FIMBANK

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by FIMBank p.l.c. ("**FIMBank**" or the "**Bank**") pursuant to the Malta Financial Services Authority Capital Markets Rules 5.16 et seq., in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta) as may be amended from time to time.

Quote

The Board of Directors of FIMBank met on 19 August 2026, to approve the Consolidated and the Bank's Condensed Interim Financial Statements for the six-month period ended 30 June 2026.

The Half-Yearly Report, drawn up in terms of the Capital Markets Rules, is attached to this Company Announcement. The Condensed Interim Financial Statements are independently reviewed by PricewaterhouseCoopers, the Registered Auditors, in accordance with International Standard on Review Engagements 2410 'Review of interim financial information performed by the independent auditor of the entity'.

In accordance with the requirements of the Capital Markets Rules the Half-Yearly Report is being made publicly available for viewing on the Bank's website at www.fimbank.com.

Unquote

Andrea Batelli
Company Secretary
19 August 2026

Condensed Interim Financial Statements 2026

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Directors' report pursuant to Capital Market Rule 5.75.2

For the six months ended 30 June 2026

The Directors ("Board" or "Directors") present their report together with the Condensed Interim Financial Statements of FIMBank p.l.c. ("the Bank"), and FIMBank Group of Companies ("the Group") for the six months ended 30 June 2026. The report is prepared in accordance with Article 177 of the Companies Act, 1995 (Chapter 386, Laws of Malta, the "Companies Act") including further provisions as set out in the Sixth Schedule of the Companies Act and in accordance with the requirements of Capital Markets Rule 5.75.2.

Results for the period

For the six months ended 30 June 2026, the FIMBank Group reported an after-tax profit of USD3.2 million, compared to an after-tax loss of USD1.8 million registered for the six months ended 30 June 2025. No reserves are currently available for distribution.

These published figures have been extracted from the FIMBank Group's Condensed Interim Financial Statements for the six months ended 30 June 2026 as approved by the Board of Directors on 19 August 2026.

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

Group structure and principal activities

The Group comprises the Bank and its wholly owned subsidiaries, London Forfaiting Company Limited ("LFC"), FIM Property Investment Limited ("FPI"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors"), and FIMFactors B.V. ("FIMFactors"). LFC and FIMFactors are themselves parents of a number of subsidiaries as set out in Note 13 - Investment in Subsidiaries, of these Condensed Interim Financial Statements. The Group is supervised on a consolidated basis by the Malta Financial Services Authority ("MFSA"), while some of its subsidiaries and branches are subject to authorisation and regulation according to the respective jurisdictions in which they operate.

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

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

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

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

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

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

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

  a. India Factoring and Finance Solutions (Private) Limited (99.60%), incorporated in Mumbai, India, is to carry out the business of factoring in India. India Factoring is regulated by the Reserve Bank of India.

     In March 2026, the Bank, through its subsidiary FIMFactors, subscribed to newly issued and allotted shares of India Factoring for INR461,500,000 (USD5,013,580). This increased the Group's shareholding in India Factoring from 99.56% to 99.60%.

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

Annual general meeting

The Bank convened its Annual General Meeting on 13 May 2026.

Directors

The Directors who served during the financial period ended 30 June 2026 (inclusive of any changes to the date of this report) were:

John C. Grech (Chairman)
Masaud M.J. Hayat (Vice Chairman)
Edmond Brincat
Hussain Abdul Aziz Lalani
Rabih Soukarieh
Samer Abbouchi
Simon Jethro Lay
Sunny Bhatia (Retired on 13 May 2026)
Teuta Bakalli
Haethum Samih Buttikhi (Nominated at the Annual General Meeting of the 13 May 2026 and is currently subject to regulatory approval)

Related party transactions pursuant to Capital Market Rule 5.82

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

Related party transactions carried out by the Bank and its subsidiaries during the first semester are disclosed in Note 19 of these Condensed Interim Financial Statements.

Review of performance

For the six-month period ended 30 June 2026, the Group reported a profit before tax from continuing operations of USD4.3 million, compared to a loss before tax from continuing operations of USD0.9 million in the corresponding period of 2025. After taxation and discontinued operations, the Group recorded a profit of USD3.2 million, compared to a loss of USD1.8 million in the comparative period. This improvement was driven by a significant increase in operating results from the non-trading portfolio, which rose by USD10.1 million (60.3%) to USD26.8 million, reflecting the successful execution of the Group's strategy, stronger commercial asset volumes and improved balance sheet utilisation. The result also benefited from significantly lower fair value losses recognised on unlisted sub-fund units held within the Group's legacy financial investments portfolio and measured at fair value through profit or loss. Fair value losses on these investments amounted to USD0.3 million during the first half of 2026, compared to USD4.5 million in the corresponding period of 2025.

Overall, the results provide further evidence that the Group's earnings generation capacity has strengthened materially as a result of the strategic, operational and balance sheet optimisation initiatives undertaken over recent years. The improvement reflects management's continued focus on capital efficiency, disciplined risk deployment, portfolio optimisation and the conversion of available capacity into profitable growth.

The improvement in operating profitability was achieved despite a lower benchmark interest rate environment during the period ended 30 June 2026 compared to the corresponding period in 2025. Average Consolidated Assets increased by 13.9% compared to the corresponding period in 2025, supported by growth across the Group's core commercial activities. This translated into a USD6.4 million (31.2%) increase in net interest income, driven primarily by higher average balances in trade finance, real estate lending and trading assets. The increase in income was achieved while maintaining a disciplined approach to capital deployment and balance sheet management, resulting in a stronger net interest margin despite declining market rates. Revenue quality also improved, with higher recurring income partially offset by lower foreign exchange revenues and unrealised fair value movements recognised during the period.

The Group continued to maintain strong funding and liquidity positions throughout the period. Liquidity resources remained strong and comfortably exceeded both regulatory and internal requirements, providing a solid foundation to support future business growth. Funding costs remained well controlled, while liquidity optimisation initiatives continued to support earnings generation and balance sheet efficiency.

Credit quality remained strong, with the Non-Performing Loan (“NPL”) ratio declining further to 1.73% as at 30 June 2026 (31 December 2025: 1.90%). Stage 3 provisions were released following the write-off of non-performing exposures that had been fully provided for, while only two new non-performing exposures were identified, requiring a limited amount of additional provision coverage. Stage 1 and Stage 2 provisions relating to performing exposures recorded a net release of USD1.0 million during the period, reflecting favourable portfolio dynamics and continued strong credit performance. These results reflect the continued effectiveness of the Group's risk management framework and the sustained focus on maintaining a high-quality credit portfolio.

The Group's capital position remained strong, with a Total Capital Ratio of 19.8% as at 30 June 2026, comfortably above the regulatory minimum requirement of 15.48%. Management continued to actively optimise risk-weighted asset utilisation and capital allocation through portfolio optimisation, disciplined transaction selection and increased utilisation of insurance solutions. These actions have improved capital efficiency while preserving capacity to support future growth opportunities. Capital, liquidity and risk metrics remained robust throughout the period, and management continues to closely monitor available risk-weighted asset capacity to support future growth opportunities.

The period also saw continued progress in a number of strategic and operational initiatives. Progress continued on the proposed acquisition of FIMBank by Jordan Kuwait Bank, which remains subject to the required regulatory approvals. In parallel, work on the planned disposal of Egypt Factors continued, supporting the Group's objective of further optimising capital allocation and focusing management resources on its core business activities. The Group also continued to implement a number of streamlining initiatives aimed at simplifying organisational structures, strengthening accountability, improving execution efficiency and reducing operational complexity across the organisation. These initiatives form part of the Group's broader transformation programme focused on enhancing profitability, scalability and long-term shareholder value.

In June 2026, Fitch Ratings reaffirmed the Group's 'B+' rating with a Stable Outlook, providing external validation of the Group's strategy, capital strength and operational resilience. The period also reflected the continuing benefits of the Group's investment in governance, risk management and regulatory compliance, supporting a stronger control environment and reinforcing the sustainability of the Group's strategic transformation.

Overall, the first half of 2026 represented a significant improvement in the Group's financial performance. Stronger commercial asset growth, improved net interest income, strong credit quality and a solid capital position provide a strong platform for the Group to continue executing its strategic priorities during the second half of the year. The results achieved during the period demonstrate that the Group's earnings engine is operating effectively, with future performance increasingly dependent on the successful conversion of available capacity into disciplined, capital-efficient growth.

Statements of profit or loss

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

	Group		
	30 Jun 2026	30 Jun 2025	Movement
	USD	USD	USD
Net interest income	27,057,549	20,617,345	6,440,204
Net fee and commission (expense)/income	(373,774)	246,910	(620,684)
Other operating income/(expense)	158,484	(4,115,893)	4,274,377
Operating results from non-trading portfolio	**26,842,259**	**16,748,362**	**10,093,897**
Operating expenses	(20,322,744)	(19,061,737)	(1,261,007)
Income/(Expense) before net impairment and net trading results	**6,519,515**	**(2,313,375)**	**8,832,890**
Net trading results	(2,665,083)	1,557,043	(4,222,126)
Net impairment gains/(losses)	435,032	(175,099)	610,131
Profit/(Loss) before taxation	**4,289,464**	**(931,431)**	**5,220,895**
Taxation	(1,467,406)	(1,332,582)	(134,824)
Profit/(Loss) for the period from continuing operations	**2,822,058**	**(2,264,013)**	**5,086,071**
Profit from discontinued operations	388,178	512,156	(123,978)
Profit/(Loss) for the period	**3,210,236**	**(1,751,857)**	**4,962,093**

Operating results from the non-trading portfolio amounted to USD26.8 million, an increase of USD10.1 million (60.3%) compared to the corresponding period in 2025.

Net interest income increased by USD6.4 million (31.2%) to USD27.1 million. The improvement was driven entirely by higher interest income, while interest expense remained broadly unchanged at USD12.9 million (June 2025: USD12.8 million). Interest income increased by USD6.5 million, principally reflecting an increase of USD3.2 million from interest income on loans and advances to customers and a further USD3.1 million from interest income on trading assets. These increases were primarily attributable to higher average portfolio balances during the period and were achieved despite the decline in benchmark interest rates. As a result, the Group reported stronger net interest income and an improved net interest margin compared to the corresponding period in 2025.

The Group reported a net fee and commission expense of USD0.4 million, compared to net fee and commission income of USD0.2 million in the corresponding period of 2025. Fee income increased by USD0.2 million; however, this was more than offset by an increase in fee and commission expense of USD0.8 million, primarily attributable to higher forfaiting-related costs arising from increased activity within the trading assets portfolio.

Other operating income amounted to USD0.2 million, compared to other operating expenses of USD4.1 million in the corresponding period of 2025. The improvement was primarily attributable to significantly lower fair value losses recognised on unlisted sub-fund units held within the Group's legacy financial investments portfolio and measured at fair value through profit or loss. The Group recognised fair value losses of USD0.3 million during the first half of 2026, compared to USD4.5 million in the corresponding period of 2025.

Operating expenses totalled USD20.3 million, an increase of USD1.3 million (6.6%) compared to the corresponding period in 2025. The increase was primarily driven by higher regulatory fees, staff costs and professional and consultancy fees. Operating expenses for the period also included a provision of USD0.2 million relating to the Depositor Compensation Scheme and the Single Resolution Fund.

Net trading results recorded a loss of USD2.7 million, compared to a gain of USD1.6 million in the corresponding period of 2025. The adverse movement was primarily attributable to foreign exchange losses of USD3.3 million, together with fair value losses of USD0.9 million on trading assets, the majority of which remained unrealised as at 30 June 2026.

Net impairment gains amounted to USD0.4 million, compared to net impairment losses of USD0.2 million in the corresponding period of 2025. Stage 1 and Stage 2 provisions relating to performing exposures recorded a net reversal of USD1.0 million, compared to an increase of USD0.8 million in June 2025. Stage 3 provisions were also reversed by USD2.7 million (June 2025: USD1.6 million reversal), comprising USD3.3 million of reversals arising from the write-off of non-performing exposures, partly offset by USD0.6 million of additional coverage recognised on both legacy and newly identified non-performing exposures.

During the period, the Group wrote off USD3.5 million of non-performing exposures, including legal fees incurred in the recovery process, compared to USD2.3 million in the six-month period ended 30 June 2025. Recoveries of previously written-off debt amounted to USD0.2 million, compared to USD1.3 million in the six-month period ended 30 June 2025.

Tax provisions across all Group entities totalled USD1.5 million, compared to USD1.3 million in the corresponding period of 2025. The increase in tax provisions arising from the higher profitability reported across the Group during the period was partially offset by the reversal of a tax provision following management's reassessment of a tax position relating to the Group's subsidiary in India. As a result, the Group recognised a contingent liability of USD0.7 million in respect of this matter (refer to Note 16.2).

During 2025, Egypt Factors was classified as held for sale (see Note 11). Accordingly, the entity's results for the six-month periods ended 30 June 2026 and 30 June 2025 have been presented separately as 'Profit from discontinued operations'.

Financial position

As at 30 June 2026, the Group's Consolidated Assets stood at USD1.29 billion, reflecting a decrease of USD69.2 million (5.1%) compared to 31 December 2025. The reduction was primarily driven by lower forfaiting balances recognised within trading assets as the Group continued to actively manage its balance sheet and create capacity for future growth opportunities. Notwithstanding the lower period-end balance, average Consolidated Assets for the six-month period ended 30 June 2026 were 13.9% higher than the corresponding period in 2025, reflecting sustained growth in the Group's commercial asset base throughout the first half of the year and continued business momentum. Management remained focused on optimising capital deployment and preserving risk-weighted asset capacity for higher-return and more capital-efficient business opportunities.

Compared to 31 December 2025, trading assets decreased by USD73.0 million (16.4%), principally reflecting lower forfaiting exposures. Balances with the Central Bank of Malta declined by USD22.8 million (27.0%), while loans and advances to customers remained broadly stable, decreasing by USD8.1 million (1.8%). In contrast, loans and advances to banks increased by USD50.1 million (57.0%), driven by higher placements in both term loans and on-call and short-notice deposits.

On an average balance basis, trading assets increased by USD49.1 million (14.2%) compared to the first half of 2025, while balances with the Central Bank of Malta increased by USD25.3 million (44.6%). Average loans and advances to banks increased modestly by USD2.2 million (1.9%), reflecting higher average balances across both term loans and on-call and short-term deposits.

Average loans and advances to customers increased by USD21.9 million (5.0%), reflecting growth of USD57.6 million in term lending, primarily within the trade finance and real estate portfolios. This increase was partially offset by lower average on-call and short-notice balances of USD38.3 million. While underlying trade finance activity continued to grow, comparability with the corresponding period in 2025 was affected by the classification of Egypt Factors as held for sale during the second half of 2025. Following this classification, balances relating to Egypt Factors were reclassified from loans and advances to customers to assets held for sale, resulting in lower average on-call and short-notice balances in the first half of 2026 compared to the corresponding period in 2025.

Financial investments measured at fair value through profit or loss (“FVTPL”) amounted to USD9.3 million as at 30 June 2026, representing a decrease of USD0.6 million (6.3%) compared to 31 December 2025. On an average balance basis, FVTPL investments declined by USD3.6 million (27.2%) compared to the corresponding period in 2025, primarily reflecting unrealised fair value losses and foreign exchange losses on unlisted sub-fund units held within the Sustainability Investment Fund.

Financial investments measured at fair value through other comprehensive income (“FVOCI”) decreased by USD2.7 million (2.6%) compared to 31 December 2025, primarily reflecting foreign exchange movements. On an average balance basis, however, FVOCI investments were USD19.6 million (15.8%) lower than in the corresponding period of 2025, mainly due to bond maturities and redemptions during the second half of 2025, which were not replaced as the Group increasingly allocated excess liquidity to investments intended to be held to maturity.

Financial investments measured at amortised cost remained broadly stable at USD40.7 million compared to 31 December 2025. On an average balance basis, however, these investments increased by USD34.7 million compared to the corresponding period in 2025, reflecting the Group's increased allocation to instruments intended to be held to maturity.

During the first half of 2026, the Group conducted a review to identify any indicators of impairment in its investments in subsidiaries based on the underlying performance of each entity. This assessment included a retrospective evaluation of the assumptions and projections applied in the impairment analysis performed as at 31 December 2025. Based on the results of this review, management concluded that no impairment indicators were identified.

Assets classified as held for sale decreased by USD8.1 million (11.9%) compared to 31 December 2025, primarily reflecting movements within Egypt Factors, which remained classified as held for sale as at 30 June 2026. The comparative balance as at 30 June 2025 was nil, as Egypt Factors was only classified as held for sale during the second half of 2025.

The carrying value of property, plant and equipment, investment property and intangible assets decreased in aggregate by USD2.3 million compared to 31 December 2025. The movement primarily reflects foreign exchange losses recognised at subsidiary level, where the functional currency is the euro. The depreciation of the euro against the US dollar during the first half of 2026 resulted in lower translated carrying values of these assets.

The Group's deferred tax asset stood at USD15.2 million, remaining consistent with the balance reported as at 31 December 2025. Management continues to monitor the Group's tax position, with particular focus on the recoverability of tax losses within a reasonable timeframe, in line with the Group's strategy and long-term planning.

