

Announcement & Presentation of the Half-Yearly Financial Results for the financial period ended 30 June 2022



Financial results

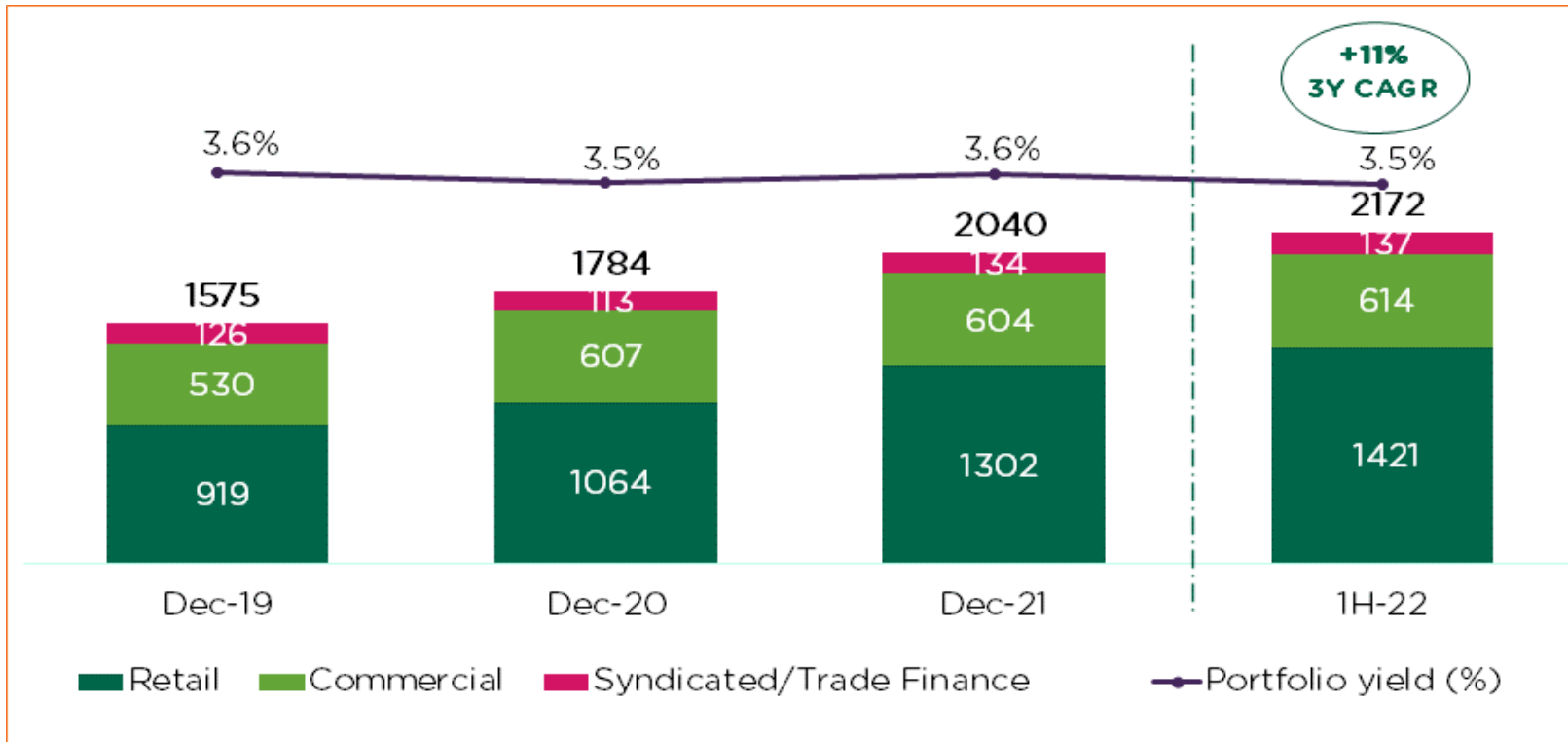
Sustained growth, diluted Group results

		GROUP		BANK	
		2022	2021	2022	2021
		€ mio	€ mio	€ mio	€ mio
B/sheet	Loans portfolio	2198	2066	2198	2066
	Treasury portfolio (cash and bonds)	724	567	720	567
	APS Funds consolidated portfolios	40	62	-	-
	Customer deposits	2619	2432	2621	2433
	Total equity	259	221	253	198
