



LOMBARD

Lombard Bank Malta p.l.c.

**PILLAR 3
DISCLOSURES
REPORT
31 DECEMBER 2025**



Lombard Bank Malta p.l.c.

**Pillar 3 Disclosures Report
31 December 2025**

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1. Introduction

Lombard Bank Malta p.l.c. ('Lombard Bank' or the 'Bank') is a public limited company domiciled and incorporated in Malta. Lombard Bank Malta p.l.c. is listed on the Malta Stock Exchange and is licensed and regulated by the Malta Financial Services Authority as a credit institution and as an investment service provider.

The Bank has been in operation for over 55 years, having been registered in Malta as a limited liability company in 1969. The Bank is an authorised currency dealer and a financial intermediary on the Malta Stock Exchange, as well as a member of the Depositor Compensation Scheme and the Investor Compensation Scheme.

The aim of this Pillar 3 Disclosures Report ('Report') is to enhance public awareness on the Bank's risk management policies and procedures, and capital structure and adequacy. The disclosures meet the disclosure requirements laid down in BR/07 as well as the requirements under Part Eight of 'Regulation (EU) 2019/876' which amends 'Regulation (EU) No 575/2013' of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ('Capital Requirements Regulation', hereinafter referred to as 'CRR').

The Bank is subject to the disclosure requirements prescribed under Article 433c of the CRR, since it does not fall under the definition of a 'large institution' and is not classified as a 'small and non-complex institution'. This article requires the Bank to disclose the key metrics referred to in Article 447 of the CRR on a semi-annual basis and all other information required under Part Eight of the CRR on an annual basis.

Return On Assets of Lombard Bank on a solo basis for the financial year ended 31 December 2025 stood at 0.92% (2024: 0.70%) pursuant to Banking Rule BR/07 "Publication of Annual Report and Audited Financial Statements of Credit Institutions Authorised under the Maltese Banking Act (Cap. 371)" ('BR/07').

This Report includes two appendices. Appendix 1 provides a list of quantitative templates disclosed in this Report and the page number where it has been disclosed. Appendix 2 lists out a summary of the requirements under Part 8 of the CRR and where this has been disclosed or why such disclosure is not applicable to the Bank.

1.1 Preparation of Pillar 3 Disclosures Report

(Article 431(3) CRR)

The Bank adheres to the requirements laid down in Article 431 of the CRR, which sets out the Bank's compliance with the requirements of Part Eight of the CRR and the guidelines and technical standards published by the EBA.

1.1.1. Basis of preparation

Disclosures are being reported in line with the 'Commission Implementing Regulation (EU) No 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637' and Commission Implementing Regulation (EU) No 2022/631 of 13 April 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of exposures to interest rate risk on positions not held in the trading book (together the "ITS on Pillar 3 disclosure") and with the applicable European Commission's implementing and delegated regulations, as well as the EBA guidelines.

The Pillar 3 Disclosures Report reflects exposures reported in the Bank's Annual Report and Financial Statements, which are prepared in accordance with International Financial Reporting Standards ('IFRS'). In contrast to the Bank's Annual Report and Financial Statements, the information included within the Pillar 3 Disclosures is not subject to an external audit review. However, the Pillar 3 Disclosures Report is reviewed by the Bank's Audit & Risk Committee (ARC), as outlined in Section 1.1.4 Verification and sign-off process below.

Any items greyed out within the templates presented within the Report imply that the information is not required for the Bank. Moreover, where the term 'capital requirements' is used, this represents the minimum total capital charge set at 8% of risk weighted exposure amounts ('RWEAs') as per Article 92 of the CRR.

1.1.2. Scope of disclosures

These Pillar 3 Disclosures relate solely to the Bank on a standalone basis as a credit institution. The Bank is regulated and supervised by the Malta Financial Services Authority ('MFSA') and is classified as an 'Other Institution'.

These Disclosures present information about the Bank's exposure to risks and the Bank's objectives, policies and processes for measuring and managing risks and the Bank's management of capital.

1.1.3. Frequency and means of disclosures

For the purposes of these Pillar 3 Disclosures, as a listed 'Other institution', the Bank is required to comply with Article 433c(1) of the CRR. In this respect, the Bank is required to publish Pillar 3 disclosures on an annual basis, on the following points:

- Risk management objectives and policies disclosures outlined in points (a), (e) and (f) of Article 435(1);
- Governance arrangements disclosures outlined in points (a) to (c) of Article 435(2);
- Own funds disclosures outlined in point (a) of Article 437;
- Disclosure of own funds requirements and risk-weighted exposure amounts outlined in points (c) and (d) of Article 438;
- Credit risk related disclosures under points (c) and (d) of Article 442;
- The key metrics referred to in Article 447;
- Disclosures relating to remuneration outlined in points (a) to (d), (h) to (k) of Article 450(1).

The Bank makes available its Annual Report and Financial Statements, and the Pillar 3 Disclosures Reports in the 'Financial Statements' page within the 'Investor Information' section of the Bank's website (<https://www.lombardmalta.com/en/financial-results>).

1.1.4. Verification and sign-off process

Consistent with banking regulations and market practice, these Pillar 3 Disclosures Report is not subject to an external audit. However, the Bank's management has appropriately verified these Pillar 3 disclosures. Moreover, the Bank's ARC function reviewed and approved these Pillar 3 Disclosures following which the Pillar 3 Disclosures were submitted to the Board of Directors for authorisation prior to public dissemination.

Based upon the Bank's assessment and verification, the Disclosures appropriately and comprehensively convey the Bank's overall risk profile as of 31 December 2025.

1.2 Key metrics

Template EU KM1 provides key regulatory metrics and ratios as well as related components, including own funds, RWEAs, capital ratios, additional requirements based on the Supervisory Review and Evaluation Process ('SREP'), capital buffer requirements, leverage ratio, Liquidity Coverage Ratio ('LCR') and Net Stable Funding Ratio ('NSFR').

Template EU KM1 – Key metrics template

| <i>In €'000</i> | | a | b | c |
|-----------------|--|-----------|-----------|-----------|
| | | 31-Dec-25 | 30-Jun-25 | 31-Dec-24 |
| | Available own funds (amounts) | | | |
| 1 | Common Equity Tier 1 (CET1) capital | 204,335 | 190,896 | 196,508 |
| 2 | Tier 1 capital | 204,335 | 190,896 | 196,508 |
| 3 | Total capital | 204,335 | 190,896 | 196,508 |
| | Risk-weighted exposure amounts | | | |
| 4 | Total risk exposure amount | 1,027,828 | 993,696 | 982,443 |
| 4a | Total risk exposure pre-floor | 1,027,828 | 993,696 | - |
| | Capital ratios (as a percentage of risk-weighted exposure amount) | | | |
| 5 | Common Equity Tier 1 ratio (%) | 19.88% | 19.21% | 20.00% |
| 5a | Not applicable | | | |
| 5b | Common Equity Tier 1 ratio considering unfloored TREA (%) | 19.88% | 19.21% | 20.00% |
| 6 | Tier 1 ratio (%) | 19.88% | 19.21% | 20.00% |
| 6a | Not applicable | | | |
| 6b | Tier 1 ratio considering unfloored TREA (%) | 19.88% | 19.21% | 20.00% |
| 7 | Total capital ratio (%) | 19.88% | 19.21% | 20.00% |
| 7a | Not applicable | | | |
| 7b | Total capital ratio considering unfloored TREA (%) | 19.88% | 19.21% | 20.00% |
| | Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount) | | | |
| EU 7d | Additional own funds requirements to address risks other than the risk of excessive leverage (%) | 3.00% | 3.25% | 3.25% |
| EU 7e | of which: to be made up of CET1 capital (percentage points) | 1.69% | 1.83% | 1.83% |
| EU 7f | of which: to be made up of Tier 1 capital (percentage points) | 2.25% | 2.44% | 2.44% |
| EU 7g | Total SREP own funds requirements (%) | 11.00% | 11.25% | 11.25% |
| | Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount) | | | |
| 8 | Capital conservation buffer (%) | 2.50% | 2.50% | 2.50% |
| EU 8a | Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%) | 0.00% | 0.00% | 0.00% |
| 9 | Institution specific countercyclical capital buffer (%) | 0.02% | 0.01% | 0.01% |

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Template EU KM1 – Key metrics template (continued)

| In €'000 | | a | b | c |
|--|---|-----------|-----------|-----------|
| | | 31-Dec-25 | 30-Jun-25 | 31-Dec-24 |
| EU 9a | Systemic risk buffer (%) | 0.12% | 0.07% | 0.17% |
| Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount) | | | | |
| 10 | Global Systemically Important Institution buffer (%) | 0.00% | 0.00% | 0.00% |
| EU 10a | Other Systemically Important Institution buffer (%) | 0.00% | 0.00% | 0.00% |
| 11 | Combined buffer requirement (%) | 2.64% | 2.58% | 2.67% |
| EU 11a | Overall capital requirements (%) | 13.64% | 13.83% | 13.92% |
| 12 | CET1 available after meeting the total SREP own funds requirements (%) | 8.88% | 7.96% | 8.75% |
| Leverage ratio | | | | |
| 13 | Total exposure measure | 1,520,114 | 1,405,962 | 1,414,975 |
| 14 | Leverage ratio (%) | 13.44% | 13.58% | 13.89% |
| Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure) | | | | |
| EU 14a | Additional own funds requirements to address the risk of excessive leverage (%) | 0.00% | 0.00% | 0.00% |
| EU 14b | of which: to be made up of CET1 capital (percentage points) | 0.00% | 0.00% | 0.00% |
| EU 14c | Total SREP leverage ratio requirements (%) | 3.00% | 3.00% | 3.00% |
| Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure) | | | | |
| EU 14d | Leverage ratio buffer requirement (%) | 0.00% | 0.00% | 0.00% |
| EU 14e | Overall leverage ratio requirement (%) | 3.00% | 3.00% | 3.00% |
| Liquidity Coverage Ratio | | | | |
| 15 | Total high-quality liquid assets (HQLA) (Weighted value -average) | 292,672 | 281,775 | 297,086 |
| EU 16a | Cash outflows - Total weighted value | 173,011 | 188,379 | 192,929 |
| EU 16b | Cash inflows - Total weighted value | 77,863 | 72,574 | 72,488 |
| 16 | Total net cash outflows (adjusted value) | 95,148 | 115,805 | 120,441 |
| 17 | Liquidity coverage ratio (%) | 321.51% | 246.60% | 247.07% |
| Net Stable Funding Ratio | | | | |
| 18 | Total available stable funding | 1,294,244 | 1,182,046 | 1,116,311 |
| 19 | Total required stable funding | 816,596 | 806,489 | 759,378 |
| 20 | NSFR ratio (%) | 158.49% | 146.57% | 147.00% |

1.3 Scope of application

The Bank is supervised on a solo basis by the Malta Financial Services Authority ('MFSA') in terms of the general provisions under Part 1 of the CRR.

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

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

Template EU PV1 does not apply to the Bank and has not been disclosed since it does not breach the €15 billion threshold. The Bank applies the simplified approach in line with Commission Delegated Act 2016/101.

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Template EU LI1 provides a breakdown by asset and liability classes according to the balance sheet in the published financial statements.

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

| In €'000 | | a | b | c | d | e | f | g |
|--|--|---|---|---|--------------------------------------|---|--------|---|
| | | Carrying values as reported in published financial statements | Carrying values under scope of prudential consolidation | Carrying values of items | | | | |
| Subject to the credit risk framework | Subject to the CCR framework | | | Subject to the securitisation framework | Subject to the market risk framework | | | |
| Breakdown by asset classes according to the balance sheet in the published financial statements | | | | | | | | |
| 1 | Balances with Central Bank of Malta, treasury bills and cash | 181,858 | 181,858 | 181,858 | - | - | 525 | - |
| 2 | Cheques in course of collection | 150 | 150 | 150 | - | - | - | - |
| 3 | Financial investments | 211,126 | 211,126 | 211,126 | - | - | 16,064 | - |
| 4 | Loans and advances to banks | 55,936 | 55,936 | 55,936 | - | - | 39,698 | - |
| 5 | Loans and advances to customers | 929,120 | 929,120 | 929,120 | - | - | 4,047 | - |
| 6 | Trade and other receivables | 7,238 | 7,238 | 7,238 | - | - | 92 | - |
| 7 | Accrued income and other assets | 4,593 | 4,593 | 4,593 | - | - | 194 | - |
| 8 | Assets classified as held for sale | 703 | 703 | 703 | - | - | - | - |
| 9 | Current tax assets | 288 | 288 | 288 | - | - | - | - |
| 10 | Inventories | 291 | 291 | 291 | - | - | - | - |
| 11 | Investments in subsidiaries | 17,926 | 17,926 | 17,926 | - | - | - | - |
| 12 | Investments in associates | 503 | 503 | 503 | - | - | - | - |
| 13 | Intangible assets | 3 | 3 | - | - | - | - | 3 |
| 14 | Property, plant and equipment | 43,670 | 43,670 | 43,670 | - | - | - | - |

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories (continued)

| <i>In €'000</i> | | a | b | c | d | e | f | g |
|--------------------------------------|--|---|---|---|--------------------------------------|--|---------------|------------------|
| | | Carrying values as reported in published financial statements | Carrying values under scope of prudential consolidation | Carrying values of items | | | | |
| Subject to the credit risk framework | Subject to the CCR framework | | | Subject to the securitisation framework | Subject to the market risk framework | Not subject to own funds requirements or subject to deduction from own funds | | |
| | Breakdown by asset classes according to the balance sheet in the published financial statements | | | | | | | |
| 15 | Deferred tax assets | 6,248 | 6,248 | 6,248 | - | - | - | - |
| 16 | Total assets | 1,459,653 | 1,459,653 | 1,459,650 | - | - | 60,619 | 3 |
| | Breakdown by liability classes according to the balance sheet in the published financial statements | | | | | | | |
| 1 | Amounts owed to banks | 345 | 345 | - | - | - | - | 345 |
| 2 | Amounts owed to customers | 1,210,294 | 1,210,294 | - | - | - | 59,571 | 1,150,723 |
| 3 | Current tax liabilities | - | - | - | - | - | - | - |
| 4 | Accruals and deferred income | 11,468 | 11,468 | - | - | - | 71 | 11,397 |
| 5 | Other liabilities | 17,101 | 17,101 | - | - | - | 478 | 16,623 |
| 6 | Provisions for liabilities and other charges | 2,023 | 2,023 | - | - | - | - | 2,023 |
| 7 | Deferred tax liabilities | 3,252 | 3,252 | - | - | - | - | 3,252 |
| 8 | Total liabilities | 1,244,483 | 1,244,483 | - | - | - | 60,120 | 1,184,363 |

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Template EU LI2 provides detailed information on the main sources of differences between regulatory exposure amounts and carrying values reported in the financial statements. This disclosure explains the adjustments and reconciliations made to align accounting figures with regulatory requirements, enhancing transparency around the measurement of exposures for regulatory capital purposes.

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

| <i>In €'000</i> | | a | b | c | d | e |
|-----------------|--|--------------------|-----------------------|--------------------------|---------------|-----------------------|
| | | Total | Items subject to | | | |
| | | | Credit risk framework | Securitisation framework | CCR framework | Market risk framework |
| 1 | Assets carrying value amount under the scope of prudential consolidation (as per template LI1) | 1,459,653 | 1,459,650 | - | - | 60,619 |
| 2 | Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1) | (1,244,483) | - | - | - | (60,120) |
| 3 | Total net amount under the scope of prudential consolidation | 215,170 | 1,459,650 | - | - | 500 |
| 4 | Off-balance-sheet amounts | 378,849 | 378,849 | - | - | |
| 5 | <i>Differences in valuations</i> | - | - | - | - | |
| 6 | <i>Differences due to different netting rules, other than those already included in row 2</i> | - | - | - | - | |
| 7 | <i>Differences due to consideration of provisions</i> | (32) | (32) | - | - | |
| 8 | <i>Differences due to the use of credit risk mitigation techniques (CRMs)</i> | - | - | - | - | |
| 9 | <i>Differences due to credit conversion factors</i> | (345,490) | (345,490) | - | - | |
| 10 | <i>Differences due to Securitisation with risk transfer</i> | - | - | - | - | |
| 11 | <i>Other differences</i> | (3,330) | (3,330) | - | - | |
| 12 | Exposure amounts considered for regulatory purposes | 245,166 | 1,489,646 | - | - | 500 |

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Template EU LI3 provides detailed information on the differences in the scopes of consolidation on an entity-by-entity basis.

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

| a | b | c | d | e | f | g |
|---------------------------|------------------------------------|------------------------------------|----------------------------|---------------|-----------------------------------|----------|
| Name of the entity | Method of accounting consolidation | Method of prudential consolidation | | | | |
| | | Full consolidation | Proportional consolidation | Equity method | Neither consolidated nor deducted | Deducted |
| Lombard Bank Malta p.l.c. | Full consolidation | X | | | | |

Table EU LIA is not applicable to the Bank as there are no differences between the accounting scope and scope of prudential consolidation.

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

| | |
|-----|--|
| (a) | <p><u>Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group</u></p> <p>This section is not applicable to the Bank.</p> |
| (b) | <p><u>Subsidiaries not included in the consolidation with own funds less than required</u></p> <p>The subsidiaries that are not included in the consolidation include the following:</p> <ul style="list-style-type: none"> • Redbox Limited • MaltaPost Group <p>There are no cases where the actual own funds are less than required in all subsidiaries that are not included in the consolidation.</p> |
| (c) | <p><u>Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR</u></p> <p>This section is not applicable to the Bank.</p> |
| (d) | <p><u>Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation</u></p> <p>There are no cases where the actual own funds are less than required in all subsidiaries that are not included in the consolidation.</p> |

1.4 Attestation by the Board of Directors

The Board of Directors confirms that these Pillar 3 Disclosures, to the best of its knowledge, comply with Part Eight of the CRR, including any related guidelines and technical standards issued by the European Banking Authority ('EBA'), and have been prepared in accordance with the Bank's internal governance framework, including its policies, processes, systems and internal control environment.

The Board of Directors is of the opinion that the policies and procedures in place are adequate to measure and control the various risks faced by the Bank and appropriately reflect the Bank's size, business model and market position.

This Report was reviewed by the Audit and Risk Committee ('ARC') and approved by the Board of Directors.

2. Risk management and governance

2.1. Overview of risk disclosures

Table EU OVA provides information on the Bank's business model and how it inherently involves exposing itself to both financial risks and non-financial risks.

Table EU OVA - Institution risk management approach

| | |
|------------|--|
| <p>(a)</p> | <p><u>Disclosure of concise risk statement approved by the management body</u></p> <p>The Board of Directors of Lombard Bank Malta p.l.c. is committed to upholding high standards of corporate governance and ethical conduct and remains accountable to shareholders and other stakeholders. The Board provides strategic leadership to promote a strong risk-awareness culture, ensuring that all material risks are appropriately identified, assessed, and considered in decision-making.</p> <p>The Bank's business model is designed to balance growth and stability and is closely aligned with its overall risk profile. The principal risks arising from the business model include credit, market, operational, and liquidity risks, alongside other risks as outlined in this table.</p> <p>The Risk Management Framework enables effective risk mitigation through close collaboration between risk-taking units and the Bank's independent Risk Management Functions. The Bank's risk profile is aligned with the Board-approved Risk Appetite Statement, with risk management strategies monitored and adjusted on an ongoing basis to remain within defined tolerance levels. This alignment is evidenced by regular Board reporting on key indicators, including solvency (capital and leverage), liquidity (LCR and NSFR), and other relevant metrics such as asset quality, foreign currency exposure and profitability.</p> <p>The Board considers its Risk Management Framework to be supported by robust policies, procedures, limits, and controls that enable the effective identification, assessment, management, monitoring, and reporting of risks.</p> <p>Further information on the Bank's risk profile across the various categories of risk related to the Bank's business model is in this table. Key ratios and figures showing the risk profile of the Bank are namely included in Table EU KM1 presented in Section 1.2 above.</p> |
| <p>(b)</p> | <p><u>Information on the risk governance structure for each type of risk</u></p> <p>Risks are inherent in the everyday operations of the Bank.</p> <p>The Bank adopts the Three Lines of Defence model, wherein the Risk Management Function forms part of the Bank's Second Line of Defence. As per principles of the model, Risk Management is independent of the other Lines of Defence. The Risk Management Function also reports directly to the Audit & Risk Committee (ARC). It is responsible for ensuring that policies and any other guidelines support the Bank's objectives, and to further identify any unmitigated risks and formulate suitable action plans for their treatment. The Function monitors the high-level principles that guide staff in its day-to-day management of risk through oversight of policies, limits, procedures, processes and systems as well as by using methods and tools for risk measuring, monitoring, controlling and reporting.</p> <p>The Compliance Function, comprises of Financial Crime Compliance and Regulatory Compliance, also forms part of the Bank's Second Line of Defence and is independent of the Bank's operations.</p> |

Table EU OVA - Institution risk management approach. (continued)

Information on the risk governance structure for each type of risk (continued)

This Function is the central point through which all interaction with regulatory and enforcement bodies are routed. The Function identifies, assesses, advises, monitors and reports on Compliance matters and reports directly to the ARC.

The Board has entrusted the IT Department, which as a first line function, is responsible for the implementation of strategies, policies, procedures, and ICT protocols, all aimed at protecting effectively the relevant components and infrastructure. The Internal Audit function, which is the Bank's Third Line of Defence, provides independent assurance through a systematic, and rigorous approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Board is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the business of the Bank and for ensuring that proper systems of internal controls are in place.

The Board assumes responsibility for:

- setting business objectives, goals and the general strategic direction for Management with a view to maximise value;
- selecting and appointing the Chief Executive Officer who is entrusted with the day-to-day operations of the Bank;
- management of the Bank's operations, as well as appointment of members of Management;
- ensuring that significant business risks are identified and appropriately managed; and
- setting the highest business standards and code for ethical behaviour, and monitoring performance in this respect.

The Board has established several Board Committees to support the fulfilment of its responsibilities:

The Audit & Risk Committee (ARC): assists the Board in fulfilling its supervisory and monitoring responsibility for, *inter alia*, effective financial reporting, risk management, control and governance and this by, *inter alia*, reviewing any financial information, statements and disclosures to be issued, reviewing all reports and submissions by the internal control functions, reviewing and monitoring systems of governance, systems of internal control established by Management and the Board, the risk management processes as well as the external and internal audit processes.

The Assets & Liabilities Committee (ALCO): is a Board-appointed committee responsible for asset and liability management within the limits defined by the Board. ALCO oversees the management of key financial and operational risks, including liquidity, funding, interest rate risk in the banking book, and foreign exchange risk, in accordance with approved policies and risk appetite statements. ALCO also oversees the Bank's investments portfolio. The Board retains ultimate responsibility for setting the Bank's risk appetite, approving relevant policies (including the Investment Policy), and establishing risk limits, while delegating to ALCO the day-to-day management of these risks. ALCO also exercises oversight of the product governance framework in line with the Bank's Product Oversight Governance Policy, ensuring consistency with regulatory requirements and internal controls.

| | |
|-----|---|
| | <p><u>Table EU OVA - Institution risk management approach. (continued)</u></p> <p><u>Information on the risk governance structure for each type of risk (continued)</u></p> <p><u>The Credit Committee:</u> oversees matters associated with the granting of credit and discusses and authorises credit exposures in line with the guidelines and discretionary limits established by the Board of Directors through the Credit Policy.</p> <p>Its responsibilities also include monitoring and designing the structure, procedures and processes to be implemented to identify, measure, monitor and control credit risk and is composed of a number of Chief Officers and Senior Officers.</p> <p><u>The Suitabilities & Evaluations Committee:</u> carries out suitability assessments of nominated/existing Directors, Key Function holders or any other persons as may be required and assesses the Board’s annual performance and that of its committees following the completion of the self-evaluations by the Board and committee members. It is also tasked with overseeing and implementing the Bank’s Succession Policy for the Board of Directors and Key Function Holders, and with making such recommendations to the Board of Directors as may be necessary to ensure effective governance, continuity, and compliance with prevailing regulatory standards. Furthermore, where deemed appropriate, the Board of Directors delegates specific matters to the Suitabilities & Evaluations Committee for its consideration and recommendation, such as relating to remuneration.</p> <p><u>Remuneration Committee:</u> The functions of a Remuneration Committee are carried out by the Board of Directors in view of the fact that the remuneration of Directors is not performance related. The Board, at times, delegates some remuneration-related tasks to the Audit & Risk Committee and Suitabilities & Evaluations Committee.</p> |
| (c) | <p><u>Declaration approved by the management body on the adequacy of the risk management arrangements.</u></p> <p>The Board deems the Risk Management Framework adopted by the Bank to be adequate and gives assurance to the Bank’s stakeholders that the risk management systems are appropriate in relation to the Bank’s risk profile and strategy.</p> |
| (d) | <p><u>Disclosure on the scope and nature of risk disclosure and/or measurement systems.</u></p> <p>The Bank monitors its risk profile through various metrics under capital and liquidity, profitability, asset quality, and market-based indicators, which are evaluated against a combination of regulatory and internally established thresholds. These metrics are used to monitor the Bank’s performance against its Risk Appetite thresholds and for escalation purposes in case of breaches.</p> |
| (e) | <p><u>Disclose information on the main features of risk disclosure and measurement systems.</u></p> <p>The Board of Directors approves the Risk Management Policy and undertakes annual reviews to its Risk Appetite and risk management processes. Amendments to this Policy are approved by the Board after review and recommendation by the Audit & Risk Committee.</p> <p>The Bank defines its Risk Appetite through both qualitative statements and quantitative metrics, known as ‘Risk Appetite Metrics’. In addition to these metrics, the Bank also establishes and monitors ‘Recovery Plan Indicators’ (RPIs) and ‘Key Risk Indicators’ (KRIs).</p> |

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| | <p><u>Table EU OVA - Institution risk management approach. (continued)</u></p> <p><u>Disclose information on the main features of risk disclosure and measurement systems. (continued)</u></p> <p>The Bank’s Risk Appetite Statement (RAS) seeks to:</p> <ul style="list-style-type: none"> i. Set out the types and levels of risk that the Bank is willing to undertake in carrying out its business. ii. Establish the governance around the RAS <i>vis-a-vis</i> how the RAS is established, reviewed, updated communicated, monitored, and articulates the internal reporting requirements and the escalation processes. <p>The Bank uses a ‘traffic light approach’ to facilitate early awareness of risk limits, allowing for timely intervention if the risk profile deteriorates before limits are breached. The Bank has established the following indicators:</p> <ul style="list-style-type: none"> i. <u>Red (Internal tolerance floor/ceiling)</u> <p>This indicates that a metric has fallen below acceptable risk tolerance levels, requiring a Board decision on the corrective actions necessary to bring the Bank back within desirable risk limits. The internal tolerance floor is set at a level that allows for effective risk management, ensuring that it is triggered before any regulatory requirements are breached.</p> <ul style="list-style-type: none"> ii. <u>Amber (Early Warning Signals - EWS)</u> <p>EWS do not indicate an outright breach of internal tolerance floors, and no immediate action by the Board is necessary. These signals merely alert Management and the Board that a metric is approaching the internal tolerance floor. Triggering an EWS requires heightened monitoring, including increased reporting frequency, until the metric returns to business-as-usual levels.</p> <ul style="list-style-type: none"> iii. <u>Green (Business-as-usual)</u> <p>A ‘green’ status means the metric is within the defined Risk Appetite, and no action is required.</p> <p>The Chief Risk Officer is responsible to monitor the Risk Appetite of the Bank. At least quarterly, the Chief Risk Officer reports to the Audit & Risk Committee on the performance of the Bank in relation to its Risk Appetite and the evolution of the Bank’s KRIs.</p> |
| (f) | <p><u>Strategies and processes to manage risks for each separate category of risk.</u></p> <p>The Risk Management Policy states that the Bank has identified the following risks as significant, with the Committees holding oversight responsibility for their management:</p> <p><u>Credit risk</u></p> <p>Credit Risk refers to the risk of loss arising from a Bank borrower or counterparty failing to meet its obligations in accordance with agreed terms, and where collateral is not sufficient to make good for shortfalls. The Board of Directors has assigned the responsibility for overseeing credit risk management to the Credit Committee. The Bank has established overall credit limits at the level of individual borrowers and counterparties, and groups of connected borrowers and counterparties.</p> |

Table EU OVA - Institution risk management approach. (continued)

Strategies and processes to manage risks for each separate category of risk. (continued)

The credit worthiness of borrowers and counterparties, and the relevant Standards, Regulations and Directives are used to determine limits. Limits are reviewed regularly and submitted to the Board of Directors for approval.