As at 30 June 2026, the Group's Consolidated Liabilities amounted to USD1.11 billion, reflecting a decrease of USD72.2 million (6.1%) compared to 31 December 2025, largely in line with the reduction in Consolidated Assets. The movement was primarily driven by a USD72.3 million (8.5%) decrease in amounts owed to customers, mainly reflecting lower term deposit balances. In contrast, amounts owed to institutions and banks increased by USD8.7 million (3.9%), driven by higher balances across both term and repayable-on-demand deposits. Other liabilities decreased by USD3.8 million (22.7%) compared to 31 December 2025.

Consistent with the increase in average Consolidated Assets during the period, average funding balances also increased compared to the corresponding period in 2025. Average amounts owed to customers increased by USD98.5 million, reflecting sustained growth in deposit balances across both term deposits and repayable-on-demand accounts throughout the first half of 2026. Average amounts owed to institutions and banks increased by USD30.5 million, primarily driven by higher term deposit balances.

Liabilities associated with non-current assets held for sale decreased by USD4.7 million (11.2%) compared to 31 December 2025, reflecting the reduction in liabilities attributable to Egypt Factors, which remained classified as held for sale as at 30 June 2026.

Total equity increased by USD3.1 million (1.7%) to USD187.0 million as at 30 June 2026, primarily reflecting the Group's profit of USD3.2 million for the six-month period. The increase was further supported by a USD1.1 million net unrealised foreign exchange and fair value gain on financial investments measured at fair value through other comprehensive income (“FVOCI”). These positive movements were partially offset by a USD1.3 million reduction in the currency translation reserve arising from the depreciation of the subsidiaries' functional currencies against the US dollar during the period.

As at 30 June 2026, the Group's Total Capital Ratio (“TCR”) stood at 19.8% (31 December 2025: 19.3%), remaining comfortably above the regulatory minimum requirement of 15.48%.

Total Consolidated Contingent Liabilities amounted to USD32.3 million, compared to USD29.7 million as at 31 December 2025, consisting mainly of outstanding guarantee obligations. The movement included a USD3.0 million reversal of payment commitments relating to the Depositor Compensation Scheme and the Single Resolution Fund (refer to Note 16).

Total Consolidated Commitments stood at USD126.7 million as at 30 June 2026, compared to USD171.2 million as at 31 December 2025. These primarily comprised confirmed letters of credit, documentary credits, commitments to purchase forfaiting assets and undrawn credit facilities.

Principal risks and uncertainties

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

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

Further disclosures on the Group's principal risks and uncertainties are provided in Note 4 of the Annual Report and Financial Statements 2025 and the Pillar 3 Disclosures Report of FIMBank p.l.c, published on the Bank's website.

Outlook for the second half of 2026

The global economic outlook remains challenging, shaped by heightened geopolitical tensions, disruptions to energy and commodity markets, persistent inflationary pressures, tighter financial conditions and increased volatility across financial markets. While improved trade policy conditions and continued investment in technology and artificial intelligence provide some support to global commerce, uncertainty remains elevated across both advanced and emerging economies. Given the Group's international trade finance and cross-border banking activities, these developments are expected to continue influencing business sentiment, funding conditions and customer demand throughout the remainder of the year.

Against this backdrop, the Group remains focused on executing its strategic priorities while maintaining a prudent approach to risk, capital and liquidity management. During the second half of 2026, management will continue to pursue disciplined growth in its core commercial activities, with particular emphasis on optimising capital deployment, improving risk-adjusted returns and converting existing business opportunities into sustainable revenue growth. The Group remains committed to maintaining a diversified business pipeline and strengthening client relationships across its target markets.

The proposed acquisition of FIMBank by Jordan Kuwait Bank remains an important strategic development for the Group and is subject to the receipt of the required regulatory approvals. Management continues to dedicate the necessary resources to support the completion of the transaction. The Group also remains focused on progressing the disposal of Egypt Factors, which is expected to release capital and management capacity, enabling greater focus on core business activities and strategic priorities.

The Group enters the second half of 2026 from a position of increased financial strength, with robust capital and liquidity resources, improving profitability and additional capacity available to support disciplined growth. The strategic and operational initiatives implemented over recent years are increasingly translating into stronger earnings generation, enhanced capital efficiency and improved resilience across the business.

The Group will also continue to advance a number of initiatives aimed at simplifying its operating model, strengthening product governance and improving operational efficiency. Ongoing efforts to streamline processes, remove operational bottlenecks and enhance cross-functional collaboration are expected to improve organisational agility, support the client experience and contribute to sustainable productivity gains. At the same time, the Group will continue investing in its infrastructure, data capabilities and human capital to support business growth, strengthen decision-making and enhance risk management.

With a solid capital base, focused leadership and a clear strategic direction, the Group remains well positioned to navigate the current operating environment and pursue sustainable long-term value creation.

Approved by the Board on 19 August 2026 and signed on its behalf by:

John C. Grech
Chairman

Masaud M. J. Hayat
Vice Chairman

Statement pursuant to Capital Market Rule 5.75.3

We hereby confirm that to the best of our knowledge:

- the Condensed Interim Financial Statements set out on pages 10 to 65 give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2026, as well as of the financial performance and cash flows for the period then ended, fully in compliance with IAS 34, Interim Financial Reporting, adopted by the EU; and

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

Simon Jethro Lay
Group Chief Executive Officer

Juraj Beno
Group Chief Financial Officer

Condensed interim statements of financial position

		Group		Bank	
		30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	Note	USD	USD	USD	USD
Assets					
Balances with the Central Bank of Malta and cash		61,716,603	84,495,977	61,694,831	84,470,832
Derivative assets held for risk management	12	2,167,661	4,162,262	2,167,661	4,163,342
Trading assets		371,802,864	444,796,402	-	-
Loans and advances to banks		138,163,989	88,016,744	125,231,590	81,847,983
Loans and advances to customers		430,303,894	438,403,451	495,218,706	638,590,462
Financial investments at fair value through profit or loss		9,261,409	9,882,219	9,261,409	9,882,219
Financial investments at fair value through other comprehensive income		102,540,202	105,254,684	102,540,202	105,254,684
Financial investments at amortised cost		40,721,976	41,294,459	185,117,547	137,467,852
Investments in subsidiaries	13	-	-	119,295,550	114,200,942
Assets classified as held for sale	11	59,637,309	67,726,291	8,523,449	8,523,449
Property and equipment		23,226,627	24,491,834	8,861,248	10,006,880
Investment property		22,949,918	23,667,187	-	-
Intangible assets		2,690,293	3,026,193	2,690,293	3,026,193
Current tax assets		1,254,590	1,596,656	-	-
Deferred tax assets		15,241,268	15,218,420	15,004,834	15,004,834
Other assets		10,463,753	9,274,697	7,411,233	7,857,797
Total assets		**1,292,142,356**	**1,361,307,476**	**1,143,018,553**	**1,220,297,469**
Liabilities and equity					
Liabilities					
Derivative liabilities held for risk management	12	3,857,069	2,842,770	4,010,223	2,844,896
Amounts owed to institutions and banks		231,298,612	222,566,779	156,556,414	160,871,504
Amounts owed to customers		776,773,973	849,044,732	779,298,446	852,545,809
Debt securities in issue	14	17,242,431	17,782,045	-	-
Liabilities directly associated with assets held for sale	11	37,132,318	41,838,974	-	-
Current tax liabilities		349,787	697,426	-	-
Deferred tax liabilities		4,399,681	4,537,187	-	-
Provision for liabilities and charges		805,890	950,447	693,190	835,553
Other liabilities		13,010,597	16,839,561	14,641,612	18,912,678
Subordinated liabilities	15	20,278,056	20,281,111	20,278,056	20,281,111
Total liabilities		**1,105,148,414**	**1,177,381,032**	**975,477,941**	**1,056,291,551**
Equity					
Called-up share capital		261,221,882	261,221,882	261,221,882	261,221,882
Share premium		858,885	858,885	858,885	858,885
Currency translation reserve		(16,723,333)	(15,434,292)	-	-
Fair value reserve		3,238,664	2,084,252	(9,465,918)	(10,620,330)
Other reserve		2,964,857	2,964,913	2,681,041	2,681,041
Accumulated losses		(64,731,309)	(67,932,750)	(87,755,278)	(90,135,560)
Total equity attributable to equity holders of the Group		**186,829,646**	**183,762,890**	**167,540,612**	**164,005,918**
Non-controlling interests	13	164,296	163,554	-	-
Total equity		**186,993,942**	**183,926,444**	**167,540,612**	**164,005,918**
Total liabilities and equity		**1,292,142,356**	**1,361,307,476**	**1,143,018,553**	**1,220,297,469**

Condensed interim statements of financial position

		Group		Bank	
		30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	Note	USD	USD	USD	USD
Memorandum items					
Contingent liabilities	16	**31,649,328**	**26,676,661**	**31,649,328**	**26,676,661**
Commitments	17	**126,737,443**	**171,243,716**	**127,705,843**	**167,291,184**

These Condensed Interim Statements were approved by the Board of Directors and authorised for issue on 19 August 2026 and signed on its behalf by:

John C. Grech
Chairman

Masaud M. J. Hayat
Vice Chairman

Simon Jethro Lay
Group Chief Executive Officer

Juraj Beno
Group Chief Financial Officer

Condensed interim statements of profit or loss

For the six months ended 30 June

		Group		Bank	
		2026	2025	2026	2025
	Note	USD	USD	USD	USD
Interest income		39,961,495	33,455,677	24,163,754	21,008,548
Interest expense		(12,903,946)	(12,838,332)	(10,682,706)	(11,065,528)
Net interest income		**27,057,549**	**20,617,345**	**13,481,048**	**9,943,020**
Fee and commission income		2,801,206	2,623,019	2,190,679	1,981,947
Fee and commission expense		(3,174,980)	(2,376,109)	(528,373)	(554,773)
Net fee and commission (expense)/income	8	**(373,774)**	**246,910**	**1,662,306**	**1,427,174**
Net trading results	9	(2,665,083)	1,557,043	(510,138)	1,054,923
Net loss from equity investments measured at fair value through profit or loss		(324,116)	(4,496,794)	(324,116)	(4,496,794)
Dividend income	10	-	-	1,000,000	840,796
Other operating income		584,636	546,519	710,438	466,179
Other operating expenses		(102,036)	(165,618)	(203,132)	(35,786)
Operating income before credit losses		**24,177,176**	**18,305,405**	**15,816,406**	**9,199,512**
Net movement in expected credit losses and other credit impairment charges	6	435,032	(175,099)	38,572	(677,266)
Operating income		**24,612,208**	**18,130,306**	**15,854,978**	**8,522,246**
Administrative expenses		(18,494,639)	(17,331,826)	(11,420,017)	(10,732,140)
Depreciation and amortisation		(1,828,105)	(1,729,911)	(1,640,068)	(1,487,610)
Total operating expenses		**(20,322,744)**	**(19,061,737)**	**(13,060,085)**	**(12,219,750)**
Profit/(Loss) before tax		**4,289,464**	**(931,431)**	**2,794,893**	**(3,697,504)**
Taxation		(1,467,406)	(1,332,582)	(414,611)	(440,940)
Profit/(Loss) for the period from continuing operations		**2,822,058**	**(2,264,013)**	**2,380,282**	**(4,138,444)**
Profit from discontinued operations	11	388,178	512,156	-	-
Profit/(Loss) for the period		**3,210,236**	**(1,751,857)**	**2,380,282**	**(4,138,444)**
Profit/(Loss) for the period attributable to:					
Equity holders of the Group		3,206,910	(1,820,603)	2,380,282	(4,138,444)
Non-controlling interests		3,326	68,746	-	-
		3,210,236	**(1,751,857)**	**2,380,282**	**(4,138,444)**
Profit/(Loss) for the period attributable to the equity holders of the Group:					
Continuing operations		2,818,732	(2,332,759)	2,380,282	(4,138,444)
Discontinued operations		388,178	512,156	-	-
		3,206,910	**(1,820,603)**	**2,380,282**	**(4,138,444)**
Earnings per share					
Basic earnings per share for profit attributable to equity holders of the Group (US cents)		0.61	(0.35)		
Basic earnings per share for profit from continuing operations attributable to equity holders of the Group (US cents)		0.54	(0.45)		

Condensed interim statements of other comprehensive income

For the six months ended 30 June

	Group 2026 USD	Group 2025 USD	Bank 2026 USD	Bank 2025 USD
Profit/(Loss) for the period	**3,210,236**	**(1,751,857)**	**2,380,282**	**(4,138,444)**
Other comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign operations - foreign currency translation differences	(1,297,150)	277,803	-	-
Debt instruments at fair value through other comprehensive income - fair value gains	1,154,412	1,019,931	1,154,412	1,019,931
	(142,738)	**1,297,734**	**1,154,412**	**1,019,931**
Other comprehensive income, net of tax	**(142,738)**	**1,297,734**	**1,154,412**	**1,019,931**
Total comprehensive income	**3,067,498**	**(454,123)**	**3,534,694**	**(3,118,513)**
Total comprehensive income attributable to:				
Equity holders of the Group	3,072,281	(531,426)	3,534,694	(3,118,513)
Non-controlling interests	(4,783)	77,303	-	-
	3,067,498	**(454,123)**	**3,534,694**	**(3,118,513)**
Total comprehensive income attributable to the equity holders of the Group:				
Continuing operations	2,684,103	(1,043,582)	3,534,694	(3,118,513)
Discontinued operations	388,178	512,156	-	-
	3,072,281	**(531,426)**	**3,534,694**	**(3,118,513)**

Condensed interim statements of changes in equity

For the six months ended 30 June 2026

Group

	Attributable to equity holders of the Group								
	Called up share capital USD	Share premium USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total USD	Non-controlling interests USD	Total equity USD
Balance at 1 January 2026	**261,221,882**	**858,885**	**(15,434,292)**	**2,084,252**	**2,964,913**	**(67,932,750)**	**183,762,890**	**163,554**	**183,926,444**
Total comprehensive income									
Profit for the period	-	-	-	-	-	3,206,910	**3,206,910**	3,326	**3,210,236**
Other comprehensive income:									
Debt instruments at fair value through other comprehensive income:									
- fair value gains, net of tax	-	-	-	1,154,412	-	-	**1,154,412**	-	**1,154,412**
Foreign operations - foreign currency translation differences	-	-	(1,289,041)	-	-	-	**(1,289,041)**	(8,109)	**(1,297,150)**
Total other comprehensive income	**-**	**-**	**(1,289,041)**	**1,154,412**	**-**	**-**	**(134,629)**	**(8,109)**	**(142,738)**
Total comprehensive income	**-**	**-**	**(1,289,041)**	**1,154,412**	**-**	**3,206,910**	**3,072,281**	**(4,783)**	**3,067,498**
Transactions with owners:									
Changes in ownership in subsidiary that do not result in loss of control									
- impact of change in non-controlling interest in subsidiary	-	-	-	-	(56)	(5,469)	**(5,525)**	5,525	-
Total transaction with owners	**-**	**-**	**-**	**-**	**(56)**	**(5,469)**	**(5,525)**	**5,525**	**-**
Balance at 30 June 2026	**261,221,882**	**858,885**	**(16,723,333)**	**3,238,664**	**2,964,857**	**(64,731,309)**	**186,829,646**	**164,296**	**186,993,942**

Condensed interim statements of changes in equity

For the six months ended 30 June 2025

Group

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

Condensed interim statements of changes in equity

For the six months ended 30 June 2026

Bank

	Called up share capital USD	Share premium USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2026	**261,221,882**	**858,885**	**(10,620,330)**	**2,681,041**	**(90,135,560)**	**164,005,918**
Total comprehensive income						
Profit for the period	-	-	-	-	2,380,282	**2,380,282**
Other comprehensive income:						
Debt investments at fair value through other comprehensive income - fair value gains, net of tax	-	-	1,154,412	-	-	**1,154,412**
Total other comprehensive income	**-**	**-**	**1,154,412**	**-**	**-**	**1,154,412**
Total comprehensive income	**-**	**-**	**1,154,412**	**-**	**2,380,282**	**3,534,694**
Balance at 30 June 2026	**261,221,882**	**858,885**	**(9,465,918)**	**2,681,041**	**(87,755,278)**	**167,540,612**