P&L	Interest income	36.7	33.2	35.9	32.5
	Interest expense	(6.9)	(6.9)	(6.9)	(6.9)
	Net interest income	29.8	26.3	29.0	25.6
	Net fee income	3.8	2.8	3.6	2.4
	Other operating income	0.6	0.5	1.4	0.9
		34.2	29.6	34.1	28.9
	Net gains/losses on financial instruments	(7.2)	0.8	2.4	0.2
	Operating income	27.0	30.4	36.4	29.1
	Operating expenses	(23.0)	(19.8)	(22.8)	(19.3)
	Operating profit	4.0	10.6	13.7	9.8
	Net impairments	(0.1)	1.7	(0.1)	1.7
	Share of results from associates	(2.0)	(0.0)	-	-
	Profit before tax	1.9	12.2	13.6	11.5
	Tax	(4.4)	(4.2)	(4.3)	(4.0)
	Profit after tax	(2.5)	8.1	9.3	7.5

- **IPO** marking the 1H2022 - oversubscribed capital raise of €104m for €66m
- **Expanded loan book** across all loan portfolios → **+€3bn balance sheet**
- **Group operating performance** impacted by market volatility

Strengthened loan books buoyed by home lending

Performing loans (€mn)



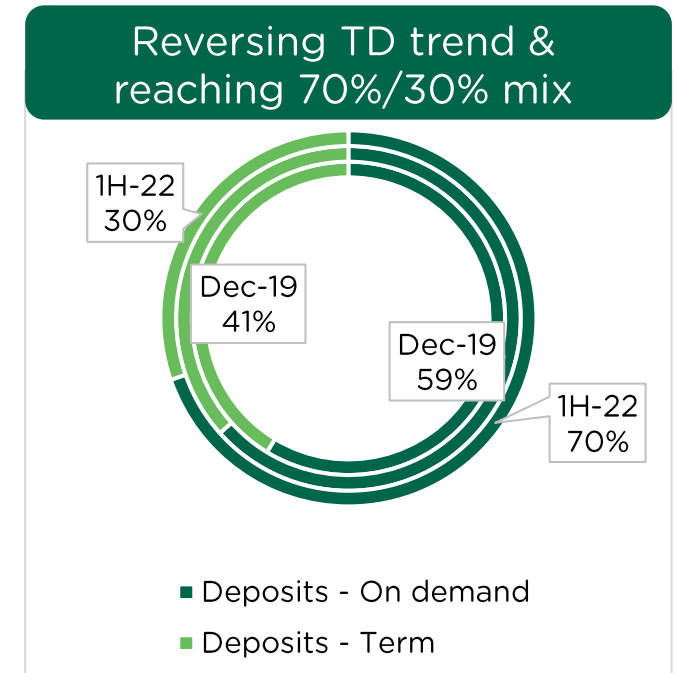
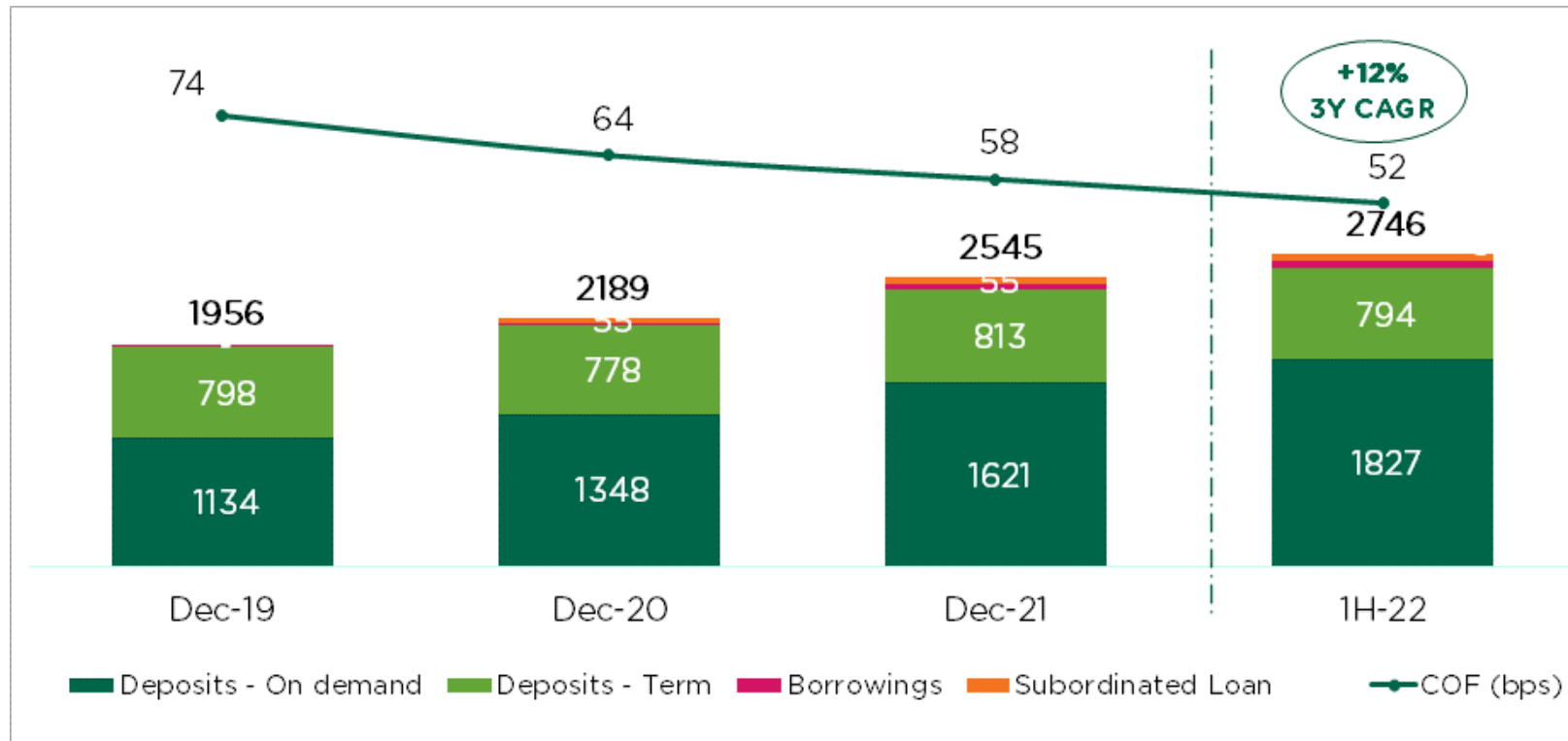
Home loan +0.5% market share @21.1%

