Point (a) of Article 444 CRR]</i></p> <p>The Group applies the ratings of the following External Credit Assessment Institutions ('ECAI') in determining the appropriate credit quality step and in line with the previous reporting period:</p> <ul style="list-style-type: none"> • Fitch Ratings • Moody's • S&P Global Ratings • A.M. Best <p>Fitch ratings is used as the primary reference ECAI. In instances where the counterparty is rated by more than one nominated ECAI, reference would be made to the appropriate rating following the approach outlined in the CRR.</p> <p>ECAs are not used to determining the credit quality step of a counterparty.</p>
<p>(b)</p>	<p><i>The exposure classes for which each ECAI or ECA is used [Point (b) of Article 444 CRR]</i></p> <p>The rating of each ECAI is linked to each exposure using the credit quality steps and risk weights prescribed in Part Three, Title II, Chapter 2 of the CRR. The Group applies the ECAI rating to the following exposure classes:</p> <ul style="list-style-type: none"> • Central governments or central banks • Regional governments or local authorities • Multilateral-development banks • Public sector entities • Institutions • Corporates
<p>(c)</p>	<p><i>A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book [Point(c) of Article 444 CRR]</i></p> <p>All exposures, whether in the trading book or not, must be recorded against a credit line and all credit lines must be approved through the Group's credit approval process.</p> <p>For the non-trading book, when credit limits are proposed for a new client or existing limits are reviewed for an existing client an assessment is made concerning the creditworthiness of the borrower. This assessment comprises an analysis of financial and non-financial information pertaining to the client. Relevant details are input into Moody's CreditLens and a credit risk rating is generated using an internal scale. The credit risk ratings generated by the CreditLens system using the internal scale are aligned to credit rating steps issued by ECAIs.</p> <p>Where a client (an 'issuer') has an external credit rating issued by an ECAI and the Group has no access to the issuer's financials, it is the ECAI generated rating that determines the credit risk rating for the client not an output generated by the CreditLens tool. The same is true for an 'issue'. The external rating is mapped to the Group's internal scale in the credit application. At the completion of the credit review process the client's record in the Group's core systems is updated to capture the credit risk rating of the client as a whole.</p> <p>In the infrequent cases where a specific client exposure (an 'issue') has a standalone rating, the Group allocates a credit risk rating to that particular exposure.</p> <p>The Group classifies its on- and off- balance sheet exposures subject to credit risk under the exposure classes as defined in the CRR. The template EU CR4 includes the substitution of the exposure due to credit risk mitigation ('CRM') factors as a result of unfunded credit protection (guarantees). This substitution allows institutions to transfer the risk of an exposure from the counterparty to the protection provider. The total exposure value subject to credit risk that is covered by all eligible collateral for each exposure class as defined in CRR is provided in section 6 of this report.</p>

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

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

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

6 Credit risk mitigation

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

		Unsecured carrying amount USD	Total USD	of which secured by collateral USD	Secured carrying amount	
					of which secured by financial guarantees	
					Total	of which secured by credit derivatives
					USD	USD
		a	b	c	d	e
1	Loans and advances	337,100,637	276,773,388	151,490,471	125,282,918	-
2	Debt securities	146,549,143	-	-	-	-
3	Total	483,649,780	276,773,388	151,490,471	125,282,918	-
4	<i>of which non-performing exposures</i>	455,120	1,391,443	1,390,879	564	-
EU-5	<i>of which defaulted</i>	455,120	1,391,443			

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

Table EU CRC – Qualitative disclosure requirements related to CRM techniques

(a)	<p><i>A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting [Point (a) of Article 453 CRR]</i></p> <p>The Group makes use of different types of collateral, all aimed at mitigating credit risk within on- and off- balance sheet credit facilities.</p> <p>FIMBank seeks to secure, when possible, its exposure to both financial institutions and corporate clients either by property (including shipping vessels), cash collateral, credit insurance cover, personal or bank guarantees or by pledged goods. For financial collateral, the main counterparties would be reputable credit institutions, financial institutions, or credit insurers. Procedures are in place to limit the market and credit risk concentrations of collateral, including the regular monitoring of commodity market prices and assessment of credit worthiness of collateral counterparties.</p> <p>The collateral policies are reviewed periodically by management both in terms of exposure to the Bank and the Group and to ensure the validity and enforceability of the security taken. Investment securities are not usually held as collateral, and no such collateral was held as at 31 December 2025.</p> <p>When goods are pledged the value of goods representing collateral for such facilities is determined by monitoring the market prices of such commodities. Screen prices are readily available on most commodities exchanges and are monitored on a regular basis. Collateral management is performed on FIMBank’s behalf by specialized companies (such as SGS, Bureau Veritas, Control Union, etc.) appointed ad hoc for a particular transaction. Collateral management agreements are usually tri-partite agreements (between FIMBank, the borrower and the collateral manager) and where applicable, also give FIMBank title to the goods held as collateral, in addition to physical control.</p> <p>The Group’s provision of collateral to third parties is mainly limited to Group funding arrangements with a contractual maturity generally not exceeding 12 months. Given the short nature of such transactions, the Group does not expect a material change to its collateral value as a result of a downgrade in the credit rating of the counterparty.</p> <p>With the exception of cash collateral, the Group does not carry financial instruments which are subject to offsetting in the Statements of Financial Position. Group entities have a legally enforceable right to offset such collaterals against the respective facilities for which the collateral is taken. All financial assets and respective collaterals are disclosed separately in the Financial Statements without any offsetting.</p>
(b)	<p><i>The core features of policies and processes for eligible collateral evaluation and management [Point (b) of Article 453 CRR]</i></p> <p>The Group’s credit risk policies define a categorisation system to determine the value to be given to eligible collateral when used as a credit risk mitigant. This categorisation system takes into account factors such as whether the collateral is held in the Group’s name, whether the Group has a documented and legally enforceable claim to the collateral, whether the collateral is liquid or not, whether the collateral is perishable or not, whether third parties are contracted to monitor/manage the collateral and many other considerations. Such considerations determine the haircut applicable to the value of collateral with haircuts ranging from 0%, for the most liquid collateral with the strongest legal claim, to 100%, for perishable goods.</p>