The Bank has in place sound administrative, measurement, monitoring, control and oversight processes to support the credit and financial transactions lifecycles, with suitable segregation of duties, responsibilities and reporting lines.

More granular details have been included in the Table EU CRA of this Report.

Market risk

Market risk is the risk of losses or reduction expected earnings because the fair value of financial assets, liabilities and off-balance sheet items varies with market conditions such as fluctuations in interest rates, credit spreads and exchange rates.

The Bank seeks to actively manage and control market risk by taking measures to limit the adverse impact of market movements. It ensures that exposures to market risk are measured and reported on an accurate and timely bases, against set limits covering both value and income.

In this respect, the Bank has in place appropriate safeguards to ensure that risks arising from foreign exchange movements are minimised. These safeguards include, but are not limited to, matching liabilities and assets in their respective currency, as much as practically possible, and also avoiding open currency positions.

As the Bank does not maintain a trading book, its exposure to market risk is limited to Exchange Rate Risk, Interest Rate Risk, and Equity Price Risk.

More granular details have been included in the Table EU MRA of this Report.

Liquidity risk

Liquidity risk is the risk related to losses that may materialise due to the unavailability of sufficient cash flows to meet all financial commitments of the Bank. Liquidity risk may also result from an inability to sell a financial asset quickly at close to its fair value.

The Bank is exposed to daily calls on its available cash resources from overnight deposits, current and call deposits, maturing term deposits, loan drawdowns and guarantees.

The Bank maintains internal liquidity buffers established by ALCO made up of cash and financial assets which are also eligible for collateral against borrowing from the European Central Bank.

The Bank's ALCO focuses on the entity's management process with respect to market and funding liquidity risks. ALCO maintains ongoing oversight of forecast and actual cash flows, by monitoring the availability of funds to meet commitments associated with financial instruments. ALCO is supported by the Bank's Executive Team and Treasury Function in this respect, at operational level. ALCO monitors the Bank's Liquidity Gap analysis on a monthly basis. More granular details have been included in the Table EU LRA of this Report.

Table EU OVA - Institution risk management approach. (continued)

Strategies and processes to manage risks for each separate category of risk. (continued)

Operational risk

Operational risk is the risk of direct or indirect losses or damage to reputation due to failures attributable to systems, staff, processes, procedures or physical arrangements, including external events. Operational risk may also result from a lack of skilful management or good governance within the Bank.

Operational risk management is based on a framework of policies and procedures executed by the Bank's various operational functions through transaction processing and business activities.

Operational risk events are regularly reported to the Board of Directors as necessary. The Risk Management Function oversees the implementation of these policies and procedures across the Bank's operational units.

More granular details have been included in the Table EU ORA of this Report.

Regulatory Compliance Risk

Regulatory Compliance Risk is the risk which relates to legal or regulatory sanctions, and reputational and/or financial loss resulting from failure to comply with laws, rules or regulations.

Mitigating compliance risk is the primary responsibility of the Regulatory Compliance Function including counter measures such as direct lines of communication with the Board of Directors, the ARC by way of the Three Lines of Defence model endorsed by the Bank, as well as active participation in various Committees and working groups covering a broad range of relevant regulatory topics.

The review of publications received from regulatory authorities, as well as training sessions received and delivered also form part of the suite of safeguards aimed at curbing the occurrence of compliance risk. Also, regulatory preparatory exercises are continuously conducted alongside multiple teams in the Bank, ensuring the Bank's preparedness to effectively mitigate to the extent possible any Compliance Risks that may arise. A Regulatory Compliance Policy is in place where the mitigation of compliance risk forms part of a culture that encompasses the whole Bank and all of its staff.

Information Security Risk

Information & Cyber Security Risk refers to losses that may arise due to confidentiality, integrity, availability and reliability of data systems and information.

A formal ICT Risk Management Framework is in place, which sets the tone for the Bank's overall ICT management covering all ICT systems, infrastructure, and data with the objective of minimising business disruptions, protecting sensitive data, and ensuring regulatory compliance. Suitable policies, standards and procedures, carefully selected staff, suppliers and technologies are important elements in minimising this risk. In this regard, several operational resilience policies including but not limited to an Information & Cyber Security Policy, Incident Management Policy, Communication Policy, Cloud Security Policy and an On-boarding and Management of ICT Third Party Providers ('TTPs') Policy as approved by the Board are in place.

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| | <p><u>Table EU OVA - Institution risk management approach. (continued)</u></p> <p><u>Strategies and processes to manage risks for each separate category of risk. (continued)</u></p> <p><u>Financial Crime</u></p> <p>Adherence to applicable laws and regulations regarding Anti-Money Laundering, Sanctions and Anti-Bribery & Corruption are mandatory and fundamental to the Bank’s business. The Bank is committed to combating financial crime and has in place the necessary policies and procedures ensuring that its products and services are not misused for the purpose of money laundering, terrorism financing or fraud events.</p> <p>A Whistleblowing Policy, Anti-Bribery & Corruption Policy and a Customer Acceptance & Retention Policy (CARP) as approved by the Board are in place. The latter Policy and the underlying procedures set out the Bank’s appetite in respect of customer on-boarding, economic sectors and jurisdictions that it considers acceptable. In addition to the above, the Bank employs systems to ensure effective on-going and transaction monitoring in the field of Money Laundering/Financing of Terrorism (‘ML/FT’).</p> <p><u>Environmental, Social and Governance (ESG)</u></p> <p>ESG and climate change is a potential threat as physical and transition risks materialise, entities, including the Bank, and individual’s assets may become increasingly vulnerable to value erosion.</p> <p>Financial impacts could materialise should transition and physical risks impact the ability of borrowers to repay their loans or the value of collateral held. Non-financial impacts could materialise should the Bank's own assets or operations be impacted by extreme weather or chronic changes in weather patterns, or as a result of business decisions to achieve the Bank's climate ambition.</p> <p>To this effect, the Bank is taking the necessary measures to have a clear understanding of its ESG obligations, so as:</p> <ul style="list-style-type: none"> • To ensure that its customers may continue to be served with minimal disruption • To manage the Bank's exposures by enhancing the understanding of the drivers of climate risk • Ensure that the Bank meets its regulatory expectations. |
| (g) | <p><u>Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.</u></p> <p>The Bank manages risk through a well-defined governance framework led by the Board of Directors, which establishes the overall risk appetite, with oversight provided by specialised committees such as the Audit & Risk Committee, the Credit Committee and the Assets & Liabilities Committee.</p> <p>Credit risk is managed through Board-approved lending policies, delegated approval authorities, internal credit rating systems, portfolio diversification, and continuous monitoring of exposures, including early warning indicators in our credit applications. Market risk, mainly stemming from interest rate, asset price risk and foreign exchange exposures, the latter being mitigated through natural hedges, is controlled through established risk limits, ongoing monitoring and ALCO oversight to support balance sheet stability.</p> |

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| | <p><u>Table EU OVA - Institution risk management approach. (continued)</u></p> <p><u>Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants. (continued)</u></p> <p>Operational risk, including IT and cybersecurity risk, is addressed through a dedicated operational risk and resilience framework. This framework incorporates risk control self-assessments, internal loss event reporting, documented procedures and controls, as well as business continuity and disaster recovery planning.</p> <p>Liquidity and funding risk are managed through our Investments and Funding Policies, the maintenance of high-quality liquid asset buffers, alignment of asset and liability maturities and regular monitoring of regulatory liquidity ratios. Regulatory and compliance risks are overseen by our independent Regulatory Compliance and Financial Crime Compliance Functions.</p> <p>The effectiveness of these risk mitigation measures is assessed through key risk indicators, stress testing, internal reporting to Senior Management and the Board, and regulatory disclosures, ensuring consistency with the Bank’s Risk Appetite.</p> |
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Table EU OVB provides information on how the Board is responsible for ensuring that the roles of corporate responsibility, namely accountability, strategy formulation and policy development are implemented throughout the Bank.

Table EU OVB - Disclosure on governance arrangements

| | <p><u>The number of directorships held by members of the management body.</u></p> <p>The management body of the Bank is deemed to be the Board of Directors, which is appointed in accordance with the Bank’s Articles of Association. As at 31 December 2025, the Board of Directors consisted of:</p> <table border="1" style="width: 100%;"> <thead> <tr> <th>Name</th> <th></th> <th>Number of directorships held*</th> </tr> </thead> <tbody> <tr> <td>Joseph Said (Chief Executive Officer)</td> <td>Executive Director</td> <td>17**</td> </tr> <tr> <td>Michael C. Bonello (Chairman)</td> <td>Non-Executive Director</td> <td>0</td> </tr> <tr> <td>John Bonello</td> <td>Non-Executive Director</td> <td>1</td> </tr> <tr> <td>Aldo J. Giordano</td> <td>Non-Executive Director</td> <td>0</td> </tr> <tr> <td>Kimon Palamidis</td> <td>Non-Executive Director</td> <td>1</td> </tr> <tr> <td>Peter Perotti</td> <td>Non-Executive Director</td> <td>3***</td> </tr> </tbody> </table> <p>* Excluding directorships in Lombard Bank Malta p.l.c. and related subsidiaries and companies which are in dissolution. ** Held across three company groups. *** Held across three company groups.</p> <p>The above directorships have been determined in accordance with Articles 91 (3) and 91 (4) of Directive (EU) 2013/36/EU (CRD) as amended by Directive (EU) 2024/1619.</p> | Name | | Number of directorships held* | Joseph Said (Chief Executive Officer) | Executive Director | 17** | Michael C. Bonello (Chairman) | Non-Executive Director | 0 | John Bonello | Non-Executive Director | 1 | Aldo J. Giordano | Non-Executive Director | 0 | Kimon Palamidis | Non-Executive Director | 1 | Peter Perotti | Non-Executive Director | 3*** |
|---------------------------------------|---|-------------------------------|--|-------------------------------|---------------------------------------|--------------------|------|-------------------------------|------------------------|---|--------------|------------------------|---|------------------|------------------------|---|-----------------|------------------------|---|---------------|------------------------|------|
| Name | | Number of directorships held* | | | | | | | | | | | | | | | | | | | | |
| Joseph Said (Chief Executive Officer) | Executive Director | 17** | | | | | | | | | | | | | | | | | | | | |
| Michael C. Bonello (Chairman) | Non-Executive Director | 0 | | | | | | | | | | | | | | | | | | | | |
| John Bonello | Non-Executive Director | 1 | | | | | | | | | | | | | | | | | | | | |
| Aldo J. Giordano | Non-Executive Director | 0 | | | | | | | | | | | | | | | | | | | | |
| Kimon Palamidis | Non-Executive Director | 1 | | | | | | | | | | | | | | | | | | | | |
| Peter Perotti | Non-Executive Director | 3*** | | | | | | | | | | | | | | | | | | | | |

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| | <p><u>Table EU OVB - Disclosure on governance arrangements. (continued)</u></p> <p><u>Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.</u></p> <p>The appointment of directors to the Board in terms of applicable laws, rules, regulations, guidelines, etc. and the Bank’s Memorandum & Articles of Association (M&A) is a matter that is reserved to the Bank’s shareholders. Therefore, Board composition and size, which is determined by the M&A, to an extent depend on the nominees proposed by shareholders as well as on their respective profiles and suitability.</p> <p>The members of the Board of Directors, both executive and non-executive, should, at all times individually and collectively possess the necessary skills, competence and experience required in terms of applicable laws, rules, regulations etc. Criteria as expected to be required to be evaluated in terms thereof includes, <i>inter alia</i>,</p> <ul style="list-style-type: none"> • Competence (Qualifications & Experience), • Reputation (Integrity & Financial soundness), • Conflicts of Interest & Independence of mind and • Time Commitment. <p>All such criteria should be taken into account with respect to every person who is being considered for appointment or re-appointment on the Board of Directors and also when carrying out ongoing suitability assessments and collective suitability assessments.</p> <p>(b) The Bank endeavours to have a Board of Directors composed of members possessing diverse skills and expertise that allow the Board to create value for shareholders by ensuring that the specific risks pursued by the Bank as well as risks that are intrinsic to banking business are appropriately managed and mitigated within the Bank’s Risk Appetite. The Suitabilities & Evaluations Committee is, among other functions, tasked with carrying out suitability assessments of directors and Key Function Holders or any other persons as may be required.</p> <p>Prior to making its recommendations for appointment or re-appointment, the Committee evaluates, <i>inter alia</i>, the balance of knowledge, skills, diversity and experience on the Board to ensure that there is requisite experience, personal abilities, integrity and that they adhere to sound professional practices.</p> <p>The Bank’s Suitabilities & Evaluations Committee is responsible to proactively review the succession requirements for the Board and to this end, therefore, it carries out the required individual and collective suitability assessment processes so as to ensure that there be continued suitability on the Board at all times. The results of such assessment processes will then determine any succession requirements to be addressed and succession plans formulated.</p> <p>When assessing the ongoing and collective suitability of the Board members and when considering appointment/reappointment of Board members and reviewing succession planning the Suitabilities & Evaluations Committee takes into account diversity in terms of the characteristics of present and any prospective members of the Board of Directors.</p> |
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| (c) | <p><u>Table EU OVB - Disclosure on governance arrangements. (continued)</u></p> <p><u>Information on the diversity policy with regard of the members of the management body.</u></p> <p>The commitment to promoting diversity on the Board of Directors ensures continued collective suitability, independence of judgment, avoidance of groupthink, and the effective governance of the Bank in line with regulatory expectations.</p> <p>The Bank seeks to have established, at all times, a Board of Directors having a composition which is diverse, taking into account requirements proportionate to the scale, nature and complexity of the Bank’s activities, products and business model and associated risks and the Bank’s strategic objectives. Diversity should be considered as a key criterion when determining the overall composition of the Board. The Board should, at all times, make optimal use of diversity among its members to the benefit of the Bank and all its stakeholders. Where feasible, these diversity factors should be appropriately balanced to enhance collaboration, innovation, and the overall effectiveness of the Board.</p> <p>This commitment to diversity is also embedded in the Bank’s policies, which promote an inclusive environment where diverse perspectives are encouraged and respected. By ensuring that the Board of Directors remains diverse and reflects, not least, a broad range of backgrounds and skills, the Bank aims to better serve the interests of its stakeholders.</p> |
| (d) | <p><u>Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.</u></p> <p>The Audit & Risk Committee has been set up by the Bank, and its responsibilities have been highlighted under EU OVA.</p> <p>The Audit & Risk Committee convened six (6) times during the period under review.</p> |
| (e) | <p><u>Description on the information flow on risk to the management body.</u></p> <p>The Audit & Risk Committee, <i>inter alia</i>, reviews and challenges reports received regularly from the various functions across the Bank, not least the Risk Management Function, thereby enabling the Committee (and the Board) to evaluate the processes for risk identification, management and mitigation, to assess the risks inherent in the Bank’s business and to understand how these risks are controlled and monitored by Management.</p> <p>The Committee also provides recommendations to the Board regarding the Bank’s overall current and prospective risk appetite and strategy and supports the Board in overseeing Management’s implementation of that strategy. Compliance Risk, as one of the Bank’s principal risk areas, is likewise overseen through regular reporting to the Committee including also by both the regulatory compliance and financial crime compliance functions.</p> <p>The Committee reviews and endorses material regulatory submissions prior to their presentation to the Board for approval, including, among others, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP). In doing so, it satisfies itself as to the completeness of these submissions and their alignment with the Bank’s Risk Appetite.</p> |

3. Identification of risks

3.1. Overview of risk weighted exposure amounts

Template EU OV1 provides an overview of the total risk exposure amounts. It presents a consolidated summary of the institution's total risk exposure amounts (TREA) and total own funds requirements across various risk categories, including credit risk, settlement risk, and operational risk.

Template EU OV1 - Overview of total risk exposure amounts

| <i>In €'000</i> | | Total risk exposure amounts (TREA) | | Total own funds requirements |
|-----------------|---|------------------------------------|-----------|------------------------------|
| | | a | b | C |
| | | 31-Dec-25 | 31-Dec-24 | 31-Dec-25 |
| 1 | Credit risk (excluding CCR) | 973,575 | 920,991 | 77,886 |
| 2 | Of which the standardised approach | 973,575 | 920,991 | 77,886 |
| 3 | Of which the Foundation IRB (F-IRB) approach | - | - | - |
| 4 | Of which slotting approach | - | - | - |
| EU 4a | Of which equities under the simple risk weighted approach | - | - | - |
| 5 | Of which the Advanced IRB (A-IRB) approach | - | - | - |
| 6 | Counterparty credit risk - CCR | - | - | - |
| 7 | Of which the standardised approach | - | - | - |
| 8 | Of which internal model method (IMM) | - | - | - |
| EU 8a | Of which exposures to a CCP | - | - | - |
| 9 | Of which other CCR | - | - | - |
| 10 | Credit valuation adjustments risk - CVA risk | - | - | - |
| EU 10a | Of which the standardised approach (SA) | - | - | - |
| EU 10b | Of which the basic approach (F-BA and R-BA) | - | - | - |
| EU 10c | Of which the simplified approach | - | - | - |
| 11 | Not applicable | | | |
| 12 | Not applicable | | | |
| 13 | Not applicable | | | |
| 14 | Not applicable | | | |
| 15 | Settlement risk | - | - | - |

Lombard Bank Malta p.l.c.

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Template EU OV1 - Overview of total risk exposure amounts (continued)

| <i>In €'000</i> | | Total risk exposure amounts (TREA) | | Total own funds requirements |
|-----------------|--|------------------------------------|----------------|------------------------------|
| | | a | b | c |
| | | 31-Dec-25 | 31-Dec-24 | 31-Dec-25 |
| 16 | Securitisation exposures in the non-trading book (after the cap) | - | - | - |
| 17 | Of which SEC-IRBA approach | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | - | - | - |
| 19 | Of which SEC-SA approach | - | - | - |
| EU 19a | Of which 1250% / deduction | - | - | - |
| 20 | Position, foreign exchange and commodities risks (Market risk) | 130 | 112 | 10 |
| 21 | Of which the Alternative standardised approach (A-SA) | - | - | - |
| EU 21a | Of which the Simplified standardised approach (S-SA) | 130 | 112 | 10 |
| 22 | Of which the Alternative Internal Models Approach (A-IMA) | - | - | - |
| EU 22a | Large exposures | - | - | - |
| 23 | Reclassifications between trading and non-trading books | - | - | - |
| 24 | Operational risk | 54,124 | 61,341 | 4,330 |
| EU 24a | Exposures to crypto-assets | - | - | - |
| 25 | Amounts below the thresholds for deduction (subject to 250% risk weight) | 15,619 | 19,431 | 1,250 |
| 26 | Output floor applied (%) | - | - | |
| 27 | Floor adjustment (before application of transitional cap) | - | - | |
| 28 | Floor adjustment (after application of transitional cap) | - | - | |
| 29 | Total | 1,027,828 | 982,443 | 82,226 |

Capital requirements represent the amount of capital resources that a bank must allocate against risk. The Bank uses the following methods to calculate the capital charge for each risk:

- Credit risk: the Bank uses the standardised approach to calculate its capital requirements for credit risk. To calculate the risk-weighted exposure amounts, risk weights are applied based on the exposure class and the related credit quality.
- Market risk: the Bank has adopted the Basic Method to determine its market/ foreign exchange risk requirement in accordance with Article 325 of the CRR.
- Operational risk: the Bank calculates its capital requirement for operational risk using the Business Indicator Approach in terms of Article 313 of the CRR on the average interest, leases and dividend component over the past three years.

3.2 Credit risk

3.2.1 Qualitative disclosure on credit risk and standardised approach

Table EU CRA provides general qualitative information about credit risk as part of the Pillar 3 disclosures. It outlines the institution’s policies, frameworks, and processes for identifying, assessing, managing, and mitigating credit risk across its portfolio.

Table EU CRA - General qualitative information about credit risk

| | |
|-----|---|
| (a) | <p><u>In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution’s credit risk profile.</u></p> <p>The Bank’s business model includes:</p> <ul style="list-style-type: none"> • primarily serving the corporate sector, aiming to establish long-term relationships by providing a personalised service; • seeking to provide “tailor-made” and remunerative facilities as opposed to commoditised, off-the-shelf and low-priced lending; • provision of personal loans, consisting mainly of Home Loans. <p>Further information provided in Table EU OVA.</p> |
| (b) | <p><u>When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.</u></p> <p>The Bank establishes overall credit limits at the level of individual borrowers and counterparties, and groups of connected borrowers and counterparties. The credit worthiness of borrowers and counterparties, and the relevant Standards, Regulations and Directives are used to determine limits. Limits shall be reviewed regularly and submitted to the Board of Directors for approval.</p> <p>The Credit Committee is responsible for assessing the Bank’s credit risk position by reviewing, considering and approving credit decisions within delegated limits of authority. It also:</p> <ul style="list-style-type: none"> • Acts as a first-line overseer of credit policy implementation and of the adequacy of loans and advances provisions; • Discusses and assesses the local lending market in general and the relative economic sectors in particular, as well as the Bank’s market share and Risk Appetite; • Monitors and discusses the quality of the Bank’s loans and advances to customers; and • Effectively ensures proper control of the Bank’s credit activity. |

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| | <p><u>Table EU CRA - General qualitative information about credit risk (continued).</u></p> <p><u>When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits (continued).</u></p> <p>Lending Officers are those Bank officials who hold delegated authority to approve credit facilities within defined discretionary limits. Only the Board of Directors/Senior Management (as applicable) may delegate such authority. Delegated limits are kept to a relatively moderate level thus ensuring the "Four-Eyes" principle is practiced at all times.</p> <p>The Board of Directors delegates limits for secured facilities, unsecured facilities and temporary excesses to the Credit Committee. The Board of Directors is updated with the new limits once they are revised. The Credit Committee also approves straight renewal of facilities (i.e., where there no material changes to Terms and Conditions) which normally fall within the powers of the Board of Directors. All applications approved by the Credit Committee also require the recommendation of Senior Management.</p> <p>Credit Applications exceeding the limit of the Credit Committee are approved by the Board of Directors. Such applications also require the recommendation of Senior Management and the Credit Committee.</p> <p>Any changes to these limits will be considered for approval by the Board upon the written request of Senior Management.</p> |
| (c) | <p><u>When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.</u></p> <p>The Bank's Credit Department is responsible for managing credit risk across all stages of the lending cycle, including credit proposals, loan approval, disbursement of advances, credit and collateral monitoring, repayment processing, and credit recovery procedures.</p> <p>The Bank actively manages, limits, and controls concentrations of credit risk arising from loans and advances, particularly with regard to individual borrowers, groups, and industry sectors. These risks are subject to ongoing monitoring and frequent review as required. Exposure to any single borrower is further limited by sub-limits covering both on- and off-balance sheet exposures. Actual exposures are monitored daily at the end of the day, as well as in real time.</p> <p>As outlined in Section 2.3 of the Annual Report & Financial Statements 2025, the Bank maintains a comprehensive reporting framework for lending credit risk. The Credit Department provides regular reports to the Board, Credit Committee, and Executive Team, detailing compliance with limits, activity levels, performance indicators, and specific credit risk events.</p> <p>Credit facilities are generally secured adequately through property collateral and/or guarantees, with periodic reviews conducted by Management to assess both the Bank's exposure and the continued validity of the security.</p> <p>The Credit Committee is chaired by the Chief Executive Officer and is composed of other Chief Officers as well as other Senior Officers. The Chief Risk Officer is invited to attend all meetings and receives copies of Committee meeting minutes.</p> |

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| | <p><u>Table EU CRA - General qualitative information about credit risk (continued).</u></p> <p><u>When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.</u></p> <p>(d) The Board of Directors holds the responsibility for defining the Bank’s Risk Appetite across all significant financial and non-financial risk areas. Annually, the Bank conducts a comprehensive risk identification exercise as part of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) to identify and assess its material risks. Recommendations for amendments to the Risk Appetite Statement (RAS) are reviewed by the Audit & Risk Committee before being submitted to the Board of Directors for final approval.</p> <p>As already mentioned in EU OVA, the Bank adopts the Three Lines of Defence model to ensure robust risk management.</p> |
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Template EU CR4 provides information on the Bank's exposure classes, both before and after credit conversion factors and the use of credit risk mitigation, as well as the risk weighted assets and risk weighted asset density ratio per exposure class.