NPL ratio down -0.2% to 3.2%

- **Home and personal loans** up €119m (+9%) from Dec/21, continuing on same 2021 trajectory
- **Commercial** lending and **Syndicated** & trade-finance portfolios growing marginally, backed by strong pipeline of undrawn approved facilities
- Lower **NPL ratio** as **Covid-Moratoria** facilities mostly expired and now part of BAU

Funding mix improving cost of funds

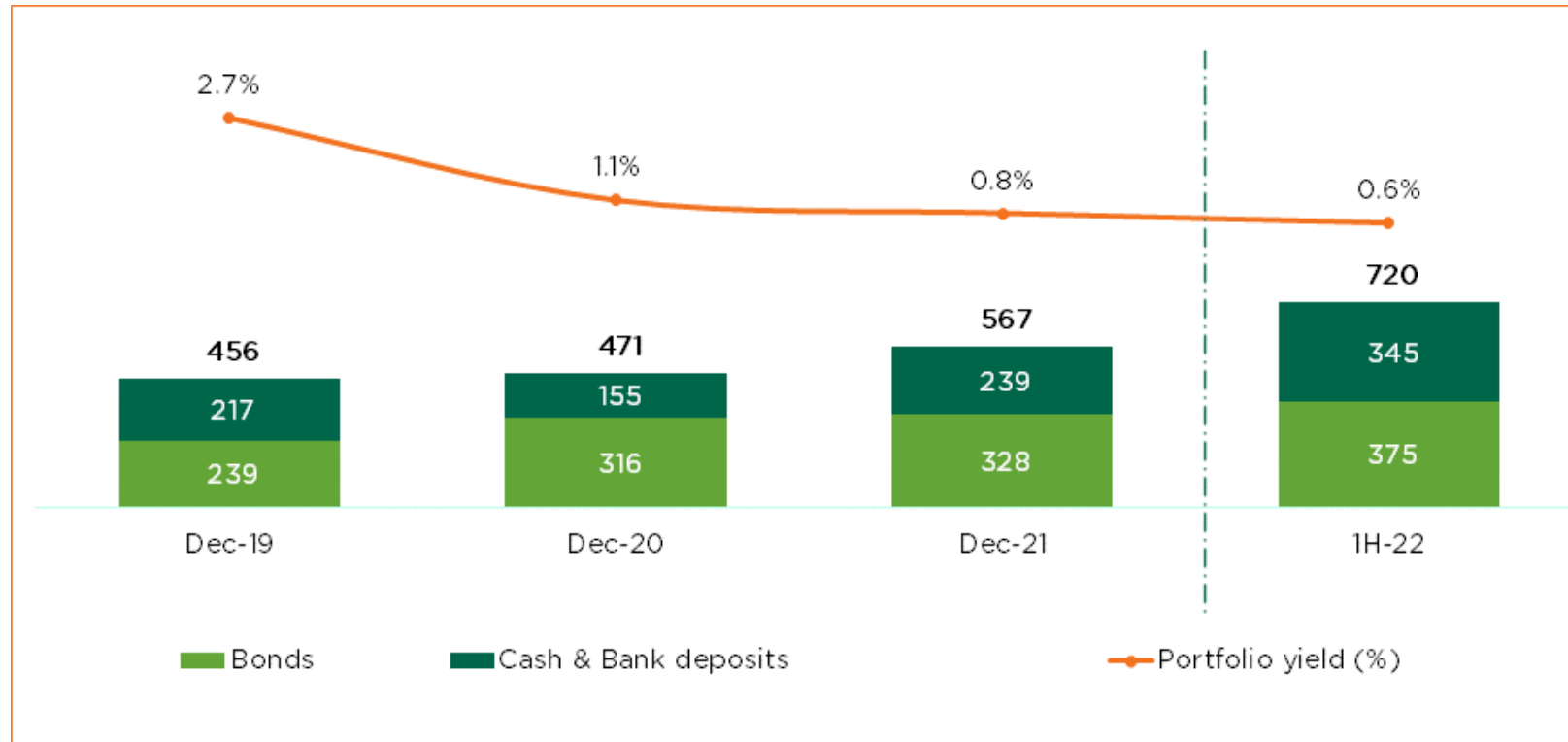
Funding (€mn)



- **Growth in funding** by +€201m to year-end
- On-target mix as increase is driven by **demand deposits** as term deposits decrease
- **Cost of funds** at historical lows

Adequate liquidity, eventful 1H for bond book

Treasury book (€mn)



