

4 August 2026

## COMPANY ANNOUNCEMENT

The following is a Company Announcement by HSBC Bank Malta p.l.c. pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

### Quote:

During a meeting held on 4 August 2026, the Board of Directors of HSBC Bank Malta p.l.c. approved the attached interim condensed consolidated financial statements for the six-month financial period from 1 January 2026 to 30 June 2026.

## HSBC Bank Malta p.l.c.: Strong And Resilient Half Year Results, Underpinned By Robust Capital And Liquidity

### 2026 Interim Results

Reported profit before tax for the six months ended 30 June 2026 amounts to €44.4million (June 2025: €58.7million). Adjusted profit before tax, after considering notable items amounts to €51.7million (June 2025: €58.7million). The Board of Directors declared an interim quarterly cash ordinary dividend of €0.043 gross per share amounting to €15.5million to be paid to shareholders appearing on the bank's Register of Members, as maintained at the Central Securities Depository at the Malta Stock Exchange, as at the close of business of 18 August 2026. Interim dividends will be paid on 23 September 2026. Considering the gross dividend per share paid in Q1 2026 of €0.036, total gross dividend per share in H1 2026 amounted to €0.079, equivalent to €28.5million.

### Chief Executive Officer Statement

Geoffrey Fichte, the Chief Executive Officer of HSBC Malta, said:

"We delivered a strong and resilient first half performance, with adjusted profit before tax of €51.7million, supported by rising transaction volumes and broad-based momentum across new-to-bank customers, personal lending, wealth and insurance, including product enhancements. New corporate lending increased to support businesses and the wider economy, while deposits grew year-on-year, reinforcing our funding strength and the trust customers place in us. Backed by our strong capital and liquidity ratios, and solid first half profitability, we are well positioned for the future and continue to reward shareholders with quarterly dividends.

"The proposed transition to a new majority shareholder, CrediaBank, subject to regulatory approvals, is progressing and the bank's employees remain focused on serving customers."



**Paula Mamo LL.D.**

**Company Secretary**

This Company Announcement is issued by

HSBC Bank Malta p.l.c.

Company Secretary Tel: (+356) 2380 2380

Registered in Malta number C3177

Registered office: 116, Archbishop, Valletta VLT 1444, Malta

HSBC Bank Malta p.l.c. authorised by the Malta Financial Services Authority to provide investment services under the Investment Services Act 1994.

HSBC Bank Malta p.l.c. is enrolled as a tied insurance intermediary for HSBC Life Assurance (Malta) Ltd under the Insurance Distribution Act (Cap. 487 of the Laws of Malta)

**Unquote**

# Directors' Report

## Financial performance

The reported profit before tax for the six months ended 30 June 2026 was €44.4million, a decrease of €14.3million compared with H1 2025. The period-on-period movement reflects the lower interest rate environment, market volatility and the impact of notable expenses. The adjusted profit before tax amounted to €51.7million, a decrease of €7.0million compared with the same period last year.

Net interest income decreased by €4.3million to €85.6million compared with €89.8million in H1 2025, reflecting lower average market interest rates during the period.

Non-funds income (fees and commissions and trading income) decreased by €0.6million compared to the same period last year. Net fee income increased by €0.3million supported by growth in new lending across both business lines and higher wealth sales. Trading income decreased by €0.9million, following an exceptionally strong comparative performance in H1 2025.

Operating expenses increased by €7.8million to €65.9million, compared with €58.1million in H1 2025. This reflects notable expenses of €7.3million, being accelerated software amortisation following a revision of the estimated useful life, and an expense for staff-related payments in connection with the industrial dispute with the Malta Union of Bank Employees ('MUBE') as announced in Company Announcement HSBC469.

The bank reported a net release of Expected Credit Losses ('ECL') of €6.5million, compared with a €3.0million release in the same period last year. The ECL release in H1 2026 primarily reflects a recovery on a long-outstanding non-performing corporate loan and improved credit quality in the retail portfolio. ECL calculations continued to consider elevated global uncertainty and geopolitical risks, while the local economy remained resilient.

HSBC Life Assurance (Malta) Ltd. delivered a profit before tax of €1.9million, compared with €6.5million in H1 2025. Performance was influenced by uncertain market conditions, with yield curve movements reversing versus the prior comparative period and negatively impacting net investment results. Despite a highly competitive market, new business generation across protection and long-term savings continued to perform well in the first half of the year and ahead of last year. The company also continued to demonstrate strong financial resilience, maintaining a very robust capital position with a Solvency ratio of 252% as at 30 June 2026.

The effective tax rate remained at 35%, resulting in an interim tax expense of €15.7million.

## Financial Position and Capital

Net loans and advances to customers amounted to €2,696million as at 30 June 2026, a decrease of €67million or 2% when compared to 31 December 2025. However, the bank continued to grow new lending across both business lines and strengthened portfolio quality, resulting in a reduction in non-performing loans of 6%. Non-performing loans are at the lowest levels in recent years.

The investment portfolio increased by €98million to €2,636million, reflecting continued effort to mitigate structural interest-rate risk on the balance sheet. The portfolio remains conservatively positioned and is composed of highly rated securities with the lowest investment grade of A-.

Customer deposits were €6,213million as at 30 June 2026, marginally higher than €6,203million as at 30 June 2025. Customer deposits were lower than 31 December 2025, primarily reflecting seasonal movements in corporate balances while retail deposits increased.

Capital ratios remained strong and comfortably above the regulatory requirements. Common equity tier 1 capital was 24.7% as at 30 June 2026 (compared to 24.1% at the end of 2025) and the total capital ratio was 27.8% (compared to 27.1% as at 31 December 2025).

The Board recommended an interim gross quarterly dividend of €0.043 per share, equivalent to a gross dividend of €15.5million. This represents a 60% payout of the profits after tax, adjusted for the employee benefits expense related to the industrial dispute.

The interim dividend will be paid on 23 September 2026 to shareholders who are on the bank's register of shareholders on 18 August 2026.

## Corporate matters

In December 2025, HSBC Bank Malta p.l.c. was awarded the Bank of the Year by the Banker, the Financial Times internationally renowned publication covering global banking and financial affairs. HSBC Malta's recognition reflects the bank's significant progress across key performance metrics, including earnings growth, capital strength, operational efficiency, and continued investment in digital and technological capabilities. In January 2026, the bank celebrated this recognition at a landmark customer event. A further customer event was held in June 2026 to thank valued customers for their continued trust.

HSBC Bank Malta p.l.c. and the HSBC Malta Foundation have won the Corporate Award for Environmental Innovation and Sustainability in the Private Sector at the 2026 Environment and Resources Authority Awards, recognising the bank's work on Maximising Energy Efficiency Through Sustainable Building Renovation at the HSBC Hub in Qormi. The project is a €30million sustainable retrofit transforming an existing office complex into one of Malta's most energy-efficient corporate buildings.

The proposed transition to a new majority shareholder, CrediaBank, subject to regulatory approvals, is progressing and the bank's employees remain focused on serving customers. HSBC Malta is working closely with its existing majority shareholder, HSBC Continental Europe and CrediaBank, to ensure a smooth and orderly transition; one that safeguards the stability and continuity of the bank for its customers, colleagues, and shareholders.

A bankwide townhall held in May 2026, themed 'Making it Happen', brought colleagues together and reinforced key strategic messages.

### Customer and Business initiatives

#### Retail Banking and Wealth Management, Insurance and Asset Management

The bank remained focused on deepening customer relationships by delivering strong service, supporting customer acquisition and enhancing its proposition.

Retail deposit balances grew during the first half of the year, and new retail lending increased by 27% compared with the same period last year.

Wealth investment sales achieved double-digit growth year on year, reflecting the bank's focus on supporting customers' financial planning needs through protection, regular savings and investment solutions, complemented by HSBC's asset management and insurance capabilities.

Marketing activity continued across multiple channels, with a focus on lending as well as wealth and insurance solutions. In April 2026, eight new Target Dated Funds were added to complement the HSBC Life Pension product platform, helping customers plan more easily for retirement.

The bank continued to provide tailored credit solutions, including the selective reintroduction of mortgage fixed-rate offers, while maintaining disciplined pricing and credit standards to support long-term sustainability.

Branch modernisation also progressed. Refurbishment works at the Rabat Branch were completed in May 2026, delivering an enhanced in-branch experience with improved consultation privacy and wheelchair accessibility. Works at the Gżira branch have commenced, with measures in place to minimise inconvenience as the bank continues to service its customers.

Service levels remained a priority, with continued focus on maintaining fast turnaround times for credit applications and customer enquiries through the Contact Centre and secure messaging.

#### Corporate and Institutional Banking

During the first half of 2026, the bank continued preparations for its next phase of growth, maintaining proactive customer engagement while sustaining high-quality day-to-day service delivery.

Business activity remained robust. New lending increased by 75% compared with the same period last year despite a competitive environment, supported by a strong pipeline expected to progress in the coming months. This activity supported customers across sectors including hospitality, real estate, retail and manufacturing.

The bank also renewed its Gold Sponsorship Agreement with The Malta Chamber of Commerce, Enterprise and Industry, reinforcing its commitment to supporting Malta's business community through collaboration, knowledge exchange and sustainable economic growth.

# Financial statements

## Income statements

|                                                                                                               |       | Group               |                     | Bank                |                     |
|---------------------------------------------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
|                                                                                                               |       | Half-year to        |                     |                     |                     |
|                                                                                                               | Notes | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| <b>Interest and similar income</b>                                                                            |       |                     |                     |                     |                     |
| – on loans and advances to banks and customers and other financial assets                                     |       | 68,001              | 74,833              | 68,001              | 74,833              |
| – on debt and other fixed income instruments                                                                  |       | 28,397              | 26,987              | 28,397              | 26,987              |
| Interest expense                                                                                              |       | (10,827)            | (11,977)            | (10,827)            | (11,977)            |
| <b>Net interest income</b>                                                                                    |       | 85,571              | 89,843              | 85,571              | 89,843              |
| Fee income                                                                                                    |       | 12,601              | 11,994              | 10,940              | 10,520              |
| Fee expense                                                                                                   |       | (1,574)             | (1,221)             | (1,284)             | (1,038)             |
| <b>Net fee income</b>                                                                                         | 3     | 11,027              | 10,773              | 9,656               | 9,482               |
| Insurance service revenue                                                                                     |       | 10,001              | 9,387               | —                   | —                   |
| Insurance service expense                                                                                     |       | (4,548)             | (3,487)             | —                   | —                   |
| Net expenses from reinsurance contracts                                                                       |       | (1,867)             | (2,520)             | —                   | —                   |
| <b>Insurance service result</b>                                                                               |       | 3,586               | 3,380               | —                   | —                   |
| Net income from assets and liabilities of insurance businesses, measured at fair value through profit or loss |       | 28,775              | 13,615              | —                   | —                   |
| Insurance finance expense                                                                                     |       | (29,103)            | (9,477)             | —                   | —                   |
| Net trading income                                                                                            |       | 3,919               | 4,803               | 3,919               | 4,803               |
| Dividend income from subsidiaries                                                                             |       | —                   | —                   | 1,231               | 1,231               |
| Other operating income                                                                                        |       | 40                  | 790                 | 88                  | 348                 |
| <b>Net operating income before change in expected credit losses and other credit impairment charges</b>       |       | 103,815             | 113,727             | 100,465             | 105,707             |
| Change in expected credit losses and other credit impairment charges                                          |       | 6,452               | 3,041               | 6,452               | 3,041               |
| <b>Net operating income</b>                                                                                   |       | 110,267             | 116,768             | 106,917             | 108,748             |
| Employee compensation and benefits                                                                            |       | (25,066)            | (22,362)            | (24,399)            | (21,805)            |
| General and administrative expenses                                                                           |       | (30,091)            | (30,114)            | (28,929)            | (28,760)            |
| Depreciation and impairment of property, plant and equipment and right-of-use assets                          |       | (2,797)             | (2,038)             | (2,796)             | (2,038)             |
| Amortisation and impairment of intangible assets                                                              |       | (7,916)             | (3,543)             | (7,887)             | (3,479)             |
| <b>Total operating expenses</b>                                                                               |       | (65,870)            | (58,057)            | (64,011)            | (56,082)            |
| <b>Profit before tax</b>                                                                                      |       | 44,397              | 58,711              | 42,906              | 52,666              |
| Tax expense                                                                                                   |       | (15,721)            | (20,440)            | (15,201)            | (18,324)            |
| <b>Profit for the period</b>                                                                                  |       | 28,676              | 38,271              | 27,705              | 34,342              |
| <b>Earnings per share</b>                                                                                     |       | €0.08               | €0.11               |                     |                     |

## Statements of comprehensive income

|                                                                                                  | Group               |                     | Bank                |                     |
|--------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                                                  | Half-year to        |                     |                     |                     |
|                                                                                                  | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| Profit for the period                                                                            | 28,676              | 38,271              | 27,705              | 34,342              |
| Other comprehensive income                                                                       |                     |                     |                     |                     |
| Items that will be reclassified subsequently to profit or loss when specific conditions are met: |                     |                     |                     |                     |
| Debt instruments measured at fair value through other comprehensive income:                      | (642)               | 4,491               | (642)               | 4,491               |
| – fair value (losses)/gains                                                                      | (988)               | 6,910               | (988)               | 6,910               |
| – income taxes                                                                                   | 346                 | (2,419)             | 346                 | (2,419)             |
| Items that will not be reclassified subsequently to profit or loss:                              |                     |                     |                     |                     |
| Equity instruments designated at fair value through other comprehensive income:                  | 3                   | 1                   | 3                   | 1                   |
| – fair value gains                                                                               | 5                   | 1                   | 5                   | 1                   |
| – income taxes                                                                                   | (2)                 | —                   | (2)                 | —                   |
| Other comprehensive income for the period, net of tax                                            | (639)               | 4,492               | (639)               | 4,492               |
| Total comprehensive income for the period                                                        | 28,037              | 42,763              | 27,066              | 38,834              |