Condensed interim statements of changes in equity

For the six months ended 30 June 2025

Bank

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

Condensed interim statements of cash flows

For the six months ended 30 June

	Group 2026 USD	Group 2025 USD	Bank 2026 USD	Bank 2025 USD
Cash flows from operating activities				
Interest and commission receipts	49,244,876	42,431,149	27,687,016	16,178,307
Interest and commission payments	(18,683,397)	(22,070,833)	(10,694,263)	(15,213,378)
Payments to employees and suppliers	(21,212,470)	(18,463,360)	(12,411,111)	(9,616,990)
Operating profit/(loss) before changes in operating assets/liabilities	**9,349,009**	**1,896,956**	**4,581,642**	**(8,652,061)**
(Increase)/Decrease in operating assets:				
- Loans and advances to customers and banks	(1,786,668)	(75,499,762)	(2,967,937)	(62,412,290)
- Other assets	(1,667,132)	(1,067,536)	916,716	(1,147,397)
(Decrease)/Increase in operating liabilities:				
- Amounts owed to institutions, banks and customers	(78,599,394)	114,910,633	(73,858,543)	103,278,276
- Other liabilities	(2,004,002)	9,362,904	(2,170,259)	9,180,232
- Net inflows/(outflows) from balances with subsidiary companies	-	-	130,690,313	(115,818,929)
(Decrease)/Increase in trading assets:				
- Payments to acquire trading assets	(457,885,155)	(490,277,813)	-	-
- Proceeds on settlement of trading assets	526,282,050	380,612,139	-	-
Net cash (used in)/from operating activities before income tax	**(6,311,292)**	**(60,062,479)**	**57,191,932**	**(75,572,169)**
Income tax paid	(1,583,553)	(3,047,659)	(414,611)	(440,940)
Net cash flows (used in)/from operating activities	**(7,894,845)**	**(63,110,138)**	**56,777,321**	**(76,013,109)**
Cash flows from investing activities				
Payments to acquire financial investments at amortised cost	(12,035,200)	(24,192,362)	(62,035,200)	(24,192,362)
Payments to acquire shares and additional contributions in subsidiary companies	-	-	(5,013,580)	(4,546,251)
Payments to acquire property and equipment	(444,033)	(156,871)	(16,010)	(6,204)
Payments to acquire intangible assets	(142,507)	(474,681)	(142,507)	(474,681)
Proceeds on maturity of financial investments at fair value through other comprehensive income	-	12,689,000	-	12,689,000
Proceeds on maturity of financial investments at amortised cost	12,000,000	2,000,000	12,000,000	2,000,000
Proceeds on maturity and disposals of treasury bills at amortised cost	-	5,174,912	-	5,174,912
Proceeds on disposal of property and equipment	-	600	-	-
Receipt of dividends	-	-	1,000,000	840,796
Net cash flows used in investing activities	**(621,740)**	**(4,959,402)**	**(54,207,297)**	**(8,514,790)**
(Decrease)/Increase in cash and cash equivalents c/f	**(8,516,585)**	**(68,069,540)**	**2,570,024**	**(84,527,899)**

Condensed interim statements of cash flows

For the six months ended 30 June

	Group		Bank	
	2026	2025	2026	2025
	USD	USD	USD	USD
(Decrease)/Increase in cash and cash equivalents b/f	**(8,516,585)**	**(68,069,540)**	**2,570,024**	**(84,527,899)**
Cash flows from financing activities				
- Proceeds on issue of debt securities	17,090,122	17,556,180	-	-
- Payments to settle debt securities	(17,090,122)	(17,556,180)	-	-
- Acquisition of non-controlling interests	-	(1,352,418)	-	-
- Payment of lease liabilities	(683,345)	(588,527)	(1,084,192)	(1,761,622)
- Proceeds on issue of subordinated liabilities	-	20,000,000	-	20,000,000
Net cash flows (used in)/from financing activities	**(683,345)**	**18,059,055**	**(1,084,192)**	**18,238,378**
Effect of net exchange gains/(losses) attributable to assets and liabilities	9,234,839	(35,376,641)	8,328,736	(16,508,667)
Increase/(Decrease) in cash and cash equivalents	**34,909**	**(85,387,126)**	**9,814,568**	**(82,798,188)**
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	(2,151,775)	16,570,738	(2,658,396)	16,418,762
- Net increase/(decrease) in cash and cash equivalents	2,186,684	(101,957,864)	12,472,964	(99,216,950)
Increase/(Decrease) in cash and cash equivalents	**34,909**	**(85,387,126)**	**9,814,568**	**(82,798,188)**
Cash and cash equivalents at beginning of period	**(35,037,998)**	**41,459,890**	**9,305,150**	**67,479,505**
Cash and cash equivalents at end of period	**(35,003,089)**	**(43,927,236)**	**19,119,718**	**(15,318,683)**

The Group's statements of cash flows include the cash flows relating to the discontinued operations. Further details on the cash flows attributable to discontinued operations are provided in Note 11.

Notes to the condensed interim financial statements

For the six months ended 30 June 2026

1 Reporting entity

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

The Bank and its subsidiaries, namely London Forfaiting Company Limited ("LFC"), FIMFactors B.V. ("FIMFactors"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors") and FIM Property Investment Limited, are included in the scope of consolidation as at and for the six months ended 30 June 2026 and are referred to as the "Group" in these Condensed Interim Financial Statements and individually as "Group entities".

The Financial Statements of the Group as at, and for the year ended, 31 December 2025 are available upon request from the Bank's registered office and are available for viewing on its website at www.fimbank.com/en/financial-information.

2 Basis of preparation

These Condensed Interim Financial Statements have been prepared in accordance with IAS 34 - Interim Financial Reporting - as adopted by the European Union ("EU"). These include the comparative Statements of Financial Position as of 31 December 2025 and the comparative Statements of Profit or Loss, Statements of Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the six month period ended 30 June 2025. These Condensed Interim Financial Statements do not include all the information required for the publication of the Annual Report and Financial Statements and therefore these Condensed Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements 2025 of FIMBank p.l.c.

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

The FIMBank Group Condensed Interim Financial Statements 2026 were approved by the Board of Directors on 19 August 2026.

2.1 Presentation of information attributable to discontinued operations

In view of the Group's decision to dispose of Egypt Factors (refer to Note 11), income and expenses recognised in the Statements of Profit or Loss during the financial periods ended 30 June 2026 and 30 June 2025 attributable to this subsidiary have been presented within 'Profit from discontinued operations' in these financial statements.

2.2 Proposed acquisition of a controlling stake in FIMBank p.l.c.

As announced on 30 October 2025, Jordan Kuwait Bank ("JKB") has disclosed to its market that its Board of Directors has approved the decision to proceed with the acquisition process of a controlling stake in FIMBank p.l.c.. The majority shareholders of FIMBank p.l.c. are currently United Gulf Holding Company B.S.C. ("UGH") holding a percentage of 80.395% in the Bank and Burgan Bank K.P.S.C. ("Burgan Bank") holding a percentage of 8.497% in the Bank. The contemplated transaction involves the acquisition by JKB of UGH's and Burgan Bank's combined shareholding representing 88.892% of FIMBank's issued share capital.

The completion of this transaction is subject to obtaining the required regulatory approvals from the competent authorities in Jordan and Malta including the Central Bank of Jordan, the Malta Financial Services Authority as well as the European Central Bank ("ECB"). UGH, Burgan Bank and JKB are all subsidiaries of Kuwait Projects Company (Holding) KSCP ("KIPCO").

In the context of the above, the Directors are also satisfied that there are no events or conditions related to the proposed acquisition which might cast significant doubt on the Group's and Bank's ability to continue operating as a going concern for the foreseeable future.

2.3 Consideration of the possible impact of ongoing geopolitical tensions on the going concern assessment

During the financial period ended 30 June 2026, geopolitical tensions in the Middle East intensified, contributing to instability in the region as well as increased uncertainty in global markets. Management performed an assessment to evaluate the potential impact of these developments on the Group's and Bank's financial position, ongoing financial performance and strategic actions. In this respect, the assessment considered impacts on the valuation of assets as a result of credit and market risks, the effect on the Group's and Bank's business projections and strategic direction as well as on the customers' business models. Based on this assessment, it was concluded that the impact of the geopolitical tensions in the Middle East on the Group's and Bank's going concern assessment and on its core business is not significant. Given the elevated level of uncertainty and the potential impact from the evolution of these events, the Group and Bank will continue to monitor the situation closely and to update its assessment as required.

3 Material accounting policies

The Accounting Policies applied for the preparation of these Condensed Interim Financial Statements are the same as those applied in the Annual Report and Financial Statements 2025 of FIMBank p.l.c. as at and for the year ended 31 December 2025, as described in those Financial Statements.

3.1 Standards, interpretations and amendments to published standards effective in 2026

In 2026, the Group and Bank adopted the following amendments to existing standards effective for accounting periods beginning on 1 January 2026, which amendments did not have a material effect on the Group's and Bank's Condensed Interim Financial Statements:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Classification and measurement of financial instruments: The amendments clarify when certain financial liabilities can be considered extinguished when settlement is made via an electronic payment system, and they also provide additional guidance on the classification of financial assets with contractual terms that modify the timing or amount of cash flows, including those linked to ESG-related contingencies, as well as financial assets with specified non-recourse features.

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

Certain new standards and amendments to existing standards have been published by the date of authorisation of these Condensed Interim Financial Statements but are not yet effective for the current financial period beginning on 1 January 2026. Although earlier adoption is permitted, the Group and Bank have not early adopted any of the new or amended standards in preparing these Condensed Interim Financial Statements.

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

- Amendments to IAS 21 - The effects of changes in foreign exchange rates: translation to a hyperinflationary presentation currency;
- IFRS 19 - Subsidiaries without public accountability: disclosures; and
- IFRS 20 - Regulatory assets and regulatory labilities.

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements, effective for annual reporting periods beginning on or after 1 January 2027. The new standard, which has been endorsed by the EU in February 2026, aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 - Presentation of Financial Statements, but carries over many requirements from that standard.

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

4 Use of judgements and accounting estimates

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

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

In preparing these Condensed Interim Financial Statements, the significant judgements made by management in applying the Group's Accounting Policies and the key sources of estimation uncertainty were the same as those applied to the Financial Statements as at and for the year ended 31 December 2025.

5 Operating segments

The Group has five significant reportable segments (trade finance, forfaiting, factoring, real estate and treasury). There were no differences in the basis of segmentation or in the basis of measurement of segment profit or loss from the FIMBank Group Annual Report and Financial Statements 2025.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by Executive Management. Executive Management is further defined in the Remuneration Report published with the Annual Report and Financial Statements 2025 of FIMBank p.l.c. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

In view of the Group's decision to dispose of Egypt Factors, income and expenses recognised in the Statements of Profit or Loss during the current and comparative financial periods attributable to this subsidiary have been presented within 'Profit from discontinued operations' in these financial statements. In this respect, information in respect of the financial performance of Egypt Factors for the six-month periods ended 30 June 2025 and 30 June 2026 is disclosed within Note 11.

5.1 Information about operating segments

Group – 30 June 2026

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
External revenue						
Net interest income	4,308,720	10,137,712	6,459,993	4,298,976	3,009,769	**28,215,170**
Net fee and commission income/(expense)	988,748	(609,342)	(1,306,514)	(769,484)	1,276,227	**(420,365)**
Net trading and other operating income/(expense)	128,187	(1,143,144)	110,006	(166,741)	(490,323)	**(1,562,015)**
	5,425,655	**8,385,226**	**5,263,485**	**3,362,751**	**3,795,673**	**26,232,790**
Reportable segment profit/(loss) before income tax	2,823,773	2,329,175	1,336,185	(402,724)	60,326	**6,146,735**

Group – 30 June 2025

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
External revenue						
Net interest income	2,528,099	8,100,478	6,234,914	3,607,963	1,731,005	**22,202,459**
Net fee and commission income/(expense)	676,251	214,055	(1,156,286)	297,235	207,960	**239,215**
Net trading and other operating income/(expense)	422,358	(283,613)	218,216	14,503	407,272	**778,736**
	3,626,708	**8,030,920**	**5,296,844**	**3,919,701**	**2,346,237**	**23,220,410**
Reportable segment profit/(loss) before income tax	1,126,612	2,274,813	464,011	268,892	(313,525)	**3,820,803**

Group – 30 June 2026

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
Reportable segment assets	126,206,770	395,399,149	228,370,734	127,048,379	661,584,950	**1,538,609,982**
Reportable segment liabilities	19,827,096	290,767,274	155,938,357	6,910,041	897,067,369	**1,370,510,137**

Group – 31 December 2025

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
Reportable segment assets	97,782,893	494,466,471	224,296,848	120,891,589	752,829,231	**1,690,267,032**
Reportable segment liabilities	17,465,383	365,399,807	151,466,608	4,083,310	986,267,440	**1,524,682,548**

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

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

Group

	30 Jun 2026 USD	30 Jun 2025 USD
Revenues		
Total revenue for reportable segments	26,232,790	23,220,410
Consolidation adjustments	(2,698,209)	(735,789)
Other net revenue for non-reportable segments	642,595	(4,179,216)
Consolidated revenue	**24,177,176**	**18,305,405**
Profit or loss		
Total profit for reportable segments	6,146,735	3,820,803
Other losses	(258,573)	(4,884,338)
	5,888,162	**(1,063,535)**
Effect of consolidation adjustments on segment results	(1,598,698)	132,104
Consolidated profit/(loss) before tax from continuing operations	**4,289,464**	**(931,431)**

	30 Jun 2026 USD	31 Dec 2025 USD
Assets		
Total assets for reportable segments	1,538,609,982	1,690,267,032
Other assets	314,564,573	298,423,712
	1,853,174,555	**1,988,690,744**
Reportable segment assets classified as held for sale	59,637,309	67,726,291
Effect of consolidation adjustments on segment financial position	(620,669,508)	(695,109,559)
Consolidated assets	**1,292,142,356**	**1,361,307,476**
Liabilities		
Total liabilities for reportable segments	1,370,510,137	1,524,682,548
Other liabilities	93,142,661	89,059,016
	1,463,652,798	**1,613,741,564**
Reportable segment liabilities directly associated with assets held for sale	37,132,318	41,838,974
Effect of other consolidation adjustments on segment financial position	(395,636,702)	(478,199,506)
Consolidated liabilities	**1,105,148,414**	**1,177,381,032**

6 Financial instruments

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

The risks to which the Group is exposed principally relate to the Group's and Bank's banking activities and are managed by the Board of Directors. As a result, this note presents information about the Group's and Bank's financial risk management. Detailed disclosures relating to the Group's and Bank's credit risk management practices are described in Note 4.2.1.2 of the Annual Report and Financial Statements 2025. There are no changes which merit disclosure in the Condensed Interim Financial Statements for the period ended 30 June 2026.

6.1.1 Maximum exposure to credit risk

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

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

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

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

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

6.1.1 Maximum exposure to credit risk *(continued)*

	Group		Bank	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	USD	USD	USD	USD
Balances with the Central Bank of Malta and cash	61,716,603	84,495,977	61,694,831	84,470,832
Loans and advances to banks	138,163,989	88,016,744	125,231,590	81,847,983
Loans and advances to customers	430,303,894	438,403,451	495,218,706	638,590,462
Financial investments at fair value through other comprehensive income	102,540,202	105,254,684	102,540,202	105,254,684
Financial investments at amortised cost	40,721,976	41,294,459	185,117,547	137,467,852
Assets classified as held for sale:				
- Loans and advances to banks	995,220	3,985,393	-	-
- Loans and advances to customers	58,640,061	63,470,336	-	-
Other assets	6,315,965	4,766,698	5,044,159	5,310,343
Off-balance sheet:				
- Guarantees	31,649,328	26,676,661	31,649,328	26,676,661
- Commitments	126,737,443	171,243,716	127,705,843	167,291,184
	997,784,681	**1,027,608,119**	**1,134,202,206**	**1,246,910,001**

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

	Group		Bank	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	USD	USD	USD	USD
Derivative assets held for risk management	2,167,661	4,162,262	2,167,661	4,163,342
Trading assets	371,802,864	444,796,402	-	-
Financial investments at fair value through profit or loss	9,261,409	9,882,219	9,261,409	9,882,219
	383,231,934	**458,840,883**	**11,429,070**	**14,045,561**

6.1.2 Credit quality analysis

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

Group – 30 June 2026

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta and cash					
Grades 1 to 4- low risk	0.11%	61,748,527	-	-	**61,748,527**
		61,748,527	**-**	**-**	**61,748,527**
Loss allowance		(31,924)	-	-	**(31,924)**
Carrying amount		**61,716,603**	**-**	**-**	**61,716,603**
Loans and advances to banks					
Grades 1 to 4- low risk	0.1% - 0.68%	79,233,984	-	-	**79,233,984**
Grades 5+ to 5- fair risk	0.79% - 0.97%	11,027,454	-	-	**11,027,454**
Grades 6+ to 7 high risk	1.17% - 6.14%	29,168,070	18,995,503	-	**48,163,573**
		119,429,508	**18,995,503**	**-**	**138,425,011**
Loss allowance		(216,453)	(44,569)	-	**(261,022)**
Carrying amount		**119,213,055**	**18,950,934**	**-**	**138,163,989**
Loans and advances to customers					
Grades 1 to 4- low risk	0.04% - 0.71%	31,690,698	712,085	-	**32,402,783**
Grades 5+ to 5- fair risk	0.37% - 2.99%	131,178,457	6,531,764	-	**137,710,221**
Grades 6+ to 7 high risk	1.86% - 31.42%	238,471,863	16,676,775	-	**255,148,638**
Grade 7- to 8- substandard	16.35%	-	7,008,362	-	**7,008,362**
Grade 9 to 10 doubtful/loss	100%	-	-	9,347,236	**9,347,236**
		401,341,018	**30,928,986**	**9,347,236**	**441,617,240**
Loss allowance		(2,618,125)	(3,351,043)	(5,344,178)	**(11,313,346)**
Carrying amount		**398,722,893**	**27,577,943**	**4,003,058**	**430,303,894**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.06% - 0.27%	102,540,202	-	-	**102,540,202**
Carrying amount at fair value		**102,540,202**	**-**	**-**	**102,540,202**
Loss allowance		(76,528)	-	-	**(76,528)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.02% - 0.55%	40,728,546	-	-	**40,728,546**
		40,728,546	**-**	**-**	**40,728,546**
Loss allowance		(6,570)	-	-	**(6,570)**
Carrying amount		**40,721,976**	**-**	**-**	**40,721,976**
Guarantees					
Grades 1 to 4- low risk	0.23% - 0.47%	932,791	-	-	**932,791**
Grades 5+ to 5- fair risk	0.77% - 2.94%	22,757,673	15,089	-	**22,772,762**
Grades 6+ to 7 high risk	2.75% - 17.62%	6,654,760	377,542	-	**7,032,302**
Grade 7- to 8- substandard	15.99%	911,473	-	-	**911,473**
Nominal amount		**31,256,697**	**392,631**	**-**	**31,649,328**
Loss allowance		(176,854)	-	-	**(176,854)**
Commitments					
Grades 1 to 4- low risk	0.24% - 0.5%	10,173,139	-	-	**10,173,139**
Grades 5+ to 5- fair risk	0.47% - 2.99%	36,193,761	3,320,666	-	**39,514,427**
Grades 6+ to 7 high risk	0.74% - 31.42%	68,646,557	8,403,320	-	**77,049,877**
Nominal amount		**115,013,457**	**11,723,986**	**-**	**126,737,443**
Loss allowance		(343,281)	-	-	**(343,281)**