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

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

Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f
1	Central governments or central banks	177,675,427	2,511,781	178,093,668	2,511,781	12,735,602	7%
2	Non-central government public sector entities	52,141,042	5,890,705	51,722,801	0	16,173,225	31%
EU 2a	Regional governments or local authorities	9,509,890	-	9,509,890	-	1,901,978	20%
EU 2b	Public sector entities	42,631,153	5,890,705	42,212,911	0	14,271,247	34%
3	Multilateral development banks	-	4,999,997	5,000,000	-	-	0%
EU 3a	International organisations	9,846,780	473,686	9,846,780	473,686	-	0%
4	Institutions	32,458,611	1,632,121	90,474,643	1,171,841	20,301,968	22%
5	Covered bonds	2,165,268	-	2,165,268	-	216,527	10%
6	Corporates	428,720,115	83,434,857	356,005,854	23,993,903	340,920,998	90%
7	Subordinated debt exposures and equity	52,358	-	52,358	-	52,358	100%
EU 7b	Equity	52,358	-	52,358	-	52,358	100%
8	Retail	14,146,124	547,412	11,806,337	-	6,746,436	57%
9	Secured by mortgages on immovable property and ADC exposures	101,962,727	108,243,346	101,962,727	2,751,625	110,437,095	105%
9.1	Secured by mortgages on residential immovable property - non IPRE	109,566	-	109,566	-	16,696	15%
9.2	Secured by mortgages on residential immovable property - IPRE	11,056,553	-	11,056,553	-	4,199,553	38%
9.3	Secured by mortgages on commercial immovable property - non IPRE	10,844,494	4,090,369	10,844,494	2,686,069	8,200,032	61%
9.4	Secured by mortgages on commercial immovable property - IPRE	367,811	-	367,811	-	196,165	53%
9.5	Acquisition, Development and Construction (ADC)	79,584,303	104,152,977	79,584,303	65,556	97,824,650	123%
10	Exposures in default	2,895,554	-	2,895,554	-	3,047,484	105%
EU 10b	Collective investment undertakings	9,495,427	-	9,495,427	-	8,920,357	94%
EU 10c	Other items	83,356,218	-	83,356,218	-	106,156,238	127%
12	Total	914,915,652	207,733,906	902,877,635	30,902,837	625,708,289	67%

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

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

7 Credit risk adjustments

7.1 Credit quality of assets

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

(a)	<p><i>The scope and definitions of ‘past-due’ and ‘impaired’ exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR</i></p> <p>The Group reviews its exposures individually on an on-going basis. For those exposures where no individual impairment is identified, the Group calculates an expected credit loss in line with the requirements of IFRS 9. An identification of a facility which breaches its terms and conditions would trigger an impairment process and a possible charge to the credit reserve. The basis of allocating amounts to the specific credit reserve is dependent on the grading of non-performing exposures assigned in accordance with Banking Rule 09 and EBA/GL/2022/13.</p> <p>In addition, these are measured on the basis of the adopted policy that is noted under Accounting Policy 3.9.5 of the Annual Report following the requirements of IFRS 9. Further information on how expected credit losses and loss allowances resulting from this review are measured is provided under Note 4.2 of the Annual Report. The Group’s Non-Performing Loan ratio, which stands at 1.90%, is beneath the threshold of 5% as specified in the Banking Rule 09.</p> <p>Past due, but not impaired, facilities are exposures where contractual interest or principal payments are past due, but the Group believes that impairment is not appropriate on the basis of the level of security/collateral available and/or the stage of collection of amounts owed to the Group.</p> <p>Impaired facilities are exposures for which the Group determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s).</p>
(b)	<p><i>The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this</i></p> <p>As of 31 December 2025, the Group had no Stage 1 and 2 exposures that were over 90 days past due.</p>
(c)	<p><i>Description of methods used for determining general and specific credit risk adjustments</i></p> <p>The Group calculates specific credit risk adjustments for all of its exposures. This is calculated in line with the IFRS 9 accounting standard. Please refer to Note 4.2.1.4 of the Annual Report.</p>
(d)	<p><i>The institution’s own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.</i></p> <p>The Group uses the definition of forborne exposure as defined in Annex V to Commission Implementing Regulation (EU) 680/2014.</p>

7.2 Performing and non-performing exposures

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

		Gross carrying amount/nominal amount					
		Performing exposures			Non-Performing exposures		
		Total	of which:	of which:	Total	of which:	of which:
		USD	stage 1	stage 2	USD	stage 2	stage 3
		a	b	c	d	e	f
005	Cash balances at central banks and other demand deposits	99,632,865	99,605,062	27,803	-	-	-
010	Loans and advances	519,401,444	483,115,136	36,286,308	9,998,150	514	9,995,871
020	Central banks	-	-	-	-	-	-
030	General governments	14,871,202	14,871,202	-	-	-	-
040	Credit institutions	73,173,608	61,712,041	11,461,566	-	-	-
050	Other financial corporations	66,259,811	58,140,251	8,119,560	3,335,136	0	3,335,136
060	Non-financial corporations	365,096,823	348,391,642	16,705,181	6,663,013	514	6,660,734
070	of which: SMEs	108,749,987	97,243,837	11,506,150	5,864,665	0	5,862,971
080	Households	-	-	-	-	-	-
090	Debt Securities	146,555,188	146,555,188	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	115,193,016	115,193,016	-	-	-	-
120	Credit institutions	25,550,243	25,550,243	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial corporations	5,811,929	5,811,929	-	-	-	-
150	Off-balance sheet exposures	205,583,285	194,831,493	10,751,792	693	693	-
160	Central banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	20,519,837	12,798,204	7,721,633	-	-	-
190	Other financial corporations	11,755,219	11,755,219	-	-	-	-
200	Non-financial corporations	173,308,229	170,278,070	3,030,160	693	693	-
210	Households	-	-	-	-	-	-
220	Total	971,172,782	924,106,879	47,065,902	9,998,843	1,208	9,995,871

		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off USD
		Performing exposures			Non-Performing exposures			
		Total	of which:	of which:	Total	of which:	of which:	
		USD	stage 1	stage 2	USD	stage 2	stage 3	
		g	h	i	j	k	l	m
005	Cash balances at central banks and other demand deposits	(67,194)	(66,450)	(744)	-	-	-	-
010	Loans and advances	(6,939,653)	(2,562,557)	(4,377,096)	(8,151,586)	(4)	(8,151,580)	-
020	Central banks	-	-	-	-	-	-	-
030	General governments	(11,914)	(11,914)	-	-	-	-	-
040	Credit institutions	(254,168)	(231,567)	(22,601)	-	-	-	-
050	Other financial corporations	(4,700,486)	(354,854)	(4,345,631)	(3,335,136)	-	(3,335,136)	-
060	Non-financial corporations	(1,973,085)	(1,964,221)	(8,864)	(4,816,450)	(4)	(4,816,444)	-
070	of which: SMEs	(273,465)	(270,772)	(2,693)	(4,051,788)	-	(4,051,786)	-
080	Households	-	-	-	-	-	-	-
090	Debt Securities	(6,045)	(6,045)	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-
110	General governments	(3,861)	(3,861)	-	-	-	-	-
120	Credit institutions	(2,185)	(2,185)	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-	-	-
150	Off-balance sheet exposures	835,540	834,740	800	-	-	-	-
160	Central banks	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-
180	Credit institutions	117,285	116,486	800	-	-	-	-
190	Other financial corporations	89	89	-	-	-	-	-
200	Non-financial corporations	718,166	718,166	-	-	-	-	-
210	Households	-	-	-	-	-	-	-
220	Total	(6,177,352)	(1,800,312)	(4,377,040)	(8,151,586)	(4)	(8,151,580)	-