## Financial statements

### Statements of financial position

|                                                                            | Notes | Group               |                     | Bank                |                     |
|----------------------------------------------------------------------------|-------|---------------------|---------------------|---------------------|---------------------|
|                                                                            |       | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 |
| <b>Assets</b>                                                              |       |                     |                     |                     |                     |
| Balances with Central Bank of Malta, Treasury Bills and cash               |       | 1,159,553           | 1,293,104           | 1,159,553           | 1,293,104           |
| Items in the course of collection from other banks                         |       | 12,606              | 4,628               | 12,606              | 4,628               |
| Financial assets mandatorily measured at fair value through profit or loss |       | 730,644             | 721,107             | —                   | —                   |
| Derivatives                                                                | 7     | 6,102               | 6,213               | 6,102               | 6,213               |
| Loans and advances to banks                                                |       | 480,794             | 678,783             | 443,655             | 654,182             |
| Loans and advances to customers                                            |       | 2,695,572           | 2,762,163           | 2,695,572           | 2,762,163           |
| Financial investments                                                      | 8     | 2,635,897           | 2,537,460           | 2,635,895           | 2,537,458           |
| Prepayments, accrued income and other assets                               |       | 51,812              | 37,423              | 48,952              | 33,815              |
| Current tax assets                                                         |       | 1,833               | 1,999               | 1,726               | 1,854               |
| Reinsurance contract assets                                                |       | 4,411               | 1,307               | —                   | —                   |
| Non-current assets held for sale                                           |       | 1,823               | 1,844               | 1,823               | 1,844               |
| Investment in subsidiaries                                                 |       | —                   | —                   | 30,859              | 30,859              |
| Right-of-use assets                                                        |       | 3,082               | 2,086               | 3,082               | 2,086               |
| Property, plant and equipment                                              |       | 61,966              | 63,667              | 61,963              | 63,663              |
| Intangible assets                                                          |       | 11,338              | 19,271              | 11,198              | 19,085              |
| Deferred tax assets                                                        |       | 22,889              | 20,072              | 22,576              | 19,759              |
| <b>Total assets</b>                                                        |       | <b>7,880,322</b>    | <b>8,151,127</b>    | <b>7,135,562</b>    | <b>7,430,713</b>    |
| <b>Liabilities</b>                                                         |       |                     |                     |                     |                     |
| Deposits by banks                                                          |       | 1,074               | 1,429               | 1,074               | 1,429               |
| Customer accounts                                                          |       | 6,212,927           | 6,527,886           | 6,238,391           | 6,547,547           |
| Items in the course of transmission to other banks                         |       | 12,998              | 11,837              | 12,998              | 11,837              |
| Liabilities under investment contracts                                     |       | 172,187             | 162,550             | —                   | —                   |
| Derivatives                                                                | 7     | 4,576               | 4,852               | 4,576               | 4,852               |
| Accruals, deferred income and other liabilities                            |       | 75,271              | 41,924              | 69,646              | 37,242              |
| Current tax liabilities                                                    |       | 9,023               | 677                 | 8,432               | —                   |
| Insurance contract liabilities                                             |       | 551,895             | 535,510             | —                   | —                   |
| Reinsurance contract liabilities                                           |       | 3,476               | 1,341               | —                   | —                   |
| Provisions                                                                 | 9     | 23,114              | 19,147              | 22,036              | 18,233              |
| Deferred tax liabilities                                                   |       | 3,414               | 3,418               | 3,414               | 3,418               |
| Borrowings from a group undertaking                                        |       | 120,000             | 150,000             | 120,000             | 150,000             |
| Subordinated liabilities                                                   |       | 65,000              | 65,000              | 65,000              | 65,000              |
| <b>Total liabilities</b>                                                   |       | <b>7,254,955</b>    | <b>7,525,571</b>    | <b>6,545,567</b>    | <b>6,839,558</b>    |
| <b>Equity</b>                                                              |       |                     |                     |                     |                     |
| Called up share capital                                                    |       | 108,092             | 108,092             | 108,092             | 108,092             |
| Revaluation reserve                                                        |       | 14,543              | 15,182              | 14,543              | 15,182              |
| Retained earnings                                                          |       | 502,732             | 502,282             | 467,360             | 467,881             |
| <b>Total equity</b>                                                        |       | <b>625,367</b>      | <b>625,556</b>      | <b>589,995</b>      | <b>591,155</b>      |
| <b>Total liabilities and equity</b>                                        |       | <b>7,880,322</b>    | <b>8,151,127</b>    | <b>7,135,562</b>    | <b>7,430,713</b>    |
| <b>Memorandum items</b>                                                    |       |                     |                     |                     |                     |
| Guarantees and other contingent liabilities                                | 10    | 245,124             | 243,480             | 245,124             | 243,480             |
| Commitments                                                                | 10    | 1,222,911           | 1,157,832           | 1,222,911           | 1,157,832           |

The interim condensed financial statements were approved and authorised for issue by the Board of Directors on 4 August 2026 and signed on its behalf by:

Manfred Galdes  
**Chairman**

Geoffrey Fichte  
**Chief Executive Officer**

## Financial statements

### Statements of changes in equity

|                                                                                  | Notes | Group          |                     |                   |                |
|----------------------------------------------------------------------------------|-------|----------------|---------------------|-------------------|----------------|
|                                                                                  |       | Share capital  | Revaluation reserve | Retained earnings | Total equity   |
|                                                                                  |       | €000           | €000                | €000              | €000           |
| <b>At 1 Jan 2026</b>                                                             |       | <b>108,092</b> | <b>15,182</b>       | <b>502,282</b>    | <b>625,556</b> |
| Profit for the period                                                            |       | —              | —                   | 28,676            | 28,676         |
| <b>Other comprehensive income</b>                                                |       |                |                     |                   |                |
| Financial investments measured at fair value through other comprehensive income: |       |                |                     |                   |                |
| – fair value losses, net of tax                                                  |       | —              | (639)               | —                 | (639)          |
| <b>Total other comprehensive income</b>                                          |       | —              | (639)               | —                 | (639)          |
| <b>Total comprehensive income for the period</b>                                 |       | —              | (639)               | 28,676            | 28,037         |
| <b>Transactions with owners, recognised directly in equity</b>                   |       |                |                     |                   |                |
| Contributions by and distributions to owners:                                    |       |                |                     |                   |                |
| – share-based payment arrangements, net of tax                                   |       | —              | —                   | (122)             | (122)          |
| – dividends                                                                      | 2     | —              | —                   | (28,104)          | (28,104)       |
| <b>Total contributions by and distributions to owners</b>                        |       | —              | —                   | (28,226)          | (28,226)       |
| <b>At 30 Jun 2026</b>                                                            |       | <b>108,092</b> | <b>14,543</b>       | <b>502,732</b>    | <b>625,367</b> |
| At 1 Jan 2025                                                                    |       | 108,092        | 11,513              | 481,317           | 600,922        |
| Profit for the period                                                            |       | —              | —                   | 38,271            | 38,271         |
| Other comprehensive income                                                       |       |                |                     |                   |                |
| Financial investments measured at fair value through other comprehensive income: |       |                |                     |                   |                |
| – fair value gains, net of tax                                                   |       | —              | 4,492               | —                 | 4,492          |
| Total other comprehensive income                                                 |       | —              | 4,492               | —                 | 4,492          |
| Total comprehensive income for the period                                        |       | —              | 4,492               | 38,271            | 42,763         |
| Transactions with owners, recognised directly in equity                          |       |                |                     |                   |                |
| Contributions by and distributions to owners:                                    |       |                |                     |                   |                |
| – share-based payment arrangements, net of tax                                   |       | —              | —                   | (78)              | (78)           |
| – dividends                                                                      | 2     | —              | —                   | (28,104)          | (28,104)       |
| Total contributions by and distributions to owners                               |       | —              | —                   | (28,182)          | (28,182)       |
| At 30 Jun 2025                                                                   |       | 108,092        | 16,005              | 491,406           | 615,503        |

  

|                                                                                  | Notes | Bank           |                     |                   |                |
|----------------------------------------------------------------------------------|-------|----------------|---------------------|-------------------|----------------|
|                                                                                  |       | Share capital  | Revaluation reserve | Retained earnings | Total equity   |
|                                                                                  |       | €000           | €000                | €000              | €000           |
| <b>At 1 Jan 2026</b>                                                             |       | <b>108,092</b> | <b>15,182</b>       | <b>467,881</b>    | <b>591,155</b> |
| Profit for the period                                                            |       | —              | —                   | 27,705            | 27,705         |
| <b>Other comprehensive income</b>                                                |       |                |                     |                   |                |
| Financial investments measured at fair value through other comprehensive income: |       |                |                     |                   |                |
| – fair value losses, net of tax                                                  |       | —              | (639)               | —                 | (639)          |
| <b>Total other comprehensive income</b>                                          |       | —              | (639)               | —                 | (639)          |
| <b>Total comprehensive income for the period</b>                                 |       | —              | (639)               | 27,705            | 27,066         |
| <b>Transactions with owners, recognised directly in equity</b>                   |       |                |                     |                   |                |
| Contributions by and distributions to owners:                                    |       |                |                     |                   |                |
| – share-based payment arrangements, net of tax                                   |       | —              | —                   | (122)             | (122)          |
| – dividends                                                                      | 2     | —              | —                   | (28,104)          | (28,104)       |
| <b>Total contributions by and distributions to owners</b>                        |       | —              | —                   | (28,226)          | (28,226)       |
| <b>At 30 Jun 2026</b>                                                            |       | <b>108,092</b> | <b>14,543</b>       | <b>467,360</b>    | <b>589,995</b> |
| At 1 Jan 2025                                                                    |       | 108,092        | 11,513              | 454,091           | 573,696        |
| Profit for the period                                                            |       | —              | —                   | 34,342            | 34,342         |
| Other comprehensive income                                                       |       |                |                     |                   |                |
| Financial investments measured at fair value through other comprehensive income: |       |                |                     |                   |                |
| – fair value gains, net of tax                                                   |       | —              | 4,492               | —                 | 4,492          |
| Total other comprehensive income                                                 |       | —              | 4,492               | —                 | 4,492          |
| Total comprehensive income for the period                                        |       | —              | 4,492               | 34,342            | 38,834         |
| Transactions with owners, recognised directly in equity                          |       |                |                     |                   |                |
| Contributions by and distributions to owners:                                    |       |                |                     |                   |                |
| – share-based payment arrangements, net of tax                                   |       | —              | —                   | (78)              | (78)           |
| – dividends                                                                      | 2     | —              | —                   | (28,104)          | (28,104)       |
| Total contributions by and distributions to owners                               |       | —              | —                   | (28,182)          | (28,182)       |
| At 30 Jun 2025                                                                   |       | 108,092        | 16,005              | 460,251           | 584,348        |

## Financial statements

### Statements of cash flows

|                                                                                                | Group            |                  | Bank             |                  |
|------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                                                | Half-year to     |                  |                  |                  |
|                                                                                                | 30 Jun 2026      | 30 Jun 2025      | 30 Jun 2026      | 30 Jun 2025      |
|                                                                                                | €000             | €000             | €000             | €000             |
| <b>Cash flows from operating activities</b>                                                    |                  |                  |                  |                  |
| Interest, fees, loan recoveries and premium receipts                                           | 126,591          | 133,832          | 87,466           | 94,093           |
| Interest, fees and claims payments                                                             | (48,572)         | (53,272)         | (11,556)         | (12,481)         |
| Payments to employees and suppliers                                                            | (51,123)         | (55,112)         | (46,662)         | (51,280)         |
| <b>Cash flows from operating activities before changes in operating assets and liabilities</b> | <b>26,896</b>    | <b>25,448</b>    | <b>29,248</b>    | <b>30,332</b>    |
| Decrease/(increase) in operating assets:                                                       |                  |                  |                  |                  |
| – financial assets mandatorily measured at fair value through profit or loss                   | 21,520           | 16,447           | —                | —                |
| – reserve deposit with Central Bank of Malta                                                   | (3,163)          | (3,216)          | (3,163)          | (3,216)          |
| – loans and advances to banks and customers                                                    | 96,565           | (46,985)         | 96,565           | (46,985)         |
| – Treasury Bills                                                                               | 85,231           | (13,637)         | 85,231           | (13,637)         |
| – other assets                                                                                 | (12,537)         | (8,338)          | (12,537)         | (8,044)          |
| (Decrease)/increase in operating liabilities:                                                  |                  |                  |                  |                  |
| – deposits by banks and customer accounts                                                      | (314,188)        | 45,328           | (309,493)        | 48,759           |
| – other liabilities                                                                            | 23,645           | 22,793           | 23,785           | 22,360           |
| <b>Net cash from operating activities before tax</b>                                           | <b>(76,031)</b>  | <b>37,840</b>    | <b>(90,364)</b>  | <b>29,569</b>    |
| – tax paid net of refunds                                                                      | (9,603)          | (6,849)          | (8,604)          | (8,790)          |
| <b>Net cash from operating activities</b>                                                      | <b>(85,634)</b>  | <b>30,991</b>    | <b>(98,968)</b>  | <b>20,779</b>    |
| <b>Cash flows from investing activities</b>                                                    |                  |                  |                  |                  |
| Dividends received                                                                             | —                | —                | 800              | 800              |
| Interest received from financial investments                                                   | 15,910           | 7,470            | 15,910           | 7,470            |
| Purchase of financial investments                                                              | (423,868)        | (444,571)        | (423,868)        | (444,571)        |
| Proceeds from sale and maturity of financial investments                                       | 335,761          | 268,475          | 335,761          | 268,475          |
| Purchase of property, plant and equipment and intangible assets                                | (783)            | (10,615)         | (776)            | (10,615)         |
| <b>Net cash from investing activities</b>                                                      | <b>(72,980)</b>  | <b>(179,241)</b> | <b>(72,173)</b>  | <b>(178,441)</b> |
| <b>Cash flows from financing activities</b>                                                    |                  |                  |                  |                  |
| Dividends paid                                                                                 | (28,104)         | (28,104)         | (28,104)         | (28,104)         |
| Repayment of borrowings from a group undertaking                                               | (30,000)         | —                | (30,000)         | —                |
| Proceeds from borrowings from a group undertaking                                              | —                | 60,000           | —                | 60,000           |
| <b>Net cash from financing activities</b>                                                      | <b>(58,104)</b>  | <b>31,896</b>    | <b>(58,104)</b>  | <b>31,896</b>    |
| <b>Net decrease in cash and cash equivalents</b>                                               | <b>(216,718)</b> | <b>(116,354)</b> | <b>(229,245)</b> | <b>(125,766)</b> |
| <b>Cash and cash equivalents at beginning of period</b>                                        | <b>1,364,811</b> | <b>1,241,974</b> | <b>1,340,208</b> | <b>1,227,640</b> |
| Effect of exchange rate changes on cash and cash equivalents                                   | 6,091            | 51,933           | 6,091            | 51,984           |
| <b>Cash and cash equivalents at end of period</b>                                              | <b>1,154,184</b> | <b>1,177,553</b> | <b>1,117,054</b> | <b>1,153,858</b> |

# Notes on the interim condensed financial statements

## 1 Basis of preparation and material accounting policies

### (a) Compliance with International Financial Reporting Standards

Our interim condensed consolidated financial statements have been prepared in accordance with Chapter 5 of the Capital Market Rules issued by the Listing Authority and the Prevention of Financial Markets Abuse Act 2005 and IAS 34 'Interim Financial Reporting', as issued by the International Accounting Standards Board ('IASB') and as endorsed by the EU. Therefore, they include an explanation of events and transactions that are significant to an understanding of the changes in HSBC Bank Malta p.l.c. (the 'bank') and its subsidiary undertakings (collectively referred to as the 'local group') financial position and performance since the end of 2025. These financial statements should be read in conjunction with the Annual Report and Accounts 2025.

The interim condensed financial information has been extracted from the unaudited group's management accounts for the six months ended 30 June 2026. It has not been subject to an audit in accordance with the requirements of International Standards on Auditing nor to a review in accordance with the requirements of ISRE 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

At 30 June 2026, there were no IFRS Accounting Standards effective for the half-year to 30 June 2026 affecting these financial statements, and there was no difference between IFRS Accounting Standards adopted by the EU and IFRS Accounting Standards issued by the IASB in terms of their application to the local group.

### Standards applied during the half-year to 30 June 2026

On 1 January 2026 the Group adopted amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures'. In addition to guidance as to when certain financial liabilities can be deemed settled when using an electronic payment system, the amendments also provide further clarification regarding the classification of financial assets that contain contractual terms that change the timing or amount of contractual cash flows, including those arising from ESG-related contingencies, and financial assets with certain non-recourse features. These amendments had no effect on these interim condensed consolidated financial statements.

### (b) Use of estimates and judgements

The preparation of financial information in accordance with the requirements of IFRS Accounting Standards as adopted by the EU requires the use of estimates and judgements about future conditions. In view of the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of items listed below, it is possible that the outcomes in the second half of 2026 could differ from those on which management's estimates are based, resulting in materially different conclusions from those reached by management for the purposes of the 2026 Interim Financial Results. Management's selection of the local group's accounting policies which contain critical estimates and judgements reflects the materiality of the items to which the policies are applied, the high degree of judgement and estimation of uncertainty involved.

Management believes that the local group's critical estimates and judgements are those that relate to:

- Expected credit loss allowances on loans and advances;
- Valuation of insurance contract liabilities;
- Valuation of financial instruments; and
- Measurement of post employment and other long-term employee benefits.

Excluding those related to the 'Measurement of the ECL estimates' as highlighted in Note 4, there were no changes in the current period to the other critical estimates and judgements disclosed in 2025, as set out in Note 52 of the Annual Report and Accounts 2025.