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

| In €'000 | Exposure classes | Exposures before CCF and before CRM | | Exposures post CCF and post CRM | | RWAs and RWAs density | |
|----------|---|-------------------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------|------------------|
| | | On-balance-sheet exposures | Off-balance-sheet exposures | On-balance-sheet exposures | Off-balance-sheet exposures | RWEA | RWEA density (%) |
| | | a | b | c | d | e | f |
| 1 | Central governments or central banks | 343,132 | - | 343,132 | - | 817 | 0.24% |
| 2 | Non-central government public sector entities | 4,541 | - | 4,541 | - | 1,782 | 0.00% |
| EU 2a | Regional government or local authorities | - | - | - | - | - | - |
| EU 2b | Public sector entities | 4,541 | - | 4,541 | - | 1,782 | 39.24% |
| 3 | Multilateral development banks | 4,134 | - | 4,134 | - | - | 0.00% |
| EU 3a | International organisations | - | - | - | - | - | - |
| 4 | Institutions | 57,427 | 18 | 57,427 | 7 | 11,786 | 20.52% |
| 5 | Covered bonds | - | - | - | - | - | - |

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| In €'000 | Exposure classes | Exposures before CCF and before CRM | | Exposures post CCF and post CRM | | RWAs and RWAs density | |
|----------|---|-------------------------------------|-----------------------------|---------------------------------|-----------------------------|-----------------------|------------------|
| | | On-balance-sheet exposures | Off-balance-sheet exposures | On-balance-sheet exposures | Off-balance-sheet exposures | RWEA | RWEA density (%) |
| | | a | b | c | d | e | f |
| 6 | Corporates | 126,375 | 222,627 | 126,375 | 9,814 | 111,988 | 82.23% |
| 6.1 | Of which: Specialised Lending | - | - | - | - | - | - |
| 7 | Subordinated debt exposures and equity | 44,082 | - | 44,082 | - | 55,445 | 125.78% |
| EU 7a | Subordinated debt exposures | 15,708 | - | 15,708 | - | 23,563 | 150.00% |
| EU 7b | Equity | 28,374 | - | 28,374 | - | 31,883 | 112.37% |
| 8 | Retail | 51,986 | 122,774 | 51,986 | 23,488 | 57,357 | 76.00% |
| 9 | Secured by mortgages on immovable property and ADC exposures | 732,333 | 32,996 | 732,333 | - | 623,166 | 85.09% |
| 9.1 | Secured by mortgages on residential immovable property - non IPRE | 379,078 | - | 379,078 | - | 191,227 | 50.45% |
| 9.2 | Secured by mortgages on residential immovable property - IPRE | 215,843 | - | 215,843 | - | 225,822 | 104.62% |
| 9.3 | Secured by mortgages on commercial immovable property - non IPRE | - | - | - | - | - | - |
| 9.4 | Secured by mortgages on commercial immovable property - IPRE | - | - | - | - | - | - |
| 9.5 | Acquisition, Development and Construction (ADC) | 137,411 | 32,996 | 137,411 | - | 206,117 | 150.00% |
| 10 | Exposures in default | 35,102 | 402 | 35,102 | 17 | 51,738 | 147.32% |
| EU 10a | Claims on institutions and corporates with a short-term credit assessment | - | - | - | - | - | - |
| EU 10b | Collective investment undertakings | - | - | - | - | - | - |
| EU 10c | Other items | 57,208 | - | 57,208 | - | 59,494 | 104.00% |
| 11 | Not applicable | | | | | | |
| 12 | TOTAL | 1,456,321 | 378,816 | 1,456,321 | 33,326 | 973,575 | 65.36% |

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Template EU CR5 provides information on the Bank's exposure value post-CCF and CRM, broken down by the different risk weights applied in the respective exposure classes.

Template EU CR5 - standardised approach

Note: Only the columns applicable to the Bank are disclosed.

| In €'000 | Exposure classes | Risk weight | | | | | | | | | | | Total |
|----------|--|-------------|---------|-------|-----|-----|-------|-------|--------|---------|---------|-------|---------|
| | | 0% | 20% | 30% | 35% | 40% | 45% | 50% | 75% | 100% | 150% | 250% | |
| | | a | e | f | g | h | i | j | m | p | t | u | |
| 1 | Central governments or central banks | 341,498 | - | - | - | - | - | 1,635 | - | - | - | - | 343,132 |
| 2 | Non-central government public sector entities | - | 2,695 | - | - | - | - | 1,205 | - | 640 | - | - | 4,541 |
| EU 2a | Regional governments or local authorities | - | - | - | - | - | - | - | - | - | - | - | - |
| EU 2b | Public sector entities | - | 2,695 | - | - | - | - | 1,205 | - | 640 | - | - | 4,541 |
| 3 | Multilateral development banks | 4,134 | - | - | - | - | - | - | - | - | - | - | 4,134 |
| EU 3a | International organisations | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Institutions | - | 56,037 | 598 | - | 7 | - | 792 | - | - | - | - | 57,434 |
| 5 | Covered bonds | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Corporates | 820 | 1,770 | - | - | - | - | 2,901 | 1,532 | 129,159 | 7 | - | 136,189 |
| 6.1 | Of which: Specialised Lending | - | - | - | - | - | - | - | - | - | - | - | - |
| 7 | Subordinated debt exposures and equity | - | - | - | - | - | - | - | - | 24,684 | 17,734 | 1,664 | 44,082 |
| EU 7a | Subordinated debt exposures | - | - | - | - | - | - | - | - | - | 15,708 | - | 15,708 |
| EU 7b | Equity | - | - | - | - | - | - | - | - | 24,684 | 2,026 | 1,664 | 28,374 |
| 8 | Retail exposures | - | - | - | - | - | - | - | 66,241 | 9,234 | - | - | 75,475 |
| 9 | Secured by mortgages on immovable property and ADC exposures | - | 217,045 | 1,351 | 32 | - | 5,185 | - | 53,930 | 145,506 | 309,283 | - | 732,333 |

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Template EU CR5 - standardised approach (continued)

Note: Only the columns applicable to the Bank are disclosed.

| In €'000 | Exposure classes | Risk weight | | | | | | | | | | | Total |
|----------|---|-------------|---------|-------|-----|-----|-------|-----|--------|---------|---------|------|---------|
| | | 0% | 20% | 30% | 35% | 40% | 45% | 50% | 75% | 100% | 150% | 250% | |
| | | a | e | f | g | h | i | j | m | p | t | u | |
| 9.1 | Secured by mortgages on residential immovable property - non IPRE | - | 186,764 | - | - | - | - | - | 47,071 | 145,244 | - | - | 379,078 |
| 9.1.1 | No loan splitting applied | - | - | - | - | - | - | - | 10,079 | 142,682 | - | - | 152,761 |
| 9.1.2 | loan splitting applied (secured) | - | 186,764 | - | - | - | - | - | - | - | - | - | 186,764 |
| 9.1.3 | loan splitting applied (unsecured) | - | - | - | - | - | - | - | 36,992 | 2,562 | - | - | 39,554 |
| 9.2 | Secured by mortgages on residential immovable property - IPRE | - | 30,281 | 1,351 | 32 | - | 5,185 | - | 6,859 | 262 | 171,871 | - | 215,843 |
| 9.3 | Secured by mortgages on commercial immovable property - non IPRE | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.3.1 | No loan splitting applied | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.3.2 | loan splitting applied (secured) | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.3.3 | loan splitting applied (unsecured) | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.4 | Secured by mortgages on commercial immovable property - IPRE | - | - | - | - | - | - | - | - | - | - | - | - |
| 9.5 | Acquisition, Development and Construction (ADC) | - | - | - | - | - | - | - | - | - | 137,411 | - | 137,411 |
| 10 | Exposures in default | - | - | - | - | - | - | - | - | 1,881 | 33,239 | - | 35,119 |
| EU 10a | Claims on institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - |

Template EU CR5 - standardised approach (continued)

Note: Only the columns applicable to the Bank are disclosed.

| In €'000 | Exposure classes | Risk weight | | | | | | | | | | | Total |
|---------------|--|----------------|----------------|--------------|-----------|----------|--------------|--------------|----------------|----------------|----------------|--------------|------------------|
| | | 0% | 20% | 30% | 35% | 40% | 45% | 50% | 75% | 100% | 150% | 250% | |
| | | a | e | f | g | h | i | j | m | p | t | u | |
| EU 10b | Collective investment undertakings (CIU) | - | - | - | - | - | - | - | - | - | - | - | - |
| EU 10c | Other items | 6,965 | 150 | - | - | - | - | - | - | 43,845 | - | 6,248 | 57,208 |
| 11 | not applicable | | | | | | | | | | | | |
| EU 11c | TOTAL | 353,418 | 277,698 | 1,949 | 32 | 7 | 5,185 | 6,532 | 121,702 | 354,948 | 360,263 | 7,912 | 1,489,647 |

3.2.2 Collateral and credit risk mitigation

Table EU CRC provides qualitative disclosure requirements related to Credit Risk Mitigation (CRM) techniques as part of the Pillar 3 framework. It details the institution's policies and procedures for employing CRM tools, such as collateral, guarantees, and netting arrangements, to reduce credit risk exposure.

Table EU CRC – Qualitative disclosure requirements related to CRM techniques

| | |
|-----|--|
| (a) | <p><u><i>A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting</i></u></p> <p>The Bank currently does not apply any on- and off-balance sheet netting procedures.</p> |
|-----|--|

| | |
|--|---|
| | <p><u>Table EU CRC – Qualitative disclosure requirements related to CRM techniques. (continued)</u></p> <p><u><i>The core features of policies and processes for eligible collateral evaluation and management</i></u></p> <p>Collateral is an important mitigant of credit risk. The nature and level of collateral required depends on a number of factors, including, but not limited to, the amount of the exposure, the type of facility provided, the term of the facility, the amount of the counterparty’s contribution and an evaluation of the level of the credit risk or Probability of Default involved.</p> <p>Collateral should be readily realisable and sufficient when required. The essential attributes of sound collateral are the following:</p> <p>(b) (a) The value of the security should be readily ascertainable and reasonably stable over the years, providing sufficient margin for possible fluctuation in value; (b) The security should be readily realisable without undue cost or complications; (c) The Bank should be able to obtain safe, unquestionable title without undue complications or expense in the event of default; (d) No liability to third parties should be incurred by the Bank arising out of its title to the security.</p> <p>A Bank appointed appraiser should preferably carry out valuations. However, the Bank also accepts valuations by customers’ own appraiser subject to these meeting the minimum criteria required by the Bank. The Bank reserves the right to have such valuations confirmed by its own appointed appraiser. In any case valuations should be carried out using the Bank’s appropriate Property Valuation Form.</p> |
| | <p><u><i>A description of the main types of collateral taken by the institution to mitigate credit risk</i></u></p> <p>(c) The Bank holds collateral against exposures in the form of hypothecs over property, other registered securities over assets and guarantees.</p> |
| | <p><u><i>For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures</i></u></p> <p>(d) This is not applicable to the Bank.</p> |
| | <p><u><i>Information about market or credit risk concentrations within the credit mitigation taken</i></u></p> <p>(e) The Bank’s collateral base consists mainly of immovable property. In line with its Credit Risk Policy, the Bank utilises the services of its own appointed independent professional appraisers to either carry out property valuations on its behalf or to review and confirm those provided by third-party appraisers. Such valuations are carried out in accordance with professional standards as established by the Kamra tal-Periti.</p> <p>In determining expected credit losses (ECL), the Bank considers not only the estimated value of the collateral but also the costs that may be incurred in its recovery. Enhanced monitoring is applied to collateral backing credit-impaired financial assets, reflecting the higher probability that the Bank may need to enforce its security in order to mitigate potential credit losses.</p> |

Template EU CR3 below provides an overview of the credit risk mitigation techniques used.

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

| | | Unsecured carrying amount | Secured carrying amount | Of which secured by collateral | Of which secured by financial guarantees | |
|----------|--|---------------------------|-------------------------|--------------------------------|--|--|
| | | | | | | Of which secured by credit derivatives |
| €'000 | | a | b | c | d | e |
| 1 | Loans and advances | 260,679 | 858,156 | 856,045 | 2,110 | - |
| 2 | Debt securities | 246,606 | - | - | - | - |
| 3 | Total | 507,286 | 858,156 | 856,045 | 2,110 | - |
| 4 | <i>Of which non-performing exposures</i> | 5,297 | 34,800 | 34,800 | - | - |
| EU-5 | <i>Of which defaulted</i> | 5,297 | 34,800 | | | |

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

3.2.3 External credit assessment institutions (ECAI)

Table EU CRD provides qualitative disclosure requirements related to the standardised approach for credit risk as part of the Pillar 3 framework.

Table EU CRD – Qualitative disclosure requirements related to standardised approach

| | | |
|---------------------|-----|---|
| Article 444 (a) CRR | (a) | <p><u>Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period;</u></p> <p>The Bank uses credit ratings issued by Fitch, Moody's and S&P Global Ratings, as sourced via the Bloomberg Terminal.</p> |
| Article 444 (b) CRR | (b) | <p><u>The exposure classes for which each ECAI or ECA is used;</u></p> <p>In calculating its risk-weighted exposure amounts, the Bank uses an ECAI ratings for the following exposure classes:</p> <ul style="list-style-type: none"> • Exposures to central governments or central banks • Exposures to public sector entities • Exposures to institutions • Exposures to corporates and • Exposures to multilateral development banks. |

| | | |
|--------------------------------|------------|---|
| <p>Article 444 (c) CRR</p> | <p>(c)</p> | <p><u>Table EU CRD – Qualitative disclosure requirements related to standardised approach. (continued)</u></p> <p><u>A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book;</u></p> <p>All exposures must be assigned to an approved credit line through the Bank’s credit approval process.</p> <p>The relevant ratings are mapped to the credit quality steps according to the Commission Implementing Regulation (EU) 2024/1872 dated 1 July 2024 based on the mapping tables specifying the correspondence between the credit risk assessments of ECAIs and the credit quality steps laid out in the CRR.</p> |
| <p>Article 444 (d) CRR</p> | <p>(d)</p> | <p><u>The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA).</u></p> <p>The risk weights adopted by the Bank for the exposure classes mentioned in point (b) of this table are based on the mapping undertaken between credit ratings published by the credit rating agencies mentioned in point (a) of this table with the credit quality steps published by the EBA in line with the Commission Implementing Regulation (EU) 2024/1872 dated 1 July 2024.</p> |

3.2.4 Credit quality analysis

Table EU CRB provides additional disclosures related to the credit quality of assets as part of the Pillar 3 framework. It offers detailed information on the classification, valuation, and impairment of credit exposures, enabling stakeholders to assess the risk profile and creditworthiness of the institution’s asset portfolio.

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

| | |
|------------|--|
| <p>(a)</p> | <p><u>The scope and definitions of ‘past-due’ and ‘impaired’ exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.</u></p> <p>‘Past due’ but not impaired loans comprise loans and advances where contractual interest or principal payments are past due. Credit losses that may arise are covered through the Bank’s assessment of Expected Credit Loss allowances.</p> <p>Credit-impaired loans and advances are advances which are either more than 90 days past due, or for which the Bank determines as probable that it will be unable to collect all principal and interest due according to the contractual terms of the loans and advances agreement(s). The Bank’s credit-impaired loans and advances mainly relate to a number of independent customers which are not meeting repayment obligations or deemed by the Bank as unlikely to pay their obligations to the Bank without recourse by the Bank to realising the collateral.</p> |
|------------|--|

| | |
|-----|--|
| | <p><u>Table EU CRB: Additional disclosure related to the credit quality of asset. (continued)</u></p> |
| (b) | <p><u>The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.</u></p> <p>Please refer to note 2.3.4.2 for the definition of default and credit-impaired assets of the Annual Report & Financial Statements 2025.</p> |
| (c) | <p><u>Description of methods used for determining general and specific credit risk adjustments.</u></p> <p>The Bank calculates specific credit risk adjustments in line with the IFRS 9 accounting standard. Please refer to Note 2.3.4 of the Annual Report & Financial Statements 2025.</p> |
| (d) | <p><u>The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on defaulting accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.</u></p> <p>The Bank uses the definition of forborne exposure as defined in Annex V to Commission Implementing Regulation (EU) 680/2014.</p> |

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Template EU CR1 provides information on the asset quality of the Bank's asset base (namely loans and debt securities, off-balance sheet exposures) broken down by exposure classes and maturity of exposures.

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

| | | a | b | c | d | e | f | g | h | i | j | l | n | o |
|-----|--|--------------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|--|-------------------|-------------------|---|-------------------|---|-----------------------------|
| | | Gross carrying amount/nominal amount | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | Collaterals and financial guarantees received | |
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures - Accumulated impairment and provisions | | | Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | On performing exposures | On non-performing exposures |
| | | | of which: stage 1 | of which: stage 2 | | of which: stage 2 | of which: stage 3 | | of which: stage 1 | of which: stage 2 | | of which: stage 3 | | |
| | <i>In €'000</i> | | | | | | | | | | | | | |
| 005 | Cash balances at central banks and other demand deposits | 147,743 | 147,743 | - | - | - | - | (3) | (3) | - | - | - | - | - |
| 010 | Loans and advances | 932,430 | 779,480 | 152,949 | 46,021 | - | 46,021 | (1,432) | (678) | (754) | (5,924) | (5,924) | 823,356 | 34,800 |
| 020 | <i>Central banks</i> | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 030 | <i>General governments</i> | 1 | 1 | - | - | - | - | (0) | (0) | - | - | - | - | - |
| 040 | <i>Credit institutions</i> | 40,535 | 40,531 | 5 | - | - | - | (0) | (0) | - | - | - | - | - |

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

| | | a | b | c | d | e | f | g | h | i | j | l | n | o |
|-----------------|-------------------------------------|--------------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|--|-------------------|-------------------|---|-------------------|---|-----------------------------|
| | | Gross carrying amount/nominal amount | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | Collaterals and financial guarantees received | |
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures - Accumulated impairment and provisions | | | Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | On performing exposures | On non-performing exposures |
| | | | of which: stage 1 | of which: stage 2 | | of which: stage 2 | of which: stage 3 | | of which: stage 1 | of which: stage 2 | | of which: stage 3 | | |
| <i>In €'000</i> | | | | | | | | | | | | | | |
| 050 | <i>Other financial corporations</i> | 129,953 | 105,970 | 23,983 | 1,454 | - | 1,454 | (143) | (63) | (80) | - | - | 127,706 | 1,435 |
| 060 | <i>Non-financial corporations</i> | 425,942 | 305,491 | 120,451 | 35,580 | - | 35,580 | (852) | (325) | (527) | (3,936) | (3,936) | 370,082 | 31,139 |
| 070 | <i>Of which: SMEs</i> | 416,520 | 302,562 | 113,958 | 35,549 | - | 35,549 | (761) | (322) | (438) | (3,905) | (3,905) | 366,713 | 31,139 |
| 080 | <i>Households</i> | 335,999 | 327,488 | 8,511 | 8,987 | - | 8,987 | (437) | (290) | (147) | (1,988) | (1,988) | 325,567 | 2,226 |
| 090 | <i>Debt Securities</i> | 246,620 | 246,620 | - | - | - | - | (13) | (13) | - | - | - | - | - |
| 100 | <i>Central banks</i> | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | <i>General governments</i> | 213,358 | 213,358 | - | - | - | - | - | - | - | - | - | - | - |

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

| | | a | b | c | d | e | f | g | h | i | j | l | n | o |
|------------|-------------------------------------|--------------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|--|-------------------|-------------------|---|-------------------|---|-----------------------------|
| | | Gross carrying amount/nominal amount | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | Collaterals and financial guarantees received | |
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures - Accumulated impairment and provisions | | | Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | On performing exposures | On non-performing exposures |
| | | | of which: stage 1 | of which: stage 2 | | of which: stage 2 | of which: stage 3 | | of which: stage 1 | of which: stage 2 | | of which: stage 3 | | |
| <i>120</i> | <i>Credit institutions</i> | 22,911 | 22,911 | - | - | - | - | (2) | (2) | - | - | - | - | - |
| <i>130</i> | <i>Other financial corporations</i> | 8,146 | 8,146 | - | - | - | - | (8) | (8) | - | - | - | - | - |
| <i>140</i> | <i>Non-financial corporations</i> | 2,205 | 2,205 | - | - | - | - | (4) | (4) | - | - | - | - | - |
| <i>150</i> | <i>Off-balance sheet exposures</i> | 378,425 | 353,234 | 25,191 | 424 | - | 424 | 11 | 11 | - | 22 | 22 | 11,006 | 32 |
| <i>160</i> | <i>Central banks</i> | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>170</i> | <i>General governments</i> | 4 | 4 | - | - | - | - | - | - | - | - | - | - | - |

In €'000

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

| | | a | b | c | d | e | f | g | h | i | j | l | n | o |
|------------|-------------------------------------|--------------------------------------|-------------------|-------------------|--------------------------|-------------------|-------------------|--|-------------------|-------------------|---|-------------------|---|-----------------------------|
| | | Gross carrying amount/nominal amount | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | Collaterals and financial guarantees received | |
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures - Accumulated impairment and provisions | | | Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | On performing exposures | On non-performing exposures |
| | | | of which: stage 1 | of which: stage 2 | | of which: stage 2 | of which: stage 3 | | of which: stage 1 | of which: stage 2 | | of which: stage 3 | | |
| <i>180</i> | <i>Credit institutions</i> | 241 | 225 | 15 | - | - | - | - | - | - | - | - | - | - |
| <i>190</i> | <i>Other financial corporations</i> | 66,177 | 65,499 | 679 | - | - | - | 1 | 1 | - | - | - | 1,496 | - |
| <i>200</i> | <i>Non-financial corporations</i> | 240,075 | 215,706 | 24,369 | 401 | - | 401 | 8 | 8 | - | 19 | 19 | 7,218 | 22 |
| <i>210</i> | <i>Households</i> | 71,928 | 71,800 | 128 | 23 | - | 23 | 1 | 1 | - | 2 | 2 | 2,292 | 10 |
| 220 | Total | 1,705,217 | 1,527,077 | 178,140 | 46,445 | - | 46,445 | (1,438) | (683) | (754) | (5,902) | (5,902) | 834,362 | 34,832 |

In €'000

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Template EU CR1-A provides information on the asset quality of the Bank's asset base (namely loans and debt securities, off-balance sheet exposures) broken down by exposure classes and maturity of exposures.

Template EU CR1-A: Maturity of exposures

| <i>In €'000</i> | | a | b | c | d | e | f |
|-----------------|--------------------|--------------------|----------------|---------------------|----------------|--------------------|------------------|
| | | Net exposure value | | | | | |
| | | On demand | <= 1 year | > 1 year <= 5 years | > 5 years | No stated maturity | Total |
| 1 | Loans and advances | 127,515 | 112,915 | 170,771 | 559,893 | - | 971,094 |
| 2 | Debt securities | - | 92,489 | 107,540 | 46,578 | - | 246,606 |
| 3 | Total | 127,515 | 205,404 | 278,311 | 606,470 | - | 1,217,701 |

Template EU CR2 presents the changes in the stock of non-performing loans and advances during the year.

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

| <i>In €'000</i> | | a |
|-----------------|---|-----------------------|
| | | Gross carrying amount |
| 010 | Initial stock of non-performing loans and advances | 50,789 |
| 020 | Inflows to non-performing portfolios | 2,151 |
| 030 | Outflows from non-performing portfolios | (6,919) |
| 040 | Outflows due to write-offs | (386) |
| 050 | Outflow due to other situations | (6,533) |
| 060 | Final stock of non-performing loans and advances | 46,021 |

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Template EU CQ3 provides information on the gross carrying amount on-balance sheet performing and non-performing exposures (as well as the nominal amount for off-balance sheet exposures) by past due days.

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

| In €'000 | | a | b | c | d | e | f | g | h | i | j | k | l |
|----------|--|--|------------------------------|-------|---|--------------------------------|-------------------------------|------------------------------|------------------------------|------------------------------|--------------------|--------------------|--------|
| | | Gross carrying amount / Nominal amount | | | | | | | | | | | |
| | | Performing exposures | | | Non-performing exposures | | | | | | | | |
| | | Not past due or Past due < 30 days | Past due > 30 days < 90 days | | Unlikely to pay that are not past-due or past-due < = 90 days | Past due > 90 days <= 180 days | Past due > 180 days < =1 year | Past due > 1 year <= 2 years | Past due > 2 year <= 5 years | Past due > 5 year <= 7 years | Past due > 7 years | Of which defaulted | |
| 005 | Cash balances at central banks and other demand deposits | 147,743 | 147,743 | - | - | - | - | - | - | - | - | - | - |
| 010 | Loans and advances | 932,430 | 929,285 | 3,144 | 46,021 | 38,190 | 161 | 1,023 | 34 | 1,292 | 2,012 | 3,309 | 46,021 |
| 020 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 030 | General governments | 1 | 1 | - | - | - | - | - | - | - | - | - | - |
| 040 | Credit institutions | 40,535 | 40,535 | - | - | - | - | - | - | - | - | - | - |
| 050 | Other financial corporations | 129,953 | 129,724 | 229 | 1,454 | 138 | - | 679 | - | - | 637 | - | 1,454 |
| 060 | Non-financial corporations | 425,942 | 425,509 | 434 | 35,580 | 32,162 | 1 | 343 | - | 906 | 1,369 | 800 | 35,580 |
| 070 | Of which SMEs | 416,520 | 416,087 | 434 | 35,549 | 32,162 | 1 | 343 | - | 906 | 1,369 | 769 | 35,549 |
| 080 | Households | 335,999 | 333,517 | 2,482 | 8,987 | 5,891 | 160 | 1 | 34 | 386 | 7 | 2,509 | 8,987 |
| 090 | Debt Securities | 246,620 | 246,620 | - | - | - | - | - | - | - | - | - | - |
| 100 | Central banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | General governments | 213,358 | 213,358 | - | - | - | - | - | - | - | - | - | - |

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

| In €'000 | | a | b | c | d | e | f | g | h | i | j | k | l | |
|----------|------------------------------|--|------------------------------------|--|--------------------------------------|---|---------------------------------------|---------------------------------------|--|-----------------------------|-----------------------|--------------|---------------|--|
| | | Gross carrying amount / Nominal amount | | | | | | | | | | | | |
| | | Performing exposures | | | Non-performing exposures | | | | | | | | | |
| | | Not past due or Past due < 30 days | Past due > 30 days < 90 days | Unlikely to pay that are not past-due or past- due < = 90 days | Past due > 90 days <= 180 days | Past due > 180 days < =1 year | Past due > 1 year <= 2 years | Past due > 2 year <= 5 years | Past due > 5 year <= 7 years | Past due > 7 years | Of which defaulted | | | |
| 120 | Credit institutions | 22,911 | 22,911 | - | - | - | - | - | - | - | - | - | - | |
| 130 | Other financial corporations | 8,146 | 8,146 | - | - | - | - | - | - | - | - | - | - | |
| 140 | Non-financial corporations | 2,205 | 2,205 | - | - | - | - | - | - | - | - | - | - | |
| 150 | Off-balance sheet exposures | 378,425 | | | 424 | | | | | | | | 424 | |
| 160 | Central banks | - | | | - | | | | | | | | - | |
| 170 | General governments | 4 | | | - | | | | | | | | - | |
| 180 | Credit institutions | 241 | | | - | | | | | | | | - | |
| 190 | Other financial corporations | 66,177 | | | - | | | | | | | | - | |
| 200 | Non-financial corporations | 240,075 | | | 401 | | | | | | | | 401 | |
| 210 | Households | 71,928 | | | 23 | | | | | | | | 23 | |
| 220 | Total | 1,705,217 | 1,323,648 | 3,144 | 46,445 | 38,190 | 161 | 1,023 | 34 | 1,292 | 2,012 | 3,309 | 46,445 | |

Template EU CQ4 has not been disclosed as the total non-domestic original exposures in all non-domestic countries across all exposure classes are lower than 10% of the total (domestic and non-domestic) original exposures according to ANNEX XVI of the EBA instructions provided for points (c) and (e) of Article 442 CRR.

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Template CQ5 list the quality of non-performing exposures according to industry.

