FIMBANK

Condensed Interim Financial Statements 2022

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Directors' report pursuant to Capital Market Rule 5.75.2

For the six months ended 30 June 2022

The Directors ("Board" or "Directors") present their report together with the Condensed Interim Financial Statements of FIMBank p.l.c. ("the Bank"), and FIMBank Group of Companies ("the Group") for the six months ended 30 June 2022. The report is prepared in accordance with Article 177 of the Companies Act, 1995 (Chapter 386, Laws of Malta, the "Companies Act") including further provisions as set out in the Sixth Schedule of the Companies Act and in accordance with the requirements of Capital Markets Rule 5.75.2.

Results for the year

For the six months ended 30 June 2022, the FIMBank Group reported an after-tax loss of USD2.9 million, compared to USD1.0 million after-tax profit registered for the six months ended 30 June 2021. No reserves are presently available for distribution.

These published figures have been extracted from the FIMBank Group's unaudited accounts for the six months ended 30 June 2022 as approved by the Board of Directors on 18 August 2022.

Further information about the results are provided in the Statements of Profit or Loss and the Statements of Other Comprehensive Income on pages 9 and 10 and in the Review of Performance section within this report.

Group structure and principal activities

The Group comprises the Bank and its wholly owned subsidiaries, London Forfaiting Company Limited ("LFC"), FIM Business Solutions Limited ("FBS"), FIM Property Investment Limited ("FPI"), The Egyptian Company for Factoring S.A.E. ("Egypt Factors") and FIMFactors B.V. ("FIMFactors"). LFC and FIMFactors are themselves parents of a number of subsidiaries as set out below. The Group is supervised on a consolidated basis by the Malta Financial Services Authority ("MFSA"), whilst some of its subsidiaries and the branch are subject to authorisation and regulation of the jurisdictions in which they operate.

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

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

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

  During the Board of Directors' meeting held on 10 November 2021, a resolution was passed to close the Hellenic Branch in Greece. The closure was finalised on 28 February 2022.

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

- FBS (100%), registered in Malta, has as its primary purpose the provision of information technology and support services to the Group.

- FPI (100%), registered in Malta, owns and manages FIMBank's Head Office and manages other properties leased from third parties. FPI is responsible for facility management activities and the leasing of commercial and office space within Mercury Tower to related parties and third-party tenants. On the 28th June 2022, a decision was made by FPI to change its status and adopt the status of a private exempt single member company in accordance with the terms of Article 211 of the Companies Act, with such change resulting in FIMBank becoming 100% shareholder;

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

- FHC (100%), registered in Chile, previously served as a corporate vehicle for the Bank to hold shares in another Chilean entity. The company was put into liquidation, which process was finalised in March 2022;

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

  a. India Factoring and Finance Solutions (Private) Limited (88.16%), incorporated in Mumbai, India, to carry out the business of factoring in India. India Factoring is regulated by the Reserve Bank of India; and

  b. BrasilFactors S.A. (50%), an equity-accounted investee incorporated in São Paulo, Brazil, with its core business focused on factoring services, targeting small and medium-sized companies. The other shareholder in this company is China Construction Bank (50%).

Annual general meeting

The Bank convened its Annual General Meeting remotely as per Legal Notice 288 of 2020 on 14 June 2022. The Board composition following the Annual General Meeting, subject to any applicable regulatory approvals, is as follows:

John C. Grech (Chairman)
Masaud M. J. Hayat (Vice Chairman)
Abdel Karim A.S. Kabariti
Claire Imam Thompson
Edmond Brincat
Erich Schumacher
Hussain Abdul Aziz Lalani
Majed Essa Ahmed Al-Ajeel
Mohamed Fekih Ahmed
Rabih Soukarieh
Rogers David LeBaron

Related Part Transactions pursuant to Capital Market Rule 5.82

The Bank has a related party relationship with its significant shareholders, subsidiaries, directors, executive officers and companies forming part of the KIPCO Group.

Related party transactions carried out by the Bank and its subsidiaries during the first semester are disclosed in Note 17 of the Interim Financial Report.

Review of performance

The operating performance for the first six months for FIMBank Group was solid and in line with budget, as the Group navigated its way through the aftereffects of the pandemic, financial market volatility and other international developments. The consistent operating performance was however overshadowed by an increased coverage for non-performing loans.

In the aftermath of the pandemic, many markets have witnessed inflation rising rapidly and in reply to this, several policy makers started raising interest rates, especially for currencies that have a significant influence on the Group. The Group balance sheet was favourably positioned to benefit from this improving interest rate environment. Higher interest rates resulted in higher interest earnings but also higher borrowing costs for the Group. This improved net margins allowing the Group to register a 10% increase in net interest revenues.

The accelerated increases in market reference rates, commodity prices and inflation rates amongst other issues, have impacted global markets, in particular trading of securities and asset valuations. Trading activity and valuations of forfaiting assets, which is one of the main pillars of the Group, is directly impacted by market prices and reference rates. To this effect, the Group has suffered an unrealised loss on its trading portfolio, part of which could readjust when markets stabilise. The Group did however manage to compensate for this trading loss by increased dividend income received from its investment in the Sustainable Investment Fund.

Against the backdrop of inflationary pressures and increased volatility, the Group improved its overall cost efficiency, establishing its ability to meet operating budgets. With the Euro depreciating and some strategic adjustments, the Group did in fact save on 10% of its operating expenses when compared to same period last year. Nevertheless, the Group continued to pursue long-term investments, which are crucial in achieving strategic goals and in unlocking value creation.

In spite of this challenging environment, the Group's de-risking process proved to be effective as no new clients have been classified as non-performing. Given the heightened uncertainty and delays in recovery progress, the Group increased its Stage 3 provisions on legacy non-performing assets, to achieve an improved coverage ratio. Even so, Management have been focusing on recoveries and remains confident that these recovery efforts will come into fruition in the near future. Regrettably, the increase in provisions did leave its mark on the Group's profitability, as it led the Group's net income to negative territory, resulting in a loss before tax of USD1.3 million.

In preparation for any possible global downside scenario, Management has been working to gear the Group for such eventualities. In line with the set strategy, Management continued to tackle structural issues, to reposition the business mix, to revise the risk appetite and to enhance cost efficiencies, whilst also meeting clients' needs and help them manage their risks in these challenging times.

The Group's capital position remained strong, with an average total capital ratio of 18.6% and with solid liquidity buffers, maintaining an average liquidity coverage ratio of 242% for the six-month period. The de-risking strategy as set out in the last few years, is currently even more relevant and well suited to help the Group to weather the uncertainties that have been and will be impacting global economies. The strategy has allowed the Group to preserve its capital levels and to keep the portfolio quality in check during these volatile times.

Statements of profit or loss

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

	Group		
	2022 USD	2021 USD	Movement USD
Net interest income	13,982,153	12,724,828	1,257,325
Net fee and commission income	5,607,071	5,827,397	(220,326)
Net results from trading assets and other financial instruments	(2,177,427)	1,729,403	(3,906,830)
Net results from foreign currency operations	210,637	397,103	(186,466)
Dividend income	3,821,545	1,089,189	2,732,356
Other operating income	438,519	373,118	65,401
Net operating revenues	**21,882,498**	**22,141,038**	**(258,540)**
Operating expenses	(18,748,074)	(20,772,281)	2,024,207
Operating income before net impairment	**3,134,424**	**1,368,757**	**1,765,667**
Net impairment losses	(4,398,953)	911,274	(5,310,227)
Operating (loss)/income after net impairment	**(1,264,529)**	**2,280,031**	**(3,544,560)**
Taxation	(1,673,533)	(1,299,346)	(374,187)
(Loss)/Profit for the period	**(2,938,062)**	**980,685**	**(3,918,747)**

At USD22 million the Group's net operating revenues were in line with same period last year. Net interest income rose by USD1.3 million (10%) year on year, to USD14.0 million, as policy makers are gradually normalising their monetary policies allowing the Group to widen its lending margins. Net fees and commission income at USD5.6 million was at same levels of first six month for prior year.

The Group incurred revaluation losses on trading assets and other debt securities of USD2.2 million, compared to a USD1.7 million gain recorded in same period last year, as interest rates are rising and markets grow apprehensive about energy supplies and other macroeconomic risks materialising. The Group received USD3.8 million dividends from its investment in the unlisted sub-fund, compared to USD1.1 million recorded in June 2021.

Other operating income, including effects from foreign exchange movements, was stable and in line with the first half of last year. Operating expenses for the six months under review stood at USD18.7 million, down by 10% from same period last year. As a result of the Group's prudent cost containment, passively supported by the Euro devaluation against the US Dollar, inflationary pressures were compensated for.