In management's view, apart from judgements involving estimations as reflected above, there are no material or critical judgements made in the process of applying the local group's accounting policies that have a more material effect on the amounts recognised in the financial statements.

### (c) Composition of local group

There were no changes in the composition of the local group in the half-year to 30 June 2026.

### (d) Future accounting developments

#### IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 'Presentation and Disclosure in Financial Statements', which was issued by the IASB in April 2024 and endorsed for use in the European Union on 16 February 2026, is effective for annual reporting periods beginning on or after 1 January 2027. The new accounting standard aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It will replace IAS 1 'Presentation of Financial Statements' but carries over many requirements from that IFRS. In addition, there are three sets of 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 an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement. The local group is currently assessing impacts and data readiness before developing a more detailed implementation plan.

## Notes on the interim condensed financial statements

### (e) Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the local group has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios that reflect the uncertainty in the macroeconomic environment, as well considering potential impacts from other top and emerging risks, including climate change and environmental risk events, geopolitical risks, drops in asset prices, and local jurisdiction risks and the related impact on profitability, capital and liquidity.

### Ongoing developments in respect of the announced proposed change in control process

On 23 December 2025, the bank announced that HSBC Continental Europe ('HBCE') and CrediaBank S.A. ('CrediaBank') have entered into a definitive agreement for the sale and purchase of HBCE's shareholding in the bank ('the Proposed Transaction').

The Proposed Transaction, by virtue of which HBCE would sell its 70.03% shareholding to CrediaBank and CrediaBank would become the majority shareholder in the bank, is subject to the attainment of the necessary regulatory approvals from the Malta Financial Services Authority ('MFSA'), the Bank of Greece and the European Central Bank ('ECB'). The terms of the Proposed Transaction contemplate CrediaBank paying a price per share of €0.793 for HBCE's entire shareholding in the bank amounting in total to €200,000,000 based on HBCE's shareholding. The bank, HBCE and CrediaBank have also entered into a cooperation agreement to govern their respective obligations in relation to the Proposed Transaction.

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

### (f) Accounting policies

Except as described above, the accounting policies that we applied for these interim condensed consolidated financial statements are consistent with those described on pages 87 to 105 of the Annual Report and Accounts 2025, as are the methods of computation.

## 2 Dividends

|                               | Bank                         |                              |                     |                     |
|-------------------------------|------------------------------|------------------------------|---------------------|---------------------|
|                               | 30 Jun 2026<br>EUR per share | 30 Jun 2025<br>EUR per share | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| Gross of tax                  |                              |                              |                     |                     |
| – prior year's final dividend | 0.08                         | 0.12                         | 30,266              | 43,237              |
| – current year's Q1 dividend  | 0.04                         | —                            | 12,971              | —                   |
|                               | 0.12                         | 0.12                         | 43,237              | 43,237              |
| Net of tax                    |                              |                              |                     |                     |
| – prior year's final dividend | 0.05                         | 0.08                         | 19,673              | 28,104              |
| – current year's Q1 dividend  | 0.03                         | —                            | 8,431               | —                   |
|                               | 0.08                         | 0.08                         | 28,104              | 28,104              |

The bank is proposing a Q2 net dividend of €10,071,000 in respect of the financial period ended 30 June 2026. The Q2 dividend will be paid on 23 September 2026 to shareholders who are on the bank's register of shareholders on 18 August 2026.

|                                           | Bank                |                     |
|-------------------------------------------|---------------------|---------------------|
|                                           | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| <b>Proposed Q2 dividend</b>               |                     |                     |
| <b>Profit for the period (net of tax)</b> | 27,705              | 34,342              |
| Proposed H1 interim dividend              | 18,502              | 23,420              |
| Less: Q1 dividend paid                    | (8,431)             | —                   |
| <b>Available for distribution – Q2</b>    | 10,071              | 23,420              |
| <b>Issued and fully paid up shares</b>    | 360,306,099         | 360,306,099         |
|                                           | EUR per share       | EUR per share       |
| <b>Proposed Q2/H1 dividend</b>            |                     |                     |
| – gross of tax per share                  | 0.04                | 0.10                |
| – net of tax per share                    | 0.03                | 0.07                |

### 3 Net fee income

|                                                                 | Half-year to        |                     |                     |                     |
|-----------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                 | Group               |                     | Bank                |                     |
|                                                                 | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| <b>Net fee income by product:</b>                               |                     |                     |                     |                     |
| Funds under management                                          | 1,679               | 1,579               | —                   | —                   |
| Cards                                                           | 2,032               | 2,217               | 2,032               | 2,217               |
| Credit facilities                                               | 1,536               | 1,029               | 1,536               | 1,029               |
| Broking income                                                  | 386                 | 387                 | 386                 | 387                 |
| Account services                                                | 1,650               | 1,743               | 1,650               | 1,743               |
| Remittances                                                     | 1,032               | 1,184               | 1,032               | 1,184               |
| Imports/exports                                                 | 776                 | 693                 | 776                 | 693                 |
| Receivables finance                                             | 364                 | 325                 | 364                 | 325                 |
| Distribution fees in relation to investment management services | 1,349               | 1,153               | —                   | —                   |
| Other                                                           | 1,797               | 1,684               | 3,164               | 2,942               |
| <b>Fee income</b>                                               | <b>12,601</b>       | <b>11,994</b>       | <b>10,940</b>       | <b>10,520</b>       |
| Less: fee expense                                               | (1,574)             | (1,221)             | (1,284)             | (1,038)             |
| <b>Net fee income</b>                                           | <b>11,027</b>       | <b>10,773</b>       | <b>9,656</b>        | <b>9,482</b>        |
| <b>Net fee income by global business</b>                        |                     |                     |                     |                     |
| International Wealth and Premier Banking ('IWPB')               | 4,809               | 5,414               | 3,438               | 4,123               |
| Corporate and Institutional Banking ('CIB')                     | 6,218               | 5,359               | 6,218               | 5,359               |

Net fee income amounting to €412,000 in H12026 (H12025: €411,000) is derived from the investment services activities of the local group.

The comparative information for the six months ended 30 June 2025 is restated to reflect current year's presentation.

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

The bank's exposure to credit risk mainly arises from its lending activities. In this respect, all lending activities are classified under either wholesale or personal lending.

Wholesale lending includes both small business owners as well as the financing of corporate and non-bank financial institutions both from a working capital perspective and investing primarily in income producing assets and, to a lesser extent, construction and development of the same. The business focuses mainly on traditional core asset classes such as retail, offices, light industrial and residential building projects. In the table presented on the next page, these wholesale lending exposures are presented as exposures to corporate and commercial entities as well as exposures to non-bank financial institutions. Non-bank financial institutions are mainly financial corporations other than banks, and entities within groups of companies that are mainly engaged in financial and insurance activities including non-financial holding companies. Corporate and commercial entities are wholesale entities that have activities other than finance related.

The bank provides a broad range of secured and unsecured personal lending products to meet customer needs. Personal lending includes advances to customers for asset purchases such as residential property where the loans are secured by the assets acquired. The bank also offers loans secured on existing assets, such as first charges on residential property, and unsecured lending products such as overdrafts, credit cards and car loans.

The following disclosure presents the gross carrying/nominal amount of financial instruments measured at amortised cost to which the impairment requirements in IFRS 9 are applied and the associated allowance for ECL, as well as the fair value of debt instruments measured at fair value through other comprehensive income ('FVOCI') and the associated allowance for ECL.

All figures presented in this note exclude the balances relating to the insurance and the asset management subsidiaries, as the financial instruments subject to IFRS 9 impairment requirements for these subsidiaries are deemed immaterial.

Transactions and balances with Retail Business Banking ('RBB') customers are classified as wholesale in the following tables, whereas these are reported under International Wealth and Premier Banking ('IWPB') in Note 5 'Segmental analysis'.

All credit card balances are classified as personal, whereas some of the balances held by corporate customers are reported under Corporate and Institutional Banking ('CIB') in Note 5 'Segmental analysis'.

## Notes on the interim condensed financial statements

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

|                                                                        | At 30 Jun 2026                            |                                           | At 31 Dec 2025                            |                                           |
|------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
|                                                                        | Gross carrying/<br>nominal amount<br>€000 | Allowance<br>for ECL <sup>1</sup><br>€000 | Gross carrying/<br>nominal amount<br>€000 | Allowance<br>for ECL <sup>1</sup><br>€000 |
| Loans and advances to customers at amortised cost:                     | <b>2,723,238</b>                          | <b>(27,666)</b>                           | 2,790,869                                 | (28,706)                                  |
| – personal                                                             | <b>1,921,560</b>                          | <b>(12,628)</b>                           | 1,965,903                                 | (13,670)                                  |
| – corporate and commercial                                             | <b>768,959</b>                            | <b>(14,100)</b>                           | 783,367                                   | (14,090)                                  |
| – non-bank financial institutions                                      | <b>32,719</b>                             | <b>(938)</b>                              | 41,599                                    | (946)                                     |
| Loans and advances to banks at amortised cost                          | <b>443,655</b>                            | –                                         | 654,183                                   | (1)                                       |
| Other financial assets measured at amortised cost                      | <b>2,372,620</b>                          | <b>(4,417)</b>                            | 2,338,480                                 | (4,425)                                   |
| – balances at central banks                                            | <b>902,155</b>                            | –                                         | 950,980                                   | –                                         |
| – items in the course of collection from other banks                   | <b>12,606</b>                             | –                                         | 4,628                                     | –                                         |
| – debt instruments measured at amortised cost                          | <b>1,406,589</b>                          | <b>(31)</b>                               | 1,352,529                                 | (27)                                      |
| – Treasury Bills measured at amortised cost                            | <b>19,524</b>                             | –                                         | –                                         | –                                         |
| – accrued income and other assets <sup>2</sup>                         | <b>31,746</b>                             | <b>(4,386)</b>                            | 30,343                                    | (4,398)                                   |
| <b>Total gross carrying amount on balance sheet</b>                    | <b>5,539,513</b>                          | <b>(32,083)</b>                           | 5,783,532                                 | (33,132)                                  |
| Loans and other credit-related commitments                             | <b>1,222,911</b>                          | <b>(1,253)</b>                            | 1,157,832                                 | (655)                                     |
| – personal                                                             | <b>306,261</b>                            | <b>(45)</b>                               | 282,776                                   | (41)                                      |
| – corporate and commercial (including non-bank financial institutions) | <b>889,435</b>                            | <b>(1,208)</b>                            | 856,281                                   | (614)                                     |
| – banks                                                                | <b>27,215</b>                             | –                                         | 18,775                                    | –                                         |
| Financial guarantees                                                   | <b>11,239</b>                             | <b>(70)</b>                               | 19,403                                    | (48)                                      |
| – personal                                                             | <b>86</b>                                 | –                                         | 94                                        | –                                         |
| – corporate and commercial (including non-bank financial institutions) | <b>10,668</b>                             | <b>(70)</b>                               | 9,473                                     | (48)                                      |
| – banks                                                                | <b>485</b>                                | –                                         | 9,836                                     | –                                         |
| <b>Total nominal amount off balance sheet<sup>3</sup></b>              | <b>1,234,150</b>                          | <b>(1,323)</b>                            | 1,177,235                                 | (703)                                     |
| <b>Total</b>                                                           | <b>6,773,663</b>                          | <b>(33,406)</b>                           | 6,960,767                                 | (33,835)                                  |

  

|                                                                            | Fair value<br>€000 | Allowance<br>for ECL <sup>4</sup><br>€000 | Fair value<br>€000 | Allowance<br>for ECL<br>€000 |
|----------------------------------------------------------------------------|--------------------|-------------------------------------------|--------------------|------------------------------|
| Debt instruments measured at fair value through other comprehensive income | <b>1,229,286</b>   | <b>(30)</b>                               | 1,184,911          | (33)                         |
| Treasury Bills measured at fair value through other comprehensive income   | <b>205,363</b>     | <b>(1)</b>                                | 307,519            | (6)                          |
| <b>Total</b>                                                               | <b>1,434,649</b>   | <b>(31)</b>                               | 1,492,430          | (39)                         |

- 1 The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.
- 2 Includes only those financial instruments that are subject to the impairment requirements of IFRS 9. 'Prepayments, accrued income and other assets' as presented within the statement of financial position on page 5, include both financial and non-financial assets.
- 3 Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.
- 4 Debt instruments measured at FVOCI continue to be measured at fair value with the change in ECL recognised in 'Change in expected credit losses and other credit impairment charges' in the income statement.

## Notes on the interim condensed financial statements

### Summary of credit risk by stage distribution and ECL coverage by business segment

|                                                                        | Gross carrying/nominal amount |                 |                 |                  | Allowance for ECL |                 |                 |                 | ECL coverage % |              |              |            |
|------------------------------------------------------------------------|-------------------------------|-----------------|-----------------|------------------|-------------------|-----------------|-----------------|-----------------|----------------|--------------|--------------|------------|
|                                                                        | Stage 1<br>€000               | Stage 2<br>€000 | Stage 3<br>€000 | Total<br>€000    | Stage 1<br>€000   | Stage 2<br>€000 | Stage 3<br>€000 | Total<br>€000   | Stage 1<br>%   | Stage 2<br>% | Stage 3<br>% | Total<br>% |
| Loans and advances to customers at amortised cost:                     | 2,486,360                     | 173,049         | 63,829          | 2,723,238        | (6,144)           | (9,311)         | (12,211)        | (27,666)        | 0.2            | 5.4          | 19.1         | 1.0        |
| – personal                                                             | 1,749,677                     | 130,750         | 41,133          | 1,921,560        | (356)             | (6,157)         | (6,115)         | (12,628)        | —              | 4.7          | 14.9         | 0.7        |
| – corporate and commercial                                             | 704,250                       | 42,299          | 22,410          | 768,959          | (5,029)           | (3,154)         | (5,917)         | (14,100)        | 0.7            | 7.5          | 26.4         | 1.8        |
| – non-bank financial institutions                                      | 32,433                        | —               | 286             | 32,719           | (759)             | —               | (179)           | (938)           | 2.3            | —            | 62.6         | 2.9        |
| Loans and advances to banks at amortised cost                          | 443,655                       | —               | —               | 443,655          | —                 | —               | —               | —               | —              | —            | —            | —          |
| Other financial assets measured at amortised cost                      | 2,365,383                     | 860             | 6,377           | 2,372,620        | (31)              | —               | (4,386)         | (4,417)         | —              | —            | 68.8         | 0.2        |
| Loan and other credit-related commitments:                             | 1,197,746                     | 24,206          | 959             | 1,222,911        | (525)             | (90)            | (638)           | (1,253)         | —              | 0.4          | 66.5         | 0.1        |
| – personal                                                             | 302,125                       | 3,988           | 148             | 306,261          | (45)              | —               | —               | (45)            | —              | —            | —            | —          |
| – corporate and commercial (including non-bank financial institutions) | 868,406                       | 20,218          | 811             | 889,435          | (480)             | (90)            | (638)           | (1,208)         | 0.1            | 0.4          | 78.7         | 0.1        |
| – banks                                                                | 27,215                        | —               | —               | 27,215           | —                 | —               | —               | —               | —              | —            | —            | —          |
| Financial guarantees:                                                  | 11,105                        | 134             | —               | 11,239           | (68)              | (2)             | —               | (70)            | 0.6            | 1.5          | —            | 0.6        |
| – personal                                                             | 76                            | 10              | —               | 86               | —                 | —               | —               | —               | —              | —            | —            | —          |
| – corporate and commercial (including non-bank financial institutions) | 10,544                        | 124             | —               | 10,668           | (68)              | (2)             | —               | (70)            | 0.6            | 1.6          | —            | 0.7        |
| – banks                                                                | 485                           | —               | —               | 485              | —                 | —               | —               | —               | —              | —            | —            | —          |
| <b>At 30 Jun 2026</b>                                                  | <b>6,504,249</b>              | <b>198,249</b>  | <b>71,165</b>   | <b>6,773,663</b> | <b>(6,768)</b>    | <b>(9,403)</b>  | <b>(17,235)</b> | <b>(33,406)</b> | <b>0.1</b>     | <b>4.7</b>   | <b>24.2</b>  | <b>0.5</b> |