Collaterals and financial guarantees received

		On performing exposures	On non-performing exposures
		USD	USD
		n	o
005	Cash balances at central banks and other demand deposits	-	-
010	Loans and advances	275,381,945	1,391,443
020	Central banks	-	-
030	General governments	-	-
040	Credit institutions	9,364,790	-
050	Other financial corporations	12,427,297	-
060	Non-financial corporations	253,589,857	1,391,443
070	of which: SMEs	97,508,950	1,372,013
080	Households	-	-
150	Off-balance sheet exposures	153,698,538	693
160	Central banks	-	-
170	General governments	-	-
180	Credit institutions	7,406,256	-
190	Other financial corporations	6,755,219	-
200	Non-financial corporations	139,537,063	693
210	Households	-	-
220	Total	429,080,483	1,392,137

No collaterals nor financial guarantees received are held against debt securities.

Template EU CR1-A: Maturity of exposures

		Net exposure value					Total
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
		USD	USD	USD	USD	USD	
		a	b	c	d	e	
1	Loans and advances	31,237,467	389,880,402	83,332,726	9,857,759	-	514,308,354
2	Debt securities	-	28,036,556	91,309,293	27,203,293	-	146,549,143
3	Total	31,237,467	417,916,959	174,642,019	37,061,052	-	660,857,497

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

		Gross carrying amount
		USD
		a
010	Initial stock of non-performing loans and advances	15,594,097
020	Inflows to non-performing portfolios	35,421
030	Outflows from non-performing portfolios	(5,631,368)
040	Outflows due to write-offs	(1,517,327)
050	Outflow due to other situations	(4,114,041)
060	Final stock of non-performing loans and advances	9,998,150

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

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

		Gross carrying amount / Nominal amount											
		Performing exposures				Non-performing exposures							
		Total	Not past due or Past due < 30 days	Past due > 30 days < 90 days	Total	Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days <= 180 days	Past due > 180 days < =1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	of which defaulted
		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f	g	h	i	j	k	l
005	Cash balances at central banks and other demand deposits	99,632,865	99,632,865	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	519,401,444	515,361,094	4,040,350	9,998,150	33,142	2,279	-	4,751,898	346,720	4,406,765	457,345	9,722,154
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	14,871,202	14,871,202	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	73,173,608	73,173,608	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	66,259,811	66,259,811	-	3,335,136	-	-	0	-	-	3,335,136	-	3,335,136
060	Non-financial corporations	365,096,823	361,056,473	4,040,350	6,663,013	33,142	2,279	0	4,751,898	346,720	1,071,629	457,345	6,387,017
070	of which SMEs	108,749,987	107,126,680	1,623,307	5,864,665	-	1,694	0	4,751,898	39,445	1,071,629	0	5,864,665
080	Households	-	-	-	-	-	-	-	-	-	-	-	-
090	Debt Securities	146,555,188	146,555,188	-	-	-	-	-	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	115,193,016	115,193,016	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	25,550,243	25,550,243	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	5,811,929	5,811,929	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	205,583,285			693								693
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	20,519,837			-								-
190	Other financial corporations	11,755,219			-								-
200	Non-financial corporations	173,308,229			693								693
210	Households	-			-								-
220	Total	971,172,782	761,549,146	4,040,350	9,998,843	33,142	2,279	0	4,751,898	346,720	4,406,765	457,345	9,722,847

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

		Gross carrying/nominal amount				Accumulated impairment USD	Provisions on off-balance sheet commitments and financial guarantee given USD
		of which: non-performing			of which: subject to impairment USD		
		Total	Total	of which: defaulted			
		USD	USD	USD			
a	b	c	d	e	f		
010	On-balance sheet exposures	775,587,646	9,998,150	9,722,154	775,587,646	(15,164,478)	
	Malta	267,973,364	8,126,479	8,126,479	267,973,364	(7,726,947)	
	India	82,792,913	377,522	377,522	82,792,913	(899,272)	
	United Arab Emirates	49,488,480	388,868	112,873	49,488,480	(721,054)	
	Germany	41,137,110	510	510	41,137,110	(55,921)	
	France	27,540,247	0	-	27,540,247	(3,727)	
	Other countries	306,655,533	1,104,771	1,104,771	306,655,533	(5,757,558)	
080	Off-balance sheet exposures	205,583,978	693	693			835,540
	Malta	145,973,443	693	693			280,656
	Switzerland	10,993,894	-	-			217,991
	United Arab Emirates	8,349,833	-	-			110,384
	Mali	7,406,256	-	-			-
	Liberia	6,500,000	-	-			60,470
	Other countries	26,360,552	-	-			166,040
150	Total	981,171,625	9,998,843	9,722,847	775,587,646	(15,164,478)	835,540

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

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

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

		Gross carrying amount			Accumulated impairment USD	
		of which: non-performing		of which: loans and advances subject to impairment USD		
		Total	of which: defaulted			
		USD	USD			
a	b	c	d	e		
010	Agriculture, forestry and fishing	-	-	-	-	-
020	Mining and quarrying	-	-	-	-	-
030	Manufacturing	126,554,666	216,770	216,770	126,554,666	(703,803)
040	Electricity, gas, steam and air conditioning supply	1,330,434	-	-	1,330,434	(7,018)
050	Water supply	334,819	-	-	334,819	-
060	Construction	45,374,746	-	-	45,374,746	(123,707)
070	Wholesale and retail trade	112,916,549	583,272	307,276	112,916,549	(1,663,473)
080	Transport and storage	1,071,629	1,071,629	1,071,629	1,071,629	(632,456)
090	Accommodation and food service activities	216,513	-	-	216,513	-
100	Information and communication	12,767,003	-	-	12,767,003	(127,626)
110	Real estate activities	48,198,247	-	-	48,198,247	-
120	Financial and insurance activities	-	-	-	-	-
130	Professional, scientific and technical activities	12,716,061	4,791,343	4,791,343	12,716,061	(3,425,617)
140	Administrative and support service activities	9,029,775	-	-	9,029,775	(104,847)
150	Public administration and defence, compulsory social security	-	-	-	-	-
160	Education	-	-	-	-	-
170	Human health services and social work activities	1,249,394	-	-	1,249,394	(987)
180	Arts, entertainment and recreation	-	-	-	-	-
190	Other services	-	-	-	-	-
200	Total	371,759,837	6,663,013	6,387,017	371,759,837	(6,789,535)

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

7.3 Forborne exposures

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

No debt securities or loan commitments given were forborne as at 31 December 2025.