Group – 31 December 2025

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta and cash					
Grades 1 to 4- low risk	0.1%	84,522,623	-	-	**84,522,623**
		84,522,623	**-**	**-**	**84,522,623**
Loss allowance		(26,646)	-	-	**(26,646)**
Carrying amount		**84,495,977**	**-**	**-**	**84,495,977**
Loans and advances to banks					
Grades 1 to 4- low risk	0.13% - 0.59%	30,967,705	371,261	-	**31,338,966**
Grades 5+ to 5- fair risk	0.77% - 1.04%	12,385,026	-	-	**12,385,026**
Grades 6+ to 7 high risk	0.98% - 5.81%	33,469,357	11,118,109	-	**44,587,466**
		76,822,088	**11,489,370**	**-**	**88,311,458**
Loss allowance		(271,369)	(23,345)	-	**(294,714)**
Carrying amount		**76,550,719**	**11,466,025**	**-**	**88,016,744**
Loans and advances to customers					
Grades 1 to 4- low risk	0.04% - 0.82%	30,419,469	47,359	-	**30,466,828**
Grades 5+ to 5- fair risk	0.48% - 3.04%	150,288,068	2,255,235	-	**152,543,303**
Grades 6+ to 7 high risk	1.43% - 22.2%	237,744,994	15,513,215	-	**253,258,209**
Grade 7- to 8- substandard	29.16%	-	7,009,447	-	**7,009,447**
Grade 9 to 10 doubtful/loss	100%	-	-	9,962,729	**9,962,729**
		418,452,531	**24,825,256**	**9,962,729**	**453,240,516**
Loss allowance		(2,331,025)	(4,354,498)	(8,151,542)	**(14,837,065)**
Carrying amount		**416,121,506**	**20,470,758**	**1,811,187**	**438,403,451**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.06% - 0.27%	105,254,684	-	-	**105,254,684**
Carrying amount at fair value		**105,254,684**	**-**	**-**	**105,254,684**
Loss allowance		(59,407)	-	-	**(59,407)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.02% - 0.46%	41,300,504	-	-	**41,300,504**
		41,300,504	**-**	**-**	**41,300,504**
Loss allowance		(6,045)	-	-	**(6,045)**
Carrying amount		**41,294,459**	**-**	**-**	**41,294,459**
Guarantees					
Grades 1 to 4- low risk	0.18% - 0.46%	722,551	-	-	**722,551**
Grades 5+ to 5- fair risk	0.74% - 2.98%	13,322,440	16,254	-	**13,338,694**
Grades 6+ to 7 high risk	1.89% - 16.68%	12,207,416	408,000	-	**12,615,416**
Carrying amount		**26,252,407**	**424,254**	**-**	**26,676,661**
Loss allowance		(83,669)	(772)	-	**(84,441)**
Commitments					
Grades 1 to 4- low risk	0.2% - 0.5%	7,431,520	-	-	**7,431,520**
Grades 5+ to 5- fair risk	0.73% - 3.04%	57,298,798	-	-	**57,298,798**
Grades 6+ to 7 high risk	0.96% - 17.41%	96,185,167	10,328,231	-	**106,513,398**
Carrying amount		**160,915,485**	**10,328,231**	**-**	**171,243,716**
Loss allowance		(751,071)	(28)	-	**(751,099)**

Bank – 30 June 2026

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta and cash					
Grades 1 to 4- low risk	0.11%	61,726,755	-	-	**61,726,755**
		61,726,755	**-**	**-**	**61,726,755**
Loss allowance		(31,924)	-	-	**(31,924)**
Carrying amount		**61,694,831**	**-**	**-**	**61,694,831**
Loans and advances to banks					
Grades 1 to 4- low risk	0.1% - 0.56%	68,797,575	-	-	**68,797,575**
Grades 5+ to 5- fair risk	0.79%	9,420,171	-	-	**9,420,171**
Grades 6+ to 7 high risk	1.17% - 6.14%	28,270,125	18,995,503	-	**47,265,628**
		106,487,871	**18,995,503**	**-**	**125,483,374**
Loss allowance		(207,215)	(44,569)	-	**(251,784)**
Carrying amount		**106,280,656**	**18,950,934**	**-**	**125,231,590**
Loans and advances to customers					
Grades 1 to 4- low risk	0.19% - 0.69%	251,830,654	-	-	**251,830,654**
Grades 5+ to 5- fair risk	0.77% - 2.99%	62,286,591	3,959,077	-	**66,245,668**
Grades 6+ to 7 high risk	1.86% - 31.42%	157,142,253	15,338,882	-	**172,481,135**
Grade 7- to 8- substandard	16.35%	-	7,008,362	-	**7,008,362**
Grade 9 to 10 doubtful/loss	100%	-	-	8,802,508	**8,802,508**
		471,259,498	**26,306,321**	**8,802,508**	**506,368,327**
Loss allowance		(2,815,880)	(3,346,739)	(4,987,002)	**(11,149,621)**
Carrying amount		**468,443,618**	**22,959,582**	**3,815,506**	**495,218,706**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.06% - 0.27%	102,540,202	-	-	**102,540,202**
Carrying amount at fair value		**102,540,202**	**-**	**-**	**102,540,202**
Loss allowance		(76,528)	-	-	**(76,528)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.02% - 0.55%	185,417,015	-	-	**185,417,015**
		185,417,015	**-**	**-**	**185,417,015**
Loss allowance		(299,468)	-	-	**(299,468)**
Carrying amount		**185,117,547**	**-**	**-**	**185,117,547**
Guarantees					
Grades 1 to 4- low risk	0.23% - 0.47%	932,791	-	-	**932,791**
Grades 5+ to 5- fair risk	0.77% - 2.94%	22,757,673	15,089	-	**22,772,762**
Grades 6+ to 7 high risk	2.75% - 17.62%	6,654,760	377,542	-	**7,032,302**
Grade 7- to 8- substandard	15.99%	911,473	-	-	**911,473**
Nominal amount		**31,256,697**	**392,631**	**-**	**31,649,328**
Loss allowance		(176,854)	-	-	**(176,854)**
Commitments					
Grades 1 to 4- low risk	0.24% - 0.5%	11,141,539	-	-	**11,141,539**
Grades 5+ to 5- fair risk	0.47% - 2.99%	36,193,761	3,320,666	-	**39,514,427**
Grades 6+ to 7 high risk	0.74% - 31.42%	68,646,557	8,403,320	-	**77,049,877**
Nominal amount		**115,981,857**	**11,723,986**	**-**	**127,705,843**
Loss allowance		(343,533)	-	-	**(343,533)**

Bank – 31 December 2025

	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Balances with the Central Bank of Malta and cash					
Grades 1 to 4- low risk	0.1%	84,497,478	-	-	**84,497,478**
		84,497,478	**-**	**-**	**84,497,478**
Loss allowance		(26,646)	-	-	**(26,646)**
Carrying amount		**84,470,832**	**-**	**-**	**84,470,832**
Loans and advances to banks					
Grades 1 to 4- low risk	0.13% - 0.59%	26,956,387	343,458	-	**27,299,845**
Grades 5+ to 5- fair risk	0.77% - 1.04%	10,678,746	-	-	**10,678,746**
Grades 6+ to 7 high risk	0.98% - 5.81%	33,032,068	11,118,109	-	**44,150,177**
		70,667,201	**11,461,567**	**-**	**82,128,768**
Loss allowance		(258,184)	(22,601)	-	**(280,785)**
Carrying amount		**70,409,017**	**11,438,966**	**-**	**81,847,983**
Loans and advances to customers					
Grades 1 to 4- low risk	0.18% - 0.69%	379,331,438	-	-	**379,331,438**
Grades 5+ to 5- fair risk	0.77% - 3.04%	83,122,339	1,619,711	-	**84,742,050**
Grades 6+ to 7 high risk	1.83% - 22.2%	159,403,251	13,040,434	-	**172,443,685**
Grade 7- to 8- substandard	29.16%	-	7,009,447	-	**7,009,447**
Grade 9 to 10 doubtful/loss	100%	-	-	9,586,970	**9,586,970**
		621,857,028	**21,669,592**	**9,586,970**	**653,113,590**
Loss allowance		(2,395,957)	(4,351,383)	(7,775,788)	**(14,523,128)**
Carrying amount		**619,461,071**	**17,318,209**	**1,811,182**	**638,590,462**
Financial investments at fair value through other comprehensive income					
Grades 1 to 4- low risk	0.06% - 0.27%	105,254,684	-	-	**105,254,684**
Carrying amount at fair value		**105,254,684**	**-**	**-**	**105,254,684**
Loss allowance		(59,407)	-	-	**(59,407)**
Financial investments at amortised cost					
Grades 1 to 4- low risk	0.02% - 0.46%	137,611,462	-	-	**137,611,462**
		137,611,462	**-**	**-**	**137,611,462**
Loss allowance		(143,610)	-	-	**(143,610)**
Carrying amount		**137,467,852**	**-**	**-**	**137,467,852**
Guarantees					
Grades 1 to 4- low risk	0.18% - 0.46%	722,551	-	-	**722,551**
Grades 5+ to 5- fair risk	0.74% - 2.98%	13,322,440	16,254	-	**13,338,694**
Grades 6+ to 7 high risk	1.89% - 16.68%	12,207,416	408,000	-	**12,615,416**
Carrying amount		**26,252,407**	**424,254**	**-**	**26,676,661**
Loss allowance		(83,669)	(772)	-	**(84,441)**
Commitments					
Grades 1 to 4- low risk	0.26% - 0.5%	7,709,441	-	-	**7,709,441**
Grades 5+ to 5- fair risk	0.73% - 3.04%	57,298,798	-	-	**57,298,798**
Grades 6+ to 7 high risk	0.96% - 17.41%	91,954,714	10,328,231	-	**102,282,945**
Carrying amount		**156,962,953**	**10,328,231**	**-**	**167,291,184**
Loss allowance		(751,084)	(28)	-	**(751,112)**

In view of the reclassification of financial assets attributable to Egypt Factors to 'Assets classified as held for sale' during the financial year ended 31 December 2025, the Group is presenting the credit risk analysis attributable to these assets in the below tables:

	30 June 2026				
	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Assets classified as held for sale					
Loans and advances to banks					
Grades 1 to 4- low risk	0.22%	2,577	-	-	**2,577**
Grades 5+ to 5- fair risk	0.64% - 0.8%	71,178	-	-	**71,178**
Grades 6+ to 7 high risk	1.52% - 1.9%	921,543	-	-	**921,543**
		995,298	**-**	**-**	**995,298**
Loss allowance		(78)	-	-	**(78)**
Carrying amount		**995,220**	**-**	**-**	**995,220**
Loans and advances to customers					
Grade 7- to 8- substandard	11.91% - 16.39%	39,924,495	20,275,234	-	**60,199,729**
Grade 9 to 10 doubtful/loss	100%	-	-	1,893,380	**1,893,380**
		39,924,495	**20,275,234**	**1,893,380**	**62,093,109**
Loss allowance		(1,056,335)	(666,793)	(1,729,920)	**(3,453,048)**
Carrying amount		**38,868,160**	**19,608,441**	**163,460**	**58,640,061**

	31 December 2025				
	12-month PD ranges	Stage 1 USD	Stage 2 USD	Stage 3 USD	Total USD
Assets classified as held for sale					
Loans and advances to banks					
Grades 1 to 4- low risk	0.2%	5,499	-	-	**5,499**
Grades 5+ to 5- fair risk	0.54% - 0.66%	55,282	-	-	**55,282**
Grades 6+ to 7 high risk	1.18% - 1.48%	3,917,500	-	-	**3,917,500**
Grade 7- to 8- substandard	13.52%	7,132	-	-	**7,132**
		3,985,413	**-**	**-**	**3,985,413**
Loss allowance		(20)	-	-	**(20)**
Carrying amount		**3,985,393**	**-**	**-**	**3,985,393**
Loans and advances to customers					
Grade 7- to 8- substandard	10.28% - 15.32%	45,974,620	18,367,559	-	**64,342,179**
Grade 9 to 10 doubtful/loss	100%	-	-	2,516,329	**2,516,329**
		45,974,620	**18,367,559**	**2,516,329**	**66,858,508**
Loss allowance		(1,387,725)	(538,888)	(1,461,559)	**(3,388,172)**
Carrying amount		**44,586,895**	**17,828,671**	**1,054,770**	**63,470,336**

6.1.3 Measurement of expected credit losses

Methodology

The recognition and measurement of expected credit losses ("ECL") involves the use of significant judgement and estimation. The Group's and Bank's methodology in relation to the estimation of ECLs is described in Note 4.2.1.3 of the Annual Report and Financial Statements 2025, with the Group's and Bank's methodology in relation to the adoption and generation of economic scenarios being described in detail in Note 4.2.1.7 of the Annual Report and Financial Statements 2025.

The Group has embarked on a process to recalibrate and refresh the key parameters and underlying assumptions used in the estimation of ECLs in respect of its lending portfolios. In the case of the probability of default "PDs", the applicable rating models were recalibrated to ensure that PDs align more closely with the risk profile of the underlying portfolios by benchmarking against the Group's historical default data as well as peer datasets which are deemed to be comparable to the exposures within each of the Group's portfolios. In the case of the loss given default "LGD", the Group reassessed and, if deemed necessary, refreshed the underlying assumptions applied in the estimation of LGDs to better reflect the contractual characteristics of the exposures within each of the Group's portfolios as well as associated collateral types and values.

Incorporation of forward-looking information

The Group incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since initial recognition as well as the measurement of ECL, as described in more detail in Notes 4.2.1.2 and 4.2.1.3 of the Annual Report.

The macroeconomic modelling methodology used by the Group in the measurement of ECL in respect of Stage 1 and Stage 2 exposures is based on a model developed by Moody's that leverages updates in market data across industries and countries to estimate conditional point in time "PiT" PDs and LGDs by reference to observed and forecasted economic conditions.

The modelling methodology applied by the Group in the estimation of ECLs utilises macroeconomic correlation models to determine the historical correlation of a borrower's financial performance with overall macroeconomic conditions, with the correlation factor being estimated principally by reference to borrower size as well as the industry and country in which the borrower operates.

The Group uses Moody's Analytics GCorr MacroTM model to link credit-risk factors to macroeconomic variables using the following information for each counterparty: industry, country and sensitivity of the counterparty to systemic risk. The Group identifies and documents key drivers of credit risk and credit losses. The key drivers of credit risk for the Group's portfolios are: GDP growth rates, unemployment rates, oil and commodity prices as well as equity prices. For exposures to specific industries and/or regions, the key drivers of credit risk also include relevant commodity prices, such as oil prices. The Group uses economic data from twelve different geographies which broadly represent the exposures carried by the Group at reporting date. In cases where information in respect of a specific country exposure is not available, the Group maps the exposure to the geographical region with the closest economic structure and credit risk drivers.

The Group applies three economic scenarios to capture non-linearity across portfolios in the estimation of ECLs: a base case, which is the median scenario assigned a 40% probability of occurring, and two less likely scenarios, namely an upside and a downside scenario, each assigned a 30% probability of occurrence. Moody's Analytics regularly updates the base case forecast and alternative scenarios. The upside and downside scenarios represent hypothetical events that push the economy away from the base case outlook. Forecasted economic data in respect of each of the three scenarios are sourced from Moody's Analytics on a quarterly basis. The historical data in the Group's model reflects economic data published by national statistics offices and reputable third-party aggregators such as the World Bank and the International Monetary Fund.

The economic scenarios are developed by Moody's Analytics through a Global Macro Model used to establish relationships across series within each national economy. The parameters used by the model are estimated using econometric techniques through observable historical covariation over the macroeconomic time series. The scenarios are constructed in accordance with a target severity for each scenario. The probability weights assigned to each scenario are calibrated by reference to their severity and on how well they approximate possible future economic developments.

Incorporation of forward-looking information *(continued)*

The model applies three possible scenarios covering a wide range of possible outcomes. Each scenario assumes different economic circumstances with the main assumptions used in the model applying varying levels of:

- political risk, geopolitical tensions (focusing on Russia-Ukraine, Middle East conflicts), international relations;
- growth outlook, labour market conditions, supply chain shortages, investment levels, industry trends, the impact of trade deals, tax / tariff measures;
- financial market conditions, debt sustainability, fiscal policy, monetary policy, foreign direct investment, consumer and business sentiment;
- oil prices, gas supply, surging energy costs, inflation, unemployment rates, GDP rates, input prices and demand for services; and
- deposit rates, bond yields, disposable income, interbank market rates, money and bond market sentiment, currency fluctuations.