|                                                                        |                  |                |               |                  |                |                |                 |                 |            |            |             |            |
|------------------------------------------------------------------------|------------------|----------------|---------------|------------------|----------------|----------------|-----------------|-----------------|------------|------------|-------------|------------|
| Loans and advances to customers at amortised cost                      | 2,543,371        | 179,608        | 67,890        | 2,790,869        | (5,846)        | (9,682)        | (13,178)        | (28,706)        | 0.2        | 5.4        | 19.4        | 1.0        |
| – personal                                                             | 1,785,848        | 136,791        | 43,264        | 1,965,903        | (510)          | (6,549)        | (6,611)         | (13,670)        | —          | 4.8        | 15.3        | 0.7        |
| – corporate and commercial                                             | 716,210          | 42,817         | 24,340        | 783,367          | (4,569)        | (3,133)        | (6,388)         | (14,090)        | 0.6        | 7.3        | 26.2        | 1.8        |
| – non-bank financial institutions                                      | 41,313           | —              | 286           | 41,599           | (767)          | —              | (179)           | (946)           | 1.9        | —          | 62.6        | 2.3        |
| Loans and advances to banks at amortised cost                          | 654,183          | —              | —             | 654,183          | (1)            | —              | —               | (1)             | —          | —          | —           | —          |
| Other financial assets measured at amortised cost                      | 2,330,989        | 868            | 6,623         | 2,338,480        | (27)           | —              | (4,398)         | (4,425)         | —          | —          | 66.4        | 0.2        |
| Loan and other credit-related commitments                              | 1,131,501        | 25,314         | 1,017         | 1,157,832        | (420)          | (62)           | (173)           | (655)           | —          | 0.2        | 17.0        | 0.1        |
| – personal                                                             | 276,971          | 5,554          | 251           | 282,776          | (40)           | (1)            | —               | (41)            | —          | —          | —           | —          |
| – corporate and commercial (including non-bank financial institutions) | 835,755          | 19,760         | 766           | 856,281          | (380)          | (61)           | (173)           | (614)           | —          | 0.3        | 22.6        | 0.1        |
| – banks                                                                | 18,775           | —              | —             | 18,775           | —              | —              | —               | —               | —          | —          | —           | —          |
| Financial guarantees                                                   | 19,318           | 85             | —             | 19,403           | (44)           | (4)            | —               | (48)            | 0.2        | 4.7        | —           | 0.2        |
| – personal                                                             | 94               | —              | —             | 94               | —              | —              | —               | —               | —          | —          | —           | —          |
| – corporate and commercial (including non-bank financial institutions) | 9,388            | 85             | —             | 9,473            | (44)           | (4)            | —               | (48)            | 0.5        | 4.7        | —           | 0.5        |
| – banks                                                                | 9,836            | —              | —             | 9,836            | —              | —              | —               | —               | —          | —          | —           | —          |
| <b>At 31 Dec 2025</b>                                                  | <b>6,679,362</b> | <b>205,875</b> | <b>75,530</b> | <b>6,960,767</b> | <b>(6,338)</b> | <b>(9,748)</b> | <b>(17,749)</b> | <b>(33,835)</b> | <b>0.1</b> | <b>4.7</b> | <b>23.5</b> | <b>0.5</b> |

|                                                                            | Fair Value       |                 |                 |                  | Allowance for ECL |                 |                 |               | ECL coverage % |              |              |            |
|----------------------------------------------------------------------------|------------------|-----------------|-----------------|------------------|-------------------|-----------------|-----------------|---------------|----------------|--------------|--------------|------------|
|                                                                            | Stage 1<br>€000  | Stage 2<br>€000 | Stage 3<br>€000 | Total<br>€000    | Stage 1<br>€000   | Stage 2<br>€000 | Stage 3<br>€000 | Total<br>€000 | Stage 1<br>%   | Stage 2<br>% | Stage 3<br>% | Total<br>% |
| Debt instruments measured at fair value through other comprehensive income | 1,229,286        | —               | —               | 1,229,286        | (30)              | —               | —               | (30)          | —              | —            | —            | —          |
| Treasury Bills measured at fair value through other comprehensive income   | 205,363          | —               | —               | 205,363          | (1)               | —               | —               | (1)           | —              | —            | —            | —          |
| <b>At 30 Jun 2026</b>                                                      | <b>1,434,649</b> | <b>—</b>        | <b>—</b>        | <b>1,434,649</b> | <b>(31)</b>       | <b>—</b>        | <b>—</b>        | <b>(31)</b>   | <b>—</b>       | <b>—</b>     | <b>—</b>     | <b>—</b>   |

|                                                                            |                  |          |          |                  |             |          |          |             |          |          |          |          |
|----------------------------------------------------------------------------|------------------|----------|----------|------------------|-------------|----------|----------|-------------|----------|----------|----------|----------|
| Debt instruments measured at fair value through other comprehensive income | 1,184,911        | —        | —        | 1,184,911        | (33)        | —        | —        | (33)        | —        | —        | —        | —        |
| Treasury Bills measured at fair value through other comprehensive income   | 307,519          | —        | —        | 307,519          | (6)         | —        | —        | (6)         | —        | —        | —        | —        |
| <b>At 31 Dec 2025</b>                                                      | <b>1,492,430</b> | <b>—</b> | <b>—</b> | <b>1,492,430</b> | <b>(39)</b> | <b>—</b> | <b>—</b> | <b>(39)</b> | <b>—</b> | <b>—</b> | <b>—</b> | <b>—</b> |

## Measurement uncertainty and sensitivity analysis of ECL estimates

### Methodology

The recognition and measurement of ECL involves the use of significant judgement and estimation. The bank's methodology in relation to the adoption and generation of economic scenarios is described on pages 131 to 136 of the Annual Report and Accounts 2025.

Four economic scenarios are used to capture the current economic environment and to articulate management's view of the range of potential outcomes. The Central, Upside and Downside scenarios selected with reference to external forecast distributions are termed the 'consensus economic scenarios'. The Central scenario is deemed the 'most likely' scenario, and usually attracts the largest probability weighting, while the outer scenarios represent the tails of the distribution, which are less likely to occur.

There were changes in the probability % weighting for the Central, Upside, Downside and Downside 2 scenarios as described below.

### How economic scenarios are reflected in the wholesale calculation of ECL

In line with HSBC's methodology, for the wholesale portfolio, Forward Economic Guidance ('FEG') is incorporated into the calculation of ECL through the estimation of the term structure of Probability of Default ('PD') and Loss Given Default ('LGD').

For the PD calculation, forward-looking PDs are approximated by using a proxy country's PDs and macroeconomic paths, shifted by a scalar. A suitable proxy is selected using the Bhattacharyya methodology which compares various proxy sites' principal component macroeconomic variables to local variables to determine the most suitable site. The scalar is then calculated, which is intended to capture the difference between the proxy and local sensitivities to economic shocks.

For the LGD calculation, the correlation of FEG, derived from the assumed macroeconomic paths of the proxy site, to collateral values, which are in turn derived from the bank's data, is taken into account.

For non-credit impaired loans, the local group uses the proxy country's real GDP growth rate, unemployment rate, consumer price index, short term interest rate, and the house price index as the relevant macroeconomic variables to determine the term structure of PD and LGD. The macroeconomic paths modelled in respect of the macroeconomic variables used by the proxy country are assessed by management to be similar to those modelled in respect of the retail portfolios, with similar shocks and trajectories being applied for the proxy country's and Malta's economies.

For credit impaired loans, LGD estimates take into account independent recovery valuations provided by external consultants, or internal forecasts corresponding to anticipated economic conditions and individual company conditions. In estimating the ECL on credit impaired loans that are individually considered not to be significant, the model incorporates forward economic guidance proportionate to the probability weighted outcome and the consensus Central scenario outcome for individually significant stage 3 loans.

The projected economic paths in respect of each of the key macroeconomic variables specific to the Maltese economy across the four macroeconomic scenarios described above are presented in the tables below:

#### Malta: Consensus scenarios (average 2Q26-2Q31)

|                              | Consensus scenarios |        |          | Downside 2 scenario |
|------------------------------|---------------------|--------|----------|---------------------|
|                              | Central             | Upside | Downside |                     |
| Real GDP Growth rate (%)     | 3.6                 | 4.1    | 3.1      | 2.0                 |
| Consumer price index (%)     | 2.2                 | 2.0    | 2.4      | 2.1                 |
| Unemployment (%)             | 2.8                 | 2.8    | 2.9      | 3.2                 |
| Short-term interest rate (%) | 2.7                 | 2.7    | 2.7      | 2.7                 |
| House price index (%)        | 2.3                 | 2.9    | 1.8      | 0.2                 |
| Probability weights (%)      | 75.0                | 5.0    | 15.0     | 5.0                 |

#### Malta: Consensus scenarios (average 2Q25-2Q30)

|                              | Consensus scenarios |        |          | Downside 2 scenario |
|------------------------------|---------------------|--------|----------|---------------------|
|                              | Central             | Upside | Downside |                     |
| Real GDP Growth rate (%)     | 3.7                 | 4.2    | 3.1      | 2.6                 |
| Consumer price index (%)     | 2.1                 | 2.2    | 1.6      | 1.3                 |
| Unemployment (%)             | 3.1                 | 3.0    | 3.1      | 3.5                 |
| Short-term interest rate (%) | 2.1                 | 2.3    | 1.6      | 0.6                 |
| House price index (%)        | 4.9                 | 5.5    | 4.4      | 3.3                 |
| Probability weights (%)      | 65.0                | 10.0   | 20.0     | 5.0                 |

#### Malta: Real GDP growth rates – 1H2026 projections

|                                      | Consensus scenarios |        |          | Downside 2 scenario |
|--------------------------------------|---------------------|--------|----------|---------------------|
|                                      | Central             | Upside | Downside |                     |
| 2026: Annual average growth rate (%) | 3.5                 | 3.8    | 3.3      | 2.1                 |
| 2027: Annual average growth rate (%) | 3.2                 | 4.5    | 2.1      | (3.8)               |
| 2028: Annual average growth rate (%) | 4.0                 | 4.9    | 3.0      | 2.2                 |
| 2029: Annual average growth rate (%) | 3.8                 | 3.9    | 3.6      | 5.2                 |
| 2030: Annual average growth rate (%) | 3.7                 | 3.7    | 3.7      | 4.3                 |
| Five year average growth rate (%)    | 3.6                 | 4.1    | 3.1      | 2.0                 |

## Notes on the interim condensed financial statements

### Malta: Unemployment rate – 1H2026 projections

|                               | Consensus scenarios |        |          | Downside 2 scenario |
|-------------------------------|---------------------|--------|----------|---------------------|
|                               | Central             | Upside | Downside |                     |
| 2026: Annual average rate (%) | 3.0                 | 2.9    | 3.0      | 3.0                 |
| 2027: Annual average rate (%) | 3.0                 | 2.9    | 3.0      | 3.1                 |
| 2028: Annual average rate (%) | 2.9                 | 2.8    | 2.9      | 3.2                 |
| 2029: Annual average rate (%) | 2.8                 | 2.8    | 2.8      | 3.3                 |
| 2030: Annual average rate (%) | 2.8                 | 2.8    | 2.8      | 3.2                 |
| Five year average rate (%)    | 2.8                 | 2.8    | 2.9      | 3.2                 |

### Malta: Consumer price index – 1H2026 projections

|                                      | Consensus scenarios |        |          | Downside 2 scenario |
|--------------------------------------|---------------------|--------|----------|---------------------|
|                                      | Central             | Upside | Downside |                     |
| 2026: Annual average growth rate (%) | 2.3                 | 2.1    | 2.6      | 3.1                 |
| 2027: Annual average growth rate (%) | 2.2                 | 1.8    | 2.7      | 3.1                 |
| 2028: Annual average growth rate (%) | 2.1                 | 2.0    | 2.2      | 1.5                 |
| 2029: Annual average growth rate (%) | 2.2                 | 2.2    | 2.2      | 1.5                 |
| 2030: Annual average growth rate (%) | 2.2                 | 2.2    | 2.2      | 1.6                 |
| Five year average % change (%)       | 2.2                 | 2.0    | 2.4      | 2.1                 |

### Malta: House price index – 1H2026 projections

|                                      | Consensus scenarios |        |          | Downside 2 scenario |
|--------------------------------------|---------------------|--------|----------|---------------------|
|                                      | Central             | Upside | Downside |                     |
| 2026: Annual average growth rate (%) | 4.5                 | 4.7    | 4.3      | 3.3                 |
| 2027: Annual average growth rate (%) | 3.2                 | 4.5    | 1.6      | (2.4)               |
| 2028: Annual average growth rate (%) | 2.5                 | 3.6    | 1.6      | (1.2)               |
| 2029: Annual average growth rate (%) | 1.6                 | 1.8    | 1.4      | 0.7                 |
| 2030: Annual average growth rate (%) | 1.5                 | 1.5    | 1.5      | 1.6                 |
| Five year average % change (%)       | 2.3                 | 2.9    | 1.8      | 0.2                 |

### Malta: Short-term interest rates – 1H2026 projections

|                               | Consensus scenarios |        |          | Downside 2 scenario |
|-------------------------------|---------------------|--------|----------|---------------------|
|                               | Central             | Upside | Downside |                     |
| 2026: Annual average rate (%) | 2.2                 | 2.1    | 2.3      | 2.6                 |
| 2027: Annual average rate (%) | 2.5                 | 2.4    | 2.7      | 2.8                 |
| 2028: Annual average rate (%) | 2.5                 | 2.5    | 2.4      | 2.2                 |
| 2029: Annual average rate (%) | 2.8                 | 2.8    | 2.5      | 2.3                 |
| 2030: Annual average rate (%) | 3.1                 | 3.1    | 3.0      | 2.9                 |
| Five year average rate (%)    | 2.7                 | 2.7    | 2.7      | 2.7                 |

## Scenario weighting

In reviewing the economic environment, the level of uncertainty and risk, management has considered both global and country-specific factors.

Standard probabilistic assessments based on historical and observed macroeconomic experience are of limited value when extreme economic events occur, given that such events are poorly represented in historical macroeconomic data. As such, the historical distributions are only used as a guidance and less relied upon when determining the appropriate weights.

Management continues to review the weightings given that the macroeconomic outlook remains highly uncertain. In this respect during the period under review as highlighted below there were changes in the probability % weighting for the Central, Upside, Downside and Downside 2 scenarios as described below.

The probability assigned to the Downside scenario as at 30 June 2026 is 15%, while the consensus Upside scenario at 30 June 2026 is 5%. As at 30 June 2026, the consensus Upside and Central scenarios had a combined weighting of 80% (31 December 2025: 85%). The probability weight assigned to the Downside 2 scenario has remain constant to 5% as at 30 June 2026, based on expert judgement applied in response to no changes in the severity of modelled scenarios since the prior year. The 15% probability weight assigned to the Downside scenario reflects the uncertain economic outlook driven by the geopolitical environment which remains volatile and complex.

The probability weights assigned to the respective scenarios across all wholesale and retail portfolios as at 30 June 2026, 31 December 2025, 30 June 2025 and 31 December 2024 are presented in the table below:

|                                    | Consensus Scenarios |        |          | Downside 2 scenario |
|------------------------------------|---------------------|--------|----------|---------------------|
|                                    | Central             | Upside | Downside |                     |
| Probability (%) – 30 June 2026     | 75.0                | 5.0    | 15.0     | 5.0                 |
| Probability (%) – 31 December 2025 | 75.0                | 10.0   | 10.0     | 5.0                 |
| Probability (%) – 30 June 2025     | 65.0                | 10.0   | 20.0     | 5.0                 |
| Probability (%) – 31 December 2024 | 75.0                | 10.0   | 10.0     | 5.0                 |

## Notes on the interim condensed financial statements

### How economic scenarios are reflected in the retail calculation of ECL

With respect to the retail portfolio, historical relationships between observed default rates and macroeconomic variables are integrated into IFRS 9 ECL estimates. The impact of these scenarios on PDs is modelled over a period equal to the remaining maturity of underlying assets. In contrast, no FEG impact on LGD is modelled in respect of exposures classified within any of the retail portfolios. The key macroeconomic variables used for the retail portfolio are specific to Malta and have been calibrated in line with the methodology explained on previous pages.