Template EU CQ1: Credit quality of forborne exposures

		Gross carrying amount / Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Non-performing forborne				On performing forborne exposures	On non- performing forborne exposures	Total	of which: on non- performing exposures with forbearance measures
		Performing forborne	Total	of which defaulted	of which impaired				
		USD	USD	USD	USD	USD	USD	USD	USD
		a	b	c	d	e	f	g	h
010	Loans and advances	1,046,155	8,281,438	8,281,438	8,281,438	-	(6,909,425)	2,410,278	1,372,013
050	Other financial corporations	-	3,335,136	3,335,136	3,335,136	-	(3,335,136)	-	-
060	Non-financial corporations	1,046,155	4,946,301	4,946,301	4,946,301	-	(3,574,289)	2,410,278	1,372,013
090	Loan commitments given	62,686	-	-	-	-	-	62,686	-
100	Total	1,108,841	8,281,438	8,281,438	8,281,438	-	(6,909,425)	2,472,964	1,372,013

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

8 Capital ratio

8.1 Composition of regulatory own funds

Template EU CC1 – Composition of regulatory own funds

		Amounts	Template EU CC2 cross-reference
		USD	USD
		a	b
	<i>Common Equity Tier 1 (CET1) capital: instruments and reserves</i>		
1	Capital instruments and the related share premium accounts	262,080,767	
1a	of which: Ordinary Share Capital	262,080,767	Equity - 1, 2
2	Retained earnings	(71,028,591)	Equity – 6; Assets 15.1; 15.2
3	Accumulated other comprehensive income (and other reserves)	(10,385,127)	Equity - 3, 4, 5
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	110,375	Equity - 7
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	180,777,425	
	<i>Common Equity Tier 1 (CET1) capital: regulatory adjustments</i>		
7	Additional value adjustments (negative amount)	(566,938)	
8	Intangible assets (net of related tax liability) (negative amount)	(515,989)	Assets - 12
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
EU-25a	Losses for the current financial year (negative amount)	-	
27a	Other regulatory adjustments	9,911,393	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	8,828,466	
29	Common Equity Tier 1 (CET1) capital	189,605,890	
	<i>Additional Tier 1 (AT1) capital: instruments</i>		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
	<i>Additional Tier 1 (AT1) capital: regulatory adjustments</i>		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	189,605,890	
	<i>Tier 2 (T2) capital: instruments</i>		
46	Capital instruments and the related share premium accounts	20,281,111	
51	Tier 2 (T2) capital before regulatory adjustments	20,281,111	
	<i>Tier 2 (T2) capital: regulatory adjustments</i>		
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	20,281,111	
59	Total capital (TC = T1 + T2)	209,887,001	
60	Total risk exposure amount	1,085,936,453	
	<i>Capital ratios and requirements including buffers</i>		
61	Common Equity Tier 1	17.5%	
62	Tier 1	17.5%	
63	Total capital	19.3%	
64	Institution CET1 overall capital requirements	9.2%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical capital buffer requirement	0.1%	
67	of which: systemic risk buffer requirement	0.0%	

		Amounts	Template EU CC2 cross-reference
		USD	USD
		a	b
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.0%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	2.1%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	7.6%	
<i>Amounts below the thresholds for deduction (before risk weighting)</i>			
75	Deferred tax assets arising from temporary differences (amount below 17.65 threshold, net of related tax liability where the conditions in Article 38 (3) are met)	15,218,420	
<i>Applicable caps on the inclusion of provisions in Tier 2</i>			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	13,574,206	

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

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

8.2 Other regulatory adjustments to own funds provisions

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

	USD
Unrealised gains and losses measured at fair value through other comprehensive income in accordance with Article 468 of the CRR	10,254,397
Insufficient coverage value calculated in accordance with Regulation (EU) 2019/630	(343,004)
Other regulatory adjustments	9,911,393

8.3 Reconciliation of regulatory own funds to the accounting financial statements

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

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

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	EU CC1 Reference
		USD	USD	No
		a	b	c
1	Balances with the Central Bank of Malta, treasury bills and cash	84,495,977		
2	Derivative assets held for risk management	4,162,262		
3	Trading assets	444,796,402		
4	Loans and advances to banks	88,016,744		
5	Loans and advances to customers	438,403,451		
6	Financial investments at fair value through profit or loss	9,882,219		
7	Financial investments at fair value through other comprehensive income	105,254,684		
8	Financial investments at amortised cost	41,294,459		
9	Assets classified as held for sale	67,726,291		
10	Property and equipment	24,491,834		
11	Investment property	23,667,187		
12	Intangible assets	3,026,193	515,989	8
13	Current tax assets	1,596,656		
14	Deferred tax assets	15,218,420	-	
15	Other assets	9,274,697	(2,985,467)	
15.1	Payment commitments deposited with the Depositor Compensation Scheme	2,511,781	2,511,781	2
15.2	Payment commitments deposited with the Single Resolution Fund	473,686	473,686	2
16	Total assets	1,361,307,476	(2,469,478)	

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

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

		Balance sheet as in published financial statements
		USD
		a
1	Derivative liabilities held for risk management	2,842,770
2	Amounts owed to institutions and banks	222,566,779
3	Amounts owed to customers	849,044,732
4	Debt securities in issue	17,782,045
5	Liabilities directly associated with the assets held for sale	41,838,974
6	Current tax liabilities	697,426
7	Deferred tax liabilities	4,537,187
8	Provision for liabilities and charges	950,447
9	Other liabilities	16,839,561
10	Subordinated liabilities	20,281,111
11	Total liabilities	1,177,381,032

Shareholders' equity

		Balance sheet as in published financial statements	Under regulatory scope of consolidation	EU CC1 Reference
		USD	USD	No
		a	b	c
1	Called-up share capital	261,221,882	261,221,882	1a
2	Share premium	858,885	858,885	1a
3	Currency translation reserve	(15,434,292)	(15,434,292)	3
4	Fair value reserve	2,084,252	2,084,252	3
5	Other reserve	2,964,913	2,964,913	3
6	Accumulated losses: Retained earnings	(68,043,125)	(68,043,125)	2
7	Accumulated losses: Profit for the Year	110,375	110,375	EU-5a
8	Total equity attributable to equity holders of the Group	183,762,890	183,762,890	