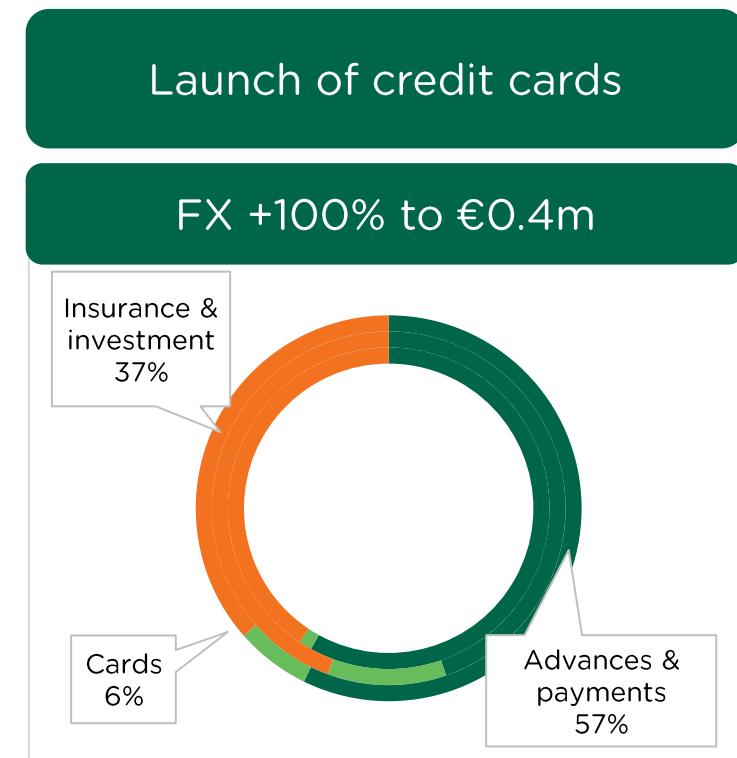
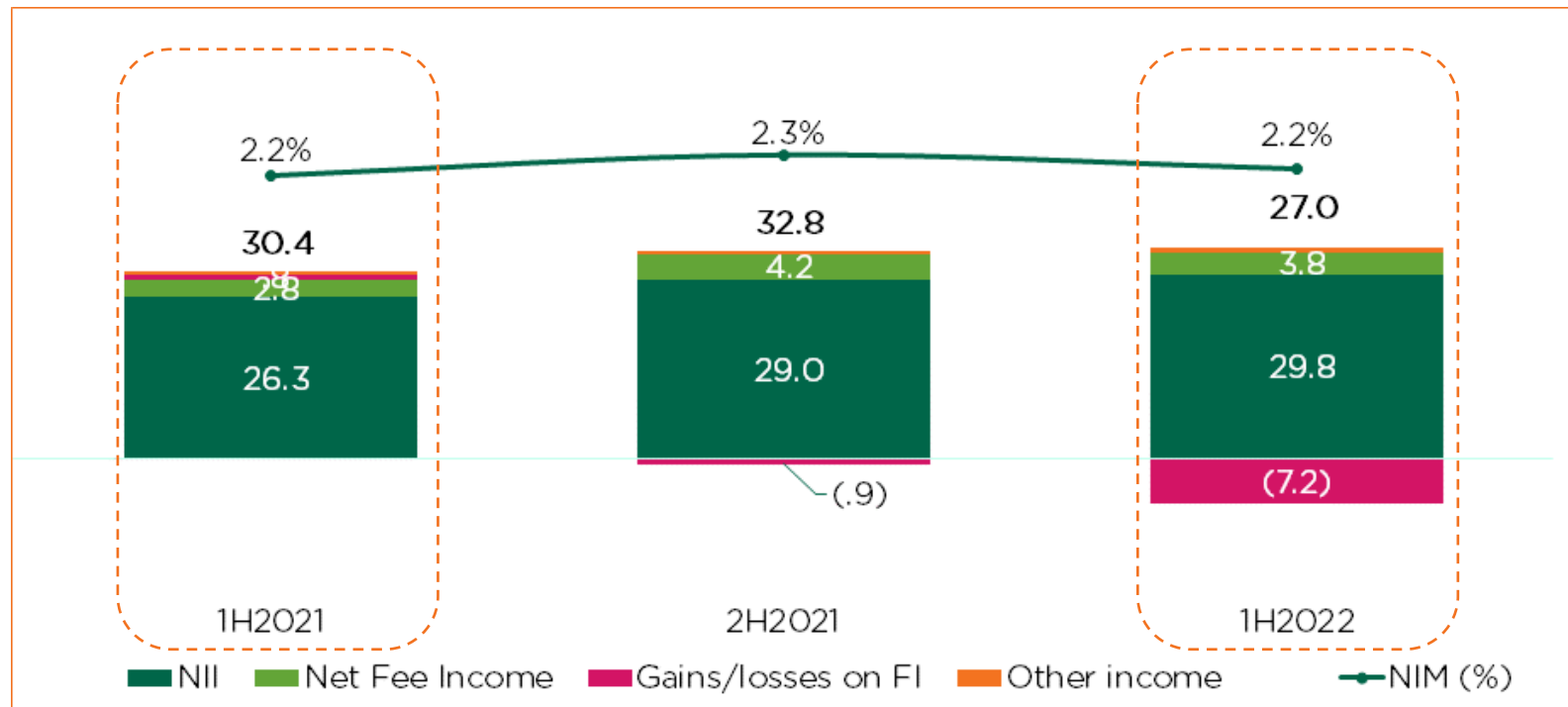
Loans-to-deposit ratio stable @ 95%

LCR up +28% to 168%

- **Bond book** growing to €375m on liquidity influx, including IPO
- Market volatility negatively impacting OCI – yield pickup on new securities bought in 2Q with 99% of portfolio in investment grade securities
- End of **negative rates** expected to boost margins in 2H2022