Based on an assessment performed by the local group in respect of the correlation between historical observed default rates and various macroeconomic variables, it was determined that the most relevant macroeconomic variables to use within the ECL calculation in respect of mortgages were unemployment and real GDP growth rates. A relative 80:20 weighting was assigned to unemployment and real GDP growth rates respectively. Expert judgement was applied in the selection of the macroeconomic variables as well as the assignment of the relative weightings. In view of the fact that the Loan-to-Value ('LTV') ratio represents one of the criteria used for segmentation purposes in respect of exposures classified within the mortgage portfolio, the House Price Index ('HPI') is also considered in the estimation of forward-looking Point-in-Time ('PIT') PDs, with exposures migrating between segments on the basis of forecasted shocks to the HPI, which in turn impact the LTV segmentation.

In contrast, the modelling of forward-looking macroeconomic scenarios in respect of exposures classified within unsecured retail portfolios is linked to a singular macroeconomic variable. In this respect, the key macroeconomic variable used in the estimation of ECLs in respect of retail overdrafts and personal loans is the unemployment rate, whereas the real GDP growth rate is used as the key macroeconomic variable for credit cards.

### Economic scenarios sensitivity analysis of ECL estimates

The ECL outcome is sensitive to judgement and estimations made with regards to the formulation and incorporation of multiple forward-looking economic conditions described on previous pages. As a result, management assessed and considered the sensitivity of the ECL outcome to the forward-looking economic conditions as part of the ECL governance process.

As at 30 June 2026 and 31 December 2025, the sensitivity of the ECL outcome to the economic forecasts was assessed by recalculating the ECL under the scenarios described on previous pages for the wholesale and retail portfolios, applying a 100% weighting to each scenario in turn. In this respect, the credit loss allowances estimated on the basis of an assumption that the ECL outcome was determined solely on the basis of each respective scenario are presented in the table below.

The ECL calculated for the Upside and Downside scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes. The impact of defaults that might occur in the future under different economic scenarios is captured by recalculating ECL for loans at the balance sheet date. There is a particularly high degree of estimation uncertainty in numbers representing more severe risk scenarios when assigned a 100% weighting.

For wholesale credit risk exposures, the sensitivity analysis excludes the ECL related to defaulted (stage 3) obligors. It is generally impracticable to separate the effect of macroeconomic factors in individual assessments of obligors in default. The measurement of stage 3 ECL is relatively more sensitive to credit factors specific to the obligor than future economic scenarios, and loans to defaulted obligors are a small portion of the overall wholesale lending exposure, even if representing the majority of the allowance for ECL. Therefore, the ECL in respect of wholesale stage 3 exposures is assumed to remain constant across the sensitivity outcomes presented in the table below.

For retail credit risk exposures, the sensitivity analysis includes ECL for loans and advances to customers related to defaulted obligors. This is because the retail ECL for secured mortgage portfolios including loans in all stages is sensitive to macroeconomic variables.

The wholesale and retail sensitivity analysis is stated inclusive of management judgemental adjustments, as appropriate to each scenario. Accordingly, the management judgemental adjustments modelled in respect of both comparative periods and referred to previously are assumed to remain constant across the sensitivity outcomes presented in the table below.

#### ECL sensitivity: Applying a 100% weighting to each respective scenario – June 2026

|                   | Weighted<br>average ECL<br>€000 | Consensus scenarios |                |                  | Downside 2<br>scenario<br>€000 |
|-------------------|---------------------------------|---------------------|----------------|------------------|--------------------------------|
|                   |                                 | Central<br>€000     | Upside<br>€000 | Downside<br>€000 |                                |
| Wholesale lending | 9,613                           | 9,205               | 8,570          | 10,406           | 14,397                         |
| Personal lending  | 14,774                          | 14,712              | 14,652         | 14,779           | 15,807                         |

#### ECL sensitivity: Applying a 100% weighting to each respective scenario – December 2025

|                   | Weighted<br>average ECL<br>€000 | Consensus scenarios |                |                  | Downside 2<br>scenario<br>€000 |
|-------------------|---------------------------------|---------------------|----------------|------------------|--------------------------------|
|                   |                                 | Central<br>€000     | Upside<br>€000 | Downside<br>€000 |                                |
| Wholesale lending | 8,958                           | 8,835               | 8,548          | 9,299            | 10,941                         |
| Personal lending  | 15,919                          | 15,866              | 15,804         | 15,938           | 16,899                         |

## Notes on the interim condensed financial statements

Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to customers, including loan and other credit-related commitments, acceptances, accrued income and financial guarantees and similar contracts

|                                                                             | Non-credit impaired                   |                           |                                       |                           | Credit-impaired                       |                           |                                       |                           |
|-----------------------------------------------------------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------|
|                                                                             | Stage 1                               |                           | Stage 2                               |                           | Stage 3                               |                           | Total                                 |                           |
|                                                                             | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 |
| <b>At 1 Jan 2026</b>                                                        | <b>3,672,095</b>                      | <b>(6,310)</b>            | <b>205,875</b>                        | <b>(9,748)</b>            | <b>75,530</b>                         | <b>(17,749)</b>           | <b>3,953,500</b>                      | <b>(33,807)</b>           |
| Transfers of financial instruments:                                         | <b>(4,611)</b>                        | <b>(1,618)</b>            | <b>3,584</b>                          | <b>1,478</b>              | <b>1,027</b>                          | <b>140</b>                | —                                     | —                         |
| – transfers from stage 1 to stage 2                                         | <b>(46,746)</b>                       | <b>81</b>                 | <b>46,746</b>                         | <b>(81)</b>               | —                                     | —                         | —                                     | —                         |
| – transfers from stage 2 to stage 1                                         | <b>42,595</b>                         | <b>(1,602)</b>            | <b>(42,595)</b>                       | <b>1,602</b>              | —                                     | —                         | —                                     | —                         |
| – transfers from stage 3                                                    | <b>2,449</b>                          | <b>(123)</b>              | <b>1,924</b>                          | <b>(166)</b>              | <b>(4,373)</b>                        | <b>289</b>                | —                                     | —                         |
| – transfers to stage 3                                                      | <b>(2,909)</b>                        | <b>26</b>                 | <b>(2,491)</b>                        | <b>123</b>                | <b>5,400</b>                          | <b>(149)</b>              | —                                     | —                         |
| Net remeasurement of ECL arising from stage transfers                       | —                                     | <b>1,480</b>              | —                                     | <b>(1,145)</b>            | —                                     | <b>(885)</b>              | —                                     | <b>(550)</b>              |
| Changes in risk parameters                                                  | —                                     | <b>(576)</b>              | —                                     | <b>(576)</b>              | —                                     | <b>(367)</b>              | —                                     | <b>(1,519)</b>            |
| Net new and further lending/repayments                                      | <b>6,029</b>                          | <b>287</b>                | <b>(11,210)</b>                       | <b>588</b>                | <b>(5,104)</b>                        | <b>1,338</b>              | <b>(10,285)</b>                       | <b>2,213</b>              |
| Assets written off                                                          | —                                     | —                         | —                                     | —                         | <b>(288)</b>                          | <b>288</b>                | <b>(288)</b>                          | <b>288</b>                |
| <b>At 30 Jun 2026</b>                                                       | <b>3,673,513</b>                      | <b>(6,737)</b>            | <b>198,249</b>                        | <b>(9,403)</b>            | <b>71,165</b>                         | <b>(17,235)</b>           | <b>3,942,927</b>                      | <b>(33,375)</b>           |
| ECL charge for the period                                                   |                                       |                           |                                       |                           |                                       |                           |                                       | <b>432</b>                |
| Assets written off                                                          |                                       |                           |                                       |                           |                                       |                           |                                       | <b>(288)</b>              |
| <b>Change in expected credit losses excluding effect of write-offs</b>      |                                       |                           |                                       |                           |                                       |                           |                                       | <b>144</b>                |
| Recoveries                                                                  |                                       |                           |                                       |                           |                                       |                           |                                       | <b>6,128</b>              |
| Other                                                                       |                                       |                           |                                       |                           |                                       |                           |                                       | <b>175</b>                |
| <b>Change in expected credit losses and other credit impairment charges</b> |                                       |                           |                                       |                           |                                       |                           |                                       | <b>6,447</b>              |

|                                                                                                                                 | At 30 Jun 2026                        |                           | 6 months ended<br>30 Jun 2026 |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------|-------------------------------|
|                                                                                                                                 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | ECL (charge)/release<br>€000  |
| <b>As above</b>                                                                                                                 | <b>3,942,927</b>                      | <b>(33,375)</b>           | <b>6,447</b>                  |
| Balances at central banks                                                                                                       | <b>902,155</b>                        | —                         | —                             |
| Loans and advances to banks measured at amortised cost                                                                          | <b>443,655</b>                        | —                         | <b>1</b>                      |
| Debt instruments and Treasury Bills measured at amortised cost                                                                  | <b>1,426,113</b>                      | <b>(31)</b>               | <b>(4)</b>                    |
| Items in course of collection from other banks                                                                                  | <b>12,606</b>                         | —                         | —                             |
| Accrued interest on debt instruments and other accrued income                                                                   | <b>18,507</b>                         | —                         | —                             |
| Loan and other credit related commitments – banks                                                                               | <b>27,215</b>                         | —                         | —                             |
| Financial guarantees – banks                                                                                                    | <b>485</b>                            | —                         | —                             |
| <b>Summary of financial instruments to which the impairment requirements in IFRS 9 are applied through the Income Statement</b> | <b>6,773,663</b>                      | <b>(33,406)</b>           | <b>6,444</b>                  |
| Debt instruments and Treasury Bills measured at fair value through other comprehensive income                                   | <b>1,434,649</b>                      | <b>(31)</b>               | <b>8</b>                      |
| <b>Total allowance for ECL/total income statement ECL release for the period</b>                                                | <b>N/A</b>                            | <b>(33,437)</b>           | <b>6,452</b>                  |

Changes in ECL for the period comprise the reclassification of the discount unwind element to interest income, amounting to €0.2million for the period ended 30 June 2026 and included in 'Other' along with the effects of foreign exchange adjustments in the above reconciliation.

## Notes on the interim condensed financial statements

Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to customers, including loan and other credit-related commitments, acceptances, accrued income and financial guarantees and similar contracts (continued)

|                                                                      | Non-credit impaired                   |                           |                                       |                           | Credit-impaired                       |                           | Total                                 |                           |
|----------------------------------------------------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------|---------------------------------------|---------------------------|
|                                                                      | Stage 1                               |                           | Stage 2                               |                           | Stage 3                               |                           |                                       |                           |
|                                                                      | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 |
| At 1 Jan 2025                                                        | 3,624,195                             | (8,346)                   | 176,610                               | (9,948)                   | 77,724                                | (19,628)                  | 3,878,529                             | (37,922)                  |
| Transfers of financial instruments                                   | (60,699)                              | (2,642)                   | 50,701                                | 3,725                     | 9,998                                 | (1,083)                   | —                                     | —                         |
| – transfers from stage 1 to stage 2                                  | (129,228)                             | 327                       | 129,228                               | (327)                     | —                                     | —                         | —                                     | —                         |
| – transfers from stage 2 to stage 1                                  | 72,071                                | (2,889)                   | (72,071)                              | 2,889                     | —                                     | —                         | —                                     | —                         |
| – transfers from stage 3                                             | 773                                   | (90)                      | 3,482                                 | (308)                     | (4,255)                               | 398                       | —                                     | —                         |
| – transfers to stage 3                                               | (4,315)                               | 10                        | (9,938)                               | 1,471                     | 14,253                                | (1,481)                   | —                                     | —                         |
| Net remeasurement of ECL arising from stage transfers                | —                                     | 2,880                     | —                                     | (8,309)                   | —                                     | (1,862)                   | —                                     | (7,291)                   |
| Changes in risk parameters                                           | —                                     | 1,341                     | —                                     | 3,697                     | —                                     | 1,561                     | —                                     | 6,599                     |
| Net new and further lending/repayments                               | 108,599                               | 457                       | (21,436)                              | 1,087                     | (11,548)                              | 2,619                     | 75,615                                | 4,163                     |
| Assets written off                                                   | —                                     | —                         | —                                     | —                         | (644)                                 | 644                       | (644)                                 | 644                       |
| At 31 Dec 2025                                                       | 3,672,095                             | (6,310)                   | 205,875                               | (9,748)                   | 75,530                                | (17,749)                  | 3,953,500                             | (33,807)                  |
| ECL charge for the year                                              |                                       |                           |                                       |                           |                                       |                           |                                       | 4,115                     |
| Assets written off                                                   |                                       |                           |                                       |                           |                                       |                           |                                       | (644)                     |
| Change in expected credit losses excluding effect of write-offs      |                                       |                           |                                       |                           |                                       |                           |                                       | 3,471                     |
| Recoveries                                                           |                                       |                           |                                       |                           |                                       |                           |                                       | 5,634                     |
| Other                                                                |                                       |                           |                                       |                           |                                       |                           |                                       | 384                       |
| Change in expected credit losses and other credit impairment charges |                                       |                           |                                       |                           |                                       |                           |                                       | 9,489                     |

|                                                                                                                          | At 31 Dec 2025                        |                           | 12 months ended<br>31 Dec 2025 |
|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------|--------------------------------|
|                                                                                                                          | Gross carrying/nominal amount<br>€000 | Allowance for ECL<br>€000 | ECL (charge)/release<br>€000   |
| As above                                                                                                                 | 3,953,500                             | (33,807)                  | 9,489                          |
| Balances at central banks                                                                                                | 950,980                               | —                         | 1                              |
| Loans and advances to banks measured at amortised cost                                                                   | 654,183                               | (1)                       | (1)                            |
| Debt instruments measured at amortised cost                                                                              | 1,352,529                             | (27)                      | 19                             |
| Items in course of collection from other banks                                                                           | 4,628                                 | —                         | —                              |
| Accrued interest on debt instruments and other accrued income                                                            | 16,336                                | —                         | —                              |
| Loan and other credit-related commitments – banks                                                                        | 18,775                                | —                         | —                              |
| Financial guarantees – banks                                                                                             | 9,836                                 | —                         | —                              |
| Summary of financial instruments to which the impairment requirements in IFRS 9 are applied through the Income Statement | 6,960,767                             | (33,835)                  | 9,508                          |
| Debt instruments and Treasury Bills measured at fair value through other comprehensive income                            | 1,492,430                             | (39)                      | (1)                            |
| Total allowance for ECL/total income statement ECL release for the year                                                  | N/A                                   | (33,874)                  | 9,507                          |

The above disclosure provides a reconciliation by stage of the bank's gross carrying/nominal amount and allowances for loans and advances to customers, including the portion of accrued interest and loan and other credit-related commitments relating solely to loans and advances to customers excluding loans and other credit-related commitments to banks.

The transfers of financial instruments represent the impact of stage transfers upon the gross carrying/nominal amount and associated allowance for ECL. The 'Net remeasurement of ECL arising from stage transfers' 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. Movements in ECL arising as a result of changes to the underlying PDs and LGDs, including as a result of changes in macroeconomic scenarios, are captured in the 'changes in risk parameters' line item. The 'Net new and further lending/repayments' represent the gross carrying/nominal amount and associated allowance ECL impact from volume movements within the bank's lending portfolio.