8.4 Features of the regulatory own funds instrument

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

Table EU CCA – Main features of regulatory own funds instrument

		a
1	<i>Issuer</i>	FIMBank p.l.c.
2	<i>Unique identifier</i>	MT0000180100
2a	<i>Public or private placement</i>	Public
3	<i>Governing law(s) of the instrument</i>	Maltese law
3a	<i>Contractual recognition of write down and conversion powers of resolution authorities</i>	No
	Regulatory treatment	
4	<i>Current treatment taking into account, where applicable, transitional CRR rules</i>	Common Equity Tier 1
5	<i>Post-transitional CRR rules</i>	Common Equity Tier 1
6	<i>Eligible at</i>	Solo and (Sub-) Consolidated
7	<i>Instrument type</i>	Ordinary Shares
8	<i>Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of 31 December 2025)</i>	USD 261,221,882 - the entire amount issued is recognised as regulatory CET1 capital
9	<i>Nominal amount of instrument</i>	USD 261,221,882
EU-9a	<i>Issue price</i>	USD 0.50
EU-9b	<i>Redemption price</i>	N/A
10	<i>Accounting classification</i>	Shareholders' equity
11	<i>Original date of issuance</i>	08-Nov-94
12	<i>Perpetual or dated</i>	Perpetual
13	<i>Original maturity date</i>	N/A
14	<i>Issuer call subject to prior supervisory approval</i>	No
15	<i>Optional call date, contingent call dates and redemption amount</i>	N/A
16	<i>Subsequent call dates, if applicable</i>	N/A
	Coupons / dividends	
17	<i>Fixed or floating dividend/coupon</i>	Floating
18	<i>Coupon rate and any related index</i>	N/A
19	<i>Existence of a dividend stopper</i>	No
EU-20a	<i>Fully discretionary, partially discretionary or mandatory (in terms of timing)</i>	Fully discretionary
EU-20b	<i>Fully discretionary, partially discretionary or mandatory (in terms of amount)</i>	Fully discretionary
21	<i>Existence of step up or other incentive to redeem</i>	No
22	<i>Non-cumulative or cumulative</i>	Non-cumulative
23	<i>Convertible or non-convertible</i>	Non-convertible
30	<i>Write-down features</i>	No
34a	<i>Type of subordination (only for eligible liabilities)</i>	N/A
EU-34b	<i>Ranking of the instrument in normal insolvency proceedings</i>	Rank 1 - Ranking in insolvency
35	<i>Position in subordination hierarchy in liquidation</i>	Subordinated to senior creditors and depositors, including the Tier 2 instrument in the following table.
36	<i>Non-compliant transitioned features</i>	No
37a	<i>Link to the full term and conditions of the instrument</i>	Terms and conditions

The following table provides the main features of the Group's subordinated liability that qualifies as a Tier 2 capital instrument.

		b
1	<i>Issuer</i>	FIMBank p.l.c.
2	<i>Unique identifier</i>	N/A
2a	<i>Public or private placement</i>	Private
3	<i>Governing law(s) of the instrument</i>	Maltese law
3a	<i>Contractual recognition of write down and conversion powers of resolution authorities</i>	Yes
	Regulatory treatment	
4	<i>Current treatment taking into account, where applicable, transitional CRR rules</i>	Tier 2
5	<i>Post-transitional CRR rules</i>	Tier 2
6	<i>Eligible at</i>	Solo and (Sub-) Consolidated
7	<i>Instrument type</i>	Subordinated Loan
8	<i>Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of 31 December 2025)</i>	USD 20,281,111 - includes the regulatory amortisation on the subordinated loan
9	<i>Nominal amount of instrument</i>	USD 20,000,000
EU-9a	<i>Issue price</i>	N/A
EU-9b	<i>Redemption price</i>	N/A
10	<i>Accounting classification</i>	Liability – amortised cost
11	<i>Original date of issuance</i>	04-Feb-25
12	<i>Perpetual or dated</i>	Dated
13	<i>Original maturity date</i>	04-Feb-32
14	<i>Issuer call subject to prior supervisory approval</i>	Yes
15	<i>Optional call date, contingent call dates and redemption amount</i>	N/A
16	<i>Subsequent call dates, if applicable</i>	N/A
	Coupons / dividends	
17	<i>Fixed or floating dividend/coupon</i>	Fixed
18	<i>Coupon rate and any related index</i>	5.50% p.a.
19	<i>Existence of a dividend stopper</i>	No
EU-20a	<i>Fully discretionary, partially discretionary or mandatory (in terms of timing)</i>	N/A
EU-20b	<i>Fully discretionary, partially discretionary or mandatory (in terms of amount)</i>	N/A
21	<i>Existence of step up or other incentive to redeem</i>	No
22	<i>Non-cumulative or cumulative</i>	Non-cumulative
23	<i>Convertible or non-convertible</i>	Convertible
27	<i>If convertible, mandatory or optional conversion</i>	Optional
28	<i>If convertible, specify instrument type convertible into</i>	Common Equity Tier 1 instrument
29	<i>If convertible, specify issuer of instrument it converts into</i>	Capital
30	<i>Write-down features</i>	N/A
33	<i>If write-down, permanent or temporary</i>	N/A
34a	<i>Type of subordination (only for eligible liabilities)</i>	N/A
EU-34b	<i>Ranking of the instrument in normal insolvency proceedings</i>	Rank 3 - Ranking in insolvency
35	<i>Position in subordination hierarchy in liquidation</i>	The instrument shall be subordinated in right of payment in the manner provided in the Recovery and Resolution Regulations (Subsidiary Legislation 330.09) to preferred claims, ordinary unsecured claims, secondary unsecured claims and senior subordinated claims. The loan shall rank in priority to claims in respect of the CET1 instrument.
36	<i>Non-compliant transitioned features</i>	No

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

8.5 Capital buffers

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

The Group is required to maintain a Capital Conservation Buffer of 2.5% (2024: 2.5%). In addition, the Group is required to retain an institution-specific Countercyclical Capital Buffer ('CCB') in line with Article 130 of Directive 2013/36/EU. This buffer is based on the weighted average of the CCB rates that apply in those countries where the exposures are located. In this regard, the following tables disclose the Group's (a) geographical distribution of exposures relevant for the calculation; and (b) amount of institution-specific CCB.