As several risks materialised, the Group increased its net provisions by USD4.4 million, primarily for the legacy non-performing clients. Provisions for credit losses on legacy non-performing clients increased by USD3.5 million. Stage 1 and 2 provisions on performing assets were marginally increased by USD0.2 million. On a positive note, the Group recovered USD0.9 million from previously written-off debt and wrote-off USD1.6 million of assets on which the Group had no reasonable expectations of recovering the contractual cash flows.

Provisions for tax for all Group entities, for the six months ending 30 June 2022 were USD1.7 million (June 2021: USD1.3 million). An amount of USD0.2 million from this figure represented a one-off 'exit tax' related to Hellenic branch closure. The Group has utilised some of its deferred taxation and has carried out an assessment to ensure that the recognised deferred tax assets are recoverable before their finite expiry.

FIMBank Group reported a loss after tax of USD2.9 million for the six months ending 30 June 2022.

Financial position

The financial position of the Group remained stable and under control. As at 30 June 2022, total consolidated assets stood at USD1.78 billion, a marginal decrease of USD12.5 million (0.7%) from end-2021. There were only marginal shifts in the asset mix which related to standard volatility in business volumes, with loans to customers, trading assets and factoring fund-in-use decreasing by USD21 million, USD10 million and USD9 million, respectively. On the other hand, there was a rise in factoring receivables by USD27 million and in debt securities by USD9 million.

Total consolidated liabilities as at 30 June 2022 remained at the stable level of end-2021 at USD1.56 billion. Amounts due to other banks decreased by USD39 million and debt securities in issue dropped by USD25 million, whereas amounts due to corporate and retail clients rose by USD31 million. In line with the factoring receivable trend, factoring creditors rose by USD27 million.

As at financial reporting date the Group had USD220 million of total equity (31 December 2021: USD224 million), with the USD3.7 million drop originating mainly from the USD2.9 million loss for the period. Currency translation reserve shrank by USD1.8 million as the Indian Rupee, being the denomination currency of the Group's net assets of its foreign operation in India, has depreciated in recent months.

During the review period, fair value reserve increased by USD1.1 million as the Group changed its business model for its debt securities from hold-to-collect and sell, to hold-to-collect only. This led to the reversal of the fair value loss recognised as at end-2021. Further details on this change in business model are disclosed under Note 7.3.

At the end of the June 2022, the Group's CET1 and CAR ratios were both at 19.8% (31 December 2021: 18.7%), 380 basis points above the regulatory requirement which includes the impact of an additional capital charge under the SREP Pillar II requirement set by the MFSA.

Second half of 2022

As the world recovers from the pandemic and shifts to 'business-as-usual', new macro risks have been materialising. Ongoing supply chain disruptions were exacerbated by the fallback of prevailing geopolitical tensions culminating from Russia's invasion of Ukraine. The drive by policy makers' to contain the accelerated inflation is introducing new levels of macro uncertainty, which is being actively monitored and addressed with structural adjustments to the Group's operations.

In midst of this turmoil, the decision by the Financial Action Task Force to remove Malta from the 'greylist' was a welcomed development. Although the Group had implemented measures designed to mitigate the consequential impact from Malta being on the 'greylist', the decision to remove Malta from list has opened business opportunities which were previously suspended.

Having noted this, the Group will continue executing its strategy to pursue business opportunities within its risk appetite on the principle of risk adjusted returns. With our customer centric focus, we project moderate growth through our diversified product offering, in business lines and in geographies that provide superior returns and pose less risk, to generate consistent value to the organization. Complex structures are gradually being phased out and business lines are being streamlined, with one recent outcome being the closure of our Hellenic Branch in Greece. While simplifying the Group structure, we are solidifying our presence in Malta, our home country.

The conclusion of the MFSA Supervisory Review and Evaluation Process (SREP) that resulted in a reduced Pillar 2 requirement (P2R) by 1.5% was welcomed by the Group. This allows growth in asset portfolios and creates opportunity for the Group to convert its asset origination power into incremental tangible revenue streams. Moreover, the Group's balance sheet is positioned favourably for the increasing interest rate scenario, which shall strengthen the underlying profitability.

The Group will continue its efforts in reducing the absolute amount of non-performing assets and in improving its non-performing coverage ratios. The fully dedicated Recovery function projects to maintain this positive momentum by addressing legacy non-performing assets that are outstanding, as well as those that were previously written-off.

In a context of developing regulatory framework including the very relevant ESG topic, the Group's ongoing drive to improve governance and controls shall be a source of future sustainable growth. Having a pool of human capital, that is highly skilled across multiple disciplines, continued investment in IT infrastructure and having the backup of a solid shareholder base, FIMBank is well positioned to progress towards its strategic objectives in a steady, sustainable manner.

To conclude, within an environment of elevated macro uncertainty, our projections remain cautious and grounded. While reaping the benefits of the de-risking process and careful execution of structural changes, the Group is not immune to global events which could have a spectrum of different impacts. However, we remain vigilant and are prepared to rapidly adapt to market pressures and business opportunities.

Approved by the Board on 18 August 2022 and signed on its behalf by:

John C. Grech Chairman	Masaud M. J. Hayat Vice Chairman

Condensed interim statements of financial position

	Note	Group 30 Jun 2022 USD	Group 31 Dec 2021 USD	Bank 30 Jun 2022 USD	Bank 31 Dec 2021 USD
Assets					
Balances with the Central Bank of Malta, treasury bills and cash		225,926,505	239,998,839	225,909,988	239,982,048
Derivative assets held for risk management	11	1,397,302	841,688	1,397,302	841,688
Trading assets		430,020,284	439,985,203	-	-
Loans and advances to banks		208,961,478	198,488,576	186,354,441	182,458,548
Loans and advances to customers		626,267,242	628,912,340	711,240,239	745,564,139
Financial assets at fair value through profit or loss		18,031,623	19,966,163	18,031,623	19,966,163
Financial assets at fair value through other comprehensive income		-	162,408,542	-	162,408,542
Investments at amortised cost		180,863,543	9,914,754	180,863,543	9,914,754
Investments in subsidiaries	12	-	-	160,949,108	159,448,858
Property and equipment		25,414,339	30,910,454	4,846,363	1,965,249
Investment property		21,637,065	17,223,820	-	-
Intangible assets and goodwill	13	8,770,938	9,376,595	3,373,908	3,774,315
Current tax assets		1,349,278	1,280,465	71,668	66,667
Deferred tax assets		22,039,569	24,920,527	15,004,834	16,336,538
Other assets		5,278,415	4,244,384	5,136,803	3,848,321
Total assets		**1,775,957,581**	**1,788,472,350**	**1,513,179,820**	**1,546,575,830**
Liabilities and equity					
Liabilities					
Derivative liabilities held for risk management	11	1,399,322	1,499,026	1,580,807	1,533,556
Amounts owed to banks		522,109,714	563,553,044	435,962,891	497,633,356
Amounts owed to customers		992,276,181	934,096,196	863,199,598	838,675,598
Debt securities in issue	14	20,247,554	45,345,575	-	-
Current tax liabilities		503,802	567,144	-	-
Deferred tax liabilities		4,215,075	4,215,075	-	-
Provision for liabilities and charges		212,541	356,722	112,671	201,775
Other liabilities		14,724,837	14,859,385	10,314,603	7,921,481
Total liabilities		**1,555,689,026**	**1,564,492,167**	**1,311,170,570**	**1,345,965,766**
Equity					
Share capital		261,221,882	261,221,882	261,221,882	261,221,882
Share premium		858,885	858,885	858,885	858,885
Reserve for general banking risks		2,436,922	2,218,995	2,436,922	2,218,995
Currency translation reserve		(12,752,100)	(10,941,184)	-	-
Fair value reserve		10,954,045	9,879,740	-	(1,074,305)
Other reserve		2,982,435	2,982,435	2,681,041	2,681,041
Accumulated losses		(46,111,899)	(42,869,373)	(65,189,480)	(65,296,434)
Total equity attributable to equity holders of the Bank		**219,590,170**	**223,351,380**	**202,009,250**	**200,610,064**
Non-controlling interests		678,385	628,803	-	-
Total equity		**220,268,555**	**223,980,183**	**202,009,250**	**200,610,064**
Total liabilities and equity		**1,775,957,581**	**1,788,472,350**	**1,513,179,820**	**1,546,575,830**

Condensed interim statements of financial position

		Group		Bank	
		30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	Note	USD	USD	USD	USD
Memorandum items					
Contingent liabilities	15	**7,468,619**	**1,950,534**	**30,840,386**	**39,327,362**
Commitments	16	**154,209,078**	**153,618,234**	**112,401,917**	**107,469,111**