The ECL release for the period ended 30 June 2026 amounted to €6.5million when compared to a release of €9.5million for the year ended 31 December 2025. The release for the period ended 30 June 2026 was primarily attributable to a significant recovery of previously written off amounts amounting to €6.1million related to a major wholesale exposure. Changes in risk parameters during the period amounting to €1.5million, mainly relate to the revision in the weighting assigned to the Downside scenario attributable to the prolonged conflicts in the Middle East which undermines confidence and investment. There was also a decrease of €2.2million relating to the ECL reversed on net repayments. This release was partially offset by the deterioration in credit quality, which resulted in an increase in ECL amounting to €0.6million for the period ended 30 June 2026. This was driven by a particular wholesale exposure which moved to Stage 3.

## 5 Segmental analysis

### Our business segments

The local group provides a comprehensive range of banking and related financial services to its customers. The local group's reporting segments under IFRS 8 'Operating Segments' comprise the following two businesses. The products and services offered to customers are organised by these two businesses as follows:

- International Wealth and Premier Banking ('IWPB') comprises Personal banking including Premier and wealth manufacturing businesses of Asset Management and Insurance. IWPB provides a full range of products and services to meet the personal banking and wealth management needs of individual customers. Typically, customer offerings include retail banking products such as current and savings accounts, mortgages and personal loans, credit cards, debit cards and local and international payment services. IWPB also provides wealth management services, including insurance and investment products, global asset management services and financial planning.
- Corporate and Institutional Banking ('CIB') is formed from the integration of Commercial Banking business with Global Banking and Markets business. CIB offers a broad range of products and services to serve the needs of commercial customers, including small and medium-sized enterprises, mid-market enterprises and corporates. These include credit and lending, international trade and receivables finance. CIB also provides its corporate and institutional clients with tailored financial solutions, including assistance with managing risk via interest rate derivatives, the provision of foreign exchange spot and derivative products.

The local group's internal reporting to the Board of Directors and Senior Management is analysed according to these business lines. For each of the businesses, the Senior Management, in particular the Chief Executive Officer ('CEO'), reviews internal management reports in order to make decisions about allocating resources and assessing performance.

The Board considers that business segments represent the most appropriate information for the users of the financial statements to best evaluate the nature and financial effects of the business activities in which the local group engages, and the economic environments in which it operates. As a result, the local group's operating segments are considered to be the global business.

Business segments' results are assessed by the CEO on the basis of adjusted performance that removes the effects of notable items. 'Notable items' are components of profit or loss that management would consider as outside the normal course of business and generally non-recurring in nature. As a result, management and investors would ordinarily identify and consider notable items separately to improve the understanding of the underlying trends in the business.

The local group's operations are closely integrated and, accordingly, the presentation of data includes internal allocations of certain items of income and expense. These allocations include the costs of certain support services and global functions to the extent that they can be meaningfully attributable to business segments. While such allocations have been made on a systematic and consistent basis, they necessarily involve a degree of subjectivity. Where relevant, income and expense amounts presented include the results of inter-segment funding. All such transactions are undertaken on arm's length terms.

Results are presented in the tables below on a reported basis and excluding notable items. Notable items are components of income statement that management considers as outside the normal course of business and generally non-recurring in nature. Notable items are excluded to aid the understanding of the local bank's results as these items distort period-on-period comparisons and are listed below in the table 'Notable items'. During the period ended 30 June 2026 there were notable items amounting to €7,299,000 (30 June 2025: nil).

### Reported profit before tax and balance sheet data

Movement in reported profit before tax compared with period ended 30 June 2025

|                                                                                                               | Group                                    |                     |                                     |                     |                     |                     |
|---------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------|-------------------------------------|---------------------|---------------------|---------------------|
|                                                                                                               | International Wealth and Premier Banking |                     | Corporate and Institutional Banking |                     | Group total         |                     |
|                                                                                                               | Half-year to                             |                     |                                     |                     |                     |                     |
|                                                                                                               | 30 Jun 2026<br>€000                      | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000                 | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| Net interest income                                                                                           | 57,065                                   | 61,385              | 28,506                              | 28,458              | 85,571              | 89,843              |
| – external                                                                                                    | 56,074                                   | 59,976              | 29,497                              | 29,867              | 85,571              | 89,843              |
| – internal                                                                                                    | 991                                      | 1,409               | (991)                               | (1,409)             | —                   | —                   |
| Net non-interest income                                                                                       | 5,285                                    | 6,257               | 9,701                               | 10,109              | 14,986              | 16,366              |
| Insurance service result                                                                                      | 3,586                                    | 3,380               | —                                   | —                   | 3,586               | 3,380               |
| Net income from assets and liabilities of insurance businesses, measured at fair value through profit or loss | 28,775                                   | 13,615              | —                                   | —                   | 28,775              | 13,615              |
| Insurance finance expense                                                                                     | (29,103)                                 | (9,477)             | —                                   | —                   | (29,103)            | (9,477)             |
| Net operating income before change in expected credit losses and other credit impairment charges              | 65,608                                   | 75,160              | 38,207                              | 38,567              | 103,815             | 113,727             |
| Change in expected credit losses and other credit impairment charges                                          | 1,203                                    | 3,338               | 5,249                               | (297)               | 6,452               | 3,041               |
| Net operating income                                                                                          | 66,811                                   | 78,498              | 43,456                              | 38,270              | 110,267             | 116,768             |
| Employee compensation and benefits                                                                            | (19,524)                                 | (17,262)            | (5,542)                             | (5,100)             | (25,066)            | (22,362)            |
| General and administrative expenses                                                                           | (21,592)                                 | (22,508)            | (8,499)                             | (7,606)             | (30,091)            | (30,114)            |
| Depreciation and impairment of property, plant and equipment and right-of-use assets                          | (2,243)                                  | (1,601)             | (554)                               | (437)               | (2,797)             | (2,038)             |
| Amortisation and impairment of intangible assets                                                              | (5,795)                                  | (2,584)             | (2,121)                             | (959)               | (7,916)             | (3,543)             |
| Total operating expenses                                                                                      | (49,154)                                 | (43,955)            | (16,716)                            | (14,102)            | (65,870)            | (58,057)            |
| Reported profit before tax                                                                                    | 17,657                                   | 34,543              | 26,740                              | 24,168              | 44,397              | 58,711              |
| Operating expenses excluding notable items                                                                    | (43,658)                                 | (43,955)            | (14,913)                            | (14,102)            | (58,571)            | (58,057)            |
| Profit before tax excluding notable items                                                                     | 23,153                                   | 34,543              | 28,543                              | 24,168              | 51,696              | 58,711              |

## Notes on the interim condensed financial statements

### Notable items

|                                                                             | Group                                    |                     |                                     |                     |                     |                     |
|-----------------------------------------------------------------------------|------------------------------------------|---------------------|-------------------------------------|---------------------|---------------------|---------------------|
|                                                                             | International Wealth and Premier Banking |                     | Corporate and Institutional Banking |                     | Group total         |                     |
|                                                                             | Half-year to                             |                     |                                     |                     |                     |                     |
|                                                                             | 30 Jun 2026<br>€000                      | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000                 | 30 Jun 2025<br>€000 | 30 Jun 2026<br>€000 | 30 Jun 2025<br>€000 |
| Operating expenses                                                          |                                          |                     |                                     |                     |                     |                     |
| Proposed Transaction employee costs                                         | (2,547)                                  | —                   | (723)                               | —                   | (3,270)             | —                   |
| Proposed Transaction accelerated amortisation of intangible assets          | (2,949)                                  | —                   | (1,080)                             | —                   | (4,029)             | —                   |
|                                                                             | 30 Jun 2026<br>€000                      | 31 Dec 2025<br>€000 | 30 Jun 2026<br>€000                 | 31 Dec 2025<br>€000 | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 |
| Reported balance sheet data                                                 |                                          |                     |                                     |                     |                     |                     |
| Loans and advances to customers (net)                                       | 1,910,132                                | 1,953,670           | 785,440                             | 808,493             | 2,695,572           | 2,762,163           |
| Financial assets mandatorily measured at fair value through profit and loss | 730,644                                  | 721,107             | —                                   | —                   | 730,644             | 721,107             |
| Total external assets                                                       | 5,249,782                                | 5,795,174           | 2,630,540                           | 2,355,953           | 7,880,322           | 8,151,127           |
| Customer accounts                                                           | 4,558,789                                | 4,509,101           | 1,654,138                           | 2,018,785           | 6,212,927           | 6,527,886           |
| Liabilities under investment contracts                                      | 172,187                                  | 162,550             | —                                   | —                   | 172,187             | 162,550             |
| Insurance contract liabilities                                              | 551,895                                  | 535,510             | —                                   | —                   | 551,895             | 535,510             |

## 6 Fair value of financial and non-financial instruments

### (a) Valuation of financial instruments

All financial instruments are recognised initially at fair value. Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Fair values are determined according to the following hierarchy:

- Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets.
- Level 2 – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets, or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Level 3 – valuation technique with significant unobservable inputs: financial instruments valued using models where one or more significant inputs are unobservable.

The valuation techniques utilised in preparing these interim condensed consolidated financial statements are consistent with those applied in the preparation of financial statements for the year ended 31 December 2025. There were no transfers between levels of the fair value hierarchy during the period under review.

### (b) Fair values of financial instruments carried at fair value

The following table sets out the financial instruments by fair value hierarchy other than assets and liabilities attributable to the insurance business within the scope of IFRS 17:

#### Financial instruments carried at fair value and bases of valuation

|                                                                                 | Group                               |                                         |                                                      |               |                                     |                                         |                                                      |               |
|---------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|------------------------------------------------------|---------------|-------------------------------------|-----------------------------------------|------------------------------------------------------|---------------|
|                                                                                 | At 30 Jun 2026                      |                                         |                                                      |               | At 31 Dec 2025                      |                                         |                                                      |               |
|                                                                                 | Valuation techniques                |                                         |                                                      |               | Valuation techniques                |                                         |                                                      |               |
|                                                                                 | Quoted market price Level 1<br>€000 | Using observable inputs Level 2<br>€000 | With significant unobservable inputs Level 3<br>€000 | Total<br>€000 | Quoted market price Level 1<br>€000 | Using observable inputs Level 2<br>€000 | With significant unobservable inputs Level 3<br>€000 | Total<br>€000 |
| <b>Recurring fair value measurements</b>                                        |                                     |                                         |                                                      |               |                                     |                                         |                                                      |               |
| <b>Assets</b>                                                                   |                                     |                                         |                                                      |               |                                     |                                         |                                                      |               |
| Treasury Bills                                                                  | 84,085                              | 121,278                                 | —                                                    | 205,363       | —                                   | 307,519                                 | —                                                    | 307,519       |
| Derivatives                                                                     | —                                   | 6,102                                   | —                                                    | 6,102         | —                                   | 6,213                                   | —                                                    | 6,213         |
| Financial assets mandatorily measured at fair value through profit or loss      | 727,791                             | —                                       | 2,853                                                | 730,644       | 718,270                             | —                                       | 2,837                                                | 721,107       |
| Financial investments measured at fair value through other comprehensive income | 1,229,286                           | —                                       | 53                                                   | 1,229,339     | 1,184,911                           | —                                       | 47                                                   | 1,184,958     |
|                                                                                 | 2,041,162                           | 127,380                                 | 2,906                                                | 2,171,448     | 1,903,181                           | 313,732                                 | 2,884                                                | 2,219,797     |
| <b>Liabilities</b>                                                              |                                     |                                         |                                                      |               |                                     |                                         |                                                      |               |
| Derivatives                                                                     | —                                   | 4,576                                   | —                                                    | 4,576         | —                                   | 4,852                                   | —                                                    | 4,852         |
| Liabilities under investment contracts                                          | 172,187                             | —                                       | —                                                    | 172,187       | 162,550                             | —                                       | —                                                    | 162,550       |
|                                                                                 | 172,187                             | 4,576                                   | —                                                    | 176,763       | 162,550                             | 4,852                                   | —                                                    | 167,402       |

## Notes on the interim condensed financial statements

### Financial instruments carried at fair value and bases of valuation (continued)

|                                                                                 | At 30 Jun 2026              |                                 |                                              |           | At 31 Dec 2025              |                                 |                                              |           |
|---------------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------------------------------|-----------|-----------------------------|---------------------------------|----------------------------------------------|-----------|
|                                                                                 | Valuation techniques        |                                 |                                              |           | Valuation techniques        |                                 |                                              |           |
|                                                                                 | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total     | Quoted market price Level 1 | Using observable inputs Level 2 | With significant unobservable inputs Level 3 | Total     |
|                                                                                 | €000                        | €000                            | €000                                         | €000      | €000                        | €000                            | €000                                         | €000      |
| <b>Recurring fair value measurements</b>                                        |                             |                                 |                                              |           |                             |                                 |                                              |           |
| <b>Assets</b>                                                                   |                             |                                 |                                              |           |                             |                                 |                                              |           |
| Treasury Bills                                                                  | 84,085                      | 121,278                         | —                                            | 205,363   | —                           | 307,519                         | —                                            | 307,519   |
| Derivatives                                                                     | —                           | 6,102                           | —                                            | 6,102     | —                           | 6,213                           | —                                            | 6,213     |
| Financial investments measured at fair value through other comprehensive income | 1,229,286                   | —                               | 51                                           | 1,229,337 | 1,184,911                   | —                               | 45                                           | 1,184,956 |
|                                                                                 | 1,313,371                   | 127,380                         | 51                                           | 1,440,802 | 1,184,911                   | 313,732                         | 45                                           | 1,498,688 |
| <b>Liabilities</b>                                                              |                             |                                 |                                              |           |                             |                                 |                                              |           |
| Derivatives                                                                     | —                           | 4,576                           | —                                            | 4,576     | —                           | 4,852                           | —                                            | 4,852     |
|                                                                                 | —                           | 4,576                           | —                                            | 4,576     | —                           | 4,852                           | —                                            | 4,852     |

### Reconciliation of the fair value measurements in Level 3 of the fair value hierarchy

|                                                                                   | Group        |              |
|-----------------------------------------------------------------------------------|--------------|--------------|
|                                                                                   | 2026<br>€000 | 2025<br>€000 |
| <b>Level 3</b>                                                                    |              |              |
| <b>Financial assets mandatorily measured at fair value through profit or loss</b> |              |              |
| <b>At 1 Jan</b>                                                                   | <b>2,837</b> | 7,047        |
| Disposal/redemptions                                                              | —            | (4,328)      |
| Changes in fair value (recognised in profit or loss)                              | <b>16</b>    | 118          |
| <b>At 30 Jun</b>                                                                  | <b>2,853</b> | 2,837        |

In view of the insignificance of the Level 3 assets in the context of the local group's total assets, the disclosure of key unobservable inputs to Level 3 financial instruments and the sensitivity of Level 3 fair value to reasonably possible alternatives in respect of significant unobservable assumptions was not deemed necessary and relevant. For the year ended 31 December 2025, the significant movement reflected in the table above is attributable to disposals/redemptions.

No transfers of financial instruments between the different levels of the fair value hierarchy occurred during the financial period ended 30 June 2026 and 31 December 2025.

### (c) Fair values of non-financial instruments carried at fair value

The local group's land and buildings, classified within property, plant and equipment, comprises commercial branches, bank offices and other operational premises. All the recurring property fair value measurements use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

|               | Group/Bank          |                     |
|---------------|---------------------|---------------------|
|               | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 |
| <b>Assets</b> |                     |                     |
| Property      | <b>34,881</b>       | 34,500              |

The local group's land and buildings classified within property, plant and equipment are fair valued annually by an independent firm of property valuers having appropriate recognised professional qualifications and experience in the location and category of the property being valued. Valuations are made based on open market value taking cognisance of the specific location of the properties, the size of the sites together with their development potential, the availability of similar properties in the area, and whenever possible, having regard to recent market transactions for similar properties in the same location.