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

| <i>In €'000</i> | | a | b | c | d | e | f |
|-----------------|---|-----------------------|------------------------------|------------------------|--|---------------------------|---|
| | | Gross carrying amount | | | of which: loans and advances subject to impairment | Accumulated impairment | Accumulated negative changes in fair value due to credit risk on non- performing exposures |
| | | | of which: non- performing | of which: defaulted | | | |
| 010 | Agriculture, forestry and fishing | | 689 | - | - | 689 | - |
| 020 | Mining and quarrying | - | - | - | - | - | - |
| 030 | Manufacturing | 14,445 | 151 | 151 | 14,445 | (218) | - |
| 040 | Electricity, gas, steam and air conditioning supply | 1,737 | - | - | 1,737 | (4) | - |
| 050 | Water supply | - | - | - | - | - | - |
| 060 | Construction | 135,144 | 25,899 | 25,899 | 135,144 | (3,817) | - |
| 070 | Wholesale and retail trade | 50,715 | 4,200 | 4,200 | 50,715 | (222) | - |
| 080 | Transport and storage | 3,061 | 1 | 1 | 3,061 | (2) | - |
| 090 | Accommodation and food service activities | 80,592 | - | - | 80,592 | (61) | - |
| 100 | Information and communication | - | - | - | - | - | - |
| 110 | Real estate activities | 146,117 | 5,266 | 5,266 | 146,117 | (335) | - |
| 120 | Financial and insurance activities | - | - | - | - | - | - |
| 130 | Professional, scientific and technical activities | 21,962 | 31 | 31 | 21,962 | (117) | - |
| 140 | Administrative and support service activities | 3,329 | - | - | 3,329 | (11) | - |
| 150 | Public administration and defence, compulsory social security | - | - | - | - | - | - |
| 160 | Education | 1,547 | - | - | 1,547 | (1) | - |
| 170 | Human health services and social work activities | - | - | - | - | - | - |
| 180 | Arts, entertainment and recreation | 1,880 | 32 | 32 | 1,880 | (0) | - |
| 190 | Other services | 305 | - | - | 305 | - | - |
| 200 | Total | 461,522 | 35,580 | 35,580 | 461,522 | (4,788) | - |

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Template EU CQ1 provides information on the Bank's forbore exposures split into the exposure classes, and the quality of forbearance.

Template EU CQ1: Credit quality of forbore exposures

| <i>In €'000</i> | | a | b | c | d | e | f | g | h |
|--------------------|--|---|------------------------|---------------|---------------------------------|--|---|---|---------------|
| | | Gross carrying amount / Nominal amount of exposures with forbearance measures | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | Collaterals received and financial guarantees received on forbore exposures | |
| | | Performing forbore | Non-performing forbore | | On performing forbore exposures | On non-performing forbore exposures | Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures | | |
| Of which defaulted | Of which impaired | | | | | | | | |
| 005 | Cash balances at central banks and other demand deposits | - | - | - | - | - | - | - | - |
| 010 | Loans and advances | 16,494 | 38,170 | 38,170 | 38,170 | (80) | (2,018) | 46,982 | 31,376 |
| 020 | <i>Central banks</i> | - | - | - | - | - | - | - | - |
| 030 | <i>General governments</i> | - | - | - | - | - | - | - | - |
| 040 | <i>Credit institutions</i> | - | - | - | - | - | - | - | - |
| 050 | <i>Other financial corporations</i> | 13,555 | 720 | 720 | 720 | (80) | - | 13,394 | 720 |
| 060 | <i>Non-financial corporations</i> | 2,792 | 32,219 | 32,219 | 32,219 | (0) | (2,018) | 32,983 | 30,199 |
| 070 | <i>Households</i> | 147 | 5,231 | 5,231 | 5,231 | - | - | 605 | 458 |
| 080 | Debt Securities | - | - | - | - | - | - | - | - |
| 090 | Loan commitments given | 831 | 366 | 366 | 366 | - | 19 | - | - |
| 100 | Total | 17,325 | 38,535 | 38,535 | 38,535 | (80) | (1,999) | 46,982 | 31,376 |

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Template EU CQ7 provides information about collateral obtained by taking possession and execution processes.

Template EU CQ7: Collateral obtained by taking possession and execution processes

| <i>In €'000</i> | | a | b |
|-----------------|--|--|------------------------------|
| | | Collateral obtained by taking possession | |
| | | Value at initial recognition | Accumulated negative changes |
| 010 | Property Plant and Equipment (PP&E) | - | - |
| 020 | Other than PP&E | 693 | - |
| 030 | <i>Residential immovable property</i> | 661 | - |
| 040 | <i>Commercial Immovable property</i> | - | - |
| 050 | <i>Movable property (auto, shipping, etc.)</i> | 32 | - |
| 060 | <i>Equity and debt instruments</i> | - | - |
| 070 | <i>Other collateral</i> | - | - |
| 080 | Total | 693 | - |

3.3 Market risk

Table EU MRA provides qualitative disclosure requirements related to market risk as part of the Pillar 3 framework. It details the institution's market risk management strategies, policies, and governance arrangements, including the identification, measurement, monitoring, and mitigation of market risk exposures.

Table EU MRA - Qualitative disclosure requirements related to market risk.

| | |
|--|---|
| | <p><u>Points (a) and (d) of Article 435 (1) CRR - A description of the institution's strategies and processes to manage market risk and a description of the institution's policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.</u></p> <p>The Bank is exposed to market risk, which refers to the possibility that the fair value or future cash flows of a financial instrument may vary due to changes in market prices. These market risks stem from open positions in interest rate, currency, and equity products, all of which are affected by overall and specific market fluctuations, as well as changes in the volatility of market factors such as interest rates, credit spreads, foreign exchange rates, and equity prices.</p> <p>As the Bank does not maintain a trading book, its exposure to market risk is limited to Exchange Rate Risk, Interest Rate Risk, and Equity Price Risk.</p> <ul style="list-style-type: none"> • Interest rate risk, which arises from potential losses due to fluctuations in interest rates; • Exchange rate risk, which involves the risk of losses on the Bank's foreign currency positions resulting from changes in exchange rates; and • Equity price risk, which pertains to the risk of losses caused by variations in investment prices. <p>(a) <u>Interest rate risk</u></p> <p>The Bank seeks to manage its net interest spread, taking cognisance of the cost of capital, by investing funds in a portfolio of loans and advances and securities with a longer tenure than the funding liabilities (therefore normally giving rise to a negative maturity gap position) through the effective management of shorter-term deposit liabilities with a view to securing steady base deposits with differing terms over the medium to longer term.</p> <p>This risk is managed by aligning the interest resetting dates of assets and liabilities through monitoring interest rate gaps and by having pre-approved limits for repricing bands which are set by the Bank's Asset and Liability Committee ('ALCO'). ALCO is the monitoring body for compliance with these limits and is assisted by Treasury through its day-to-day operational activities. The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to interest rate movements.</p> <p>Accordingly, the Bank's ALCO is primarily responsible for the interest rate risk management process and for monitoring actively the interest rate risk measures utilised by the Bank. Reporting of interest rate risk measures exposures <i>vis-à-vis</i> limits flows to the ALCO and Board on a regular systematic basis.</p> |
|--|---|

| | |
|--|---|
| | <p><u>Table EU MRA - Qualitative disclosure requirements related to market risk. (continued)</u></p> <p><u>Points (a) and (d) of Article 435 (1) CRR - A description of the institution's strategies and processes to manage market risk and a description of the institution's policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges. (continued)</u></p> <p>The Bank's independent Risk Management Function provides oversight in respect of the interest rate risk management process ensuring that it is designed in an appropriate manner and is functioning properly.</p> <p><u>Exchange rate risk</u></p> <p>Exchange Rate Risk arises when the fair value or future cash flows of a financial instrument fluctuates due to changes in foreign exchange rates. The Bank is exposed to the impact of fluctuations in foreign currency exchange rates on its financial position and cash flows. Foreign exchange risk refers to the potential impact on earnings and value resulting from changes in foreign exchange rates. This risk arises when financial assets or liabilities are denominated in currencies other than the Bank's functional currency. To manage this risk, the Bank primarily ensures that its foreign currency-denominated liabilities are matched with corresponding assets in the same currency.</p> <p>To mitigate this risk, the Bank employs a natural hedge strategy. This strategy aligns the currency of the asset with a liability in the same currency or the currency of the asset's revenue stream, almost instantaneously. As a result, foreign currency liabilities are used to fund assets denominated in the same currency, effectively aligning asset and liability positions to the extent possible.</p> <p>The Bank's independent Risk Management Function oversees the design and effectiveness of the foreign exchange risk management process. In the normal course of business, the Bank may enter into forward foreign currency exchange contracts with customers. The Bank's policy is to hedge these open positions through forward contracts with authorised counterparties to mitigate exchange rate risk associated with such derivatives. Additionally, the Bank collects a deposit margin based on the nominal value from customers to reduce credit risk in the event of default. At the end of the reporting period, the Bank held no open forward foreign currency contracts.</p> <p><u>Equity price risk</u></p> <p>Fluctuations in equity prices could lead to potential losses. However, the exposure of the Bank to this risk is not significant given the low holdings of equity instruments by the Bank, which are not deemed material in the context of the Bank's statement of financial position.</p> <p>Such holdings are majorly in locally quoted equity instruments issued by locally well-known corporate issuers. Frequent management reviews are carried out to obtain comfort on the high quality of the portfolio. Additionally, the ALCO conducts regular reviews and makes decisions to ensure the equity portfolio maintains sufficient quality.</p> |
|--|---|

| | |
|------------|---|
| | <p><u>Table EU MRA - Qualitative disclosure requirements related to market risk. (continued)</u></p> <p><u><i>Point (b) of Article 435 (1) CRR - A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.</i></u></p> <p>The Bank is committed to actively managing and controlling market risk by implementing measures designed to mitigate the adverse effects of market fluctuations. It will ensure that all market risk exposures are accurately measured and reported in a timely manner, relative to established limits, encompassing both value and income impacts.</p> <p>To this end, the Bank maintains appropriate safeguards to minimise risks associated with foreign exchange movements. These safeguards include, but are not limited to, aligning liabilities and assets in their respective currencies to the greatest extent practicable and avoiding open currency positions.</p> <p>(b) The oversight of the Bank’s assets and liabilities falls under the purview of the ALCO, whose primary objective is to manage risks within approved parameters while maximising the Bank’s returns. ALCO is composed of several Chief Officers and senior executives, including representatives from the Finance and Treasury departments.</p> <p>The Bank’s Risk Appetite Statement (‘RAS’), together with the accompanying Treasury policies, provides a comprehensive framework that clearly defines the Bank’s tolerance and approach to market risk. These documents establish the boundaries within which market risk exposures are to be identified, measured, monitored, and controlled, ensuring alignment with the Bank’s overall risk management objectives and regulatory requirements. The ALCO plays a pivotal role in this framework by developing and implementing strategies for liquidity and market risk management. ALCO operates within the risk tolerance levels established by the RAS, continuously assessing market conditions and adjusting risk management practices to safeguard the Bank’s financial stability and optimise returns. Through ongoing oversight and prudent decision-making, ALCO ensures that liquidity and market risks are managed proactively and in accordance with the Bank’s strategic goals.</p> |
| <p>(c)</p> | <p><u><i>Point (c) of Article 435 (1) CRR</i></u> <u><i>Scope and nature of risk reporting and measurement systems</i></u></p> <p>The Bank’s risk disclosure and measurement systems form an integral part of its Risk Management Framework. They offer a structured method for identifying, evaluating, monitoring, and reporting risks. The Bank utilizes both quantitative and qualitative techniques to assess risk exposures, including, scenario analysis and stress testing. These measurement activities are governed by strong oversight, regular reviews and oversight by the Risk Management function, Senior Management and the appropriate Board and Management Committees. Risk information is consolidated and communicated through established reporting channels, ensuring that decision-makers receive accurate, timely, and comprehensive information. This enables sound risk-taking and helps safeguard the Bank’s capital and liquidity positions.</p> |

| | |
|--------|---|
| EU (d) | <u>Table EU MRA - Qualitative disclosure requirements related to market risk. (continued)</u> |
| | <u>Paragraph (1) of Article 445 CRR - A general overview of the trading book positions for institutions that use the Simplified Standardised Approach or the Alternative Standardised Approach.</u> |
| | The Bank does not maintain a trading book so this is not applicable. |

Template EU MR1 provides an overview of the risk-weighted assets in relation to market risk, split by product and type of risk.

Template EU MR1 - Market risk under the alternative standardised approach

| <i>In €'000</i> | | a |
|-----------------|---|------------|
| | | RWEAs |
| | Outright products | |
| 1 | Interest rate risk (general and specific) | - |
| 2 | Equity risk (general and specific) | - |
| 3 | Foreign exchange risk | 130 |
| 4 | Commodity risk | - |
| 5 | Simplified approach | - |
| 6 | Delta-plus approach | - |
| 7 | Scenario approach | - |
| 8 | Securitisation (specific risk) | - |
| 9 | Total | 130 |

Table EU IRRBBA provides information on qualitative aspects of interest rate risks associated with non-trading book activities.

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

| | |
|-----|--|
| (a) | <u>A description of how the institution defines IRRBB for purposes of risk control and measurement</u> |
| | Interest Rate Risk in the Banking Book (IRRBB) is defined as the risk of an adverse impact on earnings or capital arising from changes in market interest rates. |
| | The Bank's exposure to IRRBB arises primarily from: <ul style="list-style-type: none"> • Mismatches between interest rate sensitive assets and liabilities in the banking book; • Differences in nominal values, residual maturities and repricing dates; • Relative movements between financial instruments of similar tenors priced using different interest rate indices (basis risk). |

| | |
|-----|---|
| | <p><u>Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities. (continued)</u></p> <p><u>A description of how the institution defines IRRBB for purposes of risk control and measurement. (continued)</u></p> <p>IRRBB is assessed from both:</p> <ul style="list-style-type: none"> • An economic value perspective, reflecting changes in the theoretical value of the banking book (EVE); and • An earnings-based perspective, reflecting the impact of interest rate changes on net interest income (NII) over a defined horizon. |
| (b) | <p><u>A description of the institution's overall IRRBB management and mitigation strategies</u></p> <p>The Bank manages IRRBB through a formal Interest Rate Risk in the Banking Book Policy which defines the processes for identifying, evaluating, monitoring, managing and reporting interest rate risk. This Policy also sets out governance structures, responsibilities and internal controls.</p> <p>Governance framework:</p> <ul style="list-style-type: none"> • The Board of Directors (BoD) holds ultimate responsibility for oversight of IRRBB and ensures alignment with the Bank's strategy and Risk Appetite. • The Asset and Liability Committee (ALCO) monitors and evaluates IRRBB exposure, manages the balance sheet structure and aims to achieve an optimal balance between risk and return. • The Treasury Department is responsible for day-to-day monitoring and management of interest rate risk. • The Risk Management Function provides independent second-line oversight and challenge. <p>Mitigation of IRRBB is achieved primarily through balance sheet management, minimising mismatches between interest-sensitive assets and liabilities and maintaining a conservative asset allocation focused on high-quality liquid assets.</p> |
| (c) | <p><u>The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB.</u></p> <p>The Bank measures IRRBB using two complementary approaches:</p> <ol style="list-style-type: none"> 1. Economic Value of Equity (EVE) – measuring the change in the present value of expected future cash flows of banking book positions under interest rate shocks. 2. Earnings-based approach (NII sensitivity) – measuring the impact of interest rate changes on net interest income and other interest-sensitive income and expenses over a 12-month horizon. |

| | |
|-----|---|
| | <p><u>Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities. (continued)</u></p> <p><u>The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB. (continued)</u></p> <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • EVE and Supervisory Outlier Test simulations are conducted quarterly. • Repricing analysis is monitored by ALCO and also by our Credit Committee where applicable. <p>In addition, only unfavourable movements are considered when quantifying the capital charge, ensuring a conservative approach.</p> |
| (d) | <p><u>A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable).</u></p> <p>Under the IRRBB EVE framework, the Bank simulates the six prescribed supervisory interest rate shock scenarios for Supervisory Outlier Test purposes, including parallel and non-parallel shocks.</p> <p>For NII, the Bank simulates two prescribed shock scenarios, these referring to the parallel shocks.</p> <p>For Pillar 2 capital purposes:</p> <ul style="list-style-type: none"> • The worst outcome across parallel and non-parallel scenarios, • From either the EVE or NII perspective, <p>is used to determine the IRRBB capital charge.</p> <p>As of December 2025, the IRRBB capital charge amounted to €6.52 million, with the parallel down shock under the EVE measure producing the most severe impact.</p> |
| (e) | <p><u>A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)</u></p> <p>Where internal risk management approaches differ from regulatory disclosure assumptions, these may relate to:</p> <ul style="list-style-type: none"> • Behavioural modelling of Non-Maturity Deposits (NMDs); • Slotting of positions without contractual maturity; • Prepayment rate assumptions; • Treatment of stressed behavioural assumptions. <p>The Bank applies conservative assumptions when determining capital requirements and considers only unfavourable movements in capital quantification.</p> |

| | |
|-----|--|
| (f) | <p><u>Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities (continued)</u></p> <p><u>A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable)</u></p> <p>The Bank primarily mitigates IRRBB through:</p> <ul style="list-style-type: none"> • Active balance sheet management; • Reduction of repricing mismatches between assets and liabilities; • Strategic composition of the investment portfolio, focusing on high-quality liquid assets. |
| (g) | <p><u>A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)</u></p> <p>Key modelling assumptions include:</p> <ul style="list-style-type: none"> • Discounting of expected future cash flows using a risk-free yield curve, typically represented by a high-credit-quality government yield curve; • Treatment of positions without contractual maturity by allocation to the overnight bucket, except for a behavioural portion of Non-Maturity Deposits (NMDs); • Identification of “core deposits” within NMDs based on statistical and historical analysis of depositor behaviour; • Allocation of stable NMD balances across short- and medium-term buckets based on behavioural characteristics; • Prepayment assumptions for loans with early repayment options based on observed behaviour over the preceding twelve months; • Assumption that historical behavioural patterns and prepayment rates remain constant, including under stressed market conditions. |
| (h) | <p><u>Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures.</u></p> <p>IRRBB measures the Bank’s exposure to adverse interest rate movements affecting both capital (EVE) and earnings (NII), where the maximum negative impact is expressed as a percentage of Tier 1 Capital. In line with EBA Guidelines, the EVE must not fall by more than 15% of Tier 1 Capital. In the event that the decline exceeds the regulatory thresholds the Regulator would need to be informed. The potential changes in EVE and NII are shown in Template EU IRRBB1 hereunder.</p> <p>As of December 2025:</p> <ul style="list-style-type: none"> • The EVE parallel down scenario produced the most adverse impact; • The IRRBB capital charge amounted to €6.52 million. |

| | |
|---------|---|
| | <p><u>Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities (continued)</u></p> <p><u>Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures. (continued)</u></p> <p>In 2025, the capital charge decreased compared to the prior year. This reduction was primarily attributable to:</p> <ul style="list-style-type: none"> • Effective asset and liability management; • Improved alignment of asset and liability repricing profiles; • Reduced mismatches in interest-sensitive positions. <p>These developments demonstrate the effectiveness of the Bank's conservative Risk Management Framework and ongoing ALCO oversight.</p> |
| (1) (2) | <p><u>Disclosure of the average and longest repricing maturity assigned to non-maturity deposits</u></p> <p>The average repricing maturity assigned to non-maturity deposits from retail and non-financial wholesale counterparties is 4.7 years, which remains in line with the regulatory cap of 5 years. The longest repricing maturity assigned to these deposits is 9 years, reflecting the behavioural assumptions applied in the modelling of deposit stability.</p> |

Template EU IRRBB1 provides the results of the supervisory shock scenarios required by the EBA in respect of changes of the economic value of equity (EVE) and changes of the net interest income (NII).

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

| Supervisory shock scenarios <i>In €'000</i> | | a | b | c | d |
|--|------------------|---|-------------|------------------------------------|-------------|
| | | Changes of the economic value of equity | | Changes of the net interest income | |
| | | Current period | Last period | Current period | Last period |
| 1 | Parallel up | 10,419 | 7,394 | 5,896 | 9,747 |
| 2 | Parallel down | (6,519) | (1,404) | (6,056) | (6,499) |
| 3 | Steeper | 263 | (4,365) | | |
| 4 | Flattener | 2,181 | 6,525 | | |
| 5 | Short rates up | 4,380 | 7,335 | | |
| 6 | Short rates down | (4,646) | (7,582) | | |

3.4 Operational risk

Table EU ORA provides qualitative information on operational risk as part of the Pillar 3 disclosures. It offers insights into the institution's approach to identifying, assessing, and managing operational risk, including the key policies, procedures, and risk mitigation strategies in place.

Table EU ORA - Qualitative information on operational risk

| | |
|-----|---|
| (a) | <p><u><i>Disclosure of the risk management objectives and policies</i></u></p> <p>Operational risk is the risk of direct or indirect losses or damage to reputation due to failures attributable to systems, staff, processes, procedures or physical arrangements, including external events.</p> <p>Operational risks manifest themselves in various ways, including but not limited to:</p> <ul style="list-style-type: none"> • Deficient or erroneous internal procedures; • Lack of compliance procedures; • Human or system errors; • External events, including legal events; • Internal and external fraud; • Employment practices and workplace safety; • Damage to physical assets; and • Business disruption and system failures. <p>The Bank recognises that it is not possible to altogether eliminate certain risks from its operational activities, hence a sound operational management risk structure proportionate to the businesses model, size and complexity of its operations is in place. This serves to ensure the identification and assessment of the operational risk inherent in all main products, services, processes and systems. It also helps to monitor and report these risks, to control and mitigate through internal controls and to have business continuity plans to ensure ability to operate on an ongoing basis, while limiting potential losses in the event of business disruption.</p> |
| (b) | <p><u><i>Disclosure of the structure and organisation of the operational risk management function</i></u></p> <p>The Board of Directors approves the general strategy for managing risk and undertakes annual reviews to its Risk Appetite and Risk Management processes. Amendments to this Policy are approved by the Board after review and recommendation by the Audit & Risk Committee.</p> |
| (c) | <p><u><i>Description of the scope and nature of the measurement system</i></u></p> <p>Oversight of operational risk is conducted by the Risk Management Function, ensuring independent monitoring and control. Operational risk is mitigated through the implementation of Board-approved policies and procedures, which establish clear standards and controls across the Bank.</p> <p>Operational risk losses are captured and reported internally through a structured framework, primarily via exception reporting mechanisms. Material operational risk events are also escalated to the relevant regulatory authorities in accordance with applicable regulations and internal policies.</p> |

| | |
|-----|---|
| | <p><u>Table EU ORA - Qualitative information on operational risk. (continued)</u></p> <p><u>Description of the scope and nature of the measurement system. (continued)</u></p> <p>In addition, operational losses are regularly reported to the Board, aligned with the Bank's defined Risk Appetite.</p> |
| (d) | <p><u>Description of the scope and nature of the operational risk reporting framework</u></p> <p>Operational risk is also addressed through a capital charge calculated using the "Business Indicator Approach" under CRR III rules on the average interest, leases and dividend component over the past three years.</p> |
| (e) | <p><u>Description of the policies and strategies of the risk mitigation and risk hedge</u></p> <p>The business is governed by operational policies and procedures designed to monitor and control key risks in each operational area. Each staff member is accountable for the risks associated with their daily tasks. To mitigate these risks, the 'four eyes' principle is consistently applied.</p> <p>Additionally, a comprehensive Risk Register is maintained as part of daily risk management. This tool records identified risks, the controls in place, their effectiveness, residual risks, and the necessary actions to manage them within acceptable levels. Risk management is guided by overarching policies and detailed procedures, which are reviewed at least annually. The Bank focuses on proactive measures to ensure business continuity, ensure staff competence and adherence to established rules, and implement security arrangements for physical and ICT resources.</p> <p>Staff well-being and asset protection are prioritised through high standards of physical security, supplemented by appropriate insurance coverage. As part of the Operational Risk Framework, the Bank has an approved Remuneration Policy aligned with its business strategy, risk tolerance, objectives, values, and long-term interests.</p> <p>The following tools are used to mitigate Operational Risk:</p> <ul style="list-style-type: none"> • Adoption of the Three Lines of Defence model • Operational Policies and Procedures • 'Four Eyes' Principle • Small Size Organisation • Business Recovery Plans ('BRPs') • Risk Register • Insurance |

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Template EU OR3 - Operational Risk Own Funds Requirements and Risk Exposure Amounts provides a detailed framework for reporting the capital requirements related to operational risk as well as the corresponding risk exposure amounts.

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

| <i>In €'000</i> | | a |
|-----------------|--|--------|
| 1 | Business Indicator Component (BIC) | 4,330 |
| EU1 | Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4) | - |
| 2 | Not applicable | |
| 3 | Minimum Required Operational Risk Own Funds Requirements (OROF) | 4,330 |
| 4 | Operational Risk Exposure Amounts (REA) | 54,124 |

Template EU OR1 is not applicable to the Bank since the Business Indicator (BI) of the Bank is not equal to or above the €750 million threshold.

Template EU OR2 has not been reported since the template is mapped to COREP template C_16.02 which has been deferred to Q2 2026.

3.5 Liquidity risk

3.5.1 Liquidity requirements

Table EU LIQA presents qualitative information on liquidity risk management as part of the Pillar 3 disclosures. It outlines the institution’s approach to identifying, assessing, and mitigating liquidity risk, including key policies, governance structures, and risk mitigation tools employed.