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

Breakdown by country

		General credit exposures	Relevant credit exposures – Market risk	Total exposure value	Own fund requirements			Risk-weighted exposure amounts	Own fund requirements weights	Countercyclical buffer rate
		Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Total			
		USD	USD		USD	USD	USD			
		a	c		f	g	h			
010	Breakdown by country:									
	United Arab Emirates	51,916,864	-	51,916,864	2,029,813	-	2,029,813	25,372,657	2.53%	0.5%
	Germany	40,549,893	-	40,549,893	1,347,288	-	1,347,288	16,841,096	1.68%	0.8%
	Spain	28,114,945	-	28,114,945	410,448	-	410,448	5,130,606	0.51%	0.5%
	France	27,244,613	2,124,644	29,369,257	749,162	73,778	822,940	10,286,751	1.02%	1.0%
	Poland	14,041,069	-	14,041,069	370,972	-	370,972	4,637,145	0.46%	1.0%
	United Kingdom	9,428,765	-	9,428,765	723,534	-	723,534	9,044,171	0.90%	2.0%
	Luxembourg	8,753,115	-	8,753,115	11,432	-	11,432	142,900	0.01%	0.5%
	Sweden	7,958,578	-	7,958,578	635,670	-	635,670	7,945,869	0.79%	2.0%
	Hungary	5,764,618	-	5,764,618	166,131	-	166,131	2,076,638	0.21%	1.0%
	Belgium	5,112,586	2,567,142	7,679,728	52,362	241,331	293,693	3,671,160	0.37%	1.0%
	Bulgaria	3,513,451	692,823	4,206,274	55,148	57,255	112,403	1,405,041	0.14%	2.0%
	Norway	1,596,364	-	1,596,364	127,709	-	127,709	1,596,364	0.16%	2.5%
	Denmark	1,383,415	-	1,383,415	86,622	-	86,622	1,082,774	0.11%	2.5%
	Slovakia	1,162,563	-	1,162,563	93,005	-	93,005	1,162,563	0.12%	1.5%
	Iceland	936,595	-	936,595	74,928	-	74,928	936,595	0.09%	2.5%
	Chile	879,856	-	879,856	70,388	-	70,388	879,856	0.09%	0.5%
	Australia	696,984	-	696,984	39,013	-	39,013	487,664	0.05%	1.0%
	Romania	658,862	-	658,862	52,189	-	52,189	652,366	0.06%	1.0%
	South Africa	480,515	11,656,785	12,137,300	38,441	982,990	1,021,431	12,767,889	1.27%	1.0%
	Czech Republic	352,246	-	352,246	18,192	-	18,192	227,397	0.02%	1.3%
	Korea, Republic of	249,249	-	249,249	3,988	-	3,988	49,850	0.00%	1.0%
	Estonia	226,615	-	226,615	18,129	-	18,129	226,615	0.02%	1.5%
	Greece	189,176	-	189,176	5,574	-	5,574	69,676	0.01%	0.3%
	Hong Kong	157,942	-	157,942	12,635	-	12,635	157,942	0.02%	0.5%
	Ireland	33,106	-	33,106	1,324	-	1,324	16,553	0.00%	1.5%
	Other countries	747,999,624	427,755,009	1,175,754,633	46,321,850	25,454,704	71,776,554	897,206,926	89.36%	0.0%
020	Total	959,401,609	444,796,404	1,404,198,013	53,515,947	26,810,058	80,326,005	1,004,075,064	0.11%	

The credit exposures in the above table are presented in ascending order based on the total exposure value and only those that have countercyclical buffer rate are listed. The other countries are aggregated in the one row 'Other countries'. Omitted rows and/or columns as prescribed in the templates are not applicable to the Group.

Template EU CCyB2 - Amount of institution specific countercyclical capital buffer

		a
1	Total risk exposure amount	USD 1,085,936,453
2	Institution specific countercyclical capital buffer rate	0.11%
3	Institution specific countercyclical capital buffer requirement	USD 1,204,196 *

*Note that this amount was calculated based the precise buffer rate of 0.110890136743345%.

9 Leverage ratio

Table EU LRA - Disclosure of LR qualitative information

(a)	<p><i>Description of the processes used to manage the risk of excessive leverage</i></p> <p>CRR requires credit institutions to calculate a non-risk-based leverage ratio to supplement risk-based capital requirements. The leverage ratio is defined as Tier 1 capital divided by a non-risk-based measure of an institution's on- and off-balance sheet items, not deducted from Tier 1 capital (the 'exposure measure'). The leverage ratio has two objectives namely, to limit the risk of excessive leverage by constraining the building up of leverage in the banking sector during economic upswings and to act as a simple instrument that offers a safeguard against the risks associated with the risk models underpinning risk weighted assets. The minimum requirement of the Tier 1 leverage ratio is 3%.</p> <p>Leverage risk is managed through regular monitoring and reporting of the leverage ratio, which forms part of the Risk Appetite Framework. The Group has set a prudent threshold for the leverage ratio at 11.0% (at group level). The Group's leverage ratio has never breached the required minimum level of 3%, as prescribed by European regulations. The Group's strategy is based on profit improvement and selective asset growth which will further improve the leverage ratio. Changes in regulation relating to leverage ratio are monitored and their potential impact is assessed.</p>
(b)	<p><i>Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers</i></p> <p>The decrease of 2.1% in leverage was mainly due to an increase over the financial period of exposure levels when compared to the previous year which outweighed the slight increase in Tier1 capital.</p>

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

		USD
		a
1	Total assets as per published financial statements	1,361,307,476
8	Adjustments for derivative financial instruments	23,066,807
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	43,080,221
12	Other adjustments	(20,392,535)
13	Total exposure measure	1,407,061,970

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

Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	CRR leverage ratio exposures
		December 2025	December 2024
		USD	USD
		a	b
<i>On-balance sheet exposures (excluding derivatives and SFTs)</i>			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	1,338,178,610	1,127,830,971
6	(Asset amounts deducted in determining Tier 1 capital)	(1,425,931)	(2,467,169)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	1,336,752,680	1,125,363,802
<i>Derivative exposures</i>			
EU-9b	Exposure determined under Original Exposure Method	27,229,069	10,902,450
13	Total derivatives exposures	27,229,069	10,902,450
<i>Other off-balance sheet exposures</i>			
19	Off-balance sheet exposures at gross notional amount	208,569,446	163,162,228
20	(Adjustments for conversion to credit equivalent amounts)	(165,489,225)	(103,361,830)
22	Off-balance sheet exposures	43,080,221	59,800,399

		CRR leverage ratio exposures	CRR leverage ratio exposures
		December 2025	December 2024
		USD	USD
		a	b
	<i>Capital and total exposure measure</i>		
23	Tier 1 capital	179,351,494	177,317,973
24	Total exposure measure	1,407,061,970	1,196,066,651
	<i>Leverage ratio</i>		
25	Leverage ratio	12.7%	14.8%
EU-25	Leverage ratio excluding the impact of the exemption of public sector investments and promotional loans) (%)	12.7%	14.8%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	12.7%	14.8%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%
27	Leverage ratio buffer requirement (%)	0.0%	0.0%
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%
	<i>Choice on transitional arrangements and relevant exposures</i>		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in	Fully phased-in
	<i>Disclosure of mean values</i>		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,407,061,970	1,196,066,651
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	1,407,061,970	1,196,066,651
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12.7%	14.8%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	12.7%	14.8%