These condensed interim statements were approved by the Board of Directors and authorised for issue on 18 August 2022 and signed on its behalf by:

John C. Grech
Chairman

Masaud M. J. Hayat
Vice Chairman

Adrian A. Gostuski
Chief Executive Officer

Juraj Beno
Chief Financial Officer

Condensed interim statements of profit or loss

For the six months ended 30 June 2022

	Note	Group 2022 USD	Group 2021 USD	Bank 2022 USD	Bank 2021 USD
Interest income		21,210,381	19,105,836	11,018,811	10,315,759
Interest expense		(7,228,228)	(6,381,008)	(5,478,604)	(5,419,118)
Net interest income		**13,982,153**	**12,724,828**	**5,540,207**	**4,896,641**
Fee and commission income		8,659,009	8,141,313	3,159,188	2,579,750
Fee and commission expense		(3,051,938)	(2,313,916)	(1,367,085)	(1,065,744)
Net fee and commission income		**5,607,071**	**5,827,397**	**1,792,103**	**1,514,006**
Net trading results	9	(1,790,256)	1,860,787	573,295	144,361
Net (loss)/gain from other financial instruments carried at fair value		(176,534)	265,719	(176,534)	265,719
Dividend income	10	3,821,545	1,089,189	10,321,545	7,289,189
Other operating income		438,519	373,118	375,409	60,475
Other operating expenses		(157,900)	-	(157,900)	-
Operating income before net impairment		**21,724,598**	**22,141,038**	**18,268,125**	**14,170,391**
Net impairment (charge)/gain on financial instruments		(4,398,953)	911,274	(5,558,076)	128,533
Net Impairment of investments in subsidiaries	12	-	-	-	(87,356)
Operating income		**17,325,645**	**23,052,312**	**12,710,049**	**14,211,568**
Administrative expenses		(17,068,305)	(19,090,785)	(10,641,692)	(11,369,902)
Depreciation and amortisation		(1,521,869)	(1,681,496)	(1,416,660)	(1,504,730)
Total operating expenses		**(18,590,174)**	**(20,772,281)**	**(12,058,352)**	**(12,874,632)**
(Loss)/Profit before tax		**(1,264,529)**	**2,280,031**	**651,697**	**1,336,936**
Taxation		(1,673,533)	(1,299,346)	(326,816)	(61,307)
(Loss)/Profit for the period		**(2,938,062)**	**980,685**	**324,881**	**1,275,629**
(Loss)/Profit attributable to:					
Owners of the Bank		(3,024,599)	874,030	324,881	1,275,629
Non-controlling interests		86,537	106,655	-	-
		(2,938,062)	**980,685**	**324,881**	**1,275,629**
Earnings per share					
Basic (loss)/earnings per share (US cents)		**(0.58)**	**0.17**	**0.06**	**0.24**

Condensed interim statements of other comprehensive income

For the six months ended 30 June 2022

	Note	Group 2022 USD	Group 2021 USD	Bank 2022 USD	Bank 2021 USD
(Loss)/Profit for the period		**(2,938,062)**	**980,685**	**324,881**	**1,275,629**
Other comprehensive (expense)/income					
Items that are or may be reclassified subsequently to profit or loss:					
Movement in translation reserve:					
– Foreign operations - foreign currency translation differences		(1,847,871)	(856,672)	-	-
Movement in fair value reserve:					
– Debt investments at fair value through other comprehensive income - net change in fair value		-	(1,730,525)	-	(1,730,525)
– Debt investments at fair value through other comprehensive income - reclassified to profit or loss		-	(360,681)	-	(360,681)
– Debt investments at fair value through other comprehensive income – reversal due to reclassification to amortised cost	7.3	1,074,305	-	1,074,305	-
Related tax		-	(10,319)	-	(10,319)
Other comprehensive (expense)/income, net of tax		**(773,566)**	**(2,958,197)**	**1,074,305**	**(2,101,525)**
Total comprehensive (expense)/income		**(3,711,628)**	**(1,977,512)**	**1,399,186**	**(825,896)**
Total comprehensive (expense)/income attributable to:					
Owners of the Bank		(3,761,210)	(2,077,086)	1,399,186	(825,896)
Non-controlling interests		49,582	99,574	-	-
		(3,711,628)	**(1,977,512)**	**1,399,186**	**(825,896)**

Condensed interim statements of changes in equity

For the period ended 30 June 2022

Group

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated loss USD	Total USD	Non-controlling interests USD	Total equity USD
	Attributable to equity holders of the Bank									
Balance at 1 January 2022	**261,221,882**	**858,885**	**2,218,995**	**(10,941,184)**	**9,879,740**	**2,982,435**	**(42,869,373)**	**223,351,380**	**628,803**	**223,980,183**
Total comprehensive expense										
Loss for the period	-	-	-	-	-	-	(3,024,599)	(3,024,599)	86,537	**(2,938,062)**
Other comprehensive expense:										
Fair value reserve:										
– Debt investments at fair value through other comprehensive income – net change in fair value	-	-	-	-	-	-	-	-	-	**-**
– Debt investments at fair value through other comprehensive income – reclassified to profit or loss	-	-	-	-	-	-	-	-	-	**-**
– Debt investments at fair value through other comprehensive income – reversal due to reclassification to amortised cost	-	-	-	-	1,074,305	-	-	1,074,305	-	**1,074,305**
Translation reserve:										
– Foreign operations - foreign translation difference	-	-	-	(1,810,916)	-	-	-	(1,810,916)	(36,955)	**(1,847,871)**
Total other comprehensive expense	**-**	**-**	**-**	**(1,810,916)**	**1,074,305**	**-**	**-**	**(736,611)**	**(36,955)**	**(773,566)**
Total comprehensive expense	**-**	**-**	**-**	**(1,810,916)**	**1,074,305**	**-**	**(3,024,599)**	**(3,761,210)**	**49,582**	**(3,711,628)**
Transfer between reserves	-	-	217,927	-	-	-	(217,927)	-	-	**-**
Balance at 30 June 2022	**261,221,882**	**858,885**	**2,436,922**	**(12,752,100)**	**10,954,045**	**2,982,435**	**(46,111,899)**	**219,590,170**	**678,385**	**220,268,555**

Condensed interim statements of changes in equity

For the period ended 30 June 2021

Group

	Attributable to equity holders of the Bank									
	Share capital USD	Share premium USD	Reserve for general banking risks USD	Currency translation reserve USD	Fair value reserve USD	Other reserve USD	Accumulated loss USD	Total USD	Non-controlling interests USD	Total equity USD
Balance at 1 January 2021	**261,221,882**	**858,885**	**3,358,738**	**(10,011,229)**	**13,367,626**	**2,982,435**	**(39,027,680)**	**232,750,657**	**407,472**	**233,158,129**
Total comprehensive expense										
Profit for the period	-	-	-	-	-	-	874,030	874,030	106,655	**980,685**
Other comprehensive expense:										
Fair value reserve:										
– Debt investments at fair value through other comprehensive income – net change in fair value	-	-	-	-	(1,740,844)	-	-	(1,740,844)	-	**(1,740,844)**
– Debt investments at fair value through other comprehensive income – reclassified to profit or loss	-	-	-	-	(360,681)	-	-	(360,681)	-	**(360,681)**
Translation reserve:										
– Foreign operations - foreign translation difference	-	-	-	(849,591)	-	-	-	(849,591)	(7,081)	**(856,672)**
Total other comprehensive expense	**-**	**-**	**-**	**(849,591)**	**(2,101,525)**	**-**	**-**	**(2,951,116)**	**(7,081)**	**(2,958,197)**
Total comprehensive expense	**-**	**-**	**-**	**(849,591)**	**(2,101,525)**	**-**	**874,030**	**(2,077,086)**	**99,574**	**(1,977,512)**
Transfer between reserves	-	-	218,697	-	-	-	(218,697)	-	-	**-**
Balance at 30 June 2021	**261,221,882**	**858,885**	**3,577,435**	**(10,860,820)**	**11,266,101**	**2,982,435**	**(38,372,347)**	**230,673,571**	**507,046**	**231,180,617**