Table EU LIQA - Liquidity risk management

| | |
|----------|--|
| (a) | <p><u>Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding.</u></p> <p>Liquidity risk refers to the possibility that the Bank:</p> <ul style="list-style-type: none"> • may be unable to meet its financial obligations as they become due, either due to an inability to liquidate assets or to secure sufficient funding ("funding liquidity risk"), or • cannot readily unwind or offset specific exposures without causing a significant decline in market prices as a result of limited market depth or disruptions ("market liquidity risk"). <p>The primary objectives of liquidity risk management within the Bank are:</p> <ul style="list-style-type: none"> • to maintain a strong liquidity base to support the development of business and the Bank’s other operational needs; • to ensure the ability to continue as a going concern thereby providing returns to shareholders and reassurance to other stakeholders; and • to comply with the liquidity requirements set by the MFSA and ECB. <p>Accordingly, the purpose of liquidity management is essentially that of ensuring efficient use of funding taking cognisance of the Bank’s Risk Appetite and its profile as well as its objectives for business development. The Bank as a licensed financial services provider complies with all regulatory liquidity requirements. The objective of liquidity and funding management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. Maintaining a diversified and stable funding base with the objective of responding quickly and smoothly to unforeseen liquidity requirements is imperative.</p> |
| (b), (c) | <p><u>Structure and organisation of the liquidity risk management function (authority, statute, other arrangements) and a description of the degree of centralisation of liquidity management and interaction between the group’s units.</u></p> <p><u>The liquidity management process includes:</u></p> <ul style="list-style-type: none"> • The management of the day-to-day funding, by monitoring future cash flows to ensure that requirements can be met. This would include any replenishment of funds as they mature or are borrowed by customers. The starting point for those projections is an analysis of the contractual maturity of financial assets and liabilities alike; • Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow; • Monitoring the liquidity ratios against internal and regulatory requirements; and • Managing the concentration and profile of debt maturities. |

| | |
|-----|---|
| | <p><u>Table EU LIQA - Liquidity risk management. (continued)</u></p> <p><u>Structure and organisation of the liquidity risk management function (authority, statute, other arrangements) and a description of the degree of centralisation of liquidity management and interaction between the group's units. (continued)</u></p> <p>The movement of funds (in any currency) is monitored in real-time. These procedures comprise internal and operational limits designed to limit risk exposures. Treasury Department assumes responsibility for the proper and efficient management of currency movements including counterparty exposures and maturities. Currency exposures are invariably kept to within authorised limits.</p> <p>Undrawn lending commitments and the impact of contingent liabilities such as guarantees as part of the liquidity management process previously referred to are monitored daily.</p> <p>Further to the above, should Credit Department have knowledge of a significant and imminent drawdown, they would inform Treasury Department to ensure adequate funding is made available for completion of the transaction. Additionally, the transaction posting process is mainly centralised within the Data Processing Management Department (DPM). This facilitates funding management tasks of the Bank's Treasury Department.</p> |
| (d) | <p><u>Scope and nature of liquidity risk reporting and measurement systems.</u></p> <p>The Risk Management Function is responsible for carrying out regular stress tests on the Bank's liquidity. The results of the stress tests are communicated in the reporting obligations of the Risk Management Function to the Audit & Risk Committee.</p> <p>Liquidity management is centralised at the Head Office and involves a comprehensive analysis of gap positions—acknowledging that certain maturity buckets may experience negative gaps. Liquidity is closely monitored through various key ratios, which are regularly reviewed and reported to Senior Management, the Audit & Risk Committee, and the Board of Directors to support effective oversight and risk management.</p> <p>The Bank's liquidity is monitored regularly by management, employing techniques based on the guidelines of the Basel Committee and the European Union Directives, as implemented by the MFSA. Liquidity management is based on the regulatory requirements established by local laws and regulations which are modelled on the requisites of the BCBS. Several ratios are required for the effective management of liquidity risk, these being:</p> <ul style="list-style-type: none"> • the Liquidity Coverage Ratio ('LCR'); • the Net Stable Funding Ratio ('NSFR'); • the Loan-to-Deposit Ratio; and • the Counterbalancing Capacity <p>The LCR, Loan-to-Deposit and the Counterbalancing Capacity ratios are calculated monthly while the NSFR is calculated quarterly. These ratios are compared to the limits set by the Board within the Risk Appetite and where possible to the minimum regulatory requirements. EU regulation stipulates a ratio of LCR and the NSFR at no less than 100%.</p> |

| | |
|-----|--|
| | <p><u>Table EU LIQA - Liquidity risk management. (continued)</u></p> <p><u>Scope and nature of liquidity risk reporting and measurement systems. (continued)</u></p> <p>In its day-to-day liquidity management, the Treasury Department relies on various reports that provide information on the Bank’s maturing investments. One such report offers a daily breakdown of all inter-bank deposits by maturity date. The Treasury also monitors Nostro accounts with correspondent banks in real-time. Branches and other departments within the Bank promptly report currency movements (including euros) as soon as they are identified, following established procedures and limits. Other debt instruments, such as Treasury Bills and Malta Government Stocks (MGSs), are also monitored, with maturities factored into the Bank’s daily liquidity position.</p> <p>Reporting of measures of liquidity risk and liquidity ratios <i>vis-à-vis</i> internal limits flows to the ALCO and Board on a regular basis. The Bank’s Risk Management Function provides oversight in respect of the liquidity risk management process ensuring that it is functioning effectively.</p> |
| (e) | <p><u>Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.</u></p> <p>Treasury Department uses a <i>natural hedge</i> strategy to reduce foreign exchange risk exposure to a minimum, whereby deposits in one currency are placed with counterparties in the same currency almost instantaneously. High quality liquid assets (‘HQLA’) and other short-term instruments are held for the purposes of mitigating exposures to fluctuations in interest rates.</p> |
| (f) | <p><u>An outline of the bank’s contingency funding plans.</u></p> <p>The Bank has a Recovery Plan in place, which is reviewed and approved by the Board of Directors annually before being submitted to the MFSA. The Bank is confident that given its sound reputation, it will be able to continue accepting deposits in the foreseeable future.</p> <p>We also recognise that a liquidity situation could occur unexpectedly. If additional funding is required, the Bank may turn to:</p> <ul style="list-style-type: none"> • <i>Disposal of investments; or</i> • <i>Line of Credit.</i> |
| (g) | <p><u>An explanation of how stress testing is used.</u></p> <p>Stress tests and scenario analyses are used in the Bank’s Internal Liquidity Adequacy Assessment Process (ILAAP) to evaluate the impact of adverse situations on the Bank’s liquidity. Three different scenarios have been identified to measure the stressed net liquidity position. These capture a specific stress situation related to systemic market risk, idiosyncratic risk and one that involves both types occurring at the same time.</p> <p>The outcomes of these scenarios are utilised to stress test the Bank’s Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The results inform the recalibration of the early warning thresholds for the LCR within the Risk Appetite Statement and serve to validate the adequacy of the existing early warning threshold for the NSFR.</p> |

| | |
|-----|---|
| (h) | <p><u>Table EU LIQA - Liquidity risk management. (continued)</u></p> <p><u><i>A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.</i></u></p> <p>The Board of Directors confirms the scope and robustness of the Bank's liquidity Risk Management Framework, which provides the Board with assurance that liquidity risks are being effectively managed and controlled.</p> |
| (i) | <p><u><i>A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body</i></u></p> <p>Please refer to EU OVA for the concise risk statement of the Bank.</p> |

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Template EU LIQ1 presents quantitative information on the Liquidity Coverage Ratio (LCR) as part of the Pillar 3 disclosures.

Template EU LIQ1- Quantitative information of LCR

| <i>In €'000</i> | | a | b | c | d | e | f | g | h |
|-----------------------------------|--|----------------------------------|---------|---------|---------|--------------------------------|---------|---------|---------|
| | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
| EU 1a | Quarter ending on (DD Month YYY) | Dec-25 | Sep-25 | Jun-25 | Mar-25 | Dec-25 | Sep-25 | Jun-25 | Mar-25 |
| EU 1b | Number of data points used in the calculation of averages | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| HIGH-QUALITY LIQUID ASSETS | | | | | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | | | | 292,672 | 283,905 | 281,775 | 289,404 |
| CASH - OUTFLOWS | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 462,296 | 388,070 | 366,849 | 361,642 | 30,849 | 27,007 | 25,266 | 24,899 |
| 3 | <i>Stable deposits</i> | 242,027 | 235,997 | 228,382 | 225,295 | 12,101 | 11,800 | 11,419 | 11,265 |
| 4 | <i>Less stable deposits</i> | 175,381 | 152,073 | 138,467 | 136,346 | 18,747 | 15,207 | 13,847 | 13,635 |
| 5 | Unsecured wholesale funding | 219,675 | 245,585 | 264,939 | 270,753 | 97,537 | 107,275 | 115,912 | 119,589 |
| 6 | <i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i> | - | - | - | - | - | - | - | - |
| 7 | <i>Non-operational deposits (all counterparties)</i> | 219,675 | 245,585 | 264,939 | 270,753 | 97,537 | 107,275 | 115,912 | 119,589 |
| 8 | <i>Unsecured debt</i> | - | - | - | - | - | - | - | - |
| 9 | <i>Secured wholesale funding</i> | | | | | - | - | - | - |
| 10 | Additional requirements | - | - | - | - | 25,607 | 26,104 | 27,284 | 28,615 |

Template EU LIQ1- Quantitative information of LCR (continued)

| <i>In €'000</i> | | a | b | c | d | e | f | g | h |
|-----------------------|---|----------------------------------|---------|---------|---------|--------------------------------|---------|---------|---------|
| | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
| 11 | <i>Outflows related to derivative exposures and other collateral requirements</i> | - | - | - | - | - | - | - | - |
| 12 | <i>Outflows related to loss of funding on debt products</i> | - | - | - | - | - | - | - | - |
| 13 | <i>Credit and liquidity facilities</i> | 313,532 | 302,576 | 308,205 | 316,649 | 25,607 | 26,104 | 27,284 | 28,615 |
| 14 | Other contractual funding obligations | 18,025 | 18,420 | 19,001 | 21,041 | 18,025 | 18,420 | 19,001 | 21,041 |
| 15 | Other contingent funding obligations | 19,864 | 19,398 | 18,338 | 17,930 | 993 | 970 | 917 | 896 |
| 16 | TOTAL CASH OUTFLOWS | | | | | 173,011 | 179,776 | 188,379 | 195,041 |
| CASH - INFLOWS | | | | | | | | | |
| 17 | Secured lending (e.g. reverse repos) | - | - | - | - | - | - | - | - |
| 18 | Inflows from fully performing exposures | 55,348 | 52,504 | 49,906 | 51,487 | 52,292 | 49,205 | 46,616 | 48,120 |
| 19 | Other cash inflows | 115,504 | 115,796 | 117,171 | 117,260 | 25,571 | 25,743 | 25,958 | 26,246 |

Template EU LIQ1- Quantitative information of LCR (continued)

| <i>In €'000</i> | | a | b | c | d | e | f | g | h |
|-----------------------------|---|----------------------------------|---------|---------|---------|--------------------------------|----------------|----------------|----------------|
| | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
| EU-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | X | | | | - | - | - | - |
| EU-19b | (Excess inflows from a related specialised credit institution) | X | | | | - | - | - | - |
| 20 | TOTAL CASH INFLOWS | 170,852 | 168,301 | 167,076 | 168,748 | 77,863 | 74,948 | 72,574 | 74,366 |
| EU-20a | <i>Fully exempt inflows</i> | - | - | - | - | - | - | - | - |
| EU-20b | <i>Inflows subject to 90% cap</i> | - | - | - | - | - | - | - | - |
| EU-20c | <i>Inflows subject to 75% cap</i> | 170,852 | 168,301 | 167,076 | 168,748 | 77,863 | 74,948 | 72,574 | 74,366 |
| TOTAL ADJUSTED VALUE | | | | | | | | | |
| EU-21 | LIQUIDITY BUFFER | X | | | | 292,672 | 283,905 | 281,775 | 289,404 |
| 22 | TOTAL NET CASH OUTFLOWS | X | | | | 95,148 | 104,828 | 115,805 | 120,674 |
| 23 | LIQUIDITY COVERAGE RATIO | X | | | | 322% | 286% | 247% | 240% |

Table EU LIQB provides qualitative information on the Liquidity Coverage Ratio (LCR), complementing the quantitative data presented in Template EU LIQ1 as part of the Pillar 3 disclosures. It offers insights into the institution's methodology for calculating the LCR.

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

| | |
|-----|--|
| (a) | <p><u>Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time</u></p> <p>The Bank's Liquidity Coverage Ratio (LCR) is driven primarily by the volume of High-Quality Liquid Assets (HQLA) it maintains and the net cash outflows anticipated over a 30-day stress period. HQLA mainly consist of cash held with the central bank and high-quality local securities, particularly Malta Government Stocks. Expected stressed outflows are influenced by the Bank's deposit composition, maturing liabilities, and potential contingent liquidity requirements, while stressed inflows arise from loan repayments, maturing interbank placements, and other receipts over the same 30-day horizon.</p> <p>The Bank's LCR has consistently remained well above the minimum regulatory requirement, underscoring its commitment to holding sufficient HQLA to meet stressed outflows. Active oversight is exercised through the Asset and Liability Committee (ALCO), which ensures that appropriate liquidity buffers are always maintained to support business needs as well as ongoing compliance with regulatory standards.</p> |
| (b) | <p><u>Explanations on the changes in the LCR over time</u></p> <p>As at December 2025, the Bank's LCR remained strong at 380.5% (FYE2024: 231.8%). This increase was primarily attributable to an 11.9% rise in HQLA alongside a 31.8% reduction in Net Stressed Outflows.</p> |
| (c) | <p><u>Explanations on the actual concentration of funding sources</u></p> <p>The Bank continues to follow a prudent and resilient funding strategy, relying entirely on customer deposits with no dependence on wholesale funding. Its funding base is well diversified to reduce the risk associated with concentration in any single source, with retail and corporate deposits forming the core. In addition, the deposit product mix remains balanced across different offerings, with growth in longer-term deposits supporting extended maturities and enhanced funding stability, without leading to significant product concentration.</p> |
| (d) | <p><u>High-level description of the composition of the institution's liquidity buffer.</u></p> <p>The Bank's Liquidity Buffer is composed of:</p> <ul style="list-style-type: none"> • Level 1 assets, which account for 99% of the buffer and primarily include cash and central bank deposits, highly liquid debt securities such as Malta Government Stocks, and other government and supranational securities; and • Level 2 assets, representing the remaining 1%, mainly consisting of other debt securities with a minimum credit rating of BBB-. |

| | |
|-----|---|
| (e) | <p><u>Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1 (continued)</u></p> <p><u><i>Derivative exposures and potential collateral calls</i></u></p> <p>Since the Bank does not hold any derivative exposures, this is not applicable to the Bank.</p> |
| (f) | <p><u><i>Currency mismatch in the LCR</i></u></p> <p>The Bank's operations are predominantly conducted in euro (€), which is also its reporting currency, as no other currency represents 5% or more of total liabilities. For transactions in other currencies, the Bank adopts a natural hedge strategy, whereby deposits received in a particular currency are promptly placed with counterparties in the same currency.</p> |

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Template EU LIQ2 provides disclosure of the Net Stable Funding Ratio (NSFR) as part of the Pillar 3 reporting framework. It presents quantitative information detailing the institution's available stable funding relative to its required stable funding over a one-year horizon.

Template EU LIQ2 on disclosure of Net Stable Funding Ratio

December 2025

| In €'000 | | a | b | c | d | e |
|---|--|---------------------------------------|----------------|-------------------|----------------|------------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) Items | | | | | | |
| 1 | Capital items and instruments | 204,338 | - | - | 10,832 | 215,170 |
| 2 | Own funds | 204,338 | - | - | - | 204,338 |
| 3 | Other capital instruments | | - | - | 10,832 | 10,832 |
| 4 | Retail deposits | | 584,666 | 65,503 | 375,224 | 975,007 |
| 5 | Stable deposits | | 256,274 | 36,336 | 201,305 | 479,285 |
| 6 | Less stable deposits | | 328,392 | 29,167 | 173,919 | 495,722 |
| 7 | Wholesale funding: | | 161,655 | 5,736 | 27,536 | 95,324 |
| 8 | Operational deposits | | - | - | - | - |
| 9 | Other wholesale funding | | 161,655 | 5,736 | 27,536 | 95,324 |
| 10 | Interdependent liabilities | | - | - | - | - |
| 11 | Other liabilities: | - | 14,659 | 1,523 | 7,981 | 8,743 |
| 12 | NSFR derivative liabilities | - | - | - | - | - |
| 13 | All other liabilities and capital instruments not included in the above categories | | 14,659 | 1,523 | 7,981 | 8,743 |
| 14 | Total available stable funding (ASF) | | | | | 1,294,244 |
| Required stable funding (RSF) Items | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | | | | - | 10,080 |

Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

December 2025

| In €'000 | | a | b | c | d | e |
|---------------|---|---------------------------------------|----------------|-------------------|----------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| EU-15a | Assets encumbered for a residual maturity of one year or more in a cover pool | | - | - | - | - |
| 16 | Deposits held at other financial institutions for operational purposes | | - | - | - | - |
| 17 | Performing loans and securities: | | 217,139 | 65,060 | 719,941 | 694,004 |
| 18 | <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i> | | - | - | - | - |
| 19 | <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i> | | 55,677 | - | 433 | 6,001 |
| 20 | <i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i> | | 93,216 | 33,460 | 168,900 | 206,903 |
| 21 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | - | - | - | - |
| 22 | <i>Performing residential mortgages, of which:</i> | | 66,031 | 31,122 | 497,744 | 432,055 |
| 23 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | 8,676 | 4,399 | 198,020 | 135,251 |

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Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

December 2025

| In €'000 | | a | b | c | d | e |
|-----------|--|---------------------------------------|----------------|-------------------|---------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 24 | <i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i> | | 2,216 | 477 | 52,864 | 49,045 |
| 25 | Interdependent assets | | - | - | - | - |
| 26 | Other assets: | | 36,713 | 7,204 | 56,730 | 93,168 |
| 27 | <i>Physical traded commodities</i> | | | | - | - |
| 28 | <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i> | | - | - | - | - |
| 29 | <i>NSFR derivative assets</i> | | - | | | - |
| 30 | <i>NSFR derivative liabilities before deduction of variation margin posted</i> | | - | | | - |
| 31 | <i>All other assets not included in the above categories</i> | | 36,713 | 7,204 | 56,730 | 93,168 |
| 32 | Off-balance sheet items | | 378,849 | - | - | 19,345 |
| 33 | Total RSF | | | | | 816,596 |
| 34 | Net Stable Funding Ratio (%) | | | | | 158.49% |

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Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

September 2025

| In €'000 | | a | b | c | d | e |
|---|--|---------------------------------------|----------------|-------------------|----------------|------------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) Items | | | | | | |
| 1 | Capital items and instruments | 191,259 | - | - | 18,716 | 209,975 |
| 2 | Own funds | 191,259 | - | - | - | 191,259 |
| 3 | Other capital instruments | | - | - | 18,716 | 18,716 |
| 4 | Retail deposits | | 507,367 | 64,836 | 371,044 | 902,542 |
| 5 | Stable deposits | | 292,928 | 37,369 | 255,088 | 568,870 |
| 6 | Less stable deposits | | 214,439 | 27,467 | 115,957 | 333,672 |
| 7 | Wholesale funding: | | 192,716 | 8,310 | 16,534 | 106,432 |
| 8 | Operational deposits | | - | - | - | - |
| 9 | Other wholesale funding | | 192,716 | 8,310 | 16,534 | 106,432 |
| 10 | Interdependent liabilities | | - | - | - | - |
| 11 | Other liabilities: | - | 14,781 | 1,040 | 7,604 | 8,124 |
| 12 | NSFR derivative liabilities | - | | | | |
| 13 | All other liabilities and capital instruments not included in the above categories | | 14,781 | 1,040 | 7,604 | 8,124 |
| 14 | Total available stable funding (ASF) | | | | | 1,227,073 |
| Required stable funding (RSF) Items | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | | | | | 10,014 |
| EU-15a | Assets encumbered for a residual maturity of one year or more in a cover pool | | - | - | - | - |

Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

September 2025

| In €'000 | | a | b | c | d | e |
|----------|---|---------------------------------------|---------------|-------------------|----------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 16 | Deposits held at other financial institutions for operational purposes | | - | - | - | - |
| 17 | Performing loans and securities: | | 88,081 | 150,161 | 719,419 | 668,482 |
| 18 | <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i> | | - | - | - | - |
| 19 | <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i> | | 53,822 | 53 | 1,104 | 6,512 |
| 20 | <i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i> | | 20,389 | 122,676 | 339,407 | 360,028 |
| 21 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | - | - | - | - |
| 22 | <i>Performing residential mortgages, of which:</i> | | 13,348 | 23,388 | 328,849 | 253,967 |
| 23 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | 3,194 | 5,989 | 219,614 | 147,341 |

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Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

September 2025

| In €'000 | | a | b | c | d | e |
|-----------|--|---------------------------------------|----------------|-------------------|---------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 24 | <i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i> | | 522 | 4,044 | 50,059 | 47,974 |
| 25 | Interdependent assets | | - | - | - | - |
| 26 | Other assets: | | 21,047 | 24,435 | 67,993 | 107,955 |
| 27 | <i>Physical traded commodities</i> | | | | - | - |
| 28 | <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i> | | | | - | - |
| 29 | <i>NSFR derivative assets</i> | | | | - | |
| 30 | <i>NSFR derivative liabilities before deduction of variation margin posted</i> | | | | - | |
| 31 | <i>All other assets not included in the above categories</i> | | 21,047 | 24,435 | 67,993 | 107,955 |
| 32 | Off-balance sheet items | | 346,373 | - | - | 18,532 |
| 33 | Total RSF | | | | | 804,982 |
| 34 | Net Stable Funding Ratio (%) | | | | | 152.43% |

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Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

June 2025

| €'000 | | a | b | c | d | e |
|---|---|---------------------------------------|----------------|-------------------|----------------|------------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) Items | | | | | | |
| 1 | Capital items and instruments | 190,902 | - | - | 16,049 | 206,951 |
| 2 | <i>Own funds</i> | 190,902 | - | - | - | 190,902 |
| 3 | <i>Other capital instruments</i> | | - | - | 16,049 | 16,049 |
| 4 | Retail deposits | | 479,116 | 57,093 | 367,735 | 865,912 |
| 5 | <i>Stable deposits</i> | | 276,930 | 34,860 | 255,419 | 551,619 |
| 6 | <i>Less stable deposits</i> | | 202,186 | 22,233 | 112,316 | 314,293 |
| 7 | Wholesale funding: | | 195,322 | 7,390 | 14,898 | 101,899 |
| 8 | <i>Operational deposits</i> | | - | - | - | - |
| 9 | <i>Other wholesale funding</i> | | 195,322 | 7,390 | 14,898 | 101,899 |
| 10 | Interdependent liabilities | | - | - | - | - |
| 11 | Other liabilities: | - | 19,132 | 162 | 7,202 | 7,283 |
| 12 | <i>NSFR derivative liabilities</i> | - | | | | |
| 13 | <i>All other liabilities and capital instruments not included in the above categories</i> | | 19,132 | 162 | 7,202 | 7,283 |
| 14 | Total available stable funding (ASF) | | | | | 1,182,046 |
| Required stable funding (RSF) Items | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | | | | | 9,796 |
| EU-15a | Assets encumbered for a residual maturity of one year or more in a cover pool | | - | - | - | - |

Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

June 2025

| €'000 | | a | b | c | d | e |
|-------|---|---------------------------------------|---------------|-------------------|----------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 16 | Deposits held at other financial institutions for operational purposes | | - | - | - | - |
| 17 | Performing loans and securities: | | 96,378 | 157,740 | 704,567 | 667,250 |
| 18 | <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i> | | - | - | - | - |
| 19 | <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i> | | 54,455 | 5,011 | 1,155 | 9,106 |
| 20 | <i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i> | | 26,215 | 130,523 | 329,473 | 358,421 |
| 21 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | - | - | - | - |
| 22 | <i>Performing residential mortgages, of which:</i> | | 15,069 | 20,516 | 319,860 | 249,456 |
| 23 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | 3,536 | 5,562 | 201,087 | 135,256 |

Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

June 2025

| In €'000 | | a | b | c | d | e |
|-----------|--|---------------------------------------|----------------|-------------------|---------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 24 | <i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i> | | 638 | 1,690 | 54,079 | 50,267 |
| 25 | Interdependent assets | | - | - | - | - |
| 26 | Other assets: | | 42,564 | 12,737 | 62,149 | 110,914 |
| 27 | <i>Physical traded commodities</i> | | | | - | - |
| 28 | <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i> | | | | - | - |
| 29 | <i>NSFR derivative assets</i> | | | | - | |
| 30 | <i>NSFR derivative liabilities before deduction of variation margin posted</i> | | | | - | |
| 31 | <i>All other assets not included in the above categories</i> | | 42,564 | 12,737 | 62,149 | 110,914 |
| 32 | Off-balance sheet items | | 309,487 | - | - | 18,529 |
| 33 | Total RSF | | | | | 806,489 |
| 34 | Net Stable Funding Ratio (%) | | | | | 146.57% |

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Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

March 2025

| In €'000 | | a | b | c | d | e |
|---|--|---------------------------------------|------------|-------------------|---------|------------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| Available stable funding (ASF) Items | | | | | | |
| 1 | Capital items and instruments | 192,562 | - | - | 13,273 | 205,834 |
| 2 | Own funds | 192,562 | - | - | - | 192,562 |
| 3 | Other capital instruments | | - | - | 13,273 | 13,273 |
| 4 | Retail deposits | | 405,359 | 46,471 | 339,412 | 760,354 |
| 5 | Stable deposits | | 256,631 | 29,265 | 235,520 | 507,121 |
| 6 | Less stable deposits | | 148,728 | 17,206 | 103,892 | 253,232 |
| 7 | Wholesale funding: | | 287,886 | 5,111 | 21,499 | 150,611 |
| 8 | Operational deposits | | - | - | - | - |
| 9 | Other wholesale funding | | 287,886 | 5,111 | 21,499 | 150,611 |
| 10 | Interdependent liabilities | | - | - | - | - |
| 11 | Other liabilities: | - | 24,682 | 72 | 7,249 | 7,284 |
| 12 | NSFR derivative liabilities | - | | | | |
| 13 | All other liabilities and capital instruments not included in the above categories | | 24,682 | 72 | 7,249 | 7,284 |
| 14 | Total available stable funding (ASF) | | | | | 1,124,083 |
| Required stable funding (RSF) Items | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | | | | | 9,721 |
| EU-15a | Assets encumbered for a residual maturity of one year or more in a cover pool | | - | - | - | - |

Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

March 2025

| In €'000 | | a | b | c | d | e |
|----------|---|---------------------------------------|----------------|-------------------|----------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 16 | Deposits held at other financial institutions for operational purposes | | - | - | - | - |
| 17 | Performing loans and securities: | | 111,665 | 156,094 | 685,556 | 655,552 |
| 18 | <i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i> | | - | - | - | - |
| 19 | <i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i> | | 43,270 | 3,336 | 3,723 | 9,718 |
| 20 | <i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i> | | 54,911 | 133,821 | 323,649 | 369,468 |
| 21 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | - | - | - | - |
| 22 | <i>Performing residential mortgages, of which:</i> | | 12,297 | 18,370 | 302,732 | 225,208 |
| 23 | <i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i> | | 4,520 | 6,497 | 237,234 | 159,710 |

Template EU LIQ2 on disclosure of Net Stable Funding Ratio (continued)

March 2025

| In €'000 | | a | b | c | d | e |
|-----------|--|---------------------------------------|----------------|-------------------|---------------|----------------|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| 24 | <i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i> | | 1,187 | 567 | 55,452 | 51,157 |
| 25 | Interdependent assets | | - | - | - | - |
| 26 | Other assets: | | 35,847 | 9,512 | 57,291 | 96,699 |
| 27 | <i>Physical traded commodities</i> | | | | - | - |
| 28 | <i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i> | | | | - | - |
| 29 | <i>NSFR derivative assets</i> | | | | - | |
| 30 | <i>NSFR derivative liabilities before deduction of variation margin posted</i> | | | | - | |
| 31 | <i>All other assets not included in the above categories</i> | | 35,847 | 9,512 | 57,291 | 96,699 |
| 32 | Off-balance sheet items | | 296,023 | - | - | 16,731 |
| 33 | Total RSF | | | | | 778,702 |
| 34 | Net Stable Funding Ratio (%) | | | | | 144.35% |

4. Asset Encumbrance

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 Bank to secure funding, satisfy collateral needs or be sold to reduce the funding requirement. Template EU AE1 below provides disclosure of encumbered and unencumbered assets as part of the Pillar 3 reporting framework.