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

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

		CRR leverage ratio exposures
		USD
		a
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	1,338,178,610
EU-2	Trading book exposures	444,796,404
EU-3	Banking book exposures, of which:	893,382,207
EU-4	Covered bonds	2,165,268
EU-5	Exposures treated as sovereigns	197,032,096
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	42,631,153
EU-7	Institutions	32,458,611
EU-8	Secured by mortgages of immovable properties	101,962,726
EU-9	Retail exposures	14,051,540
EU-10	Corporates	416,776,682
EU-11	Exposures in default	2,895,554
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	83,408,576

10 Remuneration policy

Table EU REMA – Remuneration policy

(a)	<p><i>Information relating to the bodies that oversee remuneration</i></p> <p>The body responsible for overseeing remuneration is the Board Nomination and Remuneration Committee ('BNRC'). The BNRC is governed by a Charter which is reviewed on an annual basis.</p> <p>As at 31 December 2025, the BNRC was composed of three members one of whom is an independent director. The BNRC sought professional legal advice from the Company Secretary. During 2025 there was no need to seek external legal advice or to engage consultants.</p>
(b)	<p><i>Information relating to the design and structure of the remuneration system for identified staff</i></p> <p>The Group Remuneration Policy ('Policy') outlines the key guiding principles and framework applicable to the Group in terms of remuneration structure and implementation mechanisms. The Policy governs the remuneration of all members of staff of the Group including the branches and the subsidiaries located in third countries unless local legislation mandates otherwise. This includes these disclosures' target population defined as 'Identified Staff'. This structure comprises both fixed and variable remuneration. The guiding principle ensures that there remains a tangible distinction between fixed and variable remuneration. This is in line with BR/21/2022, Paragraph 142. The remuneration structure is intended to attract, reward, incentivise and retain a high-performing workforce while remaining aligned to the Group's long-term strategy, risk appetite, sustainable performance, good corporate governance, regulatory compliance, corporate values, and long-term value creation for shareholders. To this effect, the Policy is based on the following principles:</p> <ul style="list-style-type: none"> • Sound and effective risk management; • Non-discriminatory practices; • Internal equity; • External parity; and, • Affordability and sustainability. <p>Additionally, the Policy includes a description of the Corporate Governance mechanisms specifically intended to ensure the appropriate implementation of the respective remuneration practices.</p> <p>The Total Remuneration Package consists of a Fixed component, with the possibility of a Variable component.</p> <p>Fixed remuneration comprises the base salary and any statutory payments as may be applicable in the respective jurisdiction, and may also include one or more of the following:</p> <ul style="list-style-type: none"> • Cash allowance/s; • Anniversary /one-time payments; • Non-cash benefits applicable to employees according to their seniority; and • Other contract specific cash/non-cash benefits. <p>Fixed remuneration reflects the relevant professional experience and organisational responsibility as set out in the employee's job description as applicable from time-to-time and it represents a sufficiently high proportion of total remuneration so as to include the possibility to pay no variable remuneration component. Fixed remuneration is determined using the annual gross remuneration calculated on full-time equivalent basis.</p> <p>Where a component does not meet the above conditions, it shall automatically be considered as Variable Remuneration.</p> <p>Variable remuneration typically comprises one or more of the following:</p> <ul style="list-style-type: none"> • Performance Bonus; • Exceptional Bonus; • Retention Bonus; • Guaranteed/Sign-on Bonus; • Buy-out Compensation; and • Severance Payments. <p>Variable remuneration rewarded reflects a sustainable and risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as applicable from time-to-time.</p>

	<p>The Group bonus pool can be up to 20% of profit before tax and general provisions. The bonus pool is recommended by the GCEO and approved by the BNRC. The approved bonus pool is allocated to the Group entities in accordance with their profit contribution to the Group. The BNRC is responsible to oversee the remuneration of all employees. Should the Group incur a loss, the BNRC may within existing regulatory parameters, decide to award a bonus to employees.</p> <p>The Group Remuneration Policy was last updated in December 2025, following the previous update in August 2025. The December 2025 update included a minor addition related to Key Risk Indicators for Climate and Environment risks. The August 2025 changes were mostly non-material, and primarily of a clarification nature. Clause 1 was refined to incorporate the Principles previously set out under Clause 2, resulting in the renumbering of the subsequent clauses. Additional clarification was also introduced regarding the classification of responsibilities of the Identified Staff List, and a further clarification was made to Clause 9 in relation to Banking Rule 21.</p> <p>The current Directors’ Remuneration Policy which in June 2024 replaced the Remuneration Policy Supplement is intended to attract, develop and retain a high-performing workforce while remaining aligned to FIMBank’s long-term strategy, risk appetite, sustainable performance, good corporate governance, regulatory compliance, corporate values and long-term value creation for shareholders Any material changes require the approval of the BNRC prior to being submitted to the annual general meeting (‘AGM’) for its binding vote. It reflects the applicable provisions of Directive (EU) 2019/878 (CRD), the EBA Guidelines on Sound Remuneration Policies (EBA/GL/2021/04), Banking Rule 21 on Remuneration Policies and Practices (BR/21/2022), Banking Rule 24 on Internal Governance of Credit institutions (BR/24/2022), the amendments to Chapter 12 of the Capital Market Rules and to the Group Remuneration Policy as amended in April 2024.</p> <p>The aforementioned two policies are reviewed annually and as required annually by the Group Chief Human Resources Officer (‘GCHRO’) and reviewed by the Group Chief Compliance Officer (‘GCCO’) and the Management Governance Committee. Additionally, the Directors’ Remuneration Policy is also reviewed annually by Company Secretary.</p>
(c)	<p><i>Description of the ways in which current and future risks are taken into account in the remuneration processes</i></p> <p>The Policy stipulates that every year, before paying out the deferred part of cash or the vesting of deferred instruments, a reassessment of the performance and, if necessary, an ex-post risk adjustment shall be applied to align variable remuneration to additional risks that have been identified or materialised after the award. This also applies where multi-year accrual periods are used. Furthermore, the Policy stipulates in case the Group incurs a loss in a financial year, in the interest of strengthening the capital base and getting the Group back in good standing, payment or otherwise of any deferred bonus within existing regulatory parameters will be decided by the BNRC. Such bonuses may be further deferred in the interest of Group sustainability.</p> <p>On a quarterly basis, or more frequently (as necessary) the GCRO updates the Board Risk Committee on the emergent risks that the Group is deemed to be facing.</p>
(d)	<p><i>The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive (EU) 2013/36(‘CRD’)</i></p> <p>In the interest of balancing the variable component of the remuneration while incentivising safe and sound performance, the group has set an indicative ratio between variable and fixed remuneration of 35% for staff in internal control functions and of 50% for other staff. The ratio of variable to fixed remuneration ensures that employees are motivated to improve their performance whilst balancing the need for prudent, ethical employee behaviour.</p> <p>The BNRC on the GCEO’s recommendation has the authority to approve deviation from these ratios which may be necessary to be either in compliance with national legislation or market practice.</p>
(e)	<p><i>Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration</i></p> <p>Any performance bonus is dependent on the performance rating of the employee, the performance of the team, the entity and the Group.</p> <p>Individual performance is linked to both core behaviours (personal effectiveness, creativity, innovation, teamwork, communication and company values and individual financial and non-financial performance. People Managers are further assessed on leadership and people management. Employees are assessed on a five-point scale Employees who are rated as Developing Contributors or higher are awarded a performance bonus which reflects their rating. For employees holding a senior management position the quantitative assessment is additionally assessed at a more granular level through the use of a key performance indicators.</p> <p>The Policy requires annual reassessment and, if needed, ex post risk adjustments to align variable remuneration with newly identified or materialized risks, including potential deferral of bonuses during financial losses to prioritize the Group’s sustainability. Additionally, the Group Chief Risk Officer (GCRO) regularly updates the Board Risk Committee on emergent risks, with the format and frequency of such updates determined by non-executive directors, as outlined in regulatory guidance.</p>
(f)	<p><i>Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance</i></p>