Condensed interim statements of changes in equity

For the period ended 30 June 2022

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2022	**261,221,882**	**858,885**	**2,218,995**	**(1,074,305)**	**2,681,041**	**(65,296,434)**	**200,610,064**
Total comprehensive expense							
Profit for the period	-	-	-	-	-	324,881	**324,881**
Other comprehensive expense:							
Fair value reserve:							
- Debt investments at fair value through other comprehensive income - net change in fair value	-	-	-	-	-	-	**-**
- Debt investments at fair value through other comprehensive income - reclassified to profit or loss	-	-	-	-	-	-	**-**
- Debt investments at fair value through other comprehensive income - reversal due to reclassification to amortised cost	-	-	-	1,074,305	-	-	**1,074,305**
Total other comprehensive expense	**-**	**-**	**-**	**1,074,305**	**-**	**-**	**1,074,305**
Total comprehensive expense	**-**	**-**	**-**	**1,074,305**	**-**	**324,881**	**1,399,186**
Transfer between reserves	-	-	217,927	-	-	(217,927)	**-**
Balance at 30 June 2022	**261,221,882**	**858,885**	**2,436,922**	**-**	**2,681,041**	**(65,189,480)**	**202,009,250**

Condensed interim statements of changes in equity

For the period ended 30 June 2021

Bank

	Share capital USD	Share premium USD	Reserve for general banking risks USD	Fair value reserve USD	Other reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2021	**261,221,882**	**858,885**	**3,358,738**	**2,413,581**	**2,681,041**	**(65,772,958)**	**204,761,169**
Total comprehensive expense							
Profit for the period	-	-	-	-	-	1,275,629	**1,275,629**
Other comprehensive expense:							
Fair value reserve:							
- Debt investments at fair value through other comprehensive income - net change in fair value	-	-	-	(1,740,844)	-	-	**(1,740,844)**
- Debt investments at fair value through other comprehensive income - reclassified to profit or loss	-	-	-	(360,681)	-	-	**(360,681)**
Total other comprehensive expense	**-**	**-**	**-**	**(2,101,525)**	**-**	**-**	**(2,101,525)**
Total comprehensive expense	**-**	**-**	**-**	**(2,101,525)**	**-**	**1,275,629**	**(825,896)**
Transfer between reserves	-	-	218,697	-	-	(218,697)	**-**
Balance at 30 June 2021	**261,221,882**	**858,885**	**3,577,435**	**312,056**	**2,681,041**	**(64,716,026)**	**203,935,273**

Condensed interim statements of cash flows

For the six months ended 30 June 2022

	Group 2022 USD	Group 2021 USD	Bank 2022 USD	Bank 2021 USD
Cash flows from operating activities				
Interest and commission receipts	30,875,231	28,336,870	12,617,042	10,673,158
Exchange received	8,584,322	2,089,585	10,932,601	2,535,485
Interest and commission payments	(13,823,273)	(7,970,404)	(7,109,907)	(7,159,880)
Payments to employees and suppliers	(17,526,392)	(19,968,561)	(12,281,028)	(10,534,613)
Operating profit/(loss) before changes in operating assets/liabilities	**8,109,888**	**2,487,490**	**4,158,708**	**(4,485,850)**
Decrease/(Increase) in operating assets:				
- Trading assets and financial assets at FVTPL	11,054,838	(25,340,705)	-	-
- Loans and advances to customers and banks	71,794,315	5,609,234	83,279,572	8,940,910
- Other assets	(84,283)	1,896,710	(406,367)	1,334,112
(Decrease)/Increase in operating liabilities:				
- Amounts owed to customers and banks	(11,853,648)	(2,808,879)	(35,156,446)	(6,535,562)
- Other liabilities	(197,926)	197,905	(216,872)	13,045
- Net advances from subsidiary companies	-	-	(8,362,898)	(35,021,334)
Net cash generated/(used in) from operating activities before income tax	**78,823,184**	**(17,958,245)**	**43,295,697**	**(35,754,679)**
Income tax paid	(625,815)	(110,463)	(340,314)	(38,088)
Net cash flows from operating activities	**78,197,369**	**(18,068,708)**	**42,955,383**	**(35,792,767)**
Cash flows used in investing activities				
Payments to acquire financial assets at fair value through other comprehensive income	-	(48,745,087)	-	(48,745,087)
Payments to acquire financial assets at amortised cost	(17,549,208)	-	(17,549,208)	-
Payments to acquire shares in subsidiary companies	-	-	(252)	-
Payments to acquire property and equipment	(232,502)	(306,743)	(62,411)	(216,678)
Payments to acquire intangible assets	(97,167)	(482,687)	(97,167)	(482,687)
Proceeds on disposal of financial assets at fair value through profit or loss	-	15,026	-	15,026
Proceeds on disposal of financial assets at fair value through other comprehensive income	-	28,271,462	-	28,271,462
Proceeds on disposal of property and equipment	18,716	9,754	-	9,754
Receipt of dividend	3,821,545	1,089,189	8,821,545	4,189,189
Net cash flows used in investing activities	**(14,038,616)**	**(20,149,086)**	**(8,887,493)**	**(16,959,021)**
Cash flows from financing activities				
- Net movement in debt securities	(25,038,556)	(12,201,942)	-	-
- Payment of lease liabilities	(331,643)	(596,206)	(571,560)	(1,709,285)
Net cash flows used in financing activities	**(25,370,199)**	**(12,798,148)**	**(571,560)**	**(1,709,285)**
Increase/(decrease) in cash and cash equivalents	**38,788,554**	**(51,015,942)**	**33,496,330**	**(54,461,073)**
Analysed as follows:				
- Effect of exchange rate changes on cash and cash equivalents	(20,837,030)	(10,102,737)	(21,025,773)	(10,679,611)
- Net increase/(decrease) in cash and cash equivalents	59,625,584	(40,913,205)	54,522,103	(43,781,462)
Increase/(decrease) in cash and cash equivalents	**38,788,554**	**(51,015,942)**	**33,496,330**	**(54,461,073)**
Cash and cash equivalents at beginning of period	89,611,106	241,923,849	127,314,324	267,909,686
Cash and cash equivalents at end of period	**128,399,660**	**190,907,907**	**160,810,654**	**213,448,613**

Notes to the condensed interim financial statements

For the six months ended 30 June 2022

1 Reporting entity

FIMBank p.l.c. ("the Bank") is a credit institution domiciled in Malta with its registered address at Mercury Tower, The Exchange Financial and Business Centre, Elia Zammit Street, St. Julian's, STJ3155, Malta. The Condensed Interim Financial Statements of the Bank as at and for the six months ended 30 June 2022 include the Bank and its subsidiaries (together referred to as the "Group" and individually as "Group Entities").

The financial statements of the Group as at, and for the year ended, 31 December 2021 are available upon request from the Bank's registered office and are available for viewing on its website at www.fimbank.com.

2 Basis of accounting

The Condensed Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. The Condensed Interim Financial Statements do not include all the information required for the publication of the Annual Reports and Financial Statements and therefore these Condensed Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements 2021 of FIMBank p.l.c.

From a COVID-19 perspective, the economy has shown a good recovery. However, as the world recovers from the pandemic and shifts to 'business-as-usual', new macro risks have been materialising. Ongoing supply chain disruptions were exacerbated by the fallback of prevailing geopolitical tensions culminating from Russia's invasion of Ukraine. The conflict in Ukraine has prompted management to take the appropriate steps to monitor the possible impact this might have on the Group both directly and indirectly. The Group's direct exposure to Russia and Ukraine is limited, with USD1.3 million outstanding to a state-owned bank in Ukraine. Several client limits were reduced and country limits were suspended. Increased monitoring was put in place on customers that could be indirectly impacted by the war, either through their trading activity, commodity volatility, sanctions or other general impacts. A portfolio review concluded that our clients are well positioned to absorb any impact from the current situation. We will continue to take appropriate actions as needed, to protect the quality of the Group's portfolio.

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

The Condensed Interim Financial Statements were approved by the Board of Directors on 18 August 2022.

3 Use of judgements and estimates

The preparation of the Condensed Interim Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2021.

4 Significant accounting policies

The accounting policies applied in these Condensed Interim Financial Statements are the same as those applied in the Group's Consolidated Financial Statements as at and for the year ended 31 December 2021.

4.1 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. However, the Group has not early adopted any of the forthcoming new or amended standards in preparing these Condensed Interim Financial Statements.

5 Changes in accounting policies

The following amendments to standards were effective from 1 January 2022 but did not have a material effect on the Group's financial statements:

(i) amendments to IFRS 3 - reference to the conceptual framework;
(ii) amendments to IFRS 16 – leases: COVID-19 related rent concessions beyond 30 June 2021;
(iii) amendments to IAS 16 - property, plant and equipment: proceeds before intended use;
(iv) amendments to IAS 37 - onerous contracts – cost of fulfilling a contract;
(v) annual Improvements to IFRS Standards 2018–2020.

6 Operating segments

The Group identified five significant reportable segments (trade finance, forfaiting, factoring, real estate and treasury) which are represented by different Group entities. For each of the entities, executive management reviews internal management reports on a monthly basis.

The financial position and performance of the different operating segments was impacted depending on the macro-economic environment of the respective business.