EU AE1 - Encumbered and unencumbered assets

| <i>In €'000</i> | | Carrying amount of encumbered assets | | Fair value of encumbered assets | | Carrying amount of unencumbered assets | | Fair value of unencumbered assets | |
|-----------------|--|--------------------------------------|---|---------------------------------|---|--|-------------------------|-----------------------------------|-------------------------|
| | | | of which notionally eligible EHQLA and HQLA | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA | | of which EHQLA and HQLA |
| | | a | b | c | d | e | f | g | h |
| 010 | Assets of the reporting institution | 10,508 | 9,281 | | | 1,363,991 | 308,008 | | |
| 030 | Equity instruments | - | - | - | - | 8,332 | - | 8,332 | - |
| 040 | Debt securities | 7,866 | 7,866 | 7,866 | 7,866 | 187,810 | 159,877 | 188,257 | 160,295 |
| 050 | of which: covered bonds | - | - | - | - | - | - | - | - |
| 060 | of which: securitisations | - | - | - | - | - | - | - | - |
| 070 | of which: issued by general governments | 7,866 | 7,866 | 7,866 | 7,866 | 154,768 | 153,679 | 155,116 | 154,027 |
| 080 | of which: issued by financial corporations | - | - | - | - | 30,683 | 5,692 | 30,809 | 5,764 |
| 090 | of which: issued by non-financial corporations | - | - | - | - | 2,210 | 826 | 2,224 | 826 |
| 120 | Other assets | 2,747 | 1,497 | | | 1,169,066 | 142,146 | | |

The Bank does not encumber any of the collateral received. Moreover, as at 31 December 2025, the Bank did not have any outstanding liabilities associated with encumbered assets and collateral received. The Bank undertakes encumbrance by pledging debt securities against the provision of credit lines by the Central Bank of Malta and in favour of the Depositor Compensation Scheme.

Templates EU AE2 - Collateral received and own debt securities issued and EU AE3 - Sources of encumbrance are not disclosed as they are not applicable to the Bank.

5. Own funds

5.1 Composition of regulatory own funds

The Bank is a licensed credit institution and must therefore comply with the capital requirements under the relevant capital requirements within laws and regulations. Maltese law and regulations on capital adequacy are naturally based on EU capital requirements.

The prudent and efficient management of capital remains one of the Bank's top priorities. The Bank must have sufficient capital to comply with regulatory capital requirements. The purpose of the Bank's capital management is to ensure an efficient use of capital in relation to Risk Appetite as well as business development. Capital management is managed primarily through the capital planning process that determines the optimal amount and mix of capital that should be held by the Bank, subject to regulatory limits.

Capital adequacy and the use of regulatory capital are monitored regularly by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee, European Union Regulations and Directives, as implemented by the MFSA for supervisory purposes. The Bank's capital management is based on the regulatory requirements established within the CRR and by local regulations which are modelled on the requisites of the CRD rules.

The Bank's Executive Team and ALCO are predominately responsible for the Bank's capital risk management process. Capital adequacy ratios together with the level and quality of Own funds are reported on a regular basis to the Board and the ALCO by the Finance Function.

Own funds represent the Bank's available capital and reserves for the purposes of capital adequacy. Capital adequacy is a measure of the financial strength of a bank, expressed as a ratio of its capital to its assets. The Bank adopts processes to ensure that the minimum regulatory requirements are met at all times, through the assessment of its capital resources and requirements given current financial projections.

Following several thematic reviews conducted by the MFSA, a SREP Decision letter was received in August 2025. This letter imposed a Pillar II Requirement (P2R) of 3.00%, along with a Pillar II Guidance (P2G) of 2.00%. During the year ended 31 December 2025, the Bank's OCR and P2G continued to be met at all times.

The Bank's capital base comprises Common Equity Tier 1 (CET1) capital, which includes the following items:

- *Ordinary share capital* - The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equally with regard to the Bank's residual assets.
- *Share premium* - The share premium represents the amounts at which ordinary shares were issued in excess of their nominal value, normally arising as a result of rights issues approved by the shareholders during the Annual General Meetings. The amount is not distributable by way of dividend to shareholders.
- *Retained earnings* - The retained earnings represent earnings not paid out as dividends. Retained earnings form part of Own funds only if those profits have been verified by the Bank's independent external auditor. The Bank has demonstrated to the satisfaction of the competent authority that any foreseeable charge or dividend has been deducted from the amount of those profits.

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- *Revaluation and other reserves.*
- *Other regulatory adjustments* - relating to items that are included in equity but are treated differently for capital adequacy purposes including deductions relating to amounts pledged in favour of the Depositor Compensation Scheme.

Template EU CC1 below provides a detailed overview of the composition of the Bank's own funds in accordance with the CRR.

EU CC1 - Composition of regulatory own funds

| | | (a) | (b) |
|--|--|----------------|--|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| <i>In €'000</i> | | | |
| Common Equity Tier 1 (CET1) capital: instruments and reserves | | | |
| 1 | Capital instruments and the related share premium accounts | 75,856 | |
| 1a | of which: Ordinary share capital | 75,856 | |
| 1b | of which: Instrument type 2 | - | |
| 1c | of which: Instrument type 3 | - | |
| 2 | Retained earnings | 126,474 | |
| 3 | Accumulated other comprehensive income (and other reserves) | 7,003 | |
| EU-3a | Funds for general banking risk | - | |
| 4 | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1 | - | |
| 5 | Minority interests (amount allowed in consolidated CET1) | - | |
| EU-5a | Independently reviewed interim profits net of any foreseeable charge or dividend | - | |
| 6 | Common Equity Tier 1 (CET1) capital before regulatory adjustments | 209,333 | |
| Common Equity Tier 1 (CET1) capital: regulatory adjustments | | | |
| 7 | Additional value adjustments (negative amount) | - | |
| 8 | Intangible assets (net of related tax liability) (negative amount) | (3) | |
| 9 | Not applicable | | |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | - | |
| 11 | Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value | - | |
| 12 | Negative amounts resulting from the calculation of expected loss amounts | - | |
| 13 | Any increase in equity that results from securitised assets (negative amount) | - | |

EU CC1 - Composition of regulatory own funds (continued)

| | | (a) | (b) |
|-----------------|---|---------|--|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| <i>In €'000</i> | | | |
| 14 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | - | |
| 15 | Defined-benefit pension fund assets (negative amount) | - | |
| 16 | Direct and indirect holdings by an institution of own CET1 instruments (negative amount) | - | |
| 17 | Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 18 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 19 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 20 | Not applicable | | |
| EU-20a | Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative | - | |
| EU-20b | of which: qualifying holdings outside the financial sector (negative amount) | - | |
| EU-20c | of which: securitisation positions (negative amount) | - | |
| EU-20d | of which: free deliveries (negative amount) | - | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | - | |
| 22 | Amount exceeding the 17,65% threshold (negative amount) | - | |
| 23 | of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities | - | |
| 24 | Not applicable | | |
| 25 | of which: deferred tax assets arising from temporary differences | - | |
| EU-25a | Losses for the current financial year (negative amount) | - | |

EU CC1 - Composition of regulatory own funds (continued)

| | | (a) | (b) |
|--|---|---------|--|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| <i>In €'000</i> | | | |
| EU-25b | Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount) | - | |
| 26 | Not applicable | | |
| 27 | Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount) | - | |
| 27a | Other regulatory adjustments | (4,995) | |
| 28 | Total regulatory adjustments to Common Equity Tier 1 (CET1) | (4,997) | |
| 29 | Common Equity Tier 1 (CET1) capital | 204,335 | |
| Additional Tier 1 (AT1) capital: instruments | | | |
| 30 | Capital instruments and the related share premium accounts | - | |
| 31 | of which: classified as equity under applicable accounting standards | - | |
| 32 | of which: classified as liabilities under applicable accounting standards | - | |
| 33 | Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 | - | |
| EU-33a | Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1 | - | |
| EU-33b | Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1 | - | |
| 34 | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties | - | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 36 | Additional Tier 1 (AT1) capital before regulatory adjustments | - | |
| Additional Tier 1 (AT1) capital: regulatory adjustments | | | |
| 37 | Direct and indirect holdings by an institution of own AT1 instruments (negative amount) | - | |
| 38 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 39 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 40 | Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | - | |

EU CC1 - Composition of regulatory own funds (continued)

| | | (a) | (b) |
|--|--|---------|--|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| <i>In €'000</i> | | | |
| 41 | Not applicable | | |
| 42 | Qualifying T2 deductions that exceed the T2 items of the institution (negative amount) | - | |
| 42a | Other regulatory adjustments to AT1 capital | - | |
| 43 | Total regulatory adjustments to Additional Tier 1 (AT1) capital | - | |
| 44 | Additional Tier 1 (AT1) capital | - | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 204,335 | |
| 46 | Capital instruments and the related share premium accounts | - | |
| 47 | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR | - | |
| EU-47a | Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2 | - | |
| EU-47b | Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2 | - | |
| 48 | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties | - | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 50 | Credit risk adjustments | - | |
| 51 | Tier 2 (T2) capital before regulatory adjustments | - | |
| Tier 2 (T2) capital: regulatory adjustments | | | |
| 52 | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount) | - | |
| 53 | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 54 | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 54a | Not applicable | | |

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EU CC1 - Composition of regulatory own funds (continued)

| | | (a) | (b) |
|--|--|-----------|--|
| <i>In €'000</i> | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| 55 | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | - | |
| 56 | Not applicable | | |
| EU-56a | Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount) | - | |
| 56b | Other regulatory adjustments to T2 capital | - | |
| 57 | Total regulatory adjustments to Tier 2 (T2) capital | - | |
| 58 | Tier 2 (T2) capital | - | |
| 59 | Total capital (TC = T1 + T2) | 204,335 | |
| 60 | Total risk exposure amount | 1,027,828 | |
| Capital ratios and requirements including buffers | | | |
| 61 | Common Equity Tier 1 | 19.88% | |
| 62 | Tier 1 | 19.88% | |
| 63 | Total capital | 19.88% | |
| 64 | Institution CET1 overall capital requirements | 8.82% | |
| 65 | of which: capital conservation buffer requirement | 2.50% | |
| 66 | of which: countercyclical capital buffer requirement | 0.02% | |
| 67 | of which: systemic risk buffer requirement | 0.12% | |
| EU-67a | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement | 0.00% | |
| EU-67b | of which: additional own funds requirements to address the risks other than the risk of excessive leverage | 1.69% | |
| 68 | Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements | 8.88% | |
| 69 | Not applicable | | |
| 70 | Not applicable | | |
| 71 | Not applicable | | |

EU CC1 - Composition of regulatory own funds (continued)

| | | (a) | (b) |
|--|---|---------|--|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| <i>In €'000</i> | | | |
| Amounts below the thresholds for deduction (before risk weighting) | | | |
| 72 | Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | - | |
| 73 | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions) | - | |
| 74 | Not applicable | | |
| 75 | Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met) | 6,248 | |
| Applicable caps on the inclusion of provisions in Tier 2 | | | |
| 76 | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap) | - | |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | - | |
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | - | |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | - | |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022) | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | - | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | - | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | - | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | - | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | - | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | |

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5.2 Reconciliation of regulatory own funds to the accounting financial statements

Template EU CC2 below provides a detailed overview of the composition of the Bank's own funds in accordance with the CRR.

Template EU CC2- reconciliation of regulatory own funds to balance sheet in the audited financial statements

| <i>In €'000</i> | | a | b | c |
|--|--|--|---|-----------|
| | | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
| | | As at 31 Dec 2025 | As at 31 Dec 2025 | |
| Assets - Breakdown by asset classes according to the balance sheet in the published financial statements | | | | |
| 1 | Balances with Central Bank of Malta, treasury bills and cash | 181,858 | 181,858 | |
| 2 | Cheques in course of collection | 150 | 150 | |
| 3 | Financial investments | 211,126 | 211,126 | |
| 4 | Loans and advances to banks | 55,936 | 55,936 | |
| 5 | Loans and advances to customers | 929,120 | 929,120 | |
| 6 | Trade and other receivables | 7,238 | 7,238 | |
| 7 | Accrued income and other assets | 4,593 | 4,593 | |
| 8 | Assets classified as held for sale | 703 | 703 | |
| 9 | Current tax assets | 288 | 288 | |
| 10 | Inventories | 291 | 291 | |
| 11 | Investments in subsidiaries | 17,926 | 17,926 | |
| 12 | Investments in associates | 503 | 503 | |
| 13 | Intangible assets | 3 | 3 | |
| 14 | Property, plant and equipment | 43,670 | 43,670 | |
| 15 | Deferred tax assets | 6,248 | 6,248 | |
| 16 | Total assets | 1,459,653 | 1,459,653 | |
| Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements | | | | |
| 1 | Amounts owed to banks | 345 | 345 | |
| 2 | Amounts owed to customers | 1,210,294 | 1,210,294 | |
| 4 | Accruals and deferred income | 11,468 | 11,468 | |
| 5 | Other liabilities | 17,101 | 17,101 | |
| 6 | Provisions for liabilities and other charges | 2,023 | 2,023 | |
| 7 | Deferred tax liabilities | 3,252 | 3,252 | |
| 8 | Total liabilities | 1,244,483 | 1,244,483 | |
| Shareholders' Equity | | | | |
| 1 | Share capital | 19,322 | 19,322 | |
| 2 | Share premium | 56,534 | 56,534 | |
| 3 | Revaluation and other reserves | 9,404 | 9,404 | |
| 4 | Retained earnings | 129,910 | 129,910 | |

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Template EU CC2- reconciliation of regulatory own funds to balance sheet in the audited financial statements (continued)

| In €'000 | | a | b | c |
|-----------------------------|---|--|---|-----------|
| | | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
| | | As at 31 Dec 2025 | As at 31 Dec 2025 | |
| Shareholders' Equity | | | | |
| 5 | Equity attributable to equity holders of the Bank | 215,170 | 215,170 | |
| 6 | Total shareholders' equity | 215,170 | 215,170 | |

5.3 Features of the regulatory own funds instrument

Template EU CCA provides an overview of the main features of regulatory own funds instruments and eligible liabilities instruments.

Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

| | | a |
|-------|---|--|
| | | Ordinary share capital and share premium |
| 1 | Issuer | Lombard Bank Malta p.l.c. |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement) | MT0000040106 |
| 2a | Public or private placement | Private |
| 3 | Governing law(s) of the instrument | Maltese Law |
| 3a | Contractual recognition of write down and conversion powers of resolution authorities | Not applicable |
| | <i>Regulatory treatment</i> | |
| 4 | Current treatment taking into account, where applicable, transitional CRR rules | Common Equity Tier 1 |
| 5 | Post-transitional CRR rules | Common Equity Tier 1 |
| 6 | Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated | Solo |
| 7 | Instrument type (types to be specified by each jurisdiction) | Common Equity Tier 1 |
| 8 | Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date) | 19,321,533 [full figure] |
| 9 | Nominal amount of instrument | 19,321,533 [full figure] |
| EU-9a | Issue price | €0.125 |
| EU-9b | Redemption price | N/A |
| 10 | Accounting classification | Share Capital |
| 11 | Original date of issuance | 1994 |
| 12 | Perpetual or dated | Perpetual |
| 13 | Original maturity date | N/A |
| 14 | Issuer call subject to prior supervisory approval | No |
| 15 | Optional call date, contingent call dates and redemption amount | N/A |

Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments (continued)

| | | a |
|--------|---|--|
| | | Ordinary share capital and share premium |
| 16 | Subsequent call dates, if applicable | N/A |
| | <i>Coupons / dividends</i> | |
| 17 | Fixed or floating dividend/coupon | Floating dividend |
| 18 | Coupon rate and any related index | N/A |
| 19 | Existence of a dividend stopper | No |
| EU-20a | Fully discretionary, partially discretionary or mandatory (in terms of timing) | Fully discretionary |
| EU-20b | Fully discretionary, partially discretionary or mandatory (in terms of amount) | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | N/A |
| 22 | Noncumulative or cumulative | Non-cumulative |
| 23 | Convertible or non-convertible | Non-convertible |
| 24 | If convertible, conversion trigger(s) | N/A |
| 25 | If convertible, fully or partially | N/A |
| 26 | If convertible, conversion rate | N/A |
| 27 | If convertible, mandatory or optional conversion | N/A |
| 28 | If convertible, specify instrument type convertible into | N/A |
| 29 | If convertible, specify issuer of instrument it converts into | N/A |
| 30 | Write-down features | N/A |
| 31 | If write-down, write-down trigger(s) | N/A |
| 32 | If write-down, full or partial | N/A |
| 33 | If write-down, permanent or temporary | N/A |
| 34 | If temporary write-down, description of write-up mechanism | N/A |
| 34a | Type of subordination (only for eligible liabilities) | N/A |
| EU-34b | Ranking of the instrument in normal insolvency proceedings | |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Subordinated to creditors and depositors |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | N/A |
| 37a | Link to the full term and conditions of the instrument (signposting) | www.lombardmalta.com/en/memorandum-articles-of-association |

5.4 Capital buffers

In addition to the minimum requirements, under the *Banking Rule BR/25 Capital Buffers of Credit Institutions Authorised under the Banking Act 1994*, the Bank is also obliged to hold:

- Mandatory Capital Conservation Buffer of 2.5%.
- Institution specific Countercyclical Buffer ranging from 0 - 2.5%. The Bank is required to retain an institution-specific Countercyclical Capital Buffer in line with Article 130 of Directive 2013/36/EU of 0.02%.
- Sectoral Systemic Risk Buffer (sSyRB) of 1.5% of risk-weighted exposures secured by residential real estate.

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Template EU CCyB1 provides the geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer as part of the Pillar 3 disclosures. It details the exposure amounts across different jurisdictions, enabling the identification of country-specific risk concentrations.

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

| | 0005 | 0010 | 0020 | 0030 | 0040 | 0050 | 0060 |
|-----|------------------------------|--|---------------------------------------|--|---|-------------------------------------|----------------------|
| | Breakdown by country | General credit exposures | | Relevant credit exposures – Market risk | | Securitisation exposures | Total exposure value |
| | <i>In €'000</i> | Exposure value under the standardised approach | Exposure value under the IRB approach | Sum of long and short positions of trading book exposures for SA | Value of trading book exposures for internal models | Exposure value for non-trading book | |
| 010 | Breakdown by country: | | | | | | |
| | Australia | 4,571 | - | - | - | - | 4,571 |
| | Belize | 8 | - | - | - | - | 8 |
| | China | 55 | - | - | - | - | 55 |
| | Cyprus | 5 | - | - | - | - | 5 |
| | Egypt | 1 | - | - | - | - | 1 |
| | France | 716 | - | - | - | - | 716 |
| | Germany | 1,498 | - | - | - | - | 1,498 |
| | Greece | 2 | - | - | - | - | 2 |
| | Italy | 173 | - | - | - | - | 173 |
| | Libya | 6 | - | - | - | - | 6 |
| | Luxembourg | 688 | - | - | - | - | 688 |
| | Malta | 1,060,340 | - | - | - | - | 1,060,340 |

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

| | 0005 | 0070 | 0080 | 0090 | 0100 | 0110 | 0120 | 0130 |
|-----|------------------------------|---|---|--|--------|--------------------------------|-----------------------------------|---------------------------------|
| | Breakdown by country | Own fund requirements | | | | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) |
| | <i>In €'000</i> | Relevant credit exposures - Credit risk | Relevant credit exposures – Market risk | Relevant credit exposures – Securitisation positions in the non-trading book | Total | | | |
| 010 | Breakdown by country: | | | | | | | |
| | Australia | 549 | - | - | 549 | 6,856 | 0.71% | 0.00% |
| | Belize | 1 | - | - | 1 | 9 | 0.00% | 0.00% |
| | China | 1 | - | - | 1 | 17 | 0.00% | 0.00% |
| | Cyprus | 0 | - | - | 0 | 3 | 0.00% | 1.00% |
| | Egypt | 0 | - | - | 0 | 1 | 0.00% | 0.00% |
| | France | 86 | - | - | 86 | 1,072 | 0.11% | 1.00% |
| | Germany | 130 | - | - | 130 | 1,626 | 0.17% | 0.75% |
| | Greece | 0 | - | - | 0 | 1 | 0.00% | 0.25% |
| | Italy | 4 | - | - | 4 | 48 | 0.01% | 0.00% |
| | Libya | 1 | - | - | 1 | 7 | 0.00% | 0.00% |
| | Luxembourg | 83 | - | - | 83 | 1,032 | 0.11% | 0.50% |
| | Malta | 75,152 | - | - | 75,152 | 939,395 | 97.94% | 0.00% |

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

| | 0005 | 0010 | 0020 | 0030 | 0040 | 0050 | 0060 |
|------------|------------------------------|--|---------------------------------------|--|---|-------------------------------------|----------------------|
| | Breakdown by country | General credit exposures | | Relevant credit exposures – Market risk | | Securitisation exposures | Total exposure value |
| | <i>In €'000</i> | Exposure value under the standardised approach | Exposure value under the IRB approach | Sum of long and short positions of trading book exposures for SA | Value of trading book exposures for internal models | Exposure value for non-trading book | |
| 010 | Breakdown by country: | | | | | | |
| | Netherlands | 1,469 | - | - | - | - | 1,469 |
| | Norway | 0 | - | - | - | - | 0 |
| | Romania | 30 | - | - | - | - | 30 |
| | Spain | 5 | - | - | - | - | 5 |
| | Sweden | 125 | - | - | - | - | 125 |
| | Switzerland | 10 | - | - | - | - | 10 |
| | Togo | 704 | - | - | - | - | 704 |
| | Tunisia | 12 | - | - | - | - | 12 |
| | Turkey | 5 | - | - | - | - | 5 |
| | United Arab Emirates | 20 | - | - | - | - | 20 |
| | United Kingdom | 8,336 | - | - | - | - | 8,336 |
| | United States | 1,628 | - | - | - | - | 1,628 |
| 020 | Total | 1,080,405 | - | - | - | - | 1,080,405 |

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EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer. (continued)

| | 0005 | 0070 | 0080 | 0090 | 0100 | 0110 | 0120 | 0130 |
|------------|------------------------------|---|---|--|---------------|--------------------------------|-----------------------------------|---------------------------------|
| | Breakdown by country | Own fund requirements | | | | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) |
| | <i>In €'000</i> | Relevant credit exposures - Credit risk | Relevant credit exposures – Market risk | Relevant credit exposures – Securitisation positions in the non-trading book | Total | | | |
| 010 | Breakdown by country: | | | | | | | |
| | Netherlands | 176 | - | - | 176 | 2,203 | 0.23% | 2.00% |
| | Norway | 0 | - | - | 0 | 0 | 0.00% | 2.50% |
| | Romania | 1 | - | - | 1 | 17 | 0.00% | 1.00% |
| | Spain | 0 | - | - | 0 | 4 | 0.00% | 0.50% |
| | Sweden | 11 | - | - | 11 | 141 | 0.01% | 2.00% |
| | Switzerland | 1 | - | - | 1 | 11 | 0.00% | 0.00% |
| | Togo | 42 | - | - | 42 | 528 | 0.06% | 0.00% |
| | Tunisia | 1 | - | - | 1 | 13 | 0.00% | 0.00% |
| | Turkey | 0 | - | - | 0 | 6 | 0.00% | 0.00% |
| | United Arab Emirates | 2 | - | - | 2 | 23 | 0.00% | 0.50% |
| | United Kingdom | 370 | - | - | 370 | 4,629 | 0.48% | 2.00% |
| | United States | 124 | - | - | 124 | 1,548 | 0.16% | 0.00% |
| 020 | Total | 76,735 | - | - | 76,735 | 959,190 | 0.00% | |

Template EU CCyB2 provides the amount of institution-specific countercyclical capital buffer, facilitating the application of varying countercyclical buffer rates.

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

| <i>In €'000</i> | | a |
|-----------------|---|-----------|
| 1 | Total risk exposure amount | 1,027,828 |
| 2 | Institution specific countercyclical capital buffer rate | 0.02% |
| 3 | Institution specific countercyclical capital buffer requirement | 168 |

5.5 Internal Capital Adequacy Assessment Process (ICAAP)

Table EU OVC provides qualitative information related to the Internal Capital Adequacy Assessment Process (ICAAP) as part of the Pillar 3 disclosures. It outlines the institution's approach to assessing the adequacy of the internal capital.

Table EU OVC - ICAAP information

| | |
|-----|--|
| | <p><u><i>Approach to assessing the adequacy of the internal capital</i></u></p> <p>The purpose of capital management is to ensure the efficient use of capital, taking into account the Bank's Risk Appetite, risk profile, and business development objectives. As a licensed financial services provider, the Bank is subject to externally imposed Capital Requirements and must comply with these requirements in accordance with the relevant laws and regulations.</p> <p>Capital adequacy and the use of regulatory capital are regularly monitored using techniques aligned with the guidelines developed by the Basel Committee and the European Union Regulations and Directives, as implemented by the MFSA for supervisory purposes. Capital management follows the regulatory requirements set by local laws and regulations, which are based on the principles:</p> <ul style="list-style-type: none"> • Pillar I: Establishes rules for the mathematical calculation of the capital requirement • Pillar II: Outlines the supervisory review process and includes requirements for the internal calculation of capital requirements, known as the SREP; and • Pillar III: Focuses on market discipline, detailing disclosure requirements for risk and capital management. <p>The Capital Requirements Regulation (CRR) mandates that financial institutions maintain a Total Capital Ratio (TCR) at or above the prescribed minimum, which is currently 8%, plus an additional 2.5% for the Capital Conservation Buffer (CCB). Regulatory Capital consists of Shareholders' Funds, adjusted as necessary according to the relevant regulations.</p> <p>On-balance sheet assets and off-balance sheet instruments are risk-weighted based on their exposure class and credit risk mitigation, using the "Standardised Approach" in accordance with applicable regulatory requirements. The resulting Risk-Weighted Assets (RWAs) are then multiplied by 8% to determine the minimum capital requirements. These capital requirements, also referred to as 'Pillar I' Capital Requirements, are calculated for Credit, Market, and Operational Risks.</p> |
| (a) | |

| | |
|-----|--|
| | <p><u>Table EU OVC - ICAAP information. (continued)</u></p> <p><u>Approach to assessing the adequacy of the internal capital. (continued)</u></p> <p>The ICAAP is an ongoing, forward-looking process which starts with defining risk strategy followed by identifying, quantifying and aggregating risks, determining risk-bearing ability, allocating capital, establishing limits and ongoing risk monitoring. The individual elements of the process are performed with varying regularity. All the activities described are examined at least once a year to ensure that they are up to date, adequate and also adjusted to current underlying conditions when necessary.</p> <p>The basis for the quantitative implementation of the ICAAP is the risk-bearing capacity calculation which demonstrates that adequate capital is in place at all times to provide sufficient cover for risks that have been entered into and which also ensures such cover is available for the future. The Bank's ICAAP is based upon a 'Pillar I Plus' approach whereby the Pillar I capital requirement for credit, market and operational requirements are supplemented by the capital allocation for other material risks not fully addressed within Pillar I. The risks considered for ICAAP include concentration, liquidity, reputational and strategic risks, interest rate risk in the banking book, and risks arising from the macro-economic environment.</p> <p>The Bank's ICAAP contains three-year projections as well as the capital plan, and the Board monitors that there are adequate capital resources to support the corporate goals contained within the Bank's plan and the associated risks.</p> <p>The Bank simulates a baseline scenario and an adverse market-wide scenario that results in a severe but plausible economic downturn. This scenario covers all the material risks mentioned above such that the need to simulate other scenarios does not arise.</p> <p>The Bank simulates stress shocks by adopting a forward-looking balance sheet approach. This involves the simulation of a stressed P&L, BS, Own Funds and RWAs over the medium-term.</p> <p>'Pillar II' Capital Requirements are evaluated through stress tests (Sensitivity Analysis and Scenario Tests) to ensure that the level of capital corresponds with the Risk Appetite and that it can withstand shocks in various extreme though plausible scenarios. The stress test presented in this document is based on a three-year adverse scenario where shocks on the Bank's material risks are considered relevant.</p> |
| (b) | <p><u>Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process</u></p> <p>After obtaining Board approval, the outcome of the institution's internal capital adequacy assessment process is submitted to the Regulator in accordance with the prescribed timelines. There is no requirement from the competent authority for further information under this disclosure.</p> |

6. Leverage ratio

The Leverage Ratio is a non-risk-based measure intended to act as a backstop for the risk-based framework embedded in CRR. Set at 3%, the Leverage Ratio stipulates the minimum amount of Tier 1 Capital that the Bank must hold at all times as a percentage of its total on- and off-balance sheet exposures. For FY 2025, the Bank reported a Leverage Ratio of 13.44%, which is well above the 3% minimum.