Stable NIM, mixed non-interest income

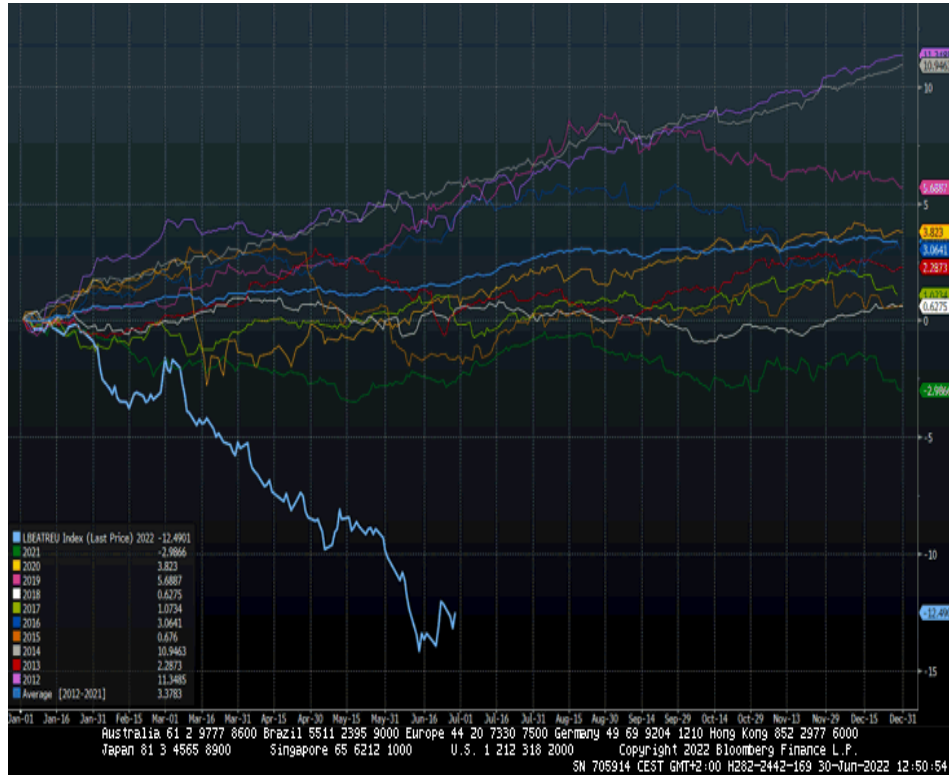
Revenues (€mn)



- Net **revenues** at €27.0m, lower by €3.4m to last year.
- **Interest income** on upward trajectory across all portfolios; **fee income** also growing largely from lending business, investment/insurance services flat
- **MTM reduction in value of investment portfolios** negatively impacting operating income - which would otherwise result in revenue growth of +€4.6m

Global -ve market performance in decades

Bonds



Equities



- Inflation expectations plunged global bond prices in steep drawdowns not seen in years - YTD performance (July) of -12.5% vs prior 10 year average of +3.4%
- Global equities likewise falling - YTD performance (July) of - 17.4% vs prior 10 year average of +12.2%.

Group entities performance



APS Diversified Bond Fund*

Y2022 -14% return (Y2021 -0.6%)

APS Ethical Income Fund**

Y2022 -14% return (Y2021 +4.8%)

APS Global Equity Fund**

Y2022 -15% return (Y2021 +14.4%)

APS Income Fund**

Y2022 -0.7% return (Y2021-0.2%)