Information about operating segments

Group - June 2022

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
External revenue						
Interest income	2,244,401	9,046,504	6,331,861	1,421,416	2,057,956	**21,102,138**
Net fee and commission income	1,692,737	792,159	2,341,503	435,919	192,965	**5,455,283**
Net trading results	-	-	-	-	(1,790,256)	**(1,790,256)**
Net gain from other financial instruments	-	-	-	-	(176,534)	**(176,534)**
Dividend income	3,821,545	-	-	-	-	**3,821,545**
	7,758,683	**9,838,663**	**8,673,364**	**1,857,335**	**284,131**	**28,412,176**
Reportable segment (loss)/profit before income tax	(3,559,432)	811,635	(1,493,773)	278,943	3,193,181	**(769,446)**

Group – June 2021

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
External revenue						
Interest income	1,569,233	9,024,542	4,268,370	2,296,359	5,026,461	**22,184,965**
Net fee and commission income	643,602	3,217,418	1,571,671	371,665	330,802	**6,135,158**
Net trading results	-	1,399,502	-	-	461,285	**1,860,787**
Net loss from other financial instruments	-	-	-	-	265,719	**265,719**
Dividend income	1,089,189	-	-	-	-	**1,089,189**
	3,302,024	**13,641,462**	**5,840,041**	**2,668,024**	**6,084,267**	**31,535,818**
Reportable segment (loss)/profit before income tax	(1,854,154)	3,758,002	(2,116,900)	1,257,964	5,780,318	**6,825,230**

Group - June 2022

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
Reportable segment assets	156,441,744	433,681,963	472,486,250	48,472,328	592,008,868	**1,703,091,153**
Reportable segment liabilities	69,466,874	84,191,425	175,185,340	-	1,215,463,214	**1,544,306,853**

Group - December 2021

	Trade finance USD	Forfaiting USD	Factoring USD	Real estate USD	Treasury USD	Total USD
Reportable segment assets	177,212,662	444,928,907	446,963,427	54,242,483	590,666,529	**1,714,014,008**
Reportable segment liabilities	71,353,439	94,101,409	144,015,176	-	1,243,193,425	**1,552,663,449**

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

Group

	30 Jun 2022 USD	30 Jun 2021 USD
Revenues		
Total revenue for reportable segments	28,412,176	31,535,818
Consolidated adjustments	260,032	(3,387,007)
Other revenue	438,518	373,235
Consolidated revenue	**29,110,726**	**28,522,046**
Profit or loss		
Total (loss)/profit for reportable segments	(769,446)	6,825,230
Other profit	645,807	2,178,159
	(123,639)	**9,003,389**
Profit on disposal of property and equipment	-	8,892
Effect of other consolidation adjustments on segment results	(1,140,890)	(6,732,250)
Consolidated (loss)/profit before tax	**(1,264,529)**	**2,280,031**

	30 Jun 2022 USD	31 Dec 2021 USD
Assets		
Total assets for reportable segments	1,703,091,153	1,714,014,008
Other assets	76,230,567	74,448,793
	1,779,321,720	**1,788,462,801**
Effect of other consolidation adjustments on segment results	(3,364,139)	9,549
Consolidated assets	**1,775,957,581**	**1,788,472,350**
Liabilities		
Total liabilities for reportable segments	1,544,306,853	1,552,663,449
Other liabilities	15,044,526	12,575,017
	1,559,351,379	**1,565,238,466**
Effect of other consolidation adjustments on segment results	(3,662,353)	(746,299)
Consolidated liabilities	**1,555,689,026**	**1,564,492,167**

7 Financial instruments

7.1 Fair values of financial instruments

7.1.1 Valuation of financial instruments

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

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

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

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

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

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

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

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

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

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

7.1.2 Financial instruments measured at fair value – fair value hierarchy

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

Group - 30 June 2022

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- foreign exchange	-	1,397,302	-	**1,397,302**
Trading assets	-	-	430,020,284	**430,020,284**
Financial assets at fair value through profit or loss	-	53,077	17,978,546	**18,031,623**
Liabilities				
Derivative liabilities held for risk management:				
- foreign exchange	-	1,399,322	-	**1,399,322**

Group - 31 December 2021

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- foreign exchange	-	841,688	-	**841,688**
Trading assets	-	-	439,985,203	**439,985,203**
Financial assets at fair value through profit or loss	-	53,077	19,913,086	**19,966,163**
Financial assets at fair value through other comprehensive income	162,408,542	-	-	**162,408,542**
Liabilities				
Derivative liabilities held for risk management:				
- foreign exchange	-	1,499,026	-	**1,499,026**

Bank - 30 June 2022

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- foreign exchange	-	1,397,302	-	**1,397,302**
Financial assets at fair value through profit or loss	-	53,077	17,978,546	**18,031,623**
Liabilities				
Derivative liabilities held for risk management:				
- foreign exchange	-	1,399,322	-	**1,399,322**
- interest rate	-	181,485	-	**181,485**

Bank - 31 December 2021

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Assets				
Derivative assets held for risk management:				
- foreign exchange	-	841,688	-	**841,688**
Financial assets at fair value through profit or loss	-	53,077	19,913,086	**19,966,163**
Financial assets at fair value through other comprehensive income	162,408,542	-	-	**162,408,542**
Liabilities				
Derivative liabilities held for risk management:				
- foreign exchange	-	1,499,026	-	**1,499,026**
- interest rate	-	34,530	-	**34,530**

7.1.3 Level 3 fair value measurements

7.1.3.1 Reconciliation

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

Group - 30 June 2022

	Trading assets USD	Financial assets at fair value through profit or loss USD	Total USD
Balance at 1 January 2022	439,985,203	19,913,086	**459,898,289**
Total gains and losses in profit or loss	421,719	(176,534)	**245,185**
Purchases	365,248,247	-	**365,248,247**
Settlements	(361,148,788)	-	**(361,148,788)**
Effects of movement in exchange rates	(14,486,097)	(1,758,006)	**(16,244,103)**
Balance at 30 June 2022	**430,020,284**	**17,978,546**	**447,998,830**

Group - 30 June 2021

	Trading assets USD	Financial assets at fair value through profit or loss USD	Total USD
Balance at 1 January 2021	452,326,547	20,332,246	**472,658,793**
Total gains and losses in profit or loss	2,375,479	(92,872)	**2,282,607**
Purchases	309,455,196	898,492	**310,353,688**
Settlements	(280,781,936)	-	**(280,781,936)**
Effects of movement in exchange rates	(4,732,057)	(642,809)	**(5,374,866)**
Balance at 30 June 2021	**478,643,229**	**20,495,057**	**499,138,286**

Bank - 30 June 2022

	Financial assets at fair value through profit or loss USD
Balance at 1 January 2022	19,913,086
Total gains and losses in profit or loss	(176,534)
Purchases	-
Effects of movement in exchange rates	(1,758,006)
Balance at 30 June 2022	**17,978,546**

Bank - 30 June 2021

	Financial assets at fair value through profit or loss USD
Balance at 1 January 2021	20,332,246
Total gains and losses in profit or loss	(92,872)
Purchases	898,492
Effects of movement in exchange rates	(642,809)
Balance at 30 June 2021	**20,495,057**

7.1.3.2 Unobservable inputs used in measuring fair value

The below sets out information about significant unobservable inputs used at 30 June 2022 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Trading assets

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

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

The Group uses reference rate yield curves as of each reporting date plus an adequate credit margin spread to discount the trading assets held. At 30 June 2022, the interest rates used range between 0.00% and 13.15% (31 December 2021: between 0.98% and 19.30%).

The effect of an estimated general increase of one percentage point in interest rate on trading assets at 30 June 2022 would reduce the Group's profit before tax by approximately USD582,389 (31 December 2021: USD2,835,580).

Financial assets at fair value through profit or loss

'Financial assets at fair value through profit or loss' mainly represent holdings in two sub-funds and a foreign holding company, as follows:

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

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

  The effect of a ten-percentage point increase/(decrease) in the net asset value of the sub-fund at 30 June 2022 would increase/(decrease) the Bank and Group equity by approximately USD1,552,567 (31 December 2021: USD1,737,699).

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

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

  The effect of a ten-percentage point increase/(decrease) in the net asset value of the sub-fund at 30 June 2022 would increase/(decrease) the Bank and Group equity by approximately USD161,044 (31 December 2021: USD168,967).

- A foreign holding company registered in the State of Kuwait. The fair value is measured by the Group based on a market price quoted by a custodian.

  The effect of a ten-percentage point increase/(decrease) in the net asset value of the equity shares at 30 June 2022 would have increased/(decreased) the Bank and Group equity by approximately USD84,643 (31 December 2021: USD84,643).

