

Extraordinary General Meeting

Report of Questions submitted by
Shareholders and Replies

Extraordinary General Meeting of APS Bank plc held remotely on 19th October 2022 at 11:00hrs

Report of questions submitted by shareholders and replies given.

The Bank received two (2) questions as follows:

1. QUESTION

A shareholder enquired to confirm whether the ratio of the shares is issued or yet to be announced and whether the new shares will be distributed backdated.

REPLY

As communicated in the Company Announcement of 28 July 2022, the net dividend of €1.8 million equates to 1/2 cent per ordinary share (359.7 million ordinary shares in issue). The new shares will be allotted at the nominal value of €0.25c/ordinary share. This would be equal to a ratio of 1 share for every 50 shares.

To note that the shares will be allotted to the shareholders, and respective shareholding, appearing on the register as of 19 September 2022.

2. QUESTION

A shareholder queried the rationale on why was the Interim Dividend issued in kind and what should Shareholders expect to happen should the board recommend a final dividend?

REPLY

As stated in the Prospectus, the Bank's dividend policy prudently balances the dual objectives of appropriately rewarding risk capital held by the shareholders through dividends and retaining capital in order to maintain healthy solvency and liquidity ratios to