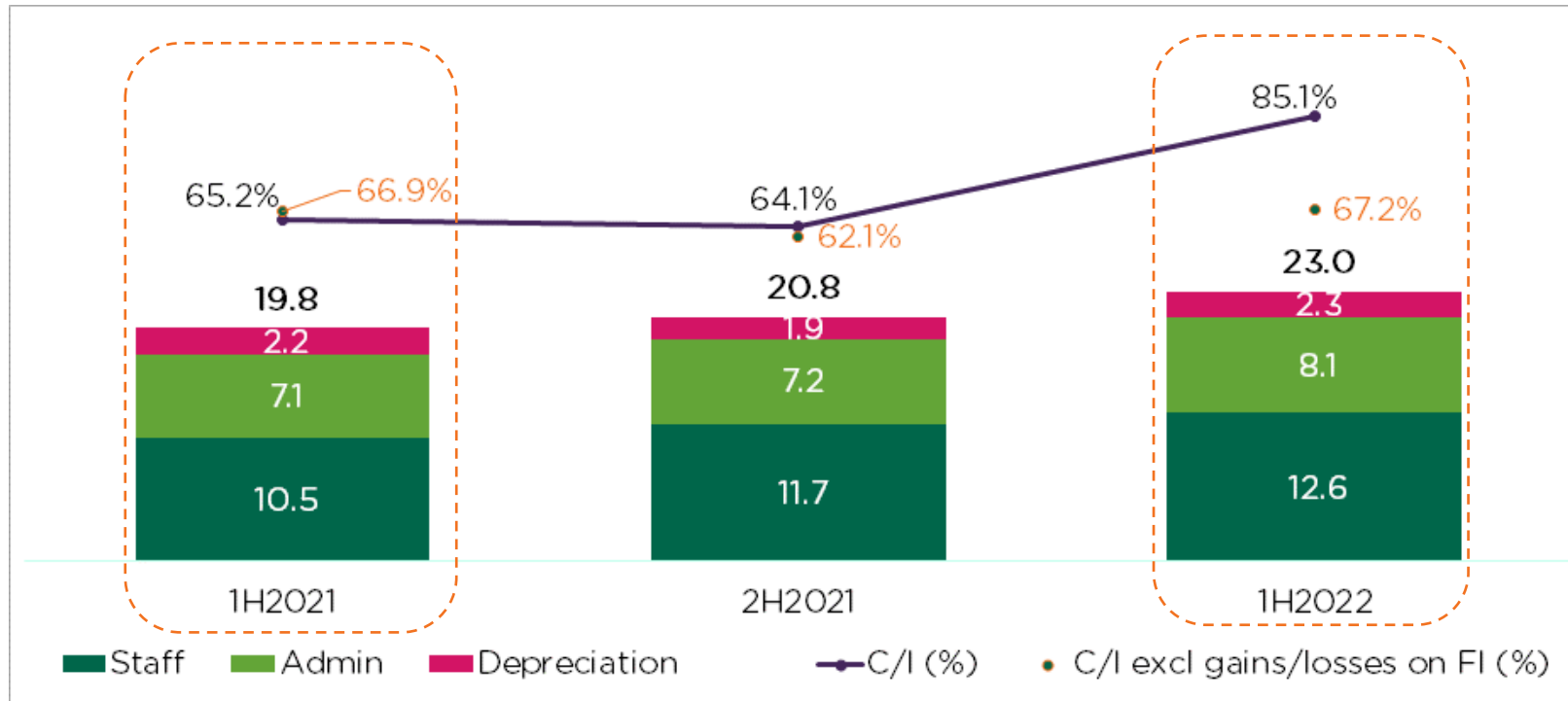
- **ReAPS*** (Investment Management) contributing €0.2m to the Group
- **IVALIFE**** operating performance on forecast, negative impact from investment portfolio

*Line-by-line consolidation; **Share of results consolidation

Performance of Accumulator Share Classes for Income and Global Equity Funds and A Accumulator Share Classes for Regular Income Ethical and Diversified Bond Funds

DCS matter inflating costs

Costs (€mn)



LN 193/22 bringing forward DCS transitory period

New hires executing key projects and deliverables

- Recognition of an additional expense of €1.0m (50% for FY) for extra **Deposit Compensation Scheme** contributions – a result of LN193/2022 published on 24 June and which accelerated the transition to 70%/30% payments from 2024 to this year
- **Staff costs** increase to last year on staff net headcount growth and increased labour costs
- **Cost-to-income** at 85.1% on “distorted” revenues; otherwise @67.2% in line with prior year

Group profit weakened impacting ROAE

Group Profitability (€mn)



Net Asset Value @€0.69c

Dividend of €1.8m,
payable in new shares

- 1H2022 **Group profit before tax** of €1.9m <-> **Bank profit before tax** of €13.6m
- **Tax** impact on Group as losses on DBF do not carry a tax benefit
- **Exciting opportunities** to look forward to with confidence and enthusiasm



IPO results

IPO results

	Shares offered	€
Pre-allocation	69,681,981	41,399,655
General Public Offer (GPO)	40,318,019	24,997,172
	110,000,000	66,396,827
Existing shares	249,715,661	
Total listed shares	359,715,661	

A total of 171,293,721 shares (€104,398,934) subscribed during IPO

General Public Offer summary



Applications

4,946 applications received, including underlying nominees. Resulting in 3,151 shareholders on listing date