Valuations are carried out on a regular basis so that the carrying amount of property would not differ materially from that which would be determined using fair values at the end of the reporting period.

## Notes on the interim condensed financial statements

### (d) Fair values of financial instruments not carried at fair value

Certain financial instruments are carried at amortised cost.

The following table sets out the carrying amounts of these financial instruments:

|                                                              | Group               |                     | Bank                |                     |
|--------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                              | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 |
| <b>Assets</b>                                                |                     |                     |                     |                     |
| Balances with Central Bank of Malta, Treasury Bills and cash | 954,189             | 985,585             | 954,189             | 985,585             |
| Items in the course of collection from other banks           | 12,606              | 4,628               | 12,606              | 4,628               |
| Loans and advances to banks                                  | 480,794             | 678,783             | 443,655             | 654,182             |
| Loans and advances to customers                              | 2,695,572           | 2,762,163           | 2,695,572           | 2,762,163           |
| Financial investments measured at amortised cost             | 1,406,558           | 1,352,502           | 1,406,558           | 1,352,502           |
| Accrued interest                                             | 27,621              | 26,716              | 24,380              | 24,055              |
| Other assets                                                 | 21,537              | 9,520               | 21,963              | 8,217               |
|                                                              | 5,598,877           | 5,819,897           | 5,558,923           | 5,791,332           |
| <b>Liabilities</b>                                           |                     |                     |                     |                     |
| Deposits by banks                                            | 1,074               | 1,429               | 1,074               | 1,429               |
| Customer accounts                                            | 6,212,927           | 6,527,886           | 6,238,391           | 6,547,547           |
| Items in the course of transmission to other banks           | 12,998              | 11,837              | 12,998              | 11,837              |
| Borrowings from a group undertaking                          | 120,000             | 150,000             | 120,000             | 150,000             |
| Subordinated liabilities                                     | 65,000              | 65,000              | 65,000              | 65,000              |
| Accrued interest                                             | 4,590               | 3,556               | 4,590               | 3,556               |
| Other liabilities                                            | 37,974              | 8,770               | 33,807              | 5,521               |
|                                                              | 6,454,563           | 6,768,478           | 6,475,860           | 6,784,890           |

As at 30 June 2026, financial instruments measured at amortised cost comprise Treasury Bills amounting to €19,524,000 (31 December 2025: nil) and debt instruments amounting to €1,406,558,000 (31 December 2025: €1,352,502,000). The fair value of these financial instruments as at 30 June 2025, determined by reference to quoted market prices is €19,544,000 (31 December 2025: nil) for Treasury Bills and €1,403,213,000 (31 December 2025: €1,354,985,000) for debt instruments.

The fair value for these Treasury Bills and debt instruments is categorised as Level 1, given that the fair value is determined by reference to quoted bid market prices in active markets.

The fair values of the other financial instruments measured at amortised cost are not disclosed given that the carrying amount is a reasonable approximation of fair value because these are either re-priced to current market rates frequently or the local group has the ability to re-price them at its own discretion, or because these are short-term in nature. Fair values for these financial instruments (other than for cash) are estimated using discounted cash flows applying current market interest rates for instruments with similar remaining maturities and hence utilising mainly Level 3 inputs.

Fair values in relation to loans and advances to customers and in relation to customer accounts repayable on demand are deemed to be fairly close to carrying amounts principally in view of the local group's ability to reprice at its discretion. The majority of customer term deposit accounts are held for a period of less than 12 months and therefore their fair value is also deemed to closely approximate the carrying amount due to their short-term nature. These estimates are considered Level 3 fair value estimates.

Similarly deposits by banks are principally repayable on demand and, as a result, their fair value is approximated by their carrying amount. The fair value of balances with the Central Bank of Malta, loans and advances to banks, borrowings from a group undertaking and subordinated liabilities is deemed to approximate the carrying amount due to the fact that they are short-term in nature and/or reprice frequently.

## 7 Derivatives

The local group transacts derivatives primarily to create risk management solutions for clients, referred to as 'trading derivatives', and derivatives to manage and hedge own risks, referred to as 'hedge accounting derivatives'.

### Trading derivatives

Trading derivative transactions relate mainly to sales activities. These activities include the structuring and marketing of derivative products to customers to enable them to take, transfer, modify or reduce current or expected risks.

All of the positions held for trading purposes are covered by back-to-back derivative transactions with HSBC Group entities, managing the market risk arising from these positions. Any market risk retained locally is managed within approved local trading mandates. Therefore, revenue is generated based on volume and spread.

### Hedge accounting derivatives

The local group uses derivatives (principally interest rate swaps) for hedging purposes in the management of its own asset portfolio. This enables the local group to optimise the overall cost of accessing debt capital markets, and to mitigate the market risk which would otherwise arise from structural imbalances in the maturity and other profiles of its assets and liabilities.

The accounting treatment of hedge transactions varies according to the nature of the instrument hedged and the type of hedge transactions. Derivatives may qualify as hedges for accounting purposes if they are fair value hedges, or cash flow hedges, or hedges in net investment of foreign operations. During the financial year ended 31 December 2022, the local group has entered into fair value hedges, which consisted of interest rate swaps that are used to protect against changes in the fair value of fixed-rate-long-term debt instruments due to the movements in market interest rates. The local group did not enter into new fair value hedges during the period ended 30 June 2026 and the financial year ended 31 December 2025. For qualifying fair value hedges, all changes in the fair value of the derivatives (the 'hedging instrument') and in the fair value of the item in relation to the risk being hedged (the 'hedged item') are recognised in the income statement. If a hedge relationship no longer meets the criteria for hedge accounting, hedge accounting is discontinued, and the cumulative adjustment to the carrying amount of a

## Notes on the interim condensed financial statements

hedged item for which the effective interest rate method is used is amortised to the income statement on a recalculated effective interest rate, unless the hedged item has been derecognised, in which case it is recognised in the income statement immediately.

Hedge effectiveness is determined at inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The local group entered into interest rate swaps that had similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The local group matched the nominal amount of the hedged item with the notional amount of the interest rate swaps. As all critical terms matched since the inception of the fair value hedge, the hedging instruments share the same risk exposures as the hedged items and, as a result, an economic relationship is deemed to exist.

Hedge effectiveness for interest rate swaps was also assessed by reference to qualitative tests, including both retrospective and prospective effectiveness tests. However, to the extent hedging instruments are exposed to different risks than hedged items, this could result in hedge ineffectiveness. This may occur due to the credit value/debit value adjustment on the interest rate swaps which is not matched by the hedged item.

The hedge ratio in respect of the hedge accounting derivatives for the period ended 30 June 2026 and 31 December 2025 was 1:1. The weighted average swap rate in respect of the hedge accounting derivatives as at June 2026 was 0.90% per annum (2025: 1.19%).

### Derivatives

|                                     | Group/Bank               |                 |                     |                 |               |                          |                 |               |
|-------------------------------------|--------------------------|-----------------|---------------------|-----------------|---------------|--------------------------|-----------------|---------------|
|                                     | Notional contract amount |                 | Fair value – Assets |                 |               | Fair value – Liabilities |                 |               |
|                                     | Trading<br>€000          | Hedging<br>€000 | Trading<br>€000     | Hedging<br>€000 | Total<br>€000 | Trading<br>€000          | Hedging<br>€000 | Total<br>€000 |
| <b>Foreign exchange derivatives</b> |                          |                 |                     |                 |               |                          |                 |               |
| Foreign exchange                    | 211,972                  | —               | 3,714               | —               | 3,714         | 3,611                    | —               | 3,611         |
| <b>Interest rate derivatives</b>    |                          |                 |                     |                 |               |                          |                 |               |
| Interest rate swaps                 | 150,709                  | 131,000         | 1,043               | 1,345           | 2,388         | 965                      | —               | 965           |
| <b>At 30 Jun 2026</b>               | <b>362,681</b>           | <b>131,000</b>  | <b>4,757</b>        | <b>1,345</b>    | <b>6,102</b>  | <b>4,576</b>             | <b>—</b>        | <b>4,576</b>  |
| Foreign exchange derivatives        |                          |                 |                     |                 |               |                          |                 |               |
| Foreign exchange                    | 243,044                  | —               | 3,960               | —               | 3,960         | 3,801                    | —               | 3,801         |
| Interest rate derivatives           |                          |                 |                     |                 |               |                          |                 |               |
| Interest rate swaps                 | 78,418                   | 209,000         | 1,055               | 1,198           | 2,253         | 1,051                    | —               | 1,051         |
| <b>At 31 Dec 2025</b>               | <b>321,462</b>           | <b>209,000</b>  | <b>5,015</b>        | <b>1,198</b>    | <b>6,213</b>  | <b>4,852</b>             | <b>—</b>        | <b>4,852</b>  |

The notional contract amounts of derivatives held for trading purposes and derivatives designated in hedge accounting relationships indicate the nominal value of transactions outstanding at the balance sheet date. They do not represent amounts at risk.

Foreign exchange derivatives represent commitments to purchase and sell pre-established amounts of currencies and are gross settled.

Interest rate swaps are commitments to exchange one set of cash flows for another (for example, fixed rate for floating rate). Usually, no exchange of principal takes place.

### Fair value hedges

The local group enters into fixed-for-floating interest rate swaps to hedge the exposure to change in fair value caused by the movement in interest rates on certain fixed-rate debt securities that are measured at FVOCI. Therefore, the hedges provide protection for changes in fair value of the relevant securities.

#### Hedging instrument and hedged item by hedged risk

|                       | Group/Bank                    |                                                                |                            |                                                          |                                                             |                                                                         |
|-----------------------|-------------------------------|----------------------------------------------------------------|----------------------------|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------|
|                       | Notional <sup>1</sup><br>€000 | Accumulated fair value movements since hedge inception<br>€000 | Balance sheet presentation | Change in fair value for the year <sup>2,3</sup><br>€000 | Hedge ineffectiveness recognised in profit and loss<br>€000 | Profit or loss presentation                                             |
| Hedging instrument    | 131,000                       | 1,315                                                          | Derivatives                | 154                                                      | 7                                                           | Net profit/(loss) representing ineffective portion of fair value hedges |
| Hedged item           | N/A                           | (1,359)                                                        | Financial investments      | (147)                                                    |                                                             |                                                                         |
| <b>At 30 Jun 2026</b> | <b>131,000</b>                | <b>(44)</b>                                                    |                            | <b>7</b>                                                 | <b>7</b>                                                    |                                                                         |
| Hedging instrument    | 209,000                       | 1,161                                                          | Derivatives                | (1,472)                                                  | 32                                                          | Net profit/(loss) representing ineffective portion of fair value hedges |
| Hedged item           | N/A                           | (1,212)                                                        | Financial investments      | 1,504                                                    |                                                             |                                                                         |
| <b>At 31 Dec 2025</b> | <b>209,000</b>                | <b>(51)</b>                                                    |                            | <b>32</b>                                                | <b>32</b>                                                   |                                                                         |

1 The notional contract amounts of derivatives designated in qualifying hedge accounting relationships indicate the nominal value of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

2 Used in effectiveness assessment; comprising amount attributable to the designated hedged risk that can be a risk component in respect of hedged item.

3 Used in effectiveness testing; comprising the full fair value change of hedging instrument not excluding any component.

The carrying amount of the hedged item as at 30 June 2026 amounted to €128,404,000 (31 December 2025: €204,453,000).

## 8 Financial investments

|                                                                   | Group            |                  | Bank             |                  |
|-------------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                   | 30 Jun 2026      | 31 Dec 2025      | 30 Jun 2026      | 31 Dec 2025      |
|                                                                   | €000             | €000             | €000             | €000             |
| <b>Measured at fair value through other comprehensive income:</b> |                  |                  |                  |                  |
| Debt instruments                                                  | 1,229,286        | 1,184,911        | 1,229,286        | 1,184,911        |
| Equity and other non-fixed income instruments                     | 53               | 47               | 51               | 45               |
| <b>Measured at amortised cost:</b>                                |                  |                  |                  |                  |
| Debt instruments                                                  | 1,406,558        | 1,352,502        | 1,406,558        | 1,352,502        |
|                                                                   | <b>2,635,897</b> | <b>2,537,460</b> | <b>2,635,895</b> | <b>2,537,458</b> |

The financial investments which are denominated in currencies other than the reporting currency are economically hedged through balances in corresponding currencies mainly forming part of customer accounts and deposits by banks. Thus, the exchange adjustment reflected above does not result in an exchange gain or loss recognised in profit or loss.

Credit loss allowances in respect of debt instruments measured at fair value through other comprehensive income and at amortised cost amounted to €30,000 and €31,000 as at 30 June 2026 respectively (2025: €33,000 and €27,000 respectively).

Debt securities measured at fair value through other comprehensive income with a carrying amount of €29,453,000 (2025: €34,458,000) have been pledged against the provision of credit lines by the Central Bank of Malta. At 30 June 2026 and 31 December 2025, no balances were outstanding against these credit lines.

Debt securities measured at amortised cost with a carrying amount of €134,910,000 (2025: €135,708,000) have been pledged against the provision of credit lines by the Central Bank of Malta. At 30 June 2026 and 31 December 2025, no balances were outstanding against these credit lines.

In addition, debt securities measured at fair value through other comprehensive income with a carrying amount of €13,896,000 (2025: €13,763,000) have been pledged in terms of the Depositor Compensation Scheme ('DCS').

## 9 Provisions

|                                                       | Group                |                      |                                                       |                  |               |
|-------------------------------------------------------|----------------------|----------------------|-------------------------------------------------------|------------------|---------------|
|                                                       | Termination benefits | Litigation provision | Post employment and other long-term employee benefits | Other provisions | Total         |
|                                                       | €000                 | €000                 | €000                                                  | €000             | €000          |
| <b>Provisions (excluding contractual commitments)</b> |                      |                      |                                                       |                  |               |
| At 31 Dec 2025                                        | —                    | 675                  | 15,842                                                | 1,811            | 18,328        |
| Additions                                             | —                    | 2,409                | 750                                                   | 848              | 4,007         |
| Amounts utilised                                      | —                    | (45)                 | (490)                                                 | (98)             | (633)         |
| Unused amounts reversed                               | —                    | (17)                 | —                                                     | —                | (17)          |
| <b>At 30 Jun 2026</b>                                 | <b>—</b>             | <b>3,022</b>         | <b>16,102</b>                                         | <b>2,561</b>     | <b>21,685</b> |

|                                                         | Loan commitments and financial guarantees | Performance and other guarantees | Total         |
|---------------------------------------------------------|-------------------------------------------|----------------------------------|---------------|
|                                                         | €000                                      | €000                             | €000          |
| <b>Provisions in respect of contractual commitments</b> |                                           |                                  |               |
| At 31 Dec 2025                                          | 703                                       | 116                              | 819           |
| Movement during the period                              | 620                                       | (10)                             | 610           |
| <b>At 30 June 2026</b>                                  | <b>1,323</b>                              | <b>106</b>                       | <b>1,429</b>  |
| <b>Total Provisions</b>                                 |                                           |                                  |               |
| At 31 Dec 2025                                          |                                           |                                  | 19,147        |
| <b>At 30 Jun 2026</b>                                   |                                           |                                  | <b>23,114</b> |

|                                                                        | Group                |                      |                                                       |                  |         |
|------------------------------------------------------------------------|----------------------|----------------------|-------------------------------------------------------|------------------|---------|
|                                                                        | Termination benefits | Litigation provision | Post employment and other long-term employee benefits | Other provisions | Total   |
|                                                                        | €000                 | €000                 | €000                                                  | €000             | €000    |
| <b>Provisions (excluding contractual commitments)</b>                  |                      |                      |                                                       |                  |         |
| At 31 Dec 2024                                                         | 794                  | 738                  | 16,027                                                | 2,135            | 19,694  |
| Additions                                                              | 128                  | 131                  | 1,264                                                 | 243              | 1,766   |
| Amounts utilised                                                       | (922)                | (26)                 | (870)                                                 | (18)             | (1,836) |
| Unused amounts reversed                                                | —                    | (168)                | (145)                                                 | (549)            | (862)   |
| Remeasurement of post employment and other long-term employee benefits | —                    | —                    | (434)                                                 | —                | (434)   |
| At 31 Dec 2025                                                         | —                    | 675                  | 15,842                                                | 1,811            | 18,328  |