7.2 Interest rate benchmark reform

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, replacing some interbank offered rates ("IBOR") with alternative nearly risk-free rates ("RFR"), referred to as 'IBOR reform'. The Group has significant exposure to certain IBORs on its financial instruments that are being reformed as part of these market-wide initiatives.

The main risks to which the Group has been exposed as a result of IBOR reform are operational. For example, the renegotiation of loan contracts through bilateral negotiation with customers, updating of contractual terms, updating of systems, revision of operational controls related to the reform, as well as managing related tax and accounting implications and regulatory risks. Financial risk is predominantly limited to interest rate risk.

The Group established an IBOR Conversion Steering Committee to manage its transition to alternative rates. The objectives of the IBOR Committee include evaluating the extent to which loans advanced, loan commitments, liabilities, derivatives and leases reference IBOR cash flows, whether such contracts need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties.

The Group has engaged an external consultancy company to conduct respective impact analysis and provide strategic recommendations and best practices on how to efficiently conduct this transition. Following the recommendations received, the Group has implemented an IBOR conversion project, appointing an IBOR Conversion Steering Committee, Program Manager, Project Manager and Project Team, which consists of senior and experienced representatives from main areas of the Group. The respective comprehensive project plan was prepared and executed by the Project Team, who have been collaborating with other business functions as needed. The IBOR Committee provides periodic updates to the Board Review and Implementation Committee ("BRIC").

For contracts indexed to an IBOR that mature after the expected cessation of the IBOR rate, the IBOR Committee has established policies to amend the contractual terms. These amendments include the addition of fallback clauses or replacement of the IBOR rate with an alternative benchmark rate.

The Bank's risk exposure that is directly affected by the interest rate benchmark reform predominantly comprises its trade finance and real estate loans, factoring agreements and its forfaiting portfolio which are measured at amortised cost or at fair value through profit or loss. Such instruments are, in the absolute majority, denominated in USD, EUR and GBP and have floating rates linked to IBOR. The value of such financial instruments in the books of the Group is extensive, although several contracts have short term tenures which matured before the end of 2021 and therefore were not affected by the IBOR Reform since LIBOR rates were available until 31 December 2021.

The IBOR Conversion Steering Committee approved a policy requiring that, with effect from 5 October 2021:

- all newly originated floating-rate contracts denominated in EUR and GBP, to be referenced to €STR, EURIBOR and SONIA forward looking term-rates;
- existing floating-rate contracts denominated in EUR and GBP, to be converted to €STR, EURIBOR and SONIA forward looking term-rates by 31 December 2021;
- a flexible approach to be adopted allowing for new contracts denominated in USD to be referenced to either LIBOR or SOFR until full market readiness is detected.

The Group initiated communication with counterparties, confirming the specific changes being implemented. The Group continues to engage with industry participants and counterparties to ensure an orderly transition to risk free rates and to minimise the risks arising from transition.

The table below sets out the IBOR rates that the Group had exposure to and the new benchmark rates to which these exposures have been or are being transitioned:

Currency	Benchmark before reform	Benchmark after reform
USD	USD LIBOR	SOFR
EUR	EURO EURIBOR	EURIBOR reformed
EUR	EONIA	€STR
GBP	GBP LIBOR	SONIA

In March 2021, the Financial Conduct Authority (FCA), as the regulator of ICE (the authorised administrator of LIBOR), announced that after 31 December 2021 LIBOR settings for sterling, euro and the one-week and two-month US dollar settings will either cease to be provided or no longer be representative. The remaining US dollar settings will either cease to be provided or no longer be representative after 30 June 2023.

The following table contains details of all the financial instruments held by the Group, which have transitioned to risk free rates or currently being transitioned to risk free rates at 30 June 2022:

As at 30 June 2022	Carrying amount USD	Of which: subject to IBOR reform USD	Of which: subject to IBOR reform and have yet to transition to an alternative benchmark interest rate USD
Non-derivative assets measured at amortised cost			
Balances with Central Bank, treasury bills & cash			
EUR	225,992,332	-	-
USD	16,330	-	-
Other	1,612	-	-
	226,010,274	**-**	**-**
Financial assets at amortised cost			
EUR	116,213,454	-	-
USD	54,981,907	-	-
Other	9,836,634	-	-
	181,031,995	**-**	**-**
Loans and advances to banks			
EUR	159,115,292	515,193	-
GBP	1,253,342	-	-
USD	31,952,862	23,112	-
Other	17,413,706	-	-
	209,735,202	**538,305**	**-**
Loans and advances to customers			
EUR	199,630,608	180,969,670	-
GBP	13,960,987	8,633,585	-
USD	332,040,342	295,842,960	216,203,858
Other	166,544,716	569,831	569,831
	712,176,653	**486,016,046**	**216,773,689**
Non-derivative assets measured at fair value through profit or loss			
Trading Assets			
EUR	159,587,261	113,397,419	-
GBP	8,173,674	6,283,586	-
USD	262,259,349	135,601,565	-
	430,020,284	**255,282,570**	**-**

The following table contains details of all the financial instruments held by the Bank, which have transitioned to risk free rates or currently being transitioned to risk free rates at 30 June 2022:

As at 30 June 2022	Carrying amount USD	Of which: subject to IBOR reform USD	Of which: subject to IBOR reform and have yet to transition to an alternative benchmark interest rate USD
Non-derivative assets measured at amortised cost			
Balances with Central Bank, treasury bills & cash			
EUR	225,992,332	-	-
Other	1,426	-	-
	225,993,758	**-**	**-**
Financial assets at amortised cost			
EUR	116,213,454	-	-
USD	54,981,907	-	-
Other	9,836,634	-	-
	181,031,995	**-**	**-**
Loans and advances to banks			
EUR	158,758,319	515,193	-
GBP	900,480	-	-
USD	26,838,503	23,112	-
Other	596,767	-	-
	187,094,069	**538,305**	**-**
Loans and advances to customers			
EUR	320,947,840	302,286,943	-
GBP	21,235,598	15,908,196	-
USD	439,999,907	407,015,992	247,838,363
	782,183,345	**725,211,131**	**247,838,363**

7.3 IFRS 9 – Change in business model of long-term debt securities

On 1 January 2022, the Group changed the business model for its long-term debt securities from 'hold-to-collect and sell' to 'hold -to-collect'. This has led to the reclassification of this portfolio from Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) to Financial Assets at Amortised Cost. The reclassification was done to reflect a change in the business model for managing these long-term securities such as sovereign bonds, corporate bonds, and Malta Government Bonds, to a Held-to-Collect (HTC) business model in terms of IFRS 9.

In 2015, the Group classified these long-term securities as Available-for-Sale (AFS), given the flexibility to buy and sell these bonds to meet the business needs of the Bank at the time, without recognising fluctuations in the Profit or Loss. Given the restrictions on the Held-to-Maturity (HTM) classification under International Accounting Standards (IAS) 39, Management did not consider classifying these long-term securities as HTM out of concern that the moment a bond was sold it would taint the entire portfolio and would require the Bank to reclassify the securities to AFS.

Over the years, the objective of this portfolio has changed and in view of this management have assessed the current circumstances which now prohibit the Bank from selling these long-term securities due to the following:

(a) the Bank has to maintain a portfolio of high-quality liquid assets for LCR purposes on an ongoing basis to meet the liquidity requirements of its Regulators; and
(b) the Bank has devoted the entire portfolio as the primary foundation in building up a liquidity buffer by pledging these securities.

Given that the business objective, practices and activities revolving around these securities have changed over the years, Management carried out another assessment to determine what is permissible under IFRS9. Based on the following considerations, Management concluded that the change in business model is allowed by IFRS 9:

- the change in the business model was determined by senior management;
- the change in the business model was driven by external or internal changes that met IFRS9 requirements;
- the change in the business model is significant to the entity's operation;
- the changes are demonstrable to external parties, in particular the fact that there is a visible requirement that forbids the Bank from selling these securities, due to the prohibition resulting from the regulatory requirements; and
- the Bank has ceased to perform the activity of selling such securities.

Management also assessed and confirmed that these securities meet the following two conditions in order to be classified as financial assets at amortised cost under IFRS 9:

a. the securities held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Management concluded that the investments in long-term securities no longer meet the condition for classification at FVOCI (held-to-collect and sell), not only as a consequence of the requirement of the Bank to maintain certain liquidity requirements that prohibit the Bank from selling these investments but also due to a change in the business objective that resulted in a change in business model as discussed above. Hence the Bank is required to reclassify the investment portfolio to amortised cost.