GPO Raise

€62,999,279 raised during GPO, €25.0m available
→ 2.5x the available amount



Ticket size

Average application size of **20,351 shares (€12,618)**



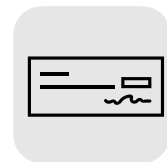
Largest applications

3 large applications between **800k to 1.6m shares**



Residence

All but 2 applicants were residents of **Malta**



IPO account

812 applicants opted to be credited with oversubscription funds in an APS IPO account

Post-IPO equity trading; sub bond below par

Equity



Subordinated Bond

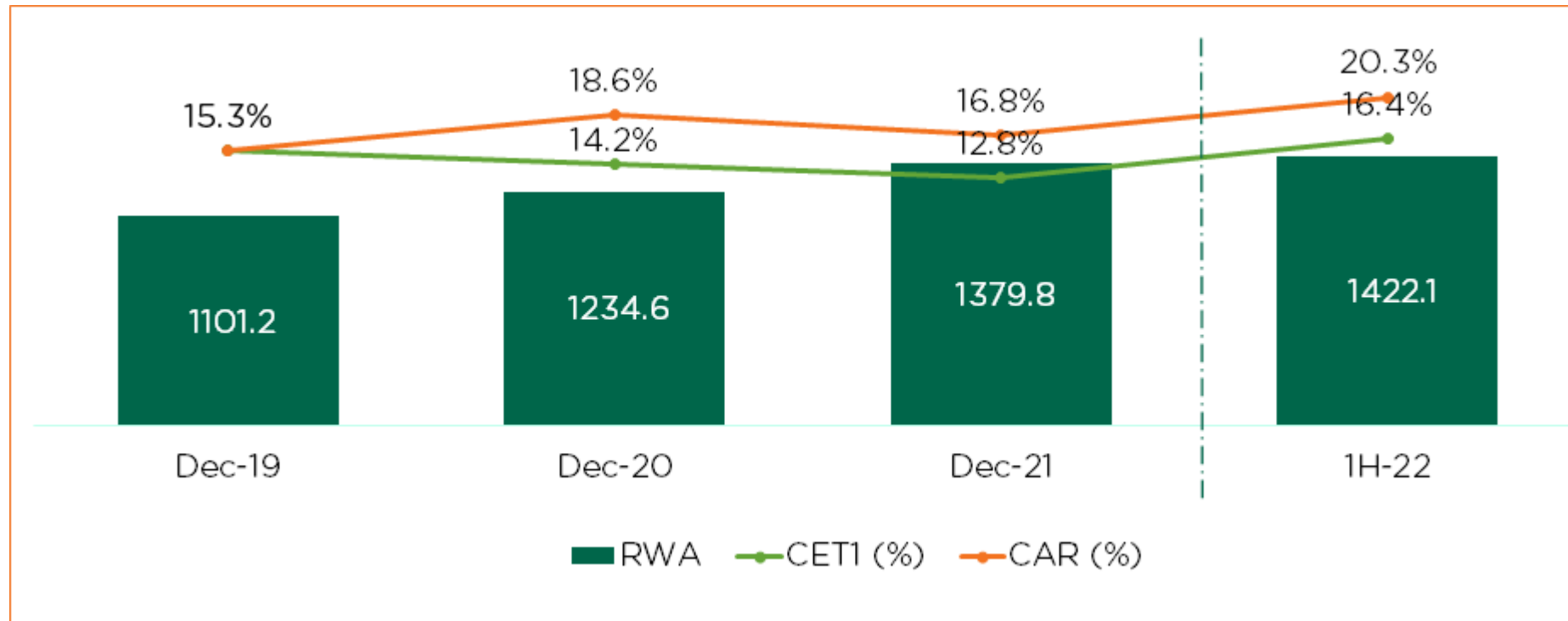


- IPO Price €0.62; Latest price (15/07): €0.66
- 2.7m shares traded since 20/06

- Latest price (15/07): €98.00
- Price correction in line with market - MGS index shedding 14.6% YTD

Capital ratios boosted by Initial Public Offering

Capital adequacy



- **€66m IPO** unlocking growth potential and strengthening capital ratios
- **RWA increase** on growth in loan book
- Both **CET1 ratio and CAR** well above regulatory minimum

Thank you