	Variable remuneration recommendations are determined in line with pre-set parameters for the reporting year and proposals made by the Business Unit Heads. This is based on goals and on a multi-year assessment. Annual appraisal ratings and variable remuneration recommendations are calibrated by the GCHRO and GCEO before they are recommended to the BNRC for its consideration. A multi-year assessment takes into consideration the individual's performance rating for the previous two years as well as the current year's rating and future potential.
(g)	<i>Description of the main parameters and rationale for any variable components scheme and any other non-cash benefit, as referred to in point (f) of Article 450(1) CRR</i> The main component of variable remuneration is the performance bonus. A percentage of the awarded bonus may be deferred with a vesting period of four years. Other forms of variable remuneration in cash may include an Exceptional Bonus, a Retention Bonus, a Guaranteed Bonus/Sign-on Bonus and Buy-out Compensation. Another form of variable cash remuneration is the Severance Bonus. In financial year 2025 FIMBank p.l.c. only paid variable remuneration in the form of performance bonus.
(h)	<i>Total remuneration for each member of the management body or senior management, as referred to in point (j) of Article 450(1) CRR</i> Not applicable, since the Group has not been requested to disclose the total remuneration for each member of the management body or senior management.
(i)	<i>Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD, as referred to in point (k) of Article 450(1) CRR</i> Not applicable as the Group is neither a large institution as defined in point (146) of Article 4(1) of the CRR, nor has assets which on average and on individual basis were equal or higher to EUR 5 billion over a four-year-period immediately preceding the current financial year and thus was not required to apply for a derogation for variable remuneration awarded in 2025.
(j)	<i>Quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members, as referred to in Article 450(2) CRR</i> Not applicable, since the Group is not a large institution which is required to disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.

The identified staff is determined in line with:

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

The Group's Identified Staff includes:

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

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

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

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

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

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

The Group did not pay any deferred bonuses during the financial year ended 2025 since none were outstanding. As per the Policy, in the eventuality that part of the variable remuneration is deferred, it will be spread over a period of four years. The Group reserves the right to apply Malus and Clawback as defined in Banking Rule 21 on 100% of the bonus paid and/or deferred, or in the case of serious misconduct as defined in the Disciplinary Policy and in the event that conditions stipulated in the performance targets in the subsequent two years are not met.

There were no individual employees who were remunerated deferred payments. No severance payments were made during the financial year ended 2025. No severance payments were made during the financial year ended 2025. There was one employee who was remunerated more than EUR 1 million. On this basis, Templates REM2 and REM3 are not applicable.

In 2025, the ratio of variable remuneration to fixed remuneration for the target population of Identified Staff for the whole Group stood at 14.8%. The below table further illustrates the percentage ratio between fixed and variable both at Group level as well as for the individual entities.

	% ratio of variable to fixed remuneration
FIMBank Group	9.3% vs 90.7%
FIMBank, FIM Property Investments Limited	5.8% vs 94.2%
London Forfaiting Company	16.5% vs 83.5%
India Factoring and Finance Solutions Private Limited	8.9% vs 91.1%
Egypt Factors SAE	9.9% vs 90.1%

Supplementary information on remuneration is included in the Remuneration Report of the Annual Report.

Template EU REM1 - Remuneration awarded for the financial year

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
			a	b	c	d
<i>Fixed remuneration</i>						
1	Number of identified staff	No.	8	7	16	4
2	Total fixed remuneration	USD	371,650	2,560,887	2,865,200	337,874
3	of which: cash-based	USD	371,650	2,425,029	2,797,522	332,282
7	of which: other forms	USD	-	135,858	67,678	5,592
<i>Variable remuneration</i>						
9	Number of identified staff	No.	8	7	16	4
10	Total variable remuneration	USD	-	531,940	442,938	24,872
17	Total remuneration	USD	371,650	3,092,827	3,308,138	362,746

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

	Management body supervisory function	Management body management function	Other senior management	Other identified staff
Percentage ratio of variable to fixed remuneration	0% vs 100%	17.2 % vs 82.8%	13.4% vs 86.6%	6.9% vs 93.1%

Template EU REM4 – Remuneration of 1 million EUR or more per year

		Identified staff that are high earners as set out in Article 450(i) CRR
<i>EUR</i>		a
1	1,000,000 to below 1,500,000	1

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

		Management body remuneration				Business area			Total
		Management body supervisory function	Management body management function	Total management body	Retail banking	Corporate functions	Independent internal control functions	All other	
1	Total number of identified staff								35
2	of which: members of the MB	8*	7	15					
3	of which: other senior management				4	3	3	6	
4	of which: other identified staff	-	-	-	-	-	2	2	
		USD	USD	USD	USD	USD	USD	USD	
5	Total remuneration of identified staff	371,650	3,092,827	3,464,477	671,822	449,444	823,279	1,726,338	
6	of which: variable remuneration	-	531,940	531,940	64,620	38,772	65,360	299,058	
7	of which: fixed remuneration	371,650	2,560,887	2,932,536	607,202	410,672	757,919	1,427,280	

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

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