Table EU LRA provides qualitative disclosures related to the Leverage Ratio (LR) as part of the Pillar 3 framework. It presents information on the institution’s policies, methodologies, and governance arrangements for calculating and managing the leverage ratio.

Table EU LRA - Disclosure of LR qualitative information

| | |
|------------|--|
| <p>(a)</p> | <p><u>Description of the processes used to manage the risk of excessive leverage</u></p> <p>The Bank manages the risk of excessive leverage through a comprehensive framework that combines ongoing monitoring, robust governance, and forward-looking risk management tools.</p> <p>The Bank continuously monitors its leverage ratio and reports it periodically to the Audit and Risk Committee (ARC) and the Board of Directors.</p> <p>Responsibility for compliance with the regulatory minimum leverage ratio requirement of 3% lies with the Board of Directors.</p> <p>The leverage ratio features as one of the early warning indicators in the Bank’s ICAAP and its Risk Appetite Statement. The Bank sets an internal tolerance level well above the 3% minimum to enable proactive management actions in the event of any deterioration in the ratio.</p> <p>In addition, the Bank through its ICAAP conducts stress testing and scenario analysis to assess the potential impact of adverse conditions on its leverage position. These are complemented by robust capital planning processes, which ensure that sufficient capital buffers are maintained to support business growth while preserving a sound leverage position.</p> <p>Where necessary, management may take corrective actions to mitigate the risk of excessive leverage, including balance sheet optimisation, adjustments to lending strategies, and capital-enhancing measures.</p> |
| <p>(b)</p> | <p><u>Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers</u></p> <p>Movements in Tier 1 capital increased by 4.0% during the period, primarily driven by higher retained earnings. However, this growth was outpaced by a 7.7% increase in on-balance sheet exposures, reflecting the Bank’s continued expansion, mainly supported by a 6.4% rise in lending activities.</p> <p>As a result, the leverage ratio decreased marginally to 13.4%, compared to 13.9% in the previous year. Notwithstanding this decline, the Bank maintained a leverage ratio comfortably above the regulatory minimum throughout the period, supported by its prudent capital management strategy and controlled balance sheet growth.</p> |

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Template EU LR1 provides a summary reconciliation of accounting assets and leverage ratio exposures. It details the adjustments made to accounting balance sheet figures to arrive at the total exposure measure used in the leverage ratio calculation.

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

| <i>In €'000</i> | | a |
|-----------------|--|--------------------------|
| | | Applicable amount |
| 1 | Total assets as per published financial statements | 1,459,653 |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation | - |
| 3 | (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference) | - |
| 4 | (Adjustment for temporary exemption of exposures to central banks (if applicable)) | - |
| 5 | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR) | - |
| 6 | Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting | - |
| 7 | Adjustment for eligible cash pooling transactions | - |
| 8 | Adjustments for derivative financial instruments | - |
| 9 | Adjustment for securities financing transactions (SFTs) | - |
| 10 | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 63,794 |
| 11 | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital) | - |
| EU-11a | (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR) | - |
| EU-11b | (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR) | - |
| 12 | Other adjustments | (3,333) |
| 13 | Total exposure measure | 1,520,114 |

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Template EU LR2 provides the common disclosure template for the Leverage Ratio. It presents key quantitative data outlining the institution's leverage ratio, including the measure of total exposures, tier 1 capital, and the resulting leverage ratio percentage.

EU LR2 - LRCom: Leverage ratio common disclosure

| In €'000 | | CRR leverage ratio exposures | |
|--|---|------------------------------|------------------|
| | | a | b |
| | | 31-Dec-25 | 31-Dec-24 |
| On-balance sheet exposures (excluding derivatives and SFTs) | | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs, but including collateral) | 1,461,318 | 1,355,945 |
| 2 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | - | - |
| 3 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | - | - |
| 4 | (Adjustment for securities received under securities financing transactions that are recognised as an asset) | - | - |
| 5 | (General credit risk adjustments to on-balance sheet items) | - | - |
| 6 | (Asset amounts deducted in determining Tier 1 capital) | (4,997) | (764) |
| 7 | Total on-balance sheet exposures (excluding derivatives and SFTs) | 1,456,320 | 1,355,181 |
| Derivative exposures | | | |
| 8 | Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin) | - | - |
| EU-8a | Derogation for derivatives: replacement costs contribution under the simplified standardised approach | - | - |
| 9 | Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions | - | - |
| EU-9a | Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach | - | - |
| EU-9b | Exposure determined under Original Exposure Method | - | - |
| 10 | (Exempted CCP leg of client-cleared trade exposures) (SA-CCR) | - | - |
| EU-10a | (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach) | - | - |
| EU-10b | (Exempted CCP leg of client-cleared trade exposures) (original Exposure Method) | - | - |
| 11 | Adjusted effective notional amount of written credit derivatives | - | - |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | - | - |
| 13 | Total derivatives exposures | - | - |
| Securities financing transaction (SFT) exposures | | | |
| 14 | Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions | - | - |

EU LR2 - LRCom: Leverage ratio common disclosure (continued)

| <i>In €'000</i> | | CRR leverage ratio exposures | |
|---|---|-------------------------------------|------------------|
| | | a | b |
| | | 31-Dec-25 | 31-Dec-24 |
| 15 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | - | - |
| 16 | Counterparty credit risk exposure for SFT assets | - | - |
| EU-16a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR | - | - |
| 17 | Agent transaction exposures | - | - |
| EU-17a | (Exempted CCP leg of client-cleared SFT exposure) | - | - |
| 18 | Total securities financing transaction exposures | - | - |
| Other off-balance sheet exposures | | | |
| 19 | Off-balance sheet exposures at gross notional amount | 378,849 | 312,582 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | (315,055) | (252,787) |
| 21 | (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures) | - | - |
| 22 | Off-balance sheet exposures | 63,794 | 59,794 |
| Excluded exposures | | | |
| EU-22a | (Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR) | - | - |
| EU-22b | (Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off-balance sheet)) | - | - |
| EU-22c | (Excluded exposures of public development banks (or units) - Public sector investments) | - | - |
| EU-22d | (Excluded exposures of public development banks (or units) - Promotional loans) | - | - |
| EU-22e | (Excluded passing-through promotional loan exposures by non-public development banks (or units)) | - | - |
| EU-22f | (Excluded guaranteed parts of exposures arising from export credits) | - | - |
| EU-22g | (Excluded excess collateral deposited at triparty agents) | - | - |
| EU-22h | (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR) | - | - |
| EU-22i | (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR) | - | - |
| EU-22j | (Reduction of the exposure value of pre-financing or intermediate loans) | - | - |
| EU-22k | (Excluded exposures to shareholders according to Article 429a (1), point (da) CRR) | - | - |
| EU-22l | (Exposures deducted in accordance with point (q) of Article 429a(1) CRR) | - | - |
| EU-22m | (Total exempted exposures) | - | - |
| Capital and total exposure measure | | | |
| 23 | Tier 1 capital | 204,335 | 196,508 |
| 24 | Total exposure measure | 1,520,114 | 1,414,975 |
| Leverage ratio | | | |
| 25 | Leverage ratio | 13.44% | 13.89% |

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| In €'000 | | CRR leverage ratio exposures | |
|---|---|------------------------------|-----------|
| | | a | b |
| EU-25 | Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%) | 13.44% | 13.89% |
| 25a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 13.44% | 13.89% |
| 26 | Regulatory minimum leverage ratio requirement (%) | 3.00% | 3.00% |
| EU-26a | Additional own funds requirements to address the risk of excessive leverage (%) | 0.00% | 0.00% |
| EU-26b | of which: to be made up of CET1 capital (percentage points) | 0.00% | 0.00% |
| 27 | Leverage ratio buffer requirement (%) | 0.00% | 0.00% |
| EU-27a | Overall leverage ratio requirement (%) | 3.00% | 3.00% |
| Choice on transitional arrangements and relevant exposures | | | |
| EU-27b | Choice on transitional arrangements for the definition of the capital measure | N/A | N/A |
| Disclosure of mean values | | | |
| 28 | Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | - | - |
| 29 | Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | - | - |
| 30 | Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 1,520,114 | 1,414,975 |
| 30a | Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 1,520,114 | 1,414,975 |
| 31 | Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 13.44% | 13.89% |
| 31a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 13.44% | 13.89% |

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Template EU LR3 provides a detailed breakdown of on-balance sheet exposures, excluding derivatives, securities financing transactions (SFTs), and exempted exposures. This template offers insights into the composition and distribution of the institution's balance sheet assets.

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

| <i>In €'000</i> | | a |
|-----------------|--|-------------------------------------|
| | | CRR leverage ratio exposures |
| EU-1 | Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: | 1,461,318 |
| EU-2 | Trading book exposures | - |
| EU-3 | Banking book exposures, of which: | 1,461,318 |
| EU-4 | Covered bonds | - |
| EU-5 | Exposures treated as sovereigns | 343,971 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns | 7,836 |
| EU-7 | Institutions | 57,427 |
| EU-8 | Secured by mortgages of immovable properties | 732,333 |
| EU-9 | Retail exposures | 51,986 |
| EU-10 | Corporates | 126,375 |
| EU-11 | Exposures in default | 35,102 |
| EU-12 | Other exposures (e.g. equity, securitisations, and other non-credit obligation assets) | 106,287 |

7. Remuneration

The Remuneration Report as part of the Annual Report and Financial Statements 2025 provides comprehensive information about the Bank’s Remuneration Policy, detailing the governance structure of the Remuneration Committee as well as the composition of variable and fixed pay.

Table EU REMA below provides an overview of the Remuneration Policy and practices of the Bank and makes references to the Remuneration Report for further details.

Table EU REMA - Remuneration policy

| | |
|-----|--|
| (a) | <p><u>Information relating to the bodies that oversee remuneration.</u></p> <p>The Board of Directors currently carries out the functions of the Remuneration Committee on the basis that the remuneration of the Bank’s Directors for the holding of their office on the Board is not performance-related and does not include share options, pension benefits, profit-sharing arrangements or any emolument related to the performance of the Bank. The Board, at times, delegates some remuneration-related tasks to the Audit & Risk Committee and Suitabilities & Evaluations Committee.</p> <p>The principles of the Remuneration Policy are approved by the Board of Directors and the Board maintains oversight of their application and implementation on an ongoing basis.</p> |
| (b) | <p><u>Information relating to the bodies that oversee remuneration.</u></p> <p>Please refer to the Remuneration Report as part of the Annual Report and Financial Statements 2025 for more details on the structure of the remuneration system of the Bank.</p> |
| (c) | <p><u>Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.</u></p> <p>In determining the remuneration of the CEO and Deputy CEOs, the Board of Directors considers factors which include among others, professional qualifications, experience, initiative, acumen, number of years of service, the design and implementation of the overall business strategy, objectives and Risk Appetite at Bank as well as Group level.</p> |
| (d) | <p><u>The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.</u></p> <p>Please refer to the Remuneration Report as part of the Annual Report and Financial Statements 2025 for more details on fixed and variable remuneration.</p> |
| (e) | <p><u>Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration.</u></p> <p>Annual bonuses are paid to Senior Management staff members according to individual overall performance during the previous financial year.</p> |

| | |
|-----|---|
| | <p><u>Table EU REMA - Remuneration policy. (continued)</u></p> |
| (f) | <p><u>Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance.</u></p> <p>Please refer to the Remuneration Report as part of the Annual Report and Financial Statements 2025 for more details on performance-related remuneration.</p> |
| (g) | <p><u>The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR.</u></p> <p>The only component of variable remuneration is in the form of a discretionary performance bonus. Please refer to the Remuneration Report as part of the Annual Report and Financial Statements 2025 for more details.</p> |
| (h) | <p><u>Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.</u></p> <p>This section is not applicable to the Bank.</p> |
| (i) | <p><u>Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.</u></p> <p>This section is not applicable to the Bank.</p> |
| (j) | <p><u>Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.</u></p> <p>This section is not applicable to the Bank since the Bank is not classified as a large institution body under CRR.</p> |

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Template EU REM1 provides detailed information on the remuneration of senior management, management, and other identified staff, including the breakdown between variable and fixed pay components.

Template EU REM1 - Remuneration awarded for the financial year

| | | a | b | c | d | |
|-----------------|------------------------------------|--|------------------------------|----------------------------|------------------------------|-------|
| <i>In €'000</i> | | MB Supervisory function | MB Management function | Other senior management | Other identified staff | |
| 1 | Fixed remuneration | Number of identified staff | 5 | 1 | 6 | 14 |
| 2 | | Total fixed remuneration | 116 | 366 | 748 | 1,098 |
| 3 | | Of which: cash-based | 116 | 366 | 748 | 1,098 |
| 4 | | (Not applicable in the EU) | - | - | - | - |
| EU-4a | | Of which: shares or equivalent ownership interests | - | - | - | - |
| 5 | | Of which: share-linked instruments or equivalent non-cash instruments | - | - | - | - |
| EU-5x | | Of which: other instruments | - | - | - | - |
| 6 | | (Not applicable in the EU) | - | - | - | - |
| 7 | | Of which: other forms | - | - | - | - |
| 8 | (Not applicable in the EU) | - | - | - | - | |
| 9 | Variable remuneration | Number of identified staff | 5 | 1 | 6 | 14 |
| 10 | | Total variable remuneration | - | 34 | 135 | 88 |
| 11 | | Of which: cash-based | - | 34 | 135 | 88 |
| 12 | | Of which: deferred | - | - | - | - |
| EU-13a | | Of which: shares or equivalent ownership interests | - | - | - | - |
| EU-14a | | Of which: deferred | - | - | - | - |
| EU-13b | | Of which: share-linked instruments or equivalent non-cash instruments | - | - | - | - |
| EU-14b | | Of which: deferred | - | - | - | - |
| EU-14x | | Of which: other instruments | - | - | - | - |
| EU-14y | Of which: deferred | - | - | - | - | |
| 15 | Of which: other forms | - | - | - | - | |
| 16 | Of which: deferred | - | - | - | - | |
| 17 | Total remuneration (2 + 10) | 116 | 400 | 883 | 1,185 | |

Templates EU REM2 EU REM3, EU REM4 and EU REM5 have not been disclosed as they are not applicable to the Bank.

Appendix 1 – List of quantitative tables

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Appendix 2 – CRR references

Note: Only the CRR references relevant to Pillar 3 disclosures have been included below

| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---|---|------------------------------------|----------------------------------|---|
| Article 431: Scope of disclosure requirements | | | | |
| 431 (1) | Requirement to publish Pillar 3 disclosures. | Yes | Yes | Lombard Bank publishes annual Pillar 3 disclosures. |
| 431 (2) | Firms with permission to use specific operational risk methodologies must disclose operational risk information. | No | No | Lombard Bank uses the business indicator approach for operational risk – as a result no specific permissions in respect of the calculation of specific operational risk are granted to the Bank. |
| 431 (3) | Institution must have a policy covering frequency of disclosures, their verification, comprehensiveness and overall appropriateness. Additionally, Institution must have written attestation of at least one member of the management body or senior management that the required disclosures have been made. | Yes | Yes | Evidenced in Section 1.1 of the Pillar 3 disclosures. |
| 431 (4) | Quantitative disclosures must be accompanied by qualitative narrative and any other supplementary information required to understand the disclosures. | Yes | Yes | Evidenced throughout the Pillar 3 disclosures. |
| 431 (5) | Explanation of ratings decision upon request for SME ratings. | No | No | Not applicable to Lombard Bank. |
| Article 432: Non-material, proprietary or confidential information | | | | |
| 432 (1) | Institutions may omit information that is not material if certain conditions are respected. | No | No | Disclosures reported in line with EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency under Article 432(1), 432(2) and 433 of Regulation (EU) No 575/2013 (EBA/GL/2014/14 or the “CRR”). |
| 432 (2) | Institutions may omit information that is proprietary or confidential if certain conditions are respected. | No | No | |
| 432 (3) | Where 432 (1) and (2) apply this must be stated in the disclosures, and more general information must be disclosed. | No | No | |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|--|---|-----------------------------|---------------------------|--|
| Article 433: Frequency and scope of disclosures | | | | |
| 433 | Disclosures must be published once a year at a minimum, and more frequently if necessary. | Yes | Yes | Lombard Bank Pillar 3 regulatory disclosures comply with BR/07 'Publication of Annual Report and audited Financial Statements of credit institutions authorised under the Banking Act, 1994'. They also comply with the disclosure requirement timeframe set out under Article 433c (1) 'Disclosures by other institutions' (listed). |
| Article 433a: Disclosure by large institutions | | | | |
| 433a (1) | Disclosures under specified articles must be made on an annual, semi-annual or quarterly basis as is identified in this article. | No | No | Lombard Bank does not meet the definition of a large institution as set out in Article 4 (146) of the CRR. |
| 433a (2) | Non-listed G-SIIs are required to disclose information relating to specified articles on an annual or semi-annual basis as identified in this article. | | | |
| 433a (3) | Large institutions subject to articles 92a or 92b must make additional disclosures on a semi- annual or quarterly basis as identified in this article. | | | |
| Article 433b: Disclosures by small and non-complex institutions | | | | |
| 433b (1) | Disclosures under specified articles must be made on an annual or semi-annual basis as is identified in this article. | No | No | Lombard Bank does not meet the definition of a small and non-complex institution as set out in Article 4(145) of the CRR. |
| 433b (2) | Non-listed small and non-complex institutions are required to disclose information relating to specified articles on an annual basis as identified in this article. | No | No | Lombard Bank does not meet the definition of a small and non-complex institution as set out in Article 4(145) of the CRR. |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---|---|-----------------------------|---------------------------|---|
| Article 433c: Disclosures by other institutions | | | | |
| 433c (1) | Disclosures under specified articles must be made on an annual, semi-annual basis as is identified in this article. | Yes | Yes | Applicable to Lombard Bank. |
| 433c (2) | Non-listed other institutions are required to disclose information relating to specified articles on an annual basis as identified in this article. | | | |
| Article 434: Means of disclosures | | | | |
| 434 (1) | To include disclosures in one appropriate medium or provide clear cross-references. | Yes | Yes | Disclosures are contained within these Pillar 3 disclosures. |
| 434 (2) | Disclosures made under other requirements (e.g. accounting) can be used to satisfy Pillar 3 if appropriate. | Yes | Yes | |
| Article 434a: Uniform disclosure formats | | | | |
| 434a | EBA shall develop implementing technical standards specifying uniform disclosure formats and associated instructions in accordance with the disclosures required under CRR. | Yes | Yes | Evidenced throughout the Pillar 3 disclosures via standardised templates and tables applicable to Lombard Bank. |
| Article 435: Risk management objectives and policies | | | | |
| 435 (1) (a) | Disclose information on strategies and processes; organisational structure, reporting systems and risk mitigation/hedging. | Yes | Yes | Refer to Section 2 ' <i>Risk management</i> ' (part of Table EU OVA). |
| 435 (1) (b) | Disclose information on structure and organisation of risk management function. | Yes | Yes | |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---------------|--|-----------------------------|---------------------------|---|
| 435 (1) (c) | Disclose information on risk reporting and measurement systems. | Yes | Yes | Refer to Section 2 ' <i>Risk management</i> ' (part of Table EU OVA). |
| 435 (1) (d) | Disclose information on hedging and mitigating risk. | Yes | Yes | Refer to Section 2 ' <i>Risk management</i> ' (part of Table EU OVA). |
| 435 (1) (e) | Declaration approved by the management body on the adequacy of risk management arrangements with regard to the institution's profile and strategy. | Yes | Yes | |
| 435 (1) (f) | Inclusion of a concise risk statement approved by the Board. | Yes | Yes | |
| 435 (2) | Information on governance arrangements, including information on Board composition and recruitment, and risk committees. | | | |
| 435 (2) (a) | Number of directorships held by the directors. | Yes | Yes | Refer to Section 2 ' <i>Risk management</i> ' (part of Table EU OVB). |
| 435 (2) (b) | Recruitment policy of Board members, their experience and expertise. | Yes | Yes | |
| 435 (2) (c) | Policy on diversity of Board membership and results against targets. | Yes | Yes | |
| 435 (2) (d) | Disclosure of whether a dedicated risk committee is in place, and number of meetings in the year. | No | Yes | |
| 435 (2) (e) | Description of information flow on risk to Board. | No | Yes | |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|--|--|-----------------------------|---------------------------|---|
| Article 436: Scope of application | | | | |
| 436 (a) | Name of institution. | Yes | Yes | <p>Refer to Section 1.3 '<i>Scope of application</i>' (includes Templates EU LI1, EU LI2, EU LI3 and EU LIB).</p> <p>Template EU PV1 does not apply to the Bank and has not been disclosed since it does not breach the €15 billion threshold.</p> <p>Table EU LIA is not applicable to the Bank as there are no differences between the accounting scope and scope of prudential consolidation.</p> <p>Certain sections under EU LIB are not applicable to the Bank and have been disclosed accordingly.</p> |
| 436 (b) | Reconciliation between consolidated financial statements prepared under the applicable accounting framework and the consolidated financial statements prepared under the requirements of the regulatory consolidation. This should outline differences between scopes, and legal entities included in consolidation, whether entities are fully or proportionally consolidated and whether the holdings are deducted from own funds. | Yes | Yes | |
| 436 (c) | Breakdown of assets and liabilities of consolidated financial statements prepared under regulatory requirements, broken down by risk type. | Yes | Yes | |
| 436 (d) | Reconciliation identifying main source of differences between carrying value under regulatory scope of consolidation and the exposure amount used for regulatory purposes. | Yes | Yes | |
| 436 (e) | Breakdown of amounts of constituent elements of prudent valuation adjustment for, by risk type, exposures from trading and non-trading books which are adjusted per Articles 34 and 105. | No | No | |
| 436 (f) | Impediments to transfer of funds between parent and subsidiaries. | No | Yes | |
| 436 (g) | Capital shortfalls in any subsidiaries outside of scope of consolidation. | No | Yes | |
| 436 (h) | Making use of articles on derogations from a) prudential requirements or b) liquidity requirements for individual subsidiaries/entities. | No | Yes | |

| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|-------------------------------|---|-----------------------------|---------------------------|---|
| Article 437: Own funds | | | | |
| 437 | Institutions shall disclose the following information regarding their own funds: | | | |
| 437 (a) | A full reconciliation of Common Equity Tier 1 items, Additional tier 1 items, Tier 2 items and filters and deductions to own funds of the institution and to the statutory balance sheet in the audited financial statements. | Yes | Yes | Refer to Template EU CC1 (under Section 5 'Own Funds') for breakdown of capital items. Refer to Template EU CC2 (under Section 5 'Own Funds') for the reconciliation of own funds of the institution with the statutory balance sheet in the audited financial statements. |
| 437 (b) | A description of the main features of capital instruments issued by the institution. | Yes | Yes | Template EU CCA (under Section 5 'Own Funds') provides the main features of the Group's issued capital instruments (CET1 instruments). |
| 437 (c) | The full terms and conditions of all capital instruments issued by the institution. | | | |
| 437 (d) | Disclosure of the nature and amount of the following: | | | |
| 437 (d) (i) | Each prudential filter applied; | Yes | Yes | Template EU CC1 (under Section 5 'Own Funds') provides breakdown of capital items. |
| 437 (d) (ii) | Each capital deduction made; | | | |
| 437(1) (d) (iii) | Items not deducted from capital. | | | |
| 437 (e) | A description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply. | Yes | Yes | |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---|---|-----------------------------|---------------------------|---|
| 437 (f) | A comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in this Regulation. | No | Yes | Refer to Template EU CC1 (under Section 5 'Own Funds'). |
| Article 437a: Disclosure of own funds and eligible liabilities | | | | |
| | Institutions subject to Articles 92a or 92b should disclose the following: | | | |
| 437 (a) | Composition of own funds and eligible liabilities, their maturity and their main features. | No | No | Lombard Bank is not a global systemically important institution ("G-SII") and hence these disclosures are not applicable to the Bank. |
| 437 (b) | Ranking of eligible liabilities in the creditor hierarchy. | | | |
| 437 (c) | Total amount of issuance of eligible liabilities instruments and amount of those issuances included in eligible liabilities items. | | | |
| 437 (d) | Total amount of excluded liabilities referred to in article 72a(2). | | | |
| Article 438: Disclosure of own funds requirements and risk-weighted exposure amounts | | | | |
| 438 (a) | Summary of institution's approach to assessing adequacy of capital levels. | Yes | Yes | Refer to Section 5.5 'Internal Capital Adequacy Assessment Process' including Table EU OVC. |
| 438 (b) | Own funds requirements based on supervisory review process per Article 104(1)(a), including composition of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments. | Yes | Yes | Refer to Section 5 'Own funds', including Table EU CC1. |
| 438 (c) | Upon demand from relevant component authority, result of the ICAAP process. | Yes | Yes | Refer to Section 5.5 'Internal Capital Adequacy Assessment Process' including Table EU OVC. |
| 438 (d) | Total risk-weighted exposure amount and corresponding total own funds requirement, broken down by risk categories, and explanation of effect on calculations resulting from application of capital floors. | Yes | Yes | Refer to Section 3.1 'Overview of risk weighted exposure amounts', including Template EU OV1. |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---|--|-----------------------------|---------------------------|---|
| Article 437a: Disclosure of own funds and eligible liabilities | | | | |
| | Institutions subject to Articles 92a or 92b should disclose the following: | | | |
| 437 (a) | Composition of own funds and eligible liabilities, their maturity and their main features. | No | No | Lombard Bank is not a global systemically important institution ("G-SII") and hence these disclosures are not applicable to the Bank. |
| 437 (b) | Ranking of eligible liabilities in the creditor hierarchy. | | | |
| 437 (c) | Total amount of issuance of eligible liabilities instruments and amount of those issuances included in eligible liabilities items. | | | |
| 437 (d) | Total amount of excluded liabilities referred to in article 72a(2). | | | |
| Article 438: Disclosure of own funds requirements and risk-weighted exposure amounts | | | | |
| 438 (a) | Summary of institution's approach to assessing adequacy of capital levels. | Yes | Yes | Refer to Section 5.5 ' <i>Internal Capital Adequacy Assessment Process</i> ' including Table EU OVC. |
| 438 (b) | Own funds requirements based on supervisory review process per Article 104(1)(a), including composition of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments. | Yes | Yes | Refer to Section 5 ' <i>Own funds</i> ', including Table EU CC1. |
| 438 (c) | Upon demand from relevant component authority, result of the ICAAP process. | Yes | Yes | Refer to Section 5.5 ' <i>Internal Capital Adequacy Assessment Process</i> ' including Table EU OVC. |
| 438 (d) | Total risk-weighted exposure amount and corresponding total own funds requirement, broken down by risk categories, and explanation of effect on calculations resulting from application of capital floors. | Yes | Yes | Refer to Section 3.1 ' <i>Overview of risk weighted exposure amounts</i> ', including Template EU OV1. |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|--|--|-----------------------------|---------------------------|---|
| 438 (e) | On and off-balance sheet exposures, the RWA amounts and associated expected losses for specialised lending. | No | No | Not applicable to Lombard Bank. |
| 438 (f) | Exposure value and RWA exposure amount of own funds held in insurance and reinsurance undertakings, or insurance holding company that institutions do not deduct from own funds when calculating capital requirements. | No | No | Not applicable to Lombard Bank. |
| 438 (g) | Supplementary own funds requirement and capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC. | No | No | Not applicable to Lombard Bank. |
| 438 (h) | Variations in risk weighted exposure amounts of current period compared to preceding period resulting from use of internal models, including outline of key drivers. | No | No | Not applicable to Lombard Bank. |
| Article 439: Exposure to counterparty credit risk (CCR) | | | | |
| 439 (a) | Description of process to assign internal capital and credit limits to CCR exposures, including exposures to central counterparties. | No | No | Not applicable to Lombard Bank. |
| 439 (b) | Description of policies related to guarantees and other credit risk mitigants. | No | No | Not applicable to Lombard Bank. |
| 439 (c) | Description of policies related to general and specific wrong-way risk. | No | No | Not applicable to Lombard Bank. |
| 439 (d) | Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade. | No | No | Not applicable to Lombard Bank. |
| 439 (e) | Amount of segregated and unsegregated collateral received and posted per type of collateral, both for derivatives and securities. | No | No | Not applicable to Lombard Bank. |
| 439 (f) | Derivative exposures before and after credit risk mitigation. | No | No | Not applicable to Lombard Bank. |