The effect of change in the accounting policy on the financial statements of both Group and Solo is summarised below:

	30 Jun 2022 USD	31 Dec 2021 USD
Assets		
Investments at amortised cost		
Debt investments at amortised cost	180,310,435	9,917,355
Interest accrued on debt investments at amortised cost	721,560	55,021
Loss allowance on debt investments at amortised cost	(168,452)	(57,622)
Financial assets at fair value through other comprehensive income		
Debt investments designated at FVOCI	-	161,611,818
Interest accrued on debt investments at FVOCI	-	796,724
Equity		
Fair Value Reserve		
Valuation loss on debt investments designated at FVOCI	-	(1,156,369)
Loss allowance on debt investments designated at FVOCI	-	82,064
Statements of profit or loss		
Net impairment (charge)/reversal on financial assets		
Loss allowance on debt investments at amortised cost	(110,829)	13,052
Loss allowance on debt investments designated at FVOCI	82,064	(10,238)

8 Classification of financial assets and liabilities

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

Group - 30 June 2022

	Mandatorily at fair value through profit or loss USD	Designated at fair value through profit or loss USD	Fair value through other comprehensive income debt instruments USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	-	225,926,505	**225,926,505**
Derivative assets held for risk management	1,397,302	-	-	-	**1,397,302**
Trading assets	430,020,284	-	-	-	**430,020,284**
Loans and advances to banks	-	-	-	208,961,478	**208,961,478**
Loans and advances to customers	-	-	-	626,267,242	**626,267,242**
Financial assets at fair value through profit or loss	17,978,546	53,077	-	-	**18,031,623**
Financial assets at fair value through other comprehensive income	-	-	-	-	**-**
Investments at amortised cost	-	-	-	180,863,543	**180,863,543**
Total financial assets	**449,396,132**	**53,077**	**-**	**1,242,018,768**	**1,691,467,977**
Derivative liabilities held for risk Management	1,399,322	-	-	-	**1,399,322**
Amounts owed to banks	-	-	-	522,109,714	**522,109,714**
Amounts owed to customers	-	-	-	992,276,181	**992,276,181**
Debt securities in issue	-	-	-	20,247,554	**20,247,554**
Total financial liabilities	**1,399,322**	**-**	**-**	**1,534,633,449**	**1,536,032,771**

Group - 31 December 2021

	Mandatorily at fair value through profit or loss USD	Designated at fair value through profit or loss USD	Fair value through other comprehensive income debt instruments USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	-	239,998,839	**239,998,839**
Derivative assets held for risk management	841,688	-	-	-	**841,688**
Trading assets	439,985,203	-	-	-	**439,985,203**
Loans and advances to banks	-	-	-	198,488,576	**198,488,576**
Loans and advances to customers	-	-	-	628,912,340	**628,912,340**
Financial assets at fair value through profit or loss	19,913,086	53,077	-	-	**19,966,163**
Financial assets at fair value through other comprehensive income	-	-	162,408,542	-	**162,408,542**
Investments at amortised cost	-	-	-	9,914,754	**9,914,754**
Total financial assets	**460,739,977**	**53,077**	**162,408,542**	**1,077,314,509**	**1,700,516,105**
Derivative liabilities held for risk Management	1,499,026	-	-	-	**1,499,026**
Amounts owed to banks	-	-	-	563,553,044	**563,553,044**
Amounts owed to customers	-	-	-	934,096,196	**934,096,196**
Debt securities in issue	-	-	-	45,345,575	**45,345,575**
Total financial liabilities	**1,499,026**	**-**	**-**	**1,542,994,815**	**1,544,493,841**

Bank - 30 June 2022

	Mandatorily at fair value through profit or loss USD	Designated at fair value through profit or loss USD	Fair value through other comprehensive income debt instruments USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	-	225,909,988	**225,909,988**
Derivative assets held for risk management	1,397,302	-	-	-	**1,397,302**
Loans and advances to banks	-	-	-	186,354,441	**186,354,441**
Loans and advances to customers	-	-	-	711,240,239	**711,240,239**
Financial assets at fair value through profit or loss	17,978,546	53,077	-	-	**18,031,623**
Investments at amortised cost	-	-	-	180,863,543	**180,863,543**
Total financial assets	**19,375,848**	**53,077**	**-**	**1,304,368,211**	**1,323,797,136**
Derivative liabilities held for risk Management	1,580,807	-	-	-	**1,580,807**
Amounts owed to banks	-	-	-	435,962,891	**435,962,891**
Amounts owed to customers	-	-	-	863,199,598	**863,199,598**
Total financial liabilities	**1,580,807**	**-**	**-**	**1,299,162,489**	**1,300,743,296**

Bank - 31 December 2021

	Mandatorily at fair value through profit or loss USD	Designated at fair value through profit or loss USD	Fair value through other comprehensive income debt instruments USD	Amortised cost USD	Total carrying amount USD
Balances with the Central Bank of Malta, treasury bills and cash	-	-	-	239,982,048	**239,982,048**
Derivative assets held for risk management	841,688	-	-	-	**841,688**
Loans and advances to banks	-	-	-	182,458,548	**182,458,548**
Loans and advances to customers	-	-	-	745,564,139	**745,564,139**
Financial assets at fair value through profit or loss	19,913,086	53,077	-	-	**19,966,163**
Financial assets at fair value through other comprehensive income	-	-	162,408,542	-	**162,408,542**
Investments at amortised cost	-	-	-	9,914,754	**9,914,754**
Total financial assets	**20,754,774**	**53,077**	**162,408,542**	**1,177,919,489**	**1,361,135,882**
Derivative liabilities held for risk Management	1,533,556	-	-	-	**1,533,556**
Amounts owed to banks	-	-	-	497,633,356	**497,633,356**
Amounts owed to customers	-	-	-	838,675,598	**838,675,598**
Total financial liabilities	**1,533,556**	**-**	**-**	**1,336,308,954**	**1,337,842,510**

9 Net trading results

	Group		Bank	
	2022 USD	2021 USD	2022 USD	2021 USD
Net trading results from assets held for trading	(2,000,894)	1,463,684	-	-
Foreign exchange rate results	589,005	799,581	481,452	709,204
Net results on derivatives held for risk management	(378,367)	(402,478)	91,843	(564,843)
	(1,790,256)	**1,860,787**	**573,295**	**144,361**

10 Dividend income

	Group		Bank	
	2022 USD	2021 USD	2022 USD	2021 USD
Dividend income from equity investments at fair value through profit or loss	3,821,545	1,089,189	3,821,545	1,089,189
Dividend income from subsidiary undertaking	-	-	6,500,000	6,200,000
	3,821,545	**1,089,189**	**10,321,545**	**7,289,189**

11 Derivatives held for risk management

	Group		Bank	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
	USD	USD	USD	USD
Derivative assets held for risk management				
- foreign exchange	1,397,302	841,688	1,397,302	841,688
	1,397,302	**841,688**	**1,397,302**	**841,688**
Derivative liabilities held for risk management				
– foreign exchange	(1,399,322)	(1,499,026)	(1,399,322)	(1,499,026)
– interest rate	-	-	(181,485)	(34,530)
	(1,399,322)	**(1,499,026)**	**(1,580,807)**	**(1,533,556)**

12 Investments in subsidiaries

Impairment assessment

At each reporting date, the Bank carries out an impairment assessment to determine whether, the recoverable amounts of its investments in subsidiaries (at cost) in its separate financial statements are less than their carrying amount, therefore requiring an impairment loss.

The Group carried out an assessment to detect any indication of impairment that might have existed as at 30 June 2022. This assessment was performed as an update of the test carried out in December 2021 and was carried out on the basis of the underlying performance of each subsidiary during this period.

The assessment involved a retrospective analysis to test the effectiveness of the assumptions and projections used for the assessment carried out in December 2021. Where deviations are identified the Group updates the assumptions and projections to reflect the current conditions. Based on this assessment, it was determined that at reporting date, the recoverable amount of each subsidiary was higher than the carrying amount in the financial statements and therefore is no indication of an impairment loss (December 2021: USD 87,356).

The key assumptions described above may change as economic, political and market conditions change. Whilst the recoverable amount is higher than the carrying amount, any significant adverse movement in a key assumption would lead to an impairment of the investment in subsidiary.

13 Goodwill

India Factoring and Egypt Factors - Impairment assessment

As disclosed in Note 12, the Group has carried out an assessment to detect any indication of impairment on the investment in subsidiaries that might have existed as at 30 June 2022. The same assessment has been used to determine any indication of impairment on the goodwill recognised for India Factoring and Egypt Factors.

Based on this assessment, the recoverable amount was determined to be higher than the carrying amount of the cash generating unit. Hence, at reporting date the carrying amount of goodwill was deemed to be supported and there is no indication of an impairment loss (December 2021: Nil).