As at 30 June 2026 and 31 December 2025, the projected macroeconomic paths in respect of the key macroeconomic variables selected for the top five geographical regions applied in the ECL calculation across the three macroeconomic scenarios and for the five-year forecasted period from the financial years ending 30 June 2027 to 2031 (31 December 2025: 31 December 2026 to 2030) are presented in the following tables. Given that the Group and Bank present information in respect of the top five geographical regions in terms of exposure amounts at each reporting date, different countries might be presented for different financial years in order to present information which is relevant for the ECL calculation at each respective reporting date.

30 June 2026

Country: Malta		2027	2028	2029	2030	2031
Equity: MSE index, year-on-year	Base	8.9%	7.4%	6.7%	4.9%	3.8%
	Upside	14.1%	7.4%	6.4%	4.1%	3.5%
	Downside	-12.5%	11.6%	11.3%	8.6%	3.2%
Real GDP growth rate	Base	3.0%	6.0%	4.3%	3.8%	3.3%
	Upside	6.1%	5.5%	4.0%	3.5%	3.2%
	Downside	-2.6%	6.5%	5.5%	3.9%	3.3%
Unemployment rate	Base	3.3%	3.2%	3.2%	3.1%	3.1%
	Upside	3.3%	3.2%	3.2%	3.1%	3.1%
	Downside	3.4%	3.6%	3.5%	3.4%	3.3%

Country: Germany		2027	2028	2029	2030	2031
Equity: DAX Index, year-on-year	Base	-0.8%	1.6%	4.5%	3.3%	3.0%
	Upside	7.5%	0.0%	3.2%	1.3%	2.9%
	Downside	-32.1%	8.6%	17.6%	13.0%	3.6%
Real GDP growth rate	Base	1.7%	1.9%	1.6%	1.2%	1.0%
	Upside	4.4%	1.6%	1.4%	1.2%	1.0%
	Downside	-3.3%	2.4%	2.6%	1.3%	1.0%
Unemployment rate	Base	5.9%	5.8%	5.8%	5.8%	5.8%
	Upside	5.1%	5.1%	5.4%	5.6%	5.8%
	Downside	7.2%	7.2%	6.5%	6.0%	5.8%

Country: India		2027	2028	2029	2030	2031
Equity: Sensex Index, year-on-year	Base	-1.5%	2.2%	2.3%	2.6%	3.1%
	Upside	7.5%	1.8%	0.5%	1.2%	2.5%
	Downside	-33.8%	16.1%	14.0%	7.5%	4.0%
Real GDP growth rate	Base	6.5%	6.3%	6.1%	6.0%	5.8%
	Upside	8.5%	7.5%	6.5%	6.1%	5.8%
	Downside	-2.0%	5.3%	6.6%	6.9%	6.5%
Unemployment rate	Base	7.0%	7.0%	7.0%	7.0%	7.0%
	Upside	6.6%	6.6%	6.7%	6.8%	6.9%
	Downside	9.3%	9.8%	8.3%	7.5%	7.2%
Exchange Rate, INR per USD	Base	98.03	100.01	102.00	104.04	105.30
	Upside	96.90	98.81	100.78	102.80	104.04
	Downside	102.98	105.71	107.82	109.97	111.30

Country: Egypt		2027	2028	2029	2030	2031
Equity: EGX 30 Index, year-on-year	Base	-4.6%	4.2%	6.5%	5.5%	4.4%
	Upside	6.0%	0.6%	5.3%	4.1%	4.3%
	Downside	-42.2%	21.3%	20.9%	11.0%	5.7%
Real GDP growth rate	Base	4.6%	5.5%	5.6%	5.3%	5.0%
	Upside	7.2%	5.6%	5.6%	5.3%	5.0%
	Downside	-0.5%	5.6%	6.5%	6.0%	5.5%
Unemployment rate	Base	6.9%	7.1%	7.3%	7.4%	7.5%
	Upside	6.5%	6.9%	7.2%	7.4%	7.5%
	Downside	8.4%	8.8%	8.3%	7.9%	7.8%

Country: United Arab Emirates		2027	2028	2029	2030	2031
Equity: ADX General Index, year-on-year	Base	-4.4%	3.7%	4.0%	3.8%	2.6%
	Upside	1.3%	3.8%	3.6%	3.1%	2.5%
	Downside	-39.0%	7.5%	11.4%	9.0%	5.9%
Unemployment rate	Base	2.4%	2.4%	2.2%	2.2%	2.3%
	Upside	1.7%	2.1%	2.2%	2.2%	2.3%
	Downside	3.7%	3.3%	2.6%	2.4%	2.3%
Futures Price: NYMEX Light Sweet Crude Oil, USD per barrel	Base	73.22	67.93	67.99	68.19	69.28
	Upside	72.39	67.21	68.61	68.85	69.95
	Downside	54.26	59.10	63.93	64.56	66.14

31 December 2025

Country: Malta		2026	2027	2028	2029	2030
Equity: MSE index, year-on-year	Base	13.4%	9.2%	8%	6.1%	4.8%
	Upside	19.3%	9.3%	7.3%	5.2%	4.7%
	Downside	-7.3%	11.8%	12.9%	9.4%	4.3%
Real GDP growth rate	Base	1.5%	3.9%	2.8%	3.3%	2.9%
	Upside	4.6%	3.5%	2.4%	3%	2.7%
	Downside	-4%	4.4%	3.9%	3.4%	2.9%
Unemployment rate	Base	3.2%	3.3%	3.3%	3.2%	3.1%
	Upside	3.2%	3.2%	3.2%	3.2%	3.1%
	Downside	3.3%	3.7%	3.6%	3.4%	3.3%

Country: Germany		2026	2027	2028	2029	2030
Equity: DAX index, year-on-year	Base	1.9%	3%	3.3%	3.2%	2.8%
	Upside	10.4%	1.5%	2.1%	1.2%	2.7%
	Downside	-30.2%	10.2%	16.2%	12.8%	3.4%
Real GDP growth rate	Base	1.5%	1.9%	1.7%	1.6%	1.4%
	Upside	4.2%	1.6%	1.5%	1.6%	1.4%
	Downside	-3.5%	2.4%	2.7%	1.7%	1.4%
Unemployment rate	Base	6.2%	5.7%	5.7%	5.8%	5.8%
	Upside	5.3%	5%	5.3%	5.6%	5.8%
	Downside	7.5%	7.2%	6.5%	6%	5.8%

Country: India		2026	2027	2028	2029	2030
Equity: Sensex Index, year-on-year	Base	0.1%	2.4%	6.4%	6.8%	7.1%
	Upside	9.2%	1.9%	4.6%	5.3%	6.5%
	Downside	-32.7%	16.3%	18.6%	11.8%	8.1%
Real GDP growth rate	Base	7.4%	5.5%	6.6%	6.4%	6.1%
	Upside	9.4%	6.7%	7%	6.4%	6.1%
	Downside	-1.3%	4.5%	7.1%	7.3%	6.8%
Unemployment rate	Base	7%	7%	7%	7%	7%
	Upside	6.6%	6.6%	6.7%	6.8%	6.9%
	Downside	9.3%	9.8%	8.4%	7.5%	7.2%
Exchange Rate, INR per USD	Base	89.78	91.06	92.44	93.13	93.65
	Upside	88.49	89.70	91.07	91.75	92.26
	Downside	94.31	96.25	97.71	98.44	98.99

Country: Egypt		2026	2027	2028	2029	2030
Equity: EGX 30 Index, year-on-year	Base	3%	2.8%	4.6%	3.9%	4.1%
	Upside	15.5%	-1.4%	2.9%	2.6%	4.1%
	Downside	-34.5%	18.8%	18.5%	9.1%	4.8%
Real GDP growth rate	Base	4.6%	5.4%	5.5%	5.3%	5%
	Upside	7.1%	5.4%	5.5%	5.3%	5%
	Downside	-0.5%	5.5%	6.4%	6.1%	5.5%
Unemployment rate	Base	7%	7.3%	7.4%	7.5%	7.6%
	Upside	6.6%	7%	7.3%	7.5%	7.6%
	Downside	8.9%	8.9%	8.4%	8%	7.8%

Country: United Arab Emirates		2026	2027	2028	2029	2030
Equity: ADX general index, year-on-year	Base	-1.2%	0.6%	1.6%	2.4%	2.3%
	Upside	5.6%	0.3%	0.9%	1.8%	2.2%
	Downside	-26.4%	5.3%	7.2%	6.3%	4.4%
Unemployment rate	Base	2.1%	2.2%	2.3%	2.3%	2.3%
	Upside	1.4%	1.9%	2.3%	2.3%	2.3%
	Downside	3%	2.7%	2.6%	2.4%	2.3%
Futures price: NYMEX light sweet crude oil, USD per barrel	Base	61.34	63.88	65.76	66.79	68.04
	Upside	66.24	66.85	67.06	67.98	69.30
	Downside	41.93	54.57	62.84	64.15	65.99

Sensitivity of ECL to future economic conditions

The ECL is sensitive to judgements and assumptions made in respect of the formulation and calibration of forward-looking macroeconomic scenarios and how such scenarios are incorporated into the ECL calculation.

The level of economic uncertainty remained elevated during the financial period ended 30 June 2026, primarily driven by global geopolitical conflicts, in particular the protracted military conflict between Russia and Ukraine and the intensification of the military conflict in the Middle East. Economic growth expectations softened across a number of major economies amid ongoing geopolitical tensions, volatility in energy markets, changing trade policies and continued pressure on global supply chains. Whilst inflationary pressures moderated in some jurisdictions, inflation remained above central bank targets in certain markets and the outlook continues to be influenced by geopolitical and macroeconomic developments. In this respect, the level of estimation uncertainty and judgement has remained high during the first six months of 2026. Therefore, the underlying models and their calibration, including how they react to forward-looking economic conditions, remain highly subjective. In this respect, management performs a sensitivity analysis on the ECL recognised in respect of material asset classes.

The tables below show the loss allowance assuming that 100% probability weights were assigned to each of the three forward-looking macroeconomic scenarios (base case, upside and downside) instead of applying a weighted average ECL across the three macroeconomic scenarios. For ease of comparison, the tables also include the probability-weighted amounts excluding judgemental adjustments on 'Loans and advances to customers' and 'Assets classified as held for sale' of USD2,013,540 (2025: USD2,512,390) at Group level and USD918,109 (2025: USD1,418,437) at Bank level. Judgemental adjustments are accounted for in the financial statements and included in tables in Note 6.1.2.

Group – 30 June 2026

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	441,617,240	441,617,240	441,617,240	441,617,240
Loss allowance	9,763,508	9,957,833	10,784,038	10,147,397
Assets classified as held for sale				
- Loans and advances to customers				
Gross exposure	62,093,109	62,093,109	62,093,109	62,093,109
Loss allowance	2,503,225	2,567,056	2,758,892	2,605,457

Group – 31 December 2025

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	453,240,516	453,240,516	453,240,516	453,240,516
Loss allowance	12,741,258	12,962,633	13,840,557	13,159,503
Assets classified as held for sale				
- Loans and advances to customers				
Gross exposure	66,858,508	66,858,508	66,858,508	66,858,508
Loss allowance	2,415,233	2,507,313	2,752,678	2,553,298

Bank – 30 June 2026

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	506,368,327	506,368,327	506,368,327	506,368,327
Loss allowance	9,532,439	9,836,743	11,456,944	10,231,512

Bank – 31 December 2025

	Upside USD	Base case USD	Downside USD	Probability-weighted USD
Loans and advances to customers				
Gross exposure	653,113,590	653,113,590	653,113,590	653,113,590
Loss allowance	12,412,582	12,735,729	14,288,767	13,104,691

6.1.4 Reconciliation of gross carrying amounts and allowances for ECL

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

Within the following tables, the line items 'New financial assets originated or purchased and further lending' and 'Financial assets that have been repaid or partially repaid' represent movements within the Group's lending portfolios in respect of gross carrying amounts and associated credit loss allowances. The former represents new lending sanctioned during the financial reporting period ended 30 June 2026. The latter reflects loan repayments that occurred during the financial reporting period ended 30 June 2026, which loans however, would only have existed on the Group's Statements of Financial Position as at 31 December 2025. Accordingly, repayments and disposals relating to loans sanctioned during the financial reporting period are netted off against new lending included within 'New financial assets originated or purchased and further lending'.

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

Group – 30 June 2026

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**418,452,531**	**(2,331,025)**	**24,825,256**	**(4,354,498)**	**9,962,729**	**(8,151,542)**	**453,240,516**	**(14,837,065)**
Transfer to Stage 2	(5,430,350)	10,802	5,430,350	(10,802)	-	-	-	-
Transfer to Stage 3	-	-	(2,929,556)	249,154	2,929,556	(249,154)	-	-
Net remeasurement of loss allowance arising from stage transfers	-	(81)	-	(5,511)	-	(242,145)	-	**(247,737)**
Changes in risk parameters	-	(64,634)	-	780,177	-	(176,710)	-	**538,833**
New financial assets originated or purchased and further lending	291,664,498	(1,800,988)	11,020,860	(17,864)	438,544	-	**303,123,902**	**(1,818,852)**
Financial assets that have been repaid or partially repaid	(299,541,116)	1,539,536	(6,999,703)	8,059	(186,858)	73,311	**(306,727,677)**	**1,620,906**
Write-offs	-	-	-	-	(3,512,822)	3,261,825	**(3,512,822)**	**3,261,825**
Foreign exchange and other movements	(3,804,545)	28,265	(418,221)	242	(283,913)	140,237	**(4,506,679)**	**168,744**
Balance at 30 June	**401,341,018**	**(2,618,125)**	**30,928,986**	**(3,351,043)**	**9,347,236**	**(5,344,178)**	**441,617,240**	**(11,313,346)**
ECL change for the period								3,523,719
Assets written off								(3,512,822)
Change in expected credit losses excluding effect of write-offs								**10,897**
Recoveries								266,706
Foreign exchange and other movements								(168,744)
Change in expected credit losses and other credit impairment charges								**108,859**

	As at 30 June 2026		Six months ended 30 June 2026
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta and cash	61,748,527	(31,924)	(5,278)
Loans and advances to banks	138,425,011	(261,022)	33,692
Loans and advances to customers	441,617,240	(11,313,346)	108,859
Financial investments at amortised cost	40,728,546	(6,570)	(525)
Off-balance sheet			
- Guarantees	31,649,328	(176,854)	(92,413)
- Commitments	126,737,443	(343,281)	407,818
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**840,906,095**	**(12,132,997)**	**452,153**
Financial investments at fair value through other comprehensive income	102,540,202	(76,528)	(17,121)
Total allowance for ECL/Total income statement ECL reversal		**(12,209,525)**	**435,032**

Group – 31 December 2025

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**379,138,523**	**(2,432,221)**	**52,291,989**	**(4,560,632)**	**13,685,866**	**(10,146,802)**	**445,116,378**	**(17,139,655)**
Transfer to Stage 1	5,544,098	(6,739)	(5,544,098)	6,739	-	-	**-**	**-**
Transfer to Stage 2	(7,371,226)	113,995	7,371,226	(113,995)	-	-	**-**	**-**
Net remeasurement of loss allowance arising from stage transfers	-	6,739	-	(162,028)	-	-	**-**	**(155,289)**
Changes in risk parameters	-	103,948	-	29,304	-	112,025	**-**	**245,277**
New financial assets originated or purchased and further lending	334,203,077	(1,842,409)	5,632,588	(8,259)	-	-	**339,835,665**	**(1,850,668)**
Financial assets that have been repaid or partially repaid	(256,904,226)	801,053	(19,414,108)	16,208	(1,309,898)	718,719	**(277,628,232)**	**1,535,980**
Financial assets reclassified to discontinued operations	(42,634,996)	901,095	(17,038,357)	438,900	(401,324)	307,457	**(60,074,677)**	**1,647,452**
Write-offs	-	-	-	-	(2,667,657)	1,303,120	**(2,667,657)**	**1,303,120**
Foreign exchange and other movements	6,477,281	23,514	1,526,016	(735)	655,742	(446,061)	**8,659,039**	**(423,282)**
Balance at 31 December	**418,452,531**	**(2,331,025)**	**24,825,256**	**(4,354,498)**	**9,962,729**	**(8,151,542)**	**453,240,516**	**(14,837,065)**
ECL change for the period								2,302,590
Assets written off								(2,667,657)
Change in expected credit losses excluding effect of write-offs								**(365,067)**
Recoveries								1,350,821
Foreign exchange and other movements								423,282
ECL attributable to discontinued operations at 1 January 2025								(1,647,452)
Change in expected credit losses and other credit impairment charges								**(238,416)**

	As at 31 December 2025		Twelve months ended 31 December 2025
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta and cash	84,522,623	(26,646)	25,017
Loans and advances to banks	88,311,458	(294,714)	(114,861)
Loans and advances to customers	453,240,516	(14,837,065)	(238,416)
Financial investments at amortised cost	41,300,504	(6,045)	(6,024)
Off-balance sheet			
- Guarantees	26,676,661	(84,441)	(71,839)
- Commitments	171,243,716	(751,099)	(288,478)
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**865,295,478**	**(16,000,010)**	**(694,601)**
Financial investments at fair value through other comprehensive income	105,254,684	(59,407)	18,387
Total allowance for ECL/Total income statement ECL charge		**(16,059,417)**	**(676,214)**