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| 439 (g) | Securities financing exposures before and after credit risk mitigation. | No | No | Not applicable to Lombard Bank. |
| 439 (h) | Exposure values and credit risk mitigation effects and associated risk exposures for credit valuation adjustment capital charge. | No | No | Not applicable to Lombard Bank. |
| 439 (i) | Exposure value and risk exposures to central counterparties. | No | No | Not applicable to Lombard Bank. |
| 439 (j) | Notional amounts and fair value of credit derivative transactions. | No | No | Not applicable to Lombard Bank. |
| 439 (k) | The estimate of alpha where permission received to use own estimate. | No | No | Not applicable to Lombard Bank. |
| 439 (l) | Separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452. | No | No | Not applicable to Lombard Bank. |
| 439 (m) | For institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance sheet derivative business as calculated in accordance with Article 273a(1) or (2). | No | No | Not applicable to Lombard Bank. |
| Endnote | Where central bank provides liquidity assistance in the form of collateral swaps, component authority may exempt institutions from requirements of points (d) and (e). | No | No | Not applicable to Lombard Bank. |
| Article 440: Capital buffers | | | | |
| 440 (1) (a) | Geographical distribution of relevant credit exposures. | Yes | Yes | Please refer to section 5.4 ' <i>Capital buffers</i> '. (Template EU CCyB1) |
| 440 (1) (b) | Amount of the institution specific countercyclical capital buffer. | Yes | Yes | Please refer to section 5.4 ' <i>Capital buffers</i> '. (Template EU CCyB2) |
| Article 441: Indicators of global systemic importance | | | | |
| 441 | Disclosure of the indicators of global systemic importance | No | No | Lombard Bank is not identified as a global systemically important institution. |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
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| Article 442: Disclosure of exposures to credit risk and dilution risk | | | | |
| 442 (a) | Disclosure of Bank's definitions of past due and impaired. | Yes | Yes | Refer to Section 3.2.4 ' <i>Credit quality analysis</i> ' for all the disclosures and templates applicable to the Bank under this section. |
| 442 (b) | Approaches for calculating specific and general Credit risk adjustments. | Yes | Yes | |
| 442 (c) | Amount and quality of performing, nonperforming and forborne exposures for loans, debt securities and off-balance sheet exposures, including impairment, provisions and fair value changes. | Yes | Yes | |
| 442 (d) | Ageing analysis of accounting past due exposures. | Yes | Yes | |
| 442 (e) | Gross carrying amounts of defaulted and non-defaulted exposures, accumulated credit risk adjustments, write-offs and net carrying amounts. | Yes | Yes | |
| 442 (f) | Changes in gross defaulted on- and off-balance sheet exposures, including information on opening and closing balances, gross amount reverted to non-defaulted status or subject to a write-off. | Yes | Yes | |
| 442 (g) | Breakdown of loans and debt securities by residual maturity. | Yes | Yes | |

| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|--|---|-----------------------------|---------------------------|---|
| Article 443: Disclosure of encumbered and unencumbered assets | | | | |
| 443 | Disclosures on encumbered and unencumbered assets. | Yes | Yes | Refer to Section 4 ' <i>Asset Encumbrance</i> ', including Template EU AE1 and the accompanying information under Table EU AE4. |
| Article 444: Disclosure of the use of the standardised approach | | | | |
| 444 (a) | Names of the nominated ECAIs and ECAs, and reasons for any changes in nominations. | Yes | Yes | Refer to Section 3.2.3 ' <i>External Credit Assessment Institutions ("ECAIs")</i> ', including Table EU CRD. |
| 444 (b) | Exposure classes associated with each ECAI or ECA. | Yes | Yes | |
| 444 (c) | Description of the process for transfer of issuer and issue credit ratings onto items not included in the trading book. | Yes | Yes | |
| 444 (d) | Mapping of external rating to credit quality steps. | Yes | Yes | |
| 444 (e) | Exposure value pre- and post-credit risk mitigation, by credit quality step. | Yes | Yes | |
| Article 445: Disclosure of exposure to market risk | | | | |
| 445 | Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk. | Yes | Yes | Refer to Section 3.3 ' <i>Market Risk</i> ', including Table EU MRA and Template EU MR1. |
| Article 445a: Disclosure of CVA risk | | | | |
| 445a (1) | Disclosure of CVA risk management processes, compliance with Article 273a(2) and chosen calculation approach, and the number and types of counterparties using the standardised approach. | No | No | Not applicable to Lombard Bank. |

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|---|--|-----------------------------|---------------------------|---|
| 445a (2) | Institutions applying the standardised CVA approach under Article 383 must additionally disclose their CVA risk governance framework, total CVA capital requirements by risk class, and the eligible hedging instruments used, broken down by instrument type. | No | No | Not applicable to Lombard Bank. |
| 445a (3) | Institutions applying the basic CVA approach under Article 384 must additionally disclose their total CVA own funds requirements, including the components, and the eligible hedging instruments used, broken down by instrument type. | No | No | Not applicable to Lombard Bank. |
| Article 446: Disclosure of operational risk management | | | | |
| 446 (1) | Disclosure of the main components of operational risk framework, own funds requirement and components of Business Indicator. | Yes | Yes | Refer to Section 3.4 ' <i>Operational Risk</i> ', including Table EU ORA and Template EU OR3. |
| 446 (2) | Annual operational risk losses, number of exceptional operational risk events and the amounts of the corresponding aggregated net operational risk losses that were excluded from the calculation of the annual operational risk loss in accordance with Article 320(1) for the last 10 financial years. | No | No | Not applicable to Lombard Bank. |
| Article 447: Disclosure of key metrics | | | | |
| 447 (a) | Composition of own funds and own funds requirements. | Yes | Yes | Refer to Template EU KM1 under Section 1.2 ' <i>Key Metrics</i> ' disclosures. |
| 447 (b) | Total risk exposure amount. | | | |
| 447 (c) | Amount and composition of additional own funds required to be held. | | | |
| 447 (d) | Combined buffer requirement which institutions are required to hold. | | | |

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|--|--|-----------------------------|---------------------------|--|
| 447 (e) | Leverage ratio and total exposure measure. | | | |
| 447 (f) | <p>The following information on the liquidity coverage ratio:</p> <ul style="list-style-type: none"> • average(s) of liquidity coverage ratio based on end of month observations over preceding 12 months. • average(s) of total liquid assets, after applying haircuts, in the liquidity buffer. • average liquidity outflows, inflows and net liquidity outflows based on end of the month observations over the preceding 12 months. | Yes | Yes | Refer to Template EU KM1 under Section 1.2 'Key Metrics' disclosures. |
| 447 (g) | <p>The following information on the net stable funding requirement:</p> <ul style="list-style-type: none"> • NSFR ratio and end of each quarter of the relevant period. • Available stable funding at end of each quarter of the relevant period. • Required stable funding at the end of each quarter of the relevant period. | Yes | Yes | Refer to Template EU KM1 under Section 1.2 'Key Metrics' disclosures. |
| 447 (h) | The own funds and eligible liabilities ratios and their components, numerator and denominator. | No | No | Lombard Bank is not a global systemically important institution ("G-SII"), hence this is not applicable. |
| Article 448: Disclosure of exposure to interest rate risk on positions not held in the trading book | | | | |
| 448 (1) (a) | Changes in economic value of equity for the current and previous disclosure periods. | Yes | Yes | Refer to Template EU IRRBB1 and Table IRRBBA under Section 3.3 'Market Risk' disclosures. |

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|---------------|--|-----------------------------|---------------------------|---|
| 448 (1) (b) | Changes in the net interest income calculated under the two supervisory shock scenarios for the current and previous disclosure periods. | Yes | Yes | Refer to Template EU IRRBB1 and Table IRRBBA under Section 3.3 'Market Risk' disclosures. |
| 448 (1) (c) | Description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and net interest income. | Yes | Yes | |
| 448 (1) (d) | Explanation of the significance of the risk measures, and of any significant variations of those risk measures since the previous disclosure date. | Yes | Yes | |
| 448 (1) (e) | <p>Descriptions of how institution defines, measures, mitigates and controls interest rate risk of their non-trading book, including:</p> <ul style="list-style-type: none"> • description of specific measures used to evaluate changed in economic value of equity and net interest income. • description of key modelling and parametric assumptions used in measurement systems that would differ from common modelling and parametric assumptions for calculating changes in the economic value of equity and net interest income. • description of the interest rate shock scenarios used to estimate interest rate risk. • recognition of the effect of hedges against those interest rate risks. • an outline of how often the evaluation of interest rate risk occurs. | Yes | Yes | Refer to Template EU IRRBB1 and Table IRRBBA under Section 3.3 'Market Risk' disclosures. |
| 448 (1) (f) | Description of overall risk management and mitigation strategies for those risks. | Yes | Yes | |
| 448 (1) (g) | Average and longest repricing maturity assigned to non-maturity deposits. | Yes | Yes | |

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|--|--|-----------------------------|---------------------------|---|
| 448 (2) | By way of derogation, the requirements set out in (c) and (e)(i)-(iv) shall not apply to institutions that use the standardised or simplified standardised methodologies. | Yes | Yes | Refer to Template EU IRRBB1 and Table IRRBBA under Section 3.3 'Market Risk' disclosures. |
| Article 449: Exposure to securitisation positions | | | | |
| 449 (a) | Description of securitisation and resecuritisation activities, including risk management and investment objectives, role in securitisation and re-securitisation transactions, whether simple, transparent and standardised (STS) securitisations are used, and the extent to which securitisation transactions are used to transfer the credit risk of securitised exposures to third parties with a separate description of the synthetic securitisation risk transfer policy. | No | No | Not applicable to Lombard Bank. |
| 449 (b) | Type of risks exposed to in securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions. | | | |
| 449 (c) | Approaches to calculation of RWA for securitisations mapped to types of exposures. | | | |
| 449 (d) | List of SSPEs falling into any of the following categories, with description of types of exposures to SSPEs: <ul style="list-style-type: none"> • SPPEs which acquire exposures originated by the institutions; • SSPEs sponsored by the institutions; • SSPEs and other legal entities for which the institutions provide securitisation-related services; • SSPEs included in the institution's regulatory scope of consolidation. | | | |
| 449 (e) | List of any legal entities relating to the institution that have disclosed that they have provided support. | | | |

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|---------------|--|-----------------------------|---------------------------|---|
| 449 (f) | List of any legal entities affiliated with the institution and that invest in securitisations originated by the institution or in securitization positions issued by SSPEs sponsored by the institution. | No | No | Not applicable to Lombard Bank. |
| 449 (g) | Summary of the accounting policies for securitisation activity, including where there is a relevant distinction between securitization and re-securitisation. | No | | |
| 449 (h) | The names of ECAIs used for securitisations and the types of exposure for which each agency is used. | No | No | |
| 449 (i) | Where applicable, a description of the internal assessment approach, including structure of the process and the relation between internal assessment and external ratings of the relevant ECAI, the control mechanisms for the internal assessment process including discussion of independence, accountability and internal assessment process review, the exposure types to which the internal assessment process is applied, and the stress factors used for determining credit enhancement levels. | | | |
| 449 (j) | Carrying amount of securitisation exposures for the trading and non-trading books, including information on whether institutions have transferred significant credit risk, for which institutions act as originator, sponsor or investor, separately for traditional and synthetic securitisations, and for STS and nonSTS transactions and broken down by type of securitisation exposures. | | | |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---|--|-----------------------------|---------------------------|---|
| 449 (k) | <p>For non-trading book activities, the following information:</p> <ul style="list-style-type: none"> the aggregate amount of securitisation positions where institution act as originator or sponsor and the associated RWAs and capital requirements, including exposures deducted from own funds or risk weighted at 1250%, both synthetic and traditional and between securitisation and re- securitisation exposures, separately for STS and non-STS positions, and further broken down into risk weight or capital requirement bands. the aggregate amount of securitisation positions where institution act as investor and the associated RWAs and capital requirements, including exposures deducted from own funds or risk weighted at 1250%, both synthetic and traditional and between securitisation and re- securitisation exposures, separately for STS and non-STS positions, and further broken down into risk weight or capital requirement bands. | No | No | Not applicable to Lombard Bank. |
| 449 (l) | For exposures securitised by the institution, the amount of exposures in default and the amount of specific credit risk adjustments made by the institution during the current period. | No | No | Not applicable to Lombard Bank. |
| Article 449a: Disclosure of environmental, social and governance risks (ESG risks) | | | | |
| 449a (1) | Disclosure of information on ESG risks, distinguishing environmental, social and governance risks, and physical risks and transition risks for environmental risks. | Yes | Yes | Refer to Section 2 ' <i>Risk management</i> ' (part of Table EU OVA). |
| 449a (2) | The total amount of exposures to fossil fuel sector entities and how institutions integrate the identified ESG risks in their business strategy and processes, and governance and risk management. | Yes | Yes | Refer to Section 2 ' <i>Risk management</i> ' (part of Table EU OVA). |
| Article 449b: Disclosure of aggregate exposure to shadow banking entities | | | | |
| 449b | Disclosure of information concerning aggregate exposure to shadow banking entities. | No | No | Not applicable to Lombard Bank. |

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|---|---|-----------------------------|---------------------------|--|
| Article 450: Remuneration policy | | | | |
| 450 (1) (a) | Information concerning the decision- making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders; | Yes | Yes | Refer to Section 7 ' <i>Remuneration</i> '. (Table EU REMA). |
| 450 (1) (b) | Information on link between pay and performance; | | Yes | |
| 450 (1) (c) | The most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria; | | Yes | |
| 450 (1) (d) | The ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU; | Yes | Yes | |
| 450 (1) (e) | Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based; | No | Yes | |
| 450 (1) (f) | The main parameters and rationale for any variable component scheme and any other non-cash benefits; | | Yes | |
| 450 (1) (g) | Aggregate quantitative information on remuneration, broken down by business area; | No | No | |

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| 450 (1) (h) | <p>Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following:</p> <ul style="list-style-type: none"> i. the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries; ii. the amounts and forms of variable remuneration, split into cash, shares, share linked instruments and other types separately for the part paid upfront and the deferred part; iii. the amount of deferred remuneration awarded for previous performance periods, split into vested and unvested portions; iv. the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments; v. the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards; vi. the severance payments awarded in previous periods, that have been paid out during the financial year; vii. the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person. | Yes | Yes | Refer to Table EU REM1 under Section 7 'Remuneration'. |
| 450 (1) (i) | <p>the number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million.</p> | No | No | Not applicable to Lombard Bank. |

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| 450 (1) (j) | Upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management. | No | No | Not applicable to Lombard Bank. |
| 450 (1) (k) | For the purposes of point (k) of the first subparagraph of this paragraph, institutions that benefit from such a derogation shall indicate whether they benefit from that derogation on the basis of point (a) or (b) of Article 94(3) of Directive 2013/36/EU. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration. | No | No | Not applicable to Lombard Bank. |
| 450 (2) | For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members. | No | No | |
| Endnote | Institutions shall comply with the requirements set out in this Article in a manner that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities and without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council. | Yes | Yes | Refer to Section 7 ' <i>Remuneration</i> '. |

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|--|--|-----------------------------|---------------------------|--|
| Article 451: Disclosure of the leverage ratio | | | | |
| 451 (1) | Institutions that are subject to Part Seven shall disclose the following information regarding their leverage ratio as calculated in accordance with Article 429 and their management of the risk of excessive leverage: | | | |
| 451 (1) (a) | Leverage ratio. | Yes | Yes | Refer to Section 6 ' <i>Leverage Ratio</i> ', including Templates EU LR1, EU LR2, EU LR3 and Table EU LRA. |
| 451 (1) (b) | Breakdown of total exposure measure, including reconciliation to financial statements. | Yes | Yes | |
| 451 (1) (c) | Where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a (1) and the adjusted leverage ratio calculated in accordance with Article 429a (7). | Yes | Yes | |
| 451 (1) (d) | Description of the risk management approach to mitigate excessive leverage. | Yes | Yes | |
| 451 (1) (e) | Description of factors that impacted the leverage ratio during the year. | Yes | Yes | |
| 451 (2) | Public development credit institutions to disclose the leverage ratio without the adjustment to total exposure measure determined per Article 429a(1)(d). | No | No | Not applicable to Lombard Bank. |
| 451 (3) | In addition to points (a) and (b), large institutions shall disclose the leverage ratio between breakdown of total exposure measure per Article 429(4) based on averages calculated in accordance with Article 430(7). | No | No | |

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| CRR Reference | High-level summary | Applicable to Lombard Bank? | Currently being reported? | Reference within Pillar 3 disclosures or other commentary |
|---|--|-----------------------------|---------------------------|--|
| Article 451a: Disclosure of liquidity requirements | | | | |
| 451a (1) | Institutions shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management. | | | |
| 451a (2) | Institutions shall disclose the following in relation to their liquidity coverage ratio: | | | |
| (a) | Average(s) of the liquidity coverage ratio based on end of month observations over the preceding 12 months for each quarter of the disclosure period. | | | |
| (b) | Average(s) of total liquid assets after applying relevant haircuts included in the liquidity buffer based on end of month observations over the preceding 12 months for each quarter of the disclosure period. | Yes | Yes | Refer to Section 3.5 'Liquidity risk'. (Template EU LIQ1). |
| (c) | Averages of liquidity outflows, inflows and net liquidity outflows, based on end of month observations over the preceding 12 months for each quarter of the relevant disclosure period. | | | |
| 451a (3) | Institutions shall disclose the following information in relation to the net stable funding ratio (NSFR): | | | |
| (a) | Quarter end figures of the NSFR. | | | |
| (b) | Overview of the amount of available stable funding. | | | |
| (c) | Overview of the amount of required stable funding. | Yes | Yes | Refer to Section 3.5 'Liquidity risk'. (Template EU LIQ2). |
| 451a (4) | Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk. | | | Refer to Section 3.5 'Liquidity risk'. (Table EU LIQA). |

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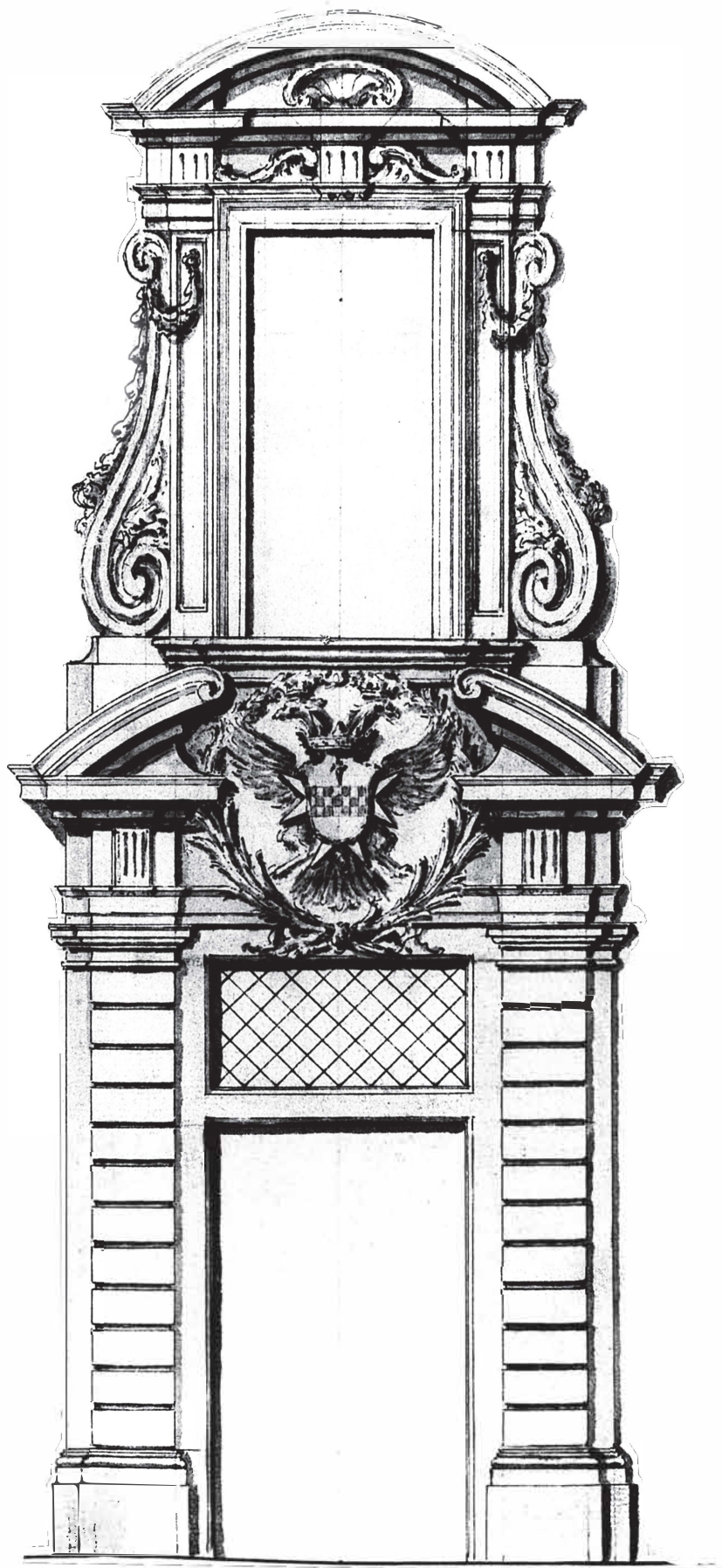
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|--|---|-----------------------------|---------------------------|---|
| Article 452: Disclosure of the use of the IRB approach to credit risk | | | | |
| Lombard Bank currently does not use the IRB approach to credit risk. | | | | |
| Article 453: Use of credit risk mitigation techniques | | | | |
| 453 (a) | Core features of policies and processes for use of on- and off-balance sheet netting. | No | | |
| 453 (b) | Core features of policies and processes for how collateral valuation is managed. | Yes | Yes | Refer to Section 3.3.2 'Collateral and credit risk mitigation', including Table EU CRC. |
| 453 (c) | Description of types of collateral used to mitigate credit risk. | | | |
| 453 (d) | Types of guarantor and credit derivative counterparty, and their creditworthiness. | | | |
| 453 (e) | Disclosure of market or credit risk concentrations within risk mitigation exposures. | | | |
| 453 (f) | For exposures under either the Standardised or Foundation IRB approach, disclose the exposure value not covered by eligible collateral and the exposure value covered by eligible collateral. | Yes | Yes | Refer to the relevant templates under Section 3.2 'Credit Risk'. |
| 453 (g) | Corresponding conversion factor and credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effects. | | | |
| 453 (h) | For institutions using the Standardised approach, the on and off-balance sheet exposure values before and after conversion factors and associated credit risk mitigation. | | | |
| 453 (i) | For institutions using the Standardised approach, the risk weighted exposures and ratio between exposure value and value after applying conversion factor and credit risk mitigation. | | | |

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|--|---|-----------------------------|---------------------------|--|
| 453 (j) | For institutions using the IRB approach, the risk weighted exposures amount before and after the credit risk mitigation impact of credit derivatives. Where institutions used their own LGDs and conversion factors, this should be disclosed separately. | No | No | Lombard Bank does not use the IRB approach. |
| Article 454: Use of the Advanced Measurement Approaches to operational risk | | | | |
| 454 | Description of the use of insurance or other risk transfer mechanisms to mitigate operational risk. | No | No | Lombard Bank does not apply the Advanced Measurement Approaches to operational risk. |
| Article 455: Use of internal market risk models | | | | |
| 455 (a) | Institutions calculating their capital requirements in accordance with Article 363 shall disclose the following: | No | No | Lombard Bank does not use internal market risk models. |
| (i) | Characteristics of the market risk models. | | | |
| (ii) | Methodology and description of comprehensive risk measure and incremental risk charge. | | | |
| (iii) | Stress tests applied to the portfolios. | | | |
| (iv) | Methodology for back-testing and validating the models. | | | |
| 455 (b) | Scope of permission for use of the models. | | | |
| 455 (c) | Policies and processes to determine which exposures are to be included in the trading book, and to comply with prudential valuation requirements. | | | |
| 455 (d) | the highest, the lowest and the mean over the reporting period and as per the period end, of: | | | |
| (i) | daily value-at-risk measures. | | | |
| (ii) | stressed value-at-risk measures. | | | |
| (iii) | incremental default and migration risk and for the specific risk of the correlation trading portfolio. | No | No | Lombard Bank does not use internal market risk models. |
| 455 (e) | The elements of the own fund calculation. | | | |
| 455 (f) | Weighted average liquidity horizons of portfolios covered by models. | | | |
| 455 (g) | Comparison of end-of-day VaR measures compared with one-day changes in portfolio's value. | | | |





LOMBARD
Lombard Bank Malta p.l.c.

Head Office
67 Republic Street Valletta VLT 1117 MALTA
Tel: 25581117
e-mail: mail@lombardmalta.com
www.lombardmalta.com