## Notes on the interim condensed financial statements

|                                                  | Loan commitments and<br>financial guarantees<br>€000 | Performance and<br>other guarantees<br>€000 | Total<br>€000 |
|--------------------------------------------------|------------------------------------------------------|---------------------------------------------|---------------|
| Provisions in respect of contractual commitments |                                                      |                                             |               |
| At 31 Dec 2024                                   | 974                                                  | 140                                         | 1,114         |
| Movement during the year                         | (271)                                                | (24)                                        | (295)         |
| At 31 Dec 2025                                   | 703                                                  | 116                                         | 819           |
| Total Provisions                                 |                                                      |                                             |               |
| At 31 Dec 2024                                   |                                                      |                                             | 20,808        |
| At 31 Dec 2025                                   |                                                      |                                             | 19,147        |

|                                                       | Bank                            |                                 |                                                                     |                             |               |
|-------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------------------------------------------|-----------------------------|---------------|
|                                                       | Termination<br>benefits<br>€000 | Litigation<br>provision<br>€000 | Post employment and<br>other long-term<br>employee benefits<br>€000 | Other<br>provisions<br>€000 | Total<br>€000 |
| <b>Provisions (excluding contractual commitments)</b> |                                 |                                 |                                                                     |                             |               |
| At 31 Dec 2025                                        | —                               | 675                             | 15,842                                                              | 897                         | 17,414        |
| Additions                                             | —                               | 2,409                           | 750                                                                 | 684                         | 3,843         |
| Amounts utilised                                      | —                               | (45)                            | (490)                                                               | (98)                        | (633)         |
| Unused amounts reversed                               | —                               | (17)                            | —                                                                   | —                           | (17)          |
| <b>At 30 Jun 2026</b>                                 | <b>—</b>                        | <b>3,022</b>                    | <b>16,102</b>                                                       | <b>1,483</b>                | <b>20,607</b> |

|                                                         | Loan commitments and<br>financial guarantees<br>€000 | Performance and<br>other guarantees<br>€000 | Total<br>€000 |
|---------------------------------------------------------|------------------------------------------------------|---------------------------------------------|---------------|
| <b>Provisions in respect of contractual commitments</b> |                                                      |                                             |               |
| At 31 Dec 2025                                          | 703                                                  | 116                                         | 819           |
| Movement during the period                              | 620                                                  | (10)                                        | 610           |
| <b>At 30 Jun 2026</b>                                   | <b>1,323</b>                                         | <b>106</b>                                  | <b>1,429</b>  |
| <b>Total Provisions</b>                                 |                                                      |                                             |               |
| At 31 Dec 2025                                          |                                                      |                                             | 18,233        |
| <b>At 30 Jun 2026</b>                                   |                                                      |                                             | <b>22,036</b> |

|                                                                        | Bank                            |                                 |                                                                     |                             |               |
|------------------------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------------------------------------------|-----------------------------|---------------|
|                                                                        | Termination<br>benefits<br>€000 | Litigation<br>provision<br>€000 | Post employment and<br>other long-term<br>employee benefits<br>€000 | Other<br>provisions<br>€000 | Total<br>€000 |
| Provisions (excluding contractual commitments)                         |                                 |                                 |                                                                     |                             |               |
| At 31 Dec 2024                                                         | 794                             | 738                             | 16,027                                                              | 1,381                       | 18,940        |
| Additions                                                              | 128                             | 131                             | 1,264                                                               | 83                          | 1,606         |
| Amounts utilised                                                       | (922)                           | (26)                            | (870)                                                               | (18)                        | (1,836)       |
| Unused amounts reversed                                                |                                 | (168)                           | (145)                                                               | (549)                       | (862)         |
| Remeasurement of post employment and other long-term employee benefits | —                               | —                               | (434)                                                               | —                           | (434)         |
| At 31 Dec 2025                                                         | —                               | 675                             | 15,842                                                              | 897                         | 17,414        |

|                                                  | Loan commitments and<br>financial guarantees<br>€000 | Performance and<br>other guarantees<br>€000 | Total<br>€000 |
|--------------------------------------------------|------------------------------------------------------|---------------------------------------------|---------------|
| Provisions in respect of contractual commitments |                                                      |                                             |               |
| At 31 Dec 2024                                   | 974                                                  | 140                                         | 1,114         |
| Movement during the year                         | (271)                                                | (24)                                        | (295)         |
| At 31 Dec 2025                                   | 703                                                  | 116                                         | 819           |
| Total Provisions                                 |                                                      |                                             |               |
| At 31 Dec 2024                                   |                                                      |                                             | 20,054        |
| At 31 Dec 2025                                   |                                                      |                                             | 18,233        |

Termination benefits refer to outstanding payments due to employees who applied for voluntary redundancy schemes issued by the bank to support a number of strategic initiatives to further improve its operational structure, benefiting from the Group's operating models, as the bank aims to drive efficiencies and enhance customer experience, and create a leaner working model that is externally-focused, performance-led, customer centred and fit for the future. During 2025, the amount was fully utilised, with no balance outstanding as at 30 June 2026 and 31 December 2025.

Litigation provision includes civil court, arbitration or tribunal proceedings brought against the local group (whether by claim or counterclaim), or civil disputes that may, if not settled, result in court, arbitration or tribunal proceedings. This provision is expected to be settled after more than one year from the reporting date and the impact of discounting is not considered to be significant.

Post-employment and other long-term employee benefits relate to obligations emanating from the provisions of the Collective Agreement. The local group has a present obligation towards its employees in respect of long service bonuses, bonuses on retirement due to age and compensation paid upon retirement for medical grounds. This provision is principally non-current in nature, with the maturity profile of the obligation spanning over the estimated remaining working life.

## Notes on the interim condensed financial statements

Other provisions represent mainly an onerous contract provision resulting from a closed investment product held by one of the subsidiary companies whereby future losses were estimated and a provision for obligations in respect of medical insurance cost for employees who retired under previous voluntary schemes.

The component of provisions for liabilities and other charges in respect of contractual commitments represents expected credit losses in relation to off-balance sheet financial guarantee contracts and commitments where the local group has become party to an irrevocable commitment, as defined under IFRS 9 'Financial Instruments'. The movement in expected credit losses in respect of such instruments is disclosed within the 'Reconciliation of changes in gross carrying/nominal amount and allowances for loans and advances to customers, including loan and other credit-related commitments, acceptances, accrued income and financial guarantees' table within Note 4.

Contractual commitments also comprise performance and other guarantee contracts that fall outside the scope of IFRS 9, including standby letters of credit and non-financial guarantees, such as performance guarantees. Further details in this respect are set out in Note 10.

For more details on the above provisions please refer to Note 38 'Provisions' on page 178 of the Annual Report and Accounts 2025.

## 10 Contingent liabilities, contractual commitments and guarantees

|                                                                  | Group Contract amount |                  | Bank Contract amount |                  |
|------------------------------------------------------------------|-----------------------|------------------|----------------------|------------------|
|                                                                  | 30 Jun 2026           | 31 Dec 2025      | 30 Jun 2026          | 31 Dec 2025      |
|                                                                  | €000                  | €000             | €000                 | €000             |
| <b>Guarantees and other contingent liabilities:</b>              |                       |                  |                      |                  |
| – financial guarantees                                           | 11,239                | 19,403           | 11,239               | 19,403           |
| – performance and other guarantees                               | 199,132               | 189,980          | 199,132              | 189,980          |
| – standby letters of credit                                      | 18,435                | 17,851           | 18,435               | 17,851           |
| – other contingent liabilities                                   | 16,318                | 16,246           | 16,318               | 16,246           |
| <b>At the end of the period</b>                                  | <b>245,124</b>        | <b>243,480</b>   | <b>245,124</b>       | <b>243,480</b>   |
| <b>Commitments:</b>                                              |                       |                  |                      |                  |
| – documentary credits                                            | 3,231                 | 2,307            | 3,231                | 2,307            |
| – standby facilities, credit lines and other commitments to lend | 1,219,680             | 1,155,525        | 1,219,680            | 1,155,525        |
| <b>At the end of the period</b>                                  | <b>1,222,911</b>      | <b>1,157,832</b> | <b>1,222,911</b>     | <b>1,157,832</b> |

The local group provides guarantees and standby letters of credit on behalf of third party customers. These are generally provided in the normal course of the local group's banking business. The maximum potential amount of future payments which the local group could be required to make at the end of the period is disclosed in the table above. The risks and exposures arising from guarantees and standby letters of credit are captured and managed in accordance with the local group's overall credit risk management policies and procedures. Guarantees and standby letters of credits have a term of less than one year.

Guarantees provided by the local group comprise financial guarantees, as well as performance and other guarantees. Financial guarantees are within the scope of the impairment requirements emanating from IFRS 9 in view of the fact that these represent irrevocable commitments which exposes the local group to credit risk. In contrast, performance and other guarantees represent transaction-related guarantees and, as such, do not meet the definition of financial guarantees in accordance with IFRS 9. Similarly, standby letters of credit represent exposures relating to particular contracts or to non-financial transactions. In this respect, performance guarantees and standby letters of credit fall outside the scope of the impairment requirements emanating from IFRS 9 in view of the fact that such contracts do not give rise to credit risk. Consequently, the local group assesses whether such contracts give rise to provisions or contingent liabilities in line with the requirements emanating from IAS 37.

The above table discloses the nominal principal amounts, which represents the maximum amounts at risk should the contracts be fully drawn upon. As a significant portion of guarantees and standby letters of credit is expected to expire without being drawn upon, the total of the nominal principal amounts is not indicative of future liquidity requirements.

Other contingent liabilities relate to possible future contributions payable to the DCS and the Single Resolution Fund ('SRF'), as well as legal claims against the bank. 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 bank to the extent the contributions imposed to date are not sufficient to cover the compensation due to customers in any future possible collapse. The ultimate contribution to the industry as a result of a collapse cannot be estimated reliably. It is dependent on various uncertain factors including the potential recovery of assets by the DCS, changes in the level of protected products (including deposits and investments) and the population of DCS members at the time. At 30 June 2026, assets pledged in favour of the DCS comprised debt securities measured at fair value through other comprehensive income with a carrying amount of €13,896,000 (2025: €13,763,000). The Depositor Compensation Scheme reserve amounts to €12,888,000 (2025: €12,581,000). A contingent liability for an identical amount is disclosed in the table above to reflect the possibility that this commitment becomes payable.

In addition, in accordance with article 70(3) of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, the available financial means of the SRF may include irrevocable payment commitments which are fully backed by unencumbered collateral of low-risk assets. The share of irrevocable payment commitments cannot exceed 30% of the total amount of contributions. At 30 June 2026, irrevocable payment commitments to the SRF amounted to €1,760,000 (2025: €1,760,000), reflecting cash collateral in respect of the total payment commitment obligation to the SRF. The cash collateral is classified within 'Other assets' in the statement of financial position. In addition, a contingent liability for an identical amount is disclosed in the table above to reflect the possibility that this commitment becomes payable.

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 30 June 2026 and 31 December 2025.

## Notes on the interim condensed financial statements

A similar determination 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.

In this respect, the local group performed an assessment to estimate the provision in respect of both commitments. Based on this assessment, the probability of occurrence of either of the two triggering events within the foreseeable future is deemed to be remote and, as a result, the estimated liability is deemed to be insignificant as at 30 June 2026 and 31 December 2025, due to the impact of discounting future cash flows over a long time horizon.

Other contingent liabilities also include legal claims against the local group and the bank amounting to €1,670,000 (2025: €1,905,000). Based on legal advice, it is not considered probable that settlement will require the outflow of economic benefits in the case of these legal claims, or the amount of the obligation cannot be reliably measured. The above commitments exclude commitments in relation to capital expenditure.

The local group also enters into loan commitments in the form of documentary credits, undrawn formal standby facilities and credit lines and other commitments to lend. These represent irrevocable commitments to lend and, as such, give rise to an exposure to credit risk in the event that these contracts are fully drawn and the client defaults. The local group measures ECL in respect of such commitments in accordance with the impairment requirements emanating from IFRS 9.

The expected credit loss allowances relating to guarantees, standby letters of credit and loan commitments is disclosed in Note 4.

## 11 Asset encumbrance

The objective of this disclosure is to facilitate an understanding of available and unrestricted assets that could be used to support potential future funding and collateral needs.

An asset is defined as encumbered if it has been pledged as collateral against an existing liability, and as a result is no longer available to the local group to secure funding, satisfy collateral needs or be sold to reduce the funding requirement. The disclosure is not designed to identify assets which would be available to meet the claims of creditors or to predict assets that would be available to creditors in the event of a resolution or bankruptcy.

### Encumbered and unencumbered assets

|                                                                   | Group               |                     | Bank                |                     |
|-------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                   | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 | 30 Jun 2026<br>€000 | 31 Dec 2025<br>€000 |
| <b>Total assets</b>                                               | <b>7,880,322</b>    | 8,151,127           | <b>7,135,562</b>    | 7,430,713           |
| Less:                                                             |                     |                     |                     |                     |
| Debt securities pledged in terms of Depositor Compensation Scheme | <b>13,896</b>       | 13,763              | <b>13,896</b>       | 13,763              |
| Less:                                                             |                     |                     |                     |                     |
| Cash pledged in terms of the Recovery and Resolution Regulations  | <b>1,760</b>        | 1,760               | <b>1,760</b>        | 1,760               |
| Less:                                                             |                     |                     |                     |                     |
| Other assets that cannot be pledged as collateral                 | <b>880,668</b>      | 851,008             | <b>176,289</b>      | 157,858             |
| <b>Assets available to support funding and collateral needs</b>   | <b>6,983,998</b>    | 7,284,596           | <b>6,943,617</b>    | 7,257,332           |

Out of the €6,984,000,000 (2025: €7,285,000,000) assets available for the local group and €6,943,000,000 (2025: €7,257,000,000) for the bank, €3,717,000,000 (2025: €3,756,000,000) form part of the local group's and the bank's High Quality Liquid Assets ('HQLA'). Debt securities and loans and advances to customers pledged against the provision of credit lines by the Central Bank of Malta amounting to €164,363,000 and €68,745,000 respectively (2025: €170,166,000 and €68,745,000) are being treated as unencumbered assets since the nature of these exposures makes them available for immediate release.

There were no Irrevocable Payment Commitments ('IPC') made during the period ended 30 June 2026 and 31 December 2025.

The debt securities pledged in terms of the DCS increased by €133,000 during the period ended 30 June 2026 and increased by €556,000 during the financial year ended 31 December 2025.

## 12 Transactions with related parties

There were no changes in the related party transactions described in the Annual Report and Accounts 2025 that have a material effect on the financial position or performance of HSBC in the half-year to 30 June 2026. All related party transactions that took place in the half-year to 30 June 2026 were similar in nature to those disclosed in the Annual Report and Accounts 2025.

## 13 Comparative financial information

Certain comparative information disclosed in the notes to these financial statements have been reclassified to conform with the current period's presentation for the purposes of fairer representation.

## Statement pursuant to Capital Markets Rule 5.75.3 issued by the Malta Financial Services Authority

I confirm that to the best of my knowledge:

- the interim condensed consolidated financial statements which has been prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the local group and the bank as at 30 June 2026, as well as of their financial performance and cash flows for the period then ended, in accordance with IAS 34 Interim Financial Reporting, adopted by the EU; and
- the Directors' Report includes a fair review of the information required under Capital Markets Rules 5.81 to 5.84.

**Geoffrey Fichte**  
**Chief Executive Officer**

**HSBC Bank Malta p.l.c.**

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