Bank – 30 June 2026

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**621,857,028**	**(2,395,957)**	**21,669,592**	**(4,351,383)**	**9,586,970**	**(7,775,788)**	**653,113,590**	**(14,523,128)**
Transfer to Stage 2	(5,045,657)	10,467	5,045,657	(10,467)	-	-	-	-
Transfer to Stage 3	-	-	(2,929,556)	249,154	2,929,556	(249,154)	-	-
Net remeasurement of loss allowance arising from stage transfers	-	-	-	(5,543)	-	(242,145)	-	**(247,688)**
Changes in risk parameters	-	(251,969)	-	780,178	-	(176,710)	-	**351,499**
New financial assets originated or purchased and further lending	153,706,045	(1,593,762)	6,729,570	(13,729)	250,996	-	**160,686,611**	**(1,607,491)**
Financial assets that have been repaid or partially repaid	(292,388,041)	1,415,341	(3,790,723)	5,051	(186,858)	73,311	**(296,365,622)**	**1,493,703**
Write-offs	-	-	-	-	(3,512,822)	3,261,825	**(3,512,822)**	**3,261,825**
Foreign exchange and other movements	(6,869,877)	-	(418,219)	-	(265,334)	121,659	**(7,553,430)**	**121,659**
Balance at 30 June	**471,259,498**	**(2,815,880)**	**26,306,321**	**(3,346,739)**	**8,802,508**	**(4,987,002)**	**506,368,327**	**(11,149,621)**
ECL change for the period								3,373,507
Assets written off								(3,512,822)
Change in expected credit losses excluding effect of write-offs								**(139,315)**
Recoveries								133,636
Foreign exchange and other movements								(121,659)
Change in expected credit losses and other credit impairment charges								**(127,338)**

	As at 30 June 2026		Six months ended 30 June 2026
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta and cash	61,726,755	(31,924)	(5,278)
Loans and advances to banks	125,483,374	(251,784)	29,001
Loans and advances to customers	506,368,327	(11,149,621)	(127,338)
Financial investments at amortised cost	185,417,015	(299,468)	(155,858)
Off-balance sheet			
- Guarantees	31,649,328	(176,854)	(92,413)
- Commitments	127,705,843	(343,533)	407,579
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**1,038,350,642**	**(12,253,184)**	**55,693**
Financial investments at fair value through other comprehensive income	102,540,202	(76,528)	(17,121)
Total allowance for ECL/Total income statement ECL reversal		**(12,329,712)**	**38,572**

Bank – 31 December 2025

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**486,974,629**	**(1,935,067)**	**33,415,683**	**(4,116,527)**	**12,886,098**	**(9,440,905)**	**533,276,410**	**(15,492,499)**
Transfer to Stage 1	5,544,098	(6,739)	(5,544,098)	6,739	-	-	**-**	**-**
Transfer to Stage 2	(7,365,979)	113,995	7,365,979	(113,995)	-	-	**-**	**-**
Net remeasurement of loss allowance arising from stage transfers	-	6,739	-	(161,984)	-	-	**-**	**(155,245)**
Changes in risk parameters	-	291,990	-	29,265	-	108,259	**-**	**429,514**
New financial assets originated or purchased and further lending	343,385,170	(1,641,175)	2,476,929	(5,051)	-	-	**345,862,099**	**(1,646,226)**
Financial assets that have been repaid or partially repaid	(230,691,329)	774,300	(17,570,920)	11,095	(1,306,242)	718,719	**(249,568,491)**	**1,504,114**
Write-offs	-	-	-	-	(2,667,657)	1,303,120	**(2,667,657)**	**1,303,120**
Foreign exchange and other movements	24,010,439	-	1,526,019	(925)	674,775	(464,981)	**26,211,233**	**(465,906)**
Balance at 31 December	**621,857,028**	**(2,395,957)**	**21,669,592**	**(4,351,383)**	**9,586,970**	**(7,775,788)**	**653,113,590**	**(14,523,128)**
ECL change for the period								969,371
Assets written off								(2,667,657)
Change in expected credit losses excluding effect of write-offs								**(1,698,286)**
Recoveries								1,315,831
Foreign exchange and other movements								465,906
Change in expected credit losses and other credit impairment charges								**83,451**

	As at 31 December 2025		Twelve months ended 31 December 2025
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Balances with the Central Bank of Malta and cash	84,497,478	(26,646)	25,017
Loans and advances to banks	82,128,768	(280,785)	(101,984)
Loans and advances to customers	653,113,590	(14,523,128)	83,451
Financial investments at amortised cost	137,611,462	(143,610)	(143,589)
Off-balance sheet			
- Guarantees	26,676,661	(84,441)	(71,835)
- Commitments	167,291,184	(751,112)	(552,593)
Summary of financial instruments to which the impairment requirements in IFRS 9 are applied in income statement	**1,151,319,143**	**(15,809,722)**	**(761,533)**
Financial investments at fair value through other comprehensive income	105,254,684	(59,407)	18,387
Total allowance for ECL/Total income statement ECL charge		**(15,869,129)**	**(743,146)**

Group – 30 June 2026

Assets classified as held for sale

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**45,974,620**	**(1,387,725)**	**18,367,559**	**(538,888)**	**2,516,329**	**(1,461,559)**	**66,858,508**	**(3,388,172)**
Transfer to Stage 2	(6,772,975)	323,449	6,772,975	(323,449)	-	-	-	-
Net remeasurement of loss allowance arising from stage transfers	-	-	-	227,932	-	-	-	**227,932**
Changes in risk parameters	-	285,786	-	206,075	-	(281,084)	-	**210,777**
New financial assets originated or purchased and further lending	27,916,691	(638,721)	14,143,482	(371,690)	79	-	**42,060,252**	**(1,010,411)**
Financial assets that have been repaid or partially repaid	(26,640,384)	360,876	(18,516,932)	133,227	(610,302)	-	**(45,767,618)**	**494,103**
Foreign exchange and other movements	(553,457)	-	(491,850)	-	(12,726)	12,723	**(1,058,033)**	**12,723**
Balance at 30 June	**39,924,495**	**(1,056,335)**	**20,275,234**	**(666,793)**	**1,893,380**	**(1,729,920)**	**62,093,109**	**(3,453,048)**
ECL change for the period								(64,876)
Change in expected credit losses excluding effect of write-offs								**(64,876)**
Recoveries								97,183
Foreign exchange and other movements								(12,723)
Change in expected credit losses and other credit impairment charges								**19,584**

	As at 30 June 2026		Six months ended 30 June 2026
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Loans and advances to banks	995,298	(78)	(58)
Loans and advances to customers	62,093,109	(3,453,048)	19,584
Total income statement ECL reversal recognised within ‘Profit from discontinued operations’		**(3,453,126)**	**19,526**

Group – 31 December 2025

Assets classified as held for sale

	Non-credit impaired				Credit impaired			
	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD	Gross carrying amount USD	Allowance for ECL USD
Loans and advances to customers								
Balance at 1 January	**42,634,996**	**(901,095)**	**17,038,357**	**(438,900)**	**401,324**	**(307,457)**	**60,074,677**	**(1,647,452)**
Transfer to Stage 3	-	-	(2,304,976)	73,156	2,304,976	(73,156)	-	-
Net remeasurement of loss allowance arising from stage transfers	-	-	-	-	-	(986,334)	-	**(986,334)**
Changes in risk parameters	-	(293,994)	-	(51,296)	-	(70,607)	-	**(415,897)**
New financial assets originated or purchased and further lending	15,191,198	(209,793)	9,073,197	(197,587)	79	-	**24,264,474**	**(407,380)**
Financial assets that have been repaid or partially repaid	(13,513,434)	17,157	(6,317,153)	75,739	(216,113)	-	**(20,046,700)**	**92,896**
Foreign exchange and other movements	1,661,860	-	878,134	-	26,063	(24,005)	**2,566,057**	**(24,005)**
Balance at 31 December	**45,974,620**	**(1,387,725)**	**18,367,559**	**(538,888)**	**2,516,329**	**(1,461,559)**	**66,858,508**	**(3,388,172)**
ECL change for the period								(1,740,720)
Change in expected credit losses excluding effect of write-offs								**(1,740,720)**
Recoveries								479,760
Foreign exchange and other movements								24,005
Change in expected credit losses and other credit impairment charges								**(1,236,955)**

	As at 31 December 2025		Twelve months ended 31 December 2025
	Gross carrying/ Nominal amount USD	Allowance for ECL USD	Net movement in expected credit losses and other credit impairment charges USD
Loans and advances to banks	3,985,413	(20)	-
Loans and advances to customers	66,858,508	(3,388,172)	(1,236,955)
Total income statement ECL charge recognised within 'Profit from discontinued operations'		**(3,388,192)**	**(1,236,955)**

6.2 Fair values of financial instruments

6.2.1 Valuation of financial instruments

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

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

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

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

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

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

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

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

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

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

6.2.2 Financial instruments measured at fair value – fair value hierarchy

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

Group - 30 June 2026

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- Foreign exchange	-	2,167,661	-	**2,167,661**
Trading assets	-	-	371,802,864	**371,802,864**
Financial investments at fair value through profit or loss	-	-	9,261,409	**9,261,409**
Financial investments at fair value through other comprehensive income	102,540,202	-	-	**102,540,202**
Liabilities				
Derivative liabilities held for risk management:				
- Foreign exchange	-	3,857,069	-	**3,857,069**

Group - 31 December 2025

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- Foreign exchange	-	4,162,262	-	**4,162,262**
Trading assets	-	-	444,796,402	**444,796,402**
Financial investments at fair value through profit or loss	-	-	9,882,219	**9,882,219**
Financial investments at fair value through other comprehensive income	105,254,684	-	-	**105,254,684**
Liabilities				
Derivative liabilities held for risk management:				
- Foreign exchange	-	2,842,770	-	**2,842,770**

Bank - 30 June 2026

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- Foreign exchange	-	2,167,661	-	**2,167,661**
Financial investments at fair value through profit or loss	-	-	9,261,409	**9,261,409**
Financial investments at fair value through other comprehensive income	102,540,202	-	-	**102,540,202**
Liabilities				
Derivative liabilities held for risk management:				
- Foreign exchange	-	4,008,962	-	**4,008,962**
- Interest rate	-	1,261	-	**1,261**

Bank - 31 December 2025

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- Foreign exchange	-	4,163,342	-	**4,163,342**
Financial investments at fair value through profit or loss	-	-	9,882,219	**9,882,219**
Financial investments at fair value through other comprehensive income	105,254,684	-	-	**105,254,684**
Liabilities				
Derivative liabilities held for risk management:				
- Foreign exchange	-	2,842,770	-	**2,842,770**
- Interest rate	-	2,126	-	**2,126**

The Bank and the Group recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. The Bank and the Group did not transfer any assets or liabilities between levels of the fair value hierarchy during the financial periods ended 31 December 2025 and 30 June 2026.

6.2.3 Level 3 fair value measurements

6.2.3.1 Reconciliation

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

Group - 30 June 2026

	Trading assets USD	Financial investments at fair value through profit or loss USD	Total USD
Balance at 1 January 2026	**444,796,402**	**9,882,219**	**454,678,621**
Total losses in profit or loss	(1,150,670)	(324,116)	**(1,474,786)**
Movement in accrued interest	1,180,971	-	**1,180,971**
Purchases	457,885,155	-	**457,885,155**
Settlements and redemptions	(526,282,050)	-	**(526,282,050)**
Effects of movement in exchange rates	(4,626,944)	(296,694)	**(4,923,638)**
Balance at 30 June 2026	**371,802,864**	**9,261,409**	**381,064,273**

Group - 30 June 2025

	Trading assets USD	Financial investments at fair value through profit or loss USD	Total USD
Balance at 1 January 2025	**274,733,298**	**13,958,450**	**288,691,748**
Total losses in profit or loss	(204,987)	(4,496,794)	**(4,701,781)**
Movement in accrued interest	1,465,308	-	**1,465,308**
Purchases	490,277,813	-	**490,277,813**
Settlements and redemptions	(380,612,139)	-	**(380,612,139)**
Effects of movement in exchange rates	17,306,467	1,705,913	**19,012,380**
Balance at 30 June 2025	**402,965,760**	**11,167,569**	**414,133,329**

Bank - 30 June 2026

	Financial investments at fair value through profit or loss USD
Balance at 1 January 2026	**9,882,219**
Total losses in profit or loss	(324,116)
Effects of movement in exchange rates	(296,694)
Balance at 30 June 2026	**9,261,409**

Bank - 30 June 2025

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

The change in unrealised gains or losses for the period for the Group, included in 'Total losses in profit or loss' relating to 'Trading assets' held at 30 June 2026 amounted to a loss of USD1,308,287 (30 June 2025: loss of USD426,976).

For the Group and Bank, the change in unrealised gains or losses for the period, included in 'Total losses in profit or loss' relating to 'Financial investments at fair value through profit or loss' held at 30 June 2026, amounted to a loss of USD324,116 (30 June 2025: loss of USD4,496,793).

The gains and losses in respect of 'Trading assets' and 'Financial investments at fair value through profit or loss' are recognised in profit or loss as 'Net trading results' and 'Net loss from equity investments measured at fair value through profit or loss' respectively.

6.2.3.2 Unobservable inputs used in measuring fair value

The below sets out information about significant unobservable inputs used at 30 June 2026 and 31 December 2025 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Trading assets

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

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

The Group uses the Risk Free Rates ("RFRs") yield curve plus an adequate estimated credit margin spread to discount cash flows attributable to the trading assets held. At 30 June 2026, the discount rates used range between 3.40% and 40% (31 December 2025: between 4.09% and 29.44%). The effect of a one-percentage point increase/(decrease) in the discount rate on trading assets at 30 June 2026 would increase/(decrease) the Group's profit or loss by approximately USD2,916,671 (31 December 2025: USD1,201,804).

Financial investments at fair value through profit or loss

As at 30 June 2026, 'Financial investments at fair value through profit or loss' mainly represent holdings in two sub-funds, as follows:

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

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

  During the year ended 31 December 2025, the fair value of the above investment decreased by USD5,778,526, primarily due to unfavourable movements in the energy prices prevailing in the relevant region, which had an impact on the forecasted cash flows used by the Group and Bank to the derive the net asset valuation and the fair value of the investment. This decline in the fair value of the investment was partially offset by favourable exchange movements amounting to USD1,574,013 during the year ended 31 December 2025. During the six month period ended 30 June 2026, the fair value of the investment decreased further by USD208,246, with unfavourable foreign exchange movements during the same period amounting to USD259,910.

  The valuation of the principal underlying asset of the sub-fund prepared by an independent third party valuation specialist applies an estimated discount rate of 12% to cash flow forecasts relating to the underlying sustainable energy plants, which cash flow forecasts are based on assumptions relating to projected energy yields over an estimated plant lifetime of 30 years. The effect of a two-percentage point increase/(decrease) in the applied discount rate would (decrease)/increase the net asset value of the sub-fund by approximately USD1,518,742 and USD2,013,216 (31 December 2025: USD1,559,610 and USD2,067,390), respectively. The effect of an increase/(decrease) of 5 years in the estimated plant lifetime would increase/(decrease) the net asset value of the sub-fund by approximately USD247,237 and USD812,350 (31 December 2025: USD253,890 and USD834,210), respectively.

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

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

  The effect of a ten-percentage point increase/(decrease) in the net asset value of the sub-fund at 30 June 2026 would increase/(decrease) the Group and Bank profit or loss by approximately USD110,117 (31 December 2025: USD125,382).

6.2.4 Financial instruments not measured at fair value

At 30 June 2026 and 31 December 2025, the fair value of the below financial assets and liabilities measured at amortised cost is approximately equal to the carrying amount unless disclosed otherwise below and, as such, the fair value estimate is considered to be a Level 3 fair value estimate. The approximate fair value is based on the following:

- **'Balances with the Central Bank of Malta and cash'**
  All of these assets reprice or mature in less than one hundred eighty days at 30 June 2026 and 31 December 2025. Hence their fair value is not deemed to differ materially from their carrying amount at the respective reporting dates.

- **'Loans and advances to banks', 'Loans and advances to customers' and financial assets included within 'Assets classified as held for sale'**
  Loans and advances to banks and customers, as well as financial assets included within 'Assets classified as held for sale', are reported net of allowances to reflect the estimated recoverable amounts as at the financial reporting date. More than 85% of the Group's (31 December 2025: 82%) and more than 81% of the Bank's (31 December 2025: 82%) loans and advances to banks and customers are repayable within a period of less than 12 months and the interest is re-priced to take into account changes in benchmark rates. As a result, the carrying amount of loans and advances to banks and customers is deemed to be a reasonable approximation of fair value.

- **'Financial investments at amortised cost'**
  'Financial investments at amortised cost' represent the Group's and Bank's portfolio of debt instruments, comprising investments in bonds issued by governments of European Union member states and by European banks. These investments are held primarily for liquidity management purposes. The fair value amounted to USD40,014,126 (31 December 2025: USD40,356,344). Fair value is determined using quoted market prices and is classified as Level 1 within the fair value hierarchy at the end of the reporting period.

  As at 30 June 2026, 'Financial investments at amortised cost' with a carrying amount of USD144,395,571 comprise the Bank's investments in bonds issued by a subsidiary company (2025: USD96,173,393). These assets reprice or mature in less than one year at 30 June 2026. As a result, the carrying amount of these instruments is deemed to be a reasonable approximation of fair value.

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

  Interest rates on the Group's 'Debt securities in issue' are disclosed in Note 14.

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

  Interest rates on the Group's 'Subordinated Liabilities' are disclosed in Note 15.