14 Debt securities in issue

'Debt securities in issue' comprise of promissory notes. At 30 June 2022 and 31 December 2021 promissory notes in issue had a tenor of up to one year. The Group's effective interest rate ranges between 1.70% and 1.75% (31 December 2021: 1.50% and 1.70%).

15 Contingent liabilities

'Contingent liabilities' comprise of guarantee obligations incurred on behalf of third parties. Guarantees issued to subsidiaries amount to USD23,378,449 (31 December 2021: USD37,795,644).

As at 30 June 2022, an expected credit loss allowance, determined in accordance with IFRS 9, amounting to USD14,816 (31 December 2021: USD162,066) for the Group and USD14,816 (31 December 2021: USD161,995) for the Bank, was recognised and presented within 'provision for liabilities and charges'.

16 Commitments

	Group		Bank	
	30 Jun 2022 USD	31 Dec 2021 USD	30 Jun 2022 USD	31 Dec 2021 USD
Commitments to purchase assets				
Undrawn credit facilities	59,028,407	70,437,057	58,394,773	70,437,057
Confirmed letters of credit	27,054,126	37,269,149	10,887,761	16,123,849
Documentary credits	38,977,252	7,540,705	38,977,252	7,540,705
Risk Participations	3,003,955	-	3,003,955	-
Factoring commitments	-	-	1,138,176	13,367,500
Commitment to purchase assets	35,670,695	58,371,323	-	-
Commitments to sell assets				
Commitment to sell assets	(9,525,357)	(20,000,000)	-	-
	154,209,078	**153,618,234**	**112,401,917**	**107,469,111**

17 Related Parties

17.1 Identity of related parties

The Bank has a related party relationship with its significant shareholders, subsidiaries, directors, executive officers and companies forming part of the KIPCO Group. For the purpose of this Note, significant shareholders include all shareholders (and their connected parties) holding at least five per cent of the issued share capital of the Bank.

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

17.2 Parent, shareholder having significant influence and other related companies

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

	Parent		Subsidiaries of parent	
	30 Jun 2022 USD	31 Dec 2021 USD	30 Jun 2022 USD	31 Dec 2021 USD
Assets				
Derivative assets held for risk management	-	-	53,727	-
Loans and advances to customers	38,437,042	42,259,198	-	-
Financial assets at amortised cost	9,836,634	9,972,376	-	-
Liabilities				
Derivative liabilities held for risk management	-	-	-	17,715
Amounts owed to banks	-	-	10,227,154	1,306,953
Amounts owed to customers	40,520,204	40,647,843	2,508	2,583

	Parent		Subsidiaries of parent	
	30 Jun 2022 USD	30 Jun 2021 USD	30 Jun 2022 USD	30 Jun 2021 USD
Statements of profit or loss				
Interest income	853,560	913,906	-	-
Interest expense	-	-	(417)	-
Fee and commission income	75	61	4,343	75
Fee and commission expense	(3,055)	(3,118)	-	-
Net trading results	-	-	71,442	115,750
Administrative expenses	-	-	(2,880)	(245,080)

From the total in amounts owed to customers related to the parent, USD40,000,000 is held as collateral against loans and advances to customers with a related company.

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

	Shareholder having significant influence		Subsidiary of shareholder having significant influence		Other related companies	
	30 Jun 2022 USD	31 Dec 2021 USD	30 Jun 2022 USD	31 Dec 2021 USD	30 Jun 2022 USD	31 Dec 2021 USD
Assets						
Loans and advances to banks	244,083	47,629	-	11,326,311	-	-
Loans and advances to customers	-	-	-	-	40,581,101	42,733,988
Liabilities						
Amounts owed to banks	-	-	-	10,002,778	-	-
Amounts owed to customers	-	-	-	-	123,093	2,920,956
Other liabilities	-	-	-	-	669	730

	30 Jun 2022 USD	30 Jun 2021 USD	30 Jun 2022 USD	30 Jun 2021 USD	30 Jun 2022 USD	30 Jun 2021 USD
Statements of profit or loss						
Interest income	-	-	-	16,706	763,966	695,087
Interest expense	(127,260)	-	(99,783)	(199,425)	-	-
Fee and commission income	-	-	-	-	28,208	17,360
Fee and commission expense	-	-	(51,268)	-	-	(386)
Net trading results	-	(101,477)	-	-	-	-
Administrative expenses	-	-	-	-	-	-

17.3 Transactions with subsidiaries and associates

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

	Subsidiaries		Associates	
	30 Jun 2022 USD	31 Dec 2021 USD	30 Jun 2022 USD	31 Dec 2021 USD
Assets				
Loans and advances to customers	388,702,657	383,006,632	7,023,042	7,018,212
Investments in Subsidiaries	160,949,108	159,448,858	-	-
Other assets	1,196,367	1,089,474	-	-
Liabilities				
Derivative liabilities held for risk management	181,485	34,531	-	-
Amounts owed to customers	651,563	7,536,357	9,449	357,746
Other Liabilities	-	30,647	-	-
Contingent Liabilities	23,378,449	37,795,644	-	-
Commitments	633,635	5,461,395	-	-
	30 Jun 2022 USD	30 Jun 2021 USD	30 Jun 2022 USD	30 Jun 2021 USD
Statements of profit or loss				
Interest income	3,846,739	3,079,128	108,840	91,801
Interest expense	(597)	(121)	-	-
Fee and commission income	11,918	23,698	-	-
Fee and commission expense	(2,480)	(5,194)	-	-
Dividend income	6,500,000	6,200,000	-	-
Other operating income	245,250	-	-	-
Administrative expenses	(184,150)	(184,135)	-	-

17.4 Transactions with key management personnel

	Directors		Executive officers	
	30 Jun 2022 USD	31 Dec 2021 USD	30 Jun 2022 USD	31 Dec 2021 USD
Assets				
Loans and advances to customers	-	-	-	1,114
Other assets	-	-	-	1,066
Liabilities				
Amounts owed to customers	678,852	655,413	323,279	340,822
	30 Jun 2022 USD	30 Jun 2021 USD	30 Jun 2022 USD	30 Jun 2021 USD
Statements of profit or loss				
Interest income	-	-	1	17
Interest expense	(3,961)	(3,977)	(588)	(942)
Fee and commission income	120	40	-	-
Administrative expenses - remuneration	(206,542)	(198,729)	(854,360)	(1,271,699)
Administrative expenses - other long-term benefits	(199)	(219)	(230,551)	(323,929)
Administrative expenses - others	-	(632)	(4,390)	(466)

Directors of the Group control less than 1 per cent of the voting shares of the Bank (31 December 2021: less than 1 per cent).

17.5 Other related party transactions

	Other related parties	
	30 Jun 2022 USD	31 Dec 2021 USD
Liabilities		
Amounts owed to customers	335,346	352,460

	30 Jun 2022 USD	30 Jun 2021 USD
Statements of profit or loss		
Interest expense	(2,496)	(2,647)

Other related party transactions relate to family members of Directors and executive officers of the Group.

Statement pursuant to Capital Market Rule 5.75.3

We hereby confirm that to the best of our knowledge:

- the Condensed Interim Financial Statements set out on pages 7 to 36 give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2022, as well as of the financial performance and cash flows for the period then ended, fully in compliance with IAS 34, Interim Financial Reporting, adopted by the EU; and

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

Adrian A. Gostuski
Chief Executive Officer

Juraj Beno
Chief Financial Officer

Independent auditors' report on review of condensed interim financial statements

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

Introduction

We have reviewed the accompanying condensed interim financial statements of FIMBank p.l.c. ('the Bank') and of the Group of which the Bank is the parent ('the Condensed Interim Financial Statements') which comprise the condensed interim statements of financial position as at 30 June 2022, and the related condensed interim statements of profit or loss, other comprehensive income, changes in equity and cash flows for the period then ended and notes to the Condensed Interim Financial Statements. Management is responsible for the preparation and presentation of the Condensed Interim Financial Statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. Our responsibility is to express a conclusion on the Condensed Interim Financial Statements based on our review.

This report is made solely to the Board of Directors in accordance with the terms of our engagement and is released for publication in compliance with the requirements of Listing Rule 5.75.4 issued by the Listing Authority. Our review has been undertaken so that we might state to the Board of Directors those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors for our review work, for this report, or for the conclusions we have expressed.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements for the period ended 30 June 2022 are not prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU.

The Principal authorised to sign on behalf of KPMG on the review resulting in this independent auditors' report is Thomas Galea.

KPMG
Registered Auditors
92, Marina Street
Pietà, PTA 9044
Malta

18 August 2022