6.2.5 Non-financial instruments measured at fair value

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

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

The land and premises and investment property were last revalued on 31 December 2023. The underlying assumptions and inputs to the derivation of the estimated fair value are disclosed in Notes 28.2 and 29.2 of the Annual Report and Financial Statements 2025. No significant changes in key assumptions and inputs, that would require a revaluation, were observed during the financial period ended 30 June 2026.

7 Classification of financial assets and liabilities

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

Group – 30 June 2026

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta and cash	-	-	61,716,603	**61,716,603**
Derivative assets held for risk management	2,167,661	-	-	**2,167,661**
Trading assets	371,802,864	-	-	**371,802,864**
Loans and advances to banks	-	-	138,163,989	**138,163,989**
Loans and advances to customers	-	-	430,303,894	**430,303,894**
Financial investments at fair value through profit or loss	9,261,409	-	-	**9,261,409**
Financial investments at fair value through other comprehensive income	-	102,540,202	-	**102,540,202**
Financial investments at amortised cost	-	-	40,721,976	**40,721,976**
Assets classified as held for sale	-	-	59,637,309	**59,637,309**
Total financial assets	**383,231,934**	**102,540,202**	**730,543,771**	**1,216,315,907**
Derivative liabilities held for risk management	3,857,069	-	-	**3,857,069**
Amounts owed to institutions and banks	-	-	231,298,612	**231,298,612**
Amounts owed to customers	-	-	776,773,973	**776,773,973**
Debt securities in issue	-	-	17,242,431	**17,242,431**
Liabilities directly associated with assets held for sale	-	-	36,139,978	**36,139,978**
Subordinated liabilities	-	-	20,278,056	**20,278,056**
Total financial liabilities	**3,857,069**	**-**	**1,081,733,050**	**1,085,590,119**

Group – 31 December 2025

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta and cash	-	-	84,495,977	**84,495,977**
Derivative assets held for risk management	4,162,262	-	-	**4,162,262**
Trading assets	444,796,402	-	-	**444,796,402**
Loans and advances to banks	-	-	88,016,744	**88,016,744**
Loans and advances to customers	-	-	438,403,451	**438,403,451**
Financial investments at fair value through profit or loss	9,882,219	-	-	**9,882,219**
Financial investments at fair value through other comprehensive income	-	105,254,684	-	**105,254,684**
Financial investments at amortised cost	-	-	41,294,459	**41,294,459**
Assets classified as held for sale	-	-	67,455,729	**67,455,729**
Total financial assets	**458,840,883**	**105,254,684**	**719,666,360**	**1,283,761,927**
Derivative liabilities held for risk management	2,842,770	-	-	**2,842,770**
Amounts owed to institutions and banks	-	-	222,566,779	**222,566,779**
Amounts owed to customers	-	-	849,044,732	**849,044,732**
Debt securities in issue	-	-	17,782,045	**17,782,045**
Liabilities directly associated with assets held for sale	-	-	40,641,371	**40,641,371**
Subordinated liabilities	-	-	20,281,111	**20,281,111**
Total financial liabilities	**2,842,770**	**-**	**1,150,316,038**	**1,153,158,808**

Bank – 30 June 2026

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta and cash	-	-	61,694,831	**61,694,831**
Derivative assets held for risk management	2,167,661	-	-	**2,167,661**
Loans and advances to banks	-	-	125,231,590	**125,231,590**
Loans and advances to customers	-	-	495,218,706	**495,218,706**
Financial investments at fair value through profit or loss	9,261,409	-	-	**9,261,409**
Financial investments at fair value through other comprehensive income	-	102,540,202	-	**102,540,202**
Financial investments at amortised cost	-	-	185,117,547	**185,117,547**
Total financial assets	**11,429,070**	**102,540,202**	**867,262,674**	**981,231,946**
Derivative liabilities held for risk management	4,010,223	-	-	**4,010,223**
Amounts owed to institutions and banks	-	-	156,556,414	**156,556,414**
Amounts owed to customers	-	-	779,298,446	**779,298,446**
Subordinated liabilities	-	-	20,278,056	**20,278,056**
Total financial liabilities	**4,010,223**	**-**	**956,132,916**	**960,143,139**

Bank – 31 December 2025

	Mandatorily at fair value through profit or loss USD	Fair value through other comprehensive income USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta and cash	-	-	84,470,832	**84,470,832**
Derivative assets held for risk management	4,163,342	-	-	**4,163,342**
Loans and advances to banks	-	-	81,847,983	**81,847,983**
Loans and advances to customers	-	-	638,590,462	**638,590,462**
Financial investments at fair value through profit or loss	9,882,219	-	-	**9,882,219**
Financial investments at fair value through other comprehensive income	-	105,254,684	-	**105,254,684**
Financial investments at amortised cost	-	-	137,467,852	**137,467,852**
Total financial assets	**14,045,561**	**105,254,684**	**942,377,129**	**1,061,677,374**
Derivative liabilities held for risk management	2,844,896	-	-	**2,844,896**
Amounts owed to institutions and banks	-	-	160,871,504	**160,871,504**
Amounts owed to customers	-	-	852,545,809	**852,545,809**
Subordinated liabilities	-	-	20,281,111	**20,281,111**
Total financial liabilities	**2,844,896**	**-**	**1,033,698,424**	**1,036,543,320**

8 Net fee and commission (expense)/income

	Group		Bank	
	30 Jun 2026 USD	30 Jun 2025 USD	30 Jun 2026 USD	30 Jun 2025 USD
Fee and commission income				
Business introductions and other services provided in respect of trading assets	777,360	779,341	-	-
Issuance and confirmation of letters of credit	804,508	586,784	804,508	586,784
Assignment fees on bills and LCs negotiated	326,581	331,955	326,581	331,955
Issuance of guarantees to customers	355,025	276,029	355,025	276,029
Issuance of guarantees to subsidiary companies	-	-	-	132
Rebates and maintenance fees on correspondent banking	172,274	198,527	172,274	198,527
Payment fees and other bank charges	178,579	165,923	178,579	160,487
Payment fees and other bank charges charged to subsidiary companies	-	-	167,170	167,255
Account opening and other operating fees on customer accounts	33,562	129,786	33,562	129,786
Fees and commissions receivable in respect of real estate lending	144,680	121,568	144,680	121,568
Fees and commissions receivable in respect of trade finance lending	800	9,424	800	9,424
Administrative fees on factoring receivables	337	23,682	-	-
Other fees receivable	7,500	-	7,500	-
	2,801,206	**2,623,019**	**2,190,679**	**1,981,947**
Fee and commission expense				
Commissions paid to correspondent factors and insurance fees in respect of factoring receivables	1,309,378	1,220,164	139,271	202,314
Insurance fees in respect of trading assets	931,165	494,853	-	-
Agent fees and other administrative fees in respect of trading assets	537,513	300,889	-	-
Insurance fees in respect of trade finance lending	268,555	250,415	268,555	250,415
Bank charges	100,610	104,798	92,788	97,054
Issuance of guarantees in respect of trade finance lending	26,913	1,905	26,913	2,683
Other fees payable	846	3,085	846	2,307
	3,174,980	**2,376,109**	**528,373**	**554,773**
Net fee and commission (expense)/income	**(373,774)**	**246,910**	**1,662,306**	**1,427,174**

Fee and commission income and expense recognised during the current and preceding financial periods in respect of financial instruments attributable to Egypt Factors have been presented within 'Profit from discontinued operations' in these financial statements in view of the Group's decision to dispose of the subsidiary (refer to Note 11).

Included in Group and Bank are 'Fee and commission income' receivable from, and 'Fee and commission expense' payable to, related parties. Refer to Note 19 for further details.

9 Net trading results

	Group		Bank	
	30 Jun 2026 USD	30 Jun 2025 USD	30 Jun 2026 USD	30 Jun 2025 USD
Fair value movements on trading assets	(1,150,670)	(204,987)	-	-
Fair value movements on derivatives held for risk management	(6,270,629)	11,572,114	(5,537,091)	11,001,776
Net income/(loss) from foreign exchange activities	4,756,216	(9,810,084)	5,026,953	(9,946,853)
	(2,665,083)	**1,557,043**	**(510,138)**	**1,054,923**

'Net income/(loss) from foreign exchange activities' recognised during the current and preceding financial years relating to Egypt Factors has been presented within 'Profit from Discontinued Operations' in these financial statements in view of the Group's decision to dispose of the subsidiary.

10 Dividend income

	Bank	
	30 Jun 2026 USD	30 Jun 2025 USD
Dividend income from subsidiary companies	1,000,000	840,796
	1,000,000	**840,796**

11 Discontinued operations and disposal group classified as held for sale

During the financial year ended 31 December 2025, a decision was made by the Bank's Board of Directors to sell its shareholding in Egypt Factors, a subsidiary. In this respect, the Directors determined that the criteria emanating from IFRS 5 for classifying the subsidiary as 'held for sale' and a 'discontinued operation' have been met as at 31 December 2025, given that the Bank is committed to a plan to sell its subsidiary and has initiated an active program to locate a buyer for its Egypt subsidiary, with efforts to actively market the subsidiary for sale at a price consistent with its fair value having commenced during the reporting period ended 31 December 2025.

In this respect, the assets and liabilities attributable to Egypt Factors are presented separately as 'held for sale' in the Group's Statements of financial position as at 30 June 2026 and 31 December 2025 and the disposal group measured at the lower of carrying amount and fair value less costs to sell. Similarly, the Bank's investment in Egypt Factors has also been presented as 'Assets classified as held for sale' as at the same dates.

In addition, in view of the fact that the operations of Egypt Factors represent a separate major line of business and the disposal will result in the loss of control, the net results of the subsidiary for the financial period ended 30 June 2026 are presented within a separate line item as 'Profit from discontinued operations' in the Statements of Profit or Loss. The comparative information within the Statements of Profit or Loss relating to the financial period ended 30 June 2025 has been re-presented to reflect this classification as a discontinued operation.

11.1 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities attributable to Egypt Factors are presented as held for sale as at 30 June 2026 and 31 December 2025:

	Group	
	30 Jun 2026 USD	31 Dec 2025 USD
Statements of financial position		
Assets classified as held for sale		
Cash	2,028	-
Loans and advances to banks	995,220	3,985,393
Loans and advances to customers	58,640,061	63,470,336
Property and equipment	-	214,527
Other assets	-	56,035
	59,637,309	**67,726,291**
Liabilities directly associated with assets held for sale		
Amounts owed to institutions and banks	36,090,169	39,925,917
Amounts owed to customers	49,809	715,454
Current tax liabilities	1,746	4,090
Other liabilities	990,594	1,193,513
	37,132,318	**41,838,974**
Net assets	**22,504,991**	**25,887,317**

11.2 Financial performance and cash flow information

The financial performance and cash flow information relating to Egypt Factors in respect of the financial periods ended 30 June 2026 and 30 June 2025 are presented in the table below:

	Group	
	30 Jun 2026 USD	30 Jun 2025 USD
Statements of profit or loss		
Interest income	5,181,102	6,167,796
Interest expense	(2,898,972)	(3,069,446)
Net interest income	**2,282,130**	**3,098,350**
Fee and commission income	6,474	273
Fee and commission expense	(92,011)	(59,351)
Net fee and commission expense	**(85,537)**	**(59,078)**
Net trading results	(49,178)	45,835
Net movement in expected credit losses and other credit impairment charges	19,526	(1,222,709)
Operating income	**2,166,941**	**1,862,398**
Administrative expenses	(1,320,355)	(1,249,275)
Depreciation, amortisation and impairment of property and equipment (refer to Note 11.3)	(458,408)	(100,967)
Total operating expenses	**(1,778,763)**	**(1,350,242)**
Profit before income tax	**388,178**	**512,156**
Taxation	-	-
Profit from discontinued operations	**388,178**	**512,156**

	Group	
	30 Jun 2026	30 Jun 2025
	USD	USD
Statements of cash flows		
Net cash flows from/(used in) operating activities	997,196	(1,693,413)
Net cash flows used in investing activities	(66,309)	(40,623)
Net cash flows used in financing activities	(86,568)	(82,445)
Effect of net exchange gains/(losses) attributable to assets and liabilities	(61,901)	54,267
Net increase/(decrease) in cash and cash equivalents	**782,418**	**(1,762,214)**

11.3 Impairment assessment in respect of Egypt Factors

The recoverable amount of the Bank's investment in Egypt Factors, which is classified as 'Assets classified as held for sale' as at 30 June 2026, is based on its 'fair value less costs to sell'. In establishing the 'fair value less costs to sell' of the subsidiary, management estimated the cash flows that would flow to the Bank in the event of disposal in an orderly transaction with independent market participants within a short timeframe, by reference to indicative bid prices which are deemed by management to be reasonable. As at 30 June 2026 and 31 December 2025, the 'fair value less costs to sell' was higher than the carrying amount of the Bank's investment in Egypt Factors.

At consolidated financial statements level, the 'fair value less costs to sell' of the subsidiary was deemed to be higher than the net asset value of Egypt Factors at 31 December 2025. At 30 June 2026, the 'fair value less costs to sell' of the subsidiary was re-estimated, resulting in the identification of an impairment loss at Group level, which impairment loss was recognised by reducing the carrying amount of the assets within the disposal group which are in scope of IFRS 5 measurement principles. In this respect, an impairment loss amounting to USD354,025 was allocated against the carrying amount of 'Property and equipment' and 'Other assets' classified within 'Assets classified as held for sale' as disclosed in Note 11.1. This impairment loss is presented within 'Profit from discontinued operations' in the Consolidated Interim Statements of Profit or Loss for the period ended 30 June 2026.

The assessment above was performed by reference to key assumptions which are deemed to be reasonable by management at 30 June 2026. Whilst such assumptions are inherently subject to changes in economic, political and market conditions, the Directors believe that the Bank will recover the carrying amount of its investment in Egypt Factors. Sensitivity analysis performed in respect of the key assumptions did not indicate a material impact on the impairment recognised.

12 Derivatives held for risk management

	Group		Bank	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	USD	USD	USD	USD
Derivative assets held for risk management				
- foreign exchange	2,167,661	4,162,262	2,167,661	4,162,262
- foreign exchange with subsidiary companies	-	-	-	1,080
	2,167,661	**4,162,262**	**2,167,661**	**4,163,342**
Derivative liabilities held for risk management				
- foreign exchange	(3,857,069)	(2,842,770)	(3,857,069)	(2,842,770)
- foreign exchange with subsidiary companies	-	-	(151,893)	-
- interest rate with subsidiary companies	-	-	(1,261)	(2,126)
	(3,857,069)	**(2,842,770)**	**(4,010,223)**	**(2,844,896)**

See Note 19 for derivatives with related parties.

12.1 Net investment hedge

The Bank has an exposure to Indian Rupees ("INR") in respect of the investment in India Factoring, which had a carrying amount of USD45.1 million as at 30 June 2026 (31 December 2025: USD40 million). In this respect, the Bank entered into forward foreign exchange derivative contracts to hedge its exposure to INR. As at 30 June 2026, the notional amount of these derivative contracts amounts to USD39.0 million (31 December 2025: USD37.0 million).

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

	Carrying amount					
	Derivative assets USD	Derivative liabilities USD	Notional amount USD	Movement in hedged item recognised in OCI USD	Movement in fair value of hedging instrument USD	Hedge ineffectiveness recognised in income statement USD
30 June 2026						
Indian Rupee denominated foreign exchange	-	212,693	38,968,001	896,007	977,339	81,332
31 December 2025						
Indian Rupee denominated foreign exchange	728,109	-	37,041,312	886,556	784,918	(101,638)

13 Investments in subsidiaries

13.1 Subsidiaries

Name of company	Country of incorporation	Nature of business	Equity interest		Bank	
			30 Jun 2026 %	31 Dec 2025 %	30 Jun 2026 USD	31 Dec 2025 USD
FIM Property Investment Limited	Malta	Property management	100	100	1,006,000	1,006,000
London Forfaiting Company Limited	United Kingdom	Forfaiting	100	100	72,966,435	72,966,435
FIMFactors B.V.	Netherlands	Holding company	100	100	45,323,115	40,228,507
					119,295,550	**114,200,942**

The carrying amount of the 'Investments in subsidiaries', amounting to USD119,295,550 as at 30 June 2026 (31 December 2025: USD114,200,942), is stated net of accumulated impairment amounting to USD57,290,466 as at 30 June 2026 (31 December 2025: USD57,290,466) in relation to FIMFactors B.V. ("FIMFactors"). Refer to Note 13.2 for details on the impairment assessment as at 30 June 2026.

Egypt Factors

During the financial year ended 31 December 2025, the Group committed to a plan to sell its investment in Egypt Factors, a wholly owned subsidiary, initiating an active program to locate a buyer for this subsidiary. In this respect, the criteria emanating from IFRS 5 in order to classify the subsidiary as 'held for sale' are deemed to have been met and, accordingly, the Bank's investment in Egypt Factors is presented within 'Assets classified as held for sale' as at 30 June 2026 and 31 December 2025. Refer to Note 11 for further details.

India Factoring

The Bank, indirectly through FIMFactors B.V., controls India Factoring and Finance Solutions Private Limited ("India Factoring"), an entity incorporated in India and carrying out the business of factoring in India. As at 1 January 2025, the Bank held 88.16% shareholding.

During the six-month period ended 30 June 2025, the board of directors of India Factoring and its members approved the offer, issuance and allotment of 51,041,897 shares having a nominal value of INR10 each at an issue price of INR10 to existing shareholders. In March 2025, the Bank, through its subsidiary FIMFactors, subscribed to a first tranche of 26,100,000 newly issued and allotted shares of India Factoring for INR261,000,000 (USD3,012,817). This increased the Group's shareholding in India Factoring from 88.16% to 88.80%.

In April 2025, the Bank, through FIMFactors, entered into a share purchase agreement to acquire 19,902,291 shares in India Factoring from a non-controlling interest for a total consideration of INR116,229,385 (USD1,352,418), effectively raising the Group's shareholding from 88.80% to 92.87%.

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

In July 2025, the Bank made an additional investment of INR171,000,000 (USD1,995,565) in India Factoring. This investment is intended to support the further growth of the company and its ability to do this within the regulatory capital requirements. In this respect, the Bank's effective shareholding in India Factoring as at 31 December 2025 stood at 99.56%.

In March 2026, the Bank, through its subsidiary FIMFactors, subscribed to 46,150,000 newly issued and allotted shares of India Factoring for INR461,500,000 (USD5,013,580). This increased the Group's shareholding in India Factoring from 99.56% to 99.60%.

As a result of the above transaction, the non-controlling interest in India Factoring decreased from 0.44% as at 31 December 2025 to 0.40% as at 30 June 2026, resulting in a net decrease in the non-controlling interest amounting to USD5,525, as shown within the Group's Statements of Changes in Equity for the six-month period ended 30 June 2026.

London Forfaiting Company Limited

The Bank, indirectly through London Forfaiting Company Limited, controls London Forfaiting International Limited, a holding company incorporated in the United Kingdom. As at 30 June 2026, the Bank held 100% (31 December 2025: 100%) shareholding.

In turn, London Forfaiting International Limited controls the following subsidiaries:

Name of company	Country of incorporation	Nature of business	Equity interest	
			30 Jun 2026	31 Dec 2025
			%	%
London Forfaiting Americas Inc.	United States of America	Marketing	100	100
London Forfaiting do Brasil Ltda.	Brazil	Marketing	100	100

See Note 19 for related party balances and transactions.

13.2 Impairment assessment

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

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

As at 30 June 2026, the Bank performed an assessment to identify any impairment triggers based on the underlying performance of each subsidiary. This involved a retrospective analysis to test the effectiveness of the assumptions and projections used in the assessment as at 31 December 2025. As at 30 June 2026, no indicators of impairment were identified by the Bank in relation to its investment in any of its subsidiaries.

As at 30 June 2025, the Bank performed an assessment to identify any impairment triggers based on the underlying performance of each subsidiary. This involved a retrospective analysis to test the effectiveness of the assumptions and projections used in the assessment as at 31 December 2024. As at 30 June 2025, no indicators of impairment were identified by the Bank in relation to its investment in any of its subsidiaries.

14 Debt securities in issue

	Group	
	30 Jun 2026	31 Dec 2025
	USD	USD
Opening balance	**17,782,045**	**15,851,701**
Debt securities issued	17,090,122	35,248,502
Principal repayments	(17,090,122)	(35,248,502)
Movement in accrued interest	(5,485)	(111,111)
Effects of movement in exchange rates	(534,129)	2,041,455
Closing balance	**17,242,431**	**17,782,045**

'Debt securities in issue' as at 30 June 2026 and 31 December 2025 comprise of unsecured promissory notes with a tenor of less than one year.

As at 30 June 2026 and 31 December 2025, all three promissory notes are subject to a fixed interest rate. As at 30 June 2026, the effective interest rate in respect of 'Debt securities in issue' ranges between 4.029% and 4.151% (31 December 2025: 3.976% and 3.998%).

As at 30 June 2026 and 31 December 2025, the Group has an early repayment option on all promissory notes. However, in view of the short-term maturity horizon of the promissory notes, the potential impact of the Group exercising this option is deemed to be immaterial.

15 Subordinated liabilities

	Group		Bank	
	30 Jun 2026 USD	31 Dec 2025 USD	30 Jun 2026 USD	31 Dec 2025 USD
Subordinated liabilities	20,278,056	20,281,111	20,278,056	20,281,111
	20,278,056	**20,281,111**	**20,278,056**	**20,281,111**

In February 2025, the Bank received a subordinated loan amounting to USD20,000,000 from a subsidiary of its ultimate parent. The loan carries a fixed interest rate of 5.5% and was issued on an arm's length basis. It has a contractual maturity of seven years.

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

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

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

16 Contingent liabilities and related items

	Group		Bank	
	30 Jun 2026 USD	31 Dec 2025 USD	30 Jun 2026 USD	31 Dec 2025 USD
Guarantees issued to banks	12,158,755	1,578,864	12,158,755	1,578,864
Guarantees issued to customers	19,490,573	25,097,797	19,490,573	25,097,797
	31,649,328	**26,676,661**	**31,649,328**	**26,676,661**

At 30 June 2026, an expected credit loss allowance, determined in accordance with IFRS 9, amounting to USD176,852(31 December 2025: USD84,441) for the Group and USD176,852 (31 December 2025: USD84,441) for the Bank, was recognised and presented within 'Provision for liabilities and charges' in respect of guarantees issued by the Group and Bank respectively.

16.1 Payment commitments to the Depositor Compensation Scheme ("DCS") and the Single Resolution Fund ("SRF")

Payment commitments to the DCS and the SRF relate to possible future contributions payable to the DCS and the SRF. The DCS provides compensation, up to certain limits, to eligible customers of credit institutions that are unable, or likely to be unable, to pay claims against them. The DCS may impose a further contribution on the Group and Bank to the extent the contributions imposed to date are not sufficient to cover the compensation due to customers in any future possible collapse upon a determination event. The ultimate contribution as a result of a collapse is dependent on various uncertain factors including the potential recovery of assets by the DCS, changes in the level of protected products and the population of DCS members at the time of the determination event. At 30 June 2026, assets pledged in favour of the DCS comprised of cash collateral amounting to USD2,524,919 (31 December 2025: USD2,511,782). The cash collateral is classified within 'Other assets' in the Statements of Financial Position. At 30 June 2026 and 31 December 2025, the Bank had no excess contributions pledged in favour of the DCS.

In addition, in accordance with article 70(3) of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, the available financial means of the SRF may include irrevocable payment commitments which are fully backed by unencumbered collateral of low-risk assets. The share of irrevocable payment commitments cannot exceed 30% of the total amount of contributions. At 30 June 2026, irrevocable payment commitments to the SRF amounted to USD459,330 (31 December 2025: USD473,686). The cash collateral is classified within 'Other assets' in the Statements of Financial Position.

In November 2025, the European Court of Justice dismissed an appeal made by BNP Paribas Public Sector SA, as a result of which the latter was ordered to pay the amounts committed to the SRF, upon surrender of license using an irrevocable payment commitment or forfeit its deposit in lieu of a separate cash payment. Based on this judgement, it was determined that the principal value of the cash collateral will never be returned by the SRF and, as a result, an entity will need to settle the irrevocable payment commitment at the earlier of two triggering events: a) the loss of the banking licence; or b) the occurrence of a banking crisis. As a result, the criteria for the recognition of a provision relating to the irrevocable payment commitment in accordance with IAS 37 are deemed to have been met as at 31 December 2025.

A similar analysis has also been made in respect of the payment commitment in favour of the DCS, which is required to be settled at the earlier of the loss of the banking licence or the failure of a local institution whose deposits are covered by the DCS under a determination event.

In this respect, the Group and Bank performed an assessment to estimate the provision in respect of both commitments. The probability of an outflow of economic resources is dependent on the likelihood of occurrence of the triggering events described above. Management has assessed the probability of the Bank surrendering its licence, based on its capital and liquidity position, profitability projections, and regulatory compliance. The Bank's business model and financial standing indicate the intentions to continue operating indefinitely. The likelihood of a determination event occurring within the European and Maltese banking sectors was also assessed in the context of the commitments to the SRF and DCS respectively, considering macroeconomic conditions, financial stability indicators and the historical incidence of such determination events.

At 30 June 2026, the Bank recognised a provision of USD146,207 in respect of the DCS payment commitment (gross commitment: USD2,524,919) and a provision of USD26,598 in respect of the SRF payment commitment (gross commitment: USD459,330). The provisions reflect management's assessment of the probability of the related pay-out events occurring and are recognised within 'Provision for liabilities and charges' in the Statements of Financial Position. The underlying payment commitments continue to be secured by cash collateral recognised within 'Other assets'. No provision was recognised in respect of these commitments as at 31 December 2025, as the initial estimated amount was deemed to be insignificant.

The Bank will continue to monitor regulatory developments, local banking sector conditions, and economic indicators, and will reassess its position at each reporting date.

16.2 Other matters

The Group has identified a potential tax exposure relating to the application of Section 94B of the Indian Income-Tax Act. During the period, the Group reassessed its position following recent judicial developments concerning the interpretation of these provisions. While management, supported by external advice, considers its tax treatment to be technically supportable, the evolving legal and regulatory landscape gives rise to uncertainty regarding the ultimate outcome. The additional tax liability to which the Group might be exposed amounts to USD665,330 as at 30 June 2026.

17 Commitments

	Group		Bank	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	USD	USD	USD	USD
Undrawn credit facilities	96,322,354	131,333,606	96,322,354	131,333,606
Confirmed letters of credit	12,293,593	17,393,958	13,261,993	17,671,881
Documentary credits	18,121,496	18,285,697	18,121,496	18,285,697
Commitment to purchase assets	-	11,894,055	-	-
Commitment to sell assets	-	(7,663,600)	-	-
	126,737,443	**171,243,716**	**127,705,843**	**167,291,184**

At 30 June 2026, the Group has total sanctioned limits to customers amounting to USD1,559,366,882 (31 December 2025: USD1,672,912,437). As at 30 June 2026, the Bank has confirmed documentary credits in favour of subsidiary companies amounting to USD968,400 (31 December 2025: USD277,922).

As at 30 June 2026, an expected credit loss allowance, determined in accordance with IFRS 9, amounting to USD343,281 for the Group and USD343,533 for the Bank (31 December 2025: USD751,099 for the Group and USD751,112 for the Bank), was recognised in respect of commitments and presented within 'Provision for liabilities and charges'.

18 Cash and cash equivalents

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

	Group		Bank	
	30 Jun 2026	31 Dec 2025	30 Jun 2026	31 Dec 2025
	USD	USD	USD	USD
Balances with the Central Bank of Malta and cash	61,748,527	84,522,623	61,726,755	84,497,477
Loans and advances to banks	46,101,221	15,137,851	34,764,616	10,591,173
Amounts owed to institutions and banks	(143,850,165)	(138,683,885)	(77,371,653)	(85,783,500)
Cash and cash equivalents at end of period	**(36,000,417)**	**(39,023,411)**	**19,119,718**	**9,305,150**
Adjustment to reflect balances with contractual maturity of more than three months	4,582,397	(11,030,647)	11,250,289	(3,857,839)
As per statements of financial position	**(31,418,020)**	**(50,054,058)**	**30,370,007**	**5,447,311**
Analysed as follows:				
Balances with the Central Bank of Malta and cash	61,716,603	84,495,977	61,694,831	84,470,832
Loans and advances to banks	138,163,989	88,016,744	125,231,590	81,847,983
Amounts owed to institutions and banks	(231,298,612)	(222,566,779)	(156,556,414)	(160,871,504)
	(31,418,020)	**(50,054,058)**	**30,370,007**	**5,447,311**
Reconciliation with statements of cashflows				
Cash and cash equivalents at end of year:				
- attributable to continuing operations	(36,000,417)	(39,023,411)	19,119,718	9,305,150
- attributable to discontinued operations	997,328	3,985,413	-	-
Cash and cash equivalents as per statements of cashflows	**(35,003,089)**	**(35,037,998)**	**19,119,718**	**9,305,150**

19 Related parties

19.1 Identification of related parties

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

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

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

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

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

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

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

	Ultimate and immediate parent companies *		Subsidiaries of ultimate parent company **	
	30 Jun 2026 USD	31 Dec 2025 USD	30 Jun 2026 USD	31 Dec 2025 USD
Assets				
Financial assets held for trading	5,696,707	5,874,750	-	-
Loans and advances to banks	-	-	-	241,902
Loans and advances to customers	27,918,551	29,049,397	-	-
Liabilities				
Amounts owed to institutions and banks	-	-	20,290,883	20,120,042
Amounts owed to customers	33,547	292,221	44,479	44,554
Subordinated liabilities	-	-	20,278,056	20,281,111
Other liabilities	-	-	734	757

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

As at 30 June 2026 and 31 December 2025, there were no outstanding balances related to the subsidiaries of the immediate parent company.

	Ultimate and immediate parent companies *		Subsidiaries of ultimate parent company **	
	30 Jun 2026 USD	30 Jun 2025 USD	30 Jun 2026 USD	30 Jun 2025 USD
Statements of profit or loss				
Interest income	1,009,390	981,212	-	-
Interest expense	-	-	(1,037,472)	(525,833)
Fee and commission income	75	167	4,952	3,180
Administrative expenses	-	-	(37,954)	(104,271)

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

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

During the six months ended 30 June 2026 and 30 June 2025, there were no transactions related to the subsidiaries of the immediate parent company.

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

	Shareholder having significant influence	
	30 Jun 2026 USD	31 Dec 2025 USD
Assets		
Loans and advances to banks	7,384	7,387
Liabilities		
Amounts owed to institutions and banks	-	10,018,861

	Shareholder having significant influence	
	30 Jun 2026 USD	30 Jun 2025 USD
Statements of profit or loss		
Interest expense	(63,319)	-

19.3 Transactions with subsidiaries and associates

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

	Subsidiaries		Associates	
	30 Jun 2026 USD	31 Dec 2025 USD	30 Jun 2026 USD	31 Dec 2025 USD
Assets				
Derivative assets held for risk management	-	1,080	-	-
Loans and advances to customers	250,172,942	381,296,531	7,008,362	7,009,447
Financial assets at amortised cost	144,395,571	96,173,393	-	-
Investments in subsidiaries (Note 13)	119,295,550	114,200,942	-	-
Assets classified as held for sale	8,523,449	8,523,449	-	-
Other assets	467,693	1,510,558	-	-
Liabilities				
Derivative liabilities held for risk management	153,154	2,126	-	-
Amounts owed to customers	3,530,518	4,150,551	3,266	2,816
Provision for liabilities and charges	251	18	-	-
Other liabilities	8,291,675	9,276,040	-	-
Memorandum items				
Commitments	968,400	277,922	-	-

	Subsidiaries		Associates	
	30 Jun 2026 USD	30 Jun 2025 USD	30 Jun 2026 USD	30 Jun 2025 USD
Statements of profit or loss				
Interest income	10,555,011	10,108,417	168,416	184,758
Interest expense	(165,555)	(169,373)	-	-
Fee and commission income	167,170	167,387	-	-
Realised/Unrealised loss on FX derivatives	(157,798)	-	-	-
Dividend income	1,000,000	840,796	-	-
Other operating income	710,418	466,179	-	-
Other operating expenses	(203,132)	(9,325)	-	-
Administrative expenses	(379,090)	(341,037)	-	-

19.4 Transactions with key management personnel

	Directors		Executive officers *	
	30 Jun 2026 USD	31 Dec 2025 USD	30 Jun 2026 USD	31 Dec 2025 USD
Liabilities				
Amounts owed to customers	591,034	814,114	173,309	176,780

	Directors		Executive officers *	
	30 Jun 2026 USD	30 Jun 2025 USD	30 Jun 2026 USD	30 Jun 2025 USD
Statements of profit or loss				
Interest expense	(8,603)	(7,406)	(2,348)	(2,311)
Administrative expenses - remuneration	(183,375)	(185,625)	(1,131,658)	(1,032,450)
Administrative expenses - other long-term benefits	(200)	(200)	(208,673)	(149,261)
Administrative expenses - others	(2,863)	-	(7,345)	(8,226)

' * ' The figures included in the above table in respect of 'Executives officers' comprise the remuneration payable to 'Executive Directors' and 'Executive Management' as defined in the Remuneration Report published with the Annual Report and Financial Statements 2025 of FIMBank p.l.c.

As of 30 June 2026, Directors of the Bank control less than 1 per cent of the voting shares of the Bank (31 December 2025: less than 1 per cent).

19.5 Other related party transactions

	Other related parties	
	30 Jun 2026 USD	31 Dec 2025 USD
Liabilities		
Amounts owed to customers	492,497	552,583

	Other related parties	
	30 Jun 2026 USD	30 Jun 2025 USD
Statements of profit or loss		
Interest expense	(6,229)	(6,278)
Fee and commission income	1,711	-

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

Report on review of interim financial information

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

Introduction

We have reviewed the accompanying condensed consolidated and stand-alone interim statement of financial position of FIMBank p.l.c. (the “Bank”) and its subsidiaries (the “Group”) as at 30 June 2026 and the related condensed consolidated and stand-alone interim statements of profit or loss, other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and explanatory notes. The Directors are responsible for the preparation and presentation of this condensed consolidated and stand-alone interim financial information in accordance with International Accounting Standard 34, “Interim financial reporting”. Our responsibility is to express a conclusion on this condensed consolidated and stand-alone interim financial information based on our review.

Scope of review

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

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

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

Conclusion

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

Other matter

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

FAxisa

Fabio Axisa
Principal

For and on behalf of
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Malta
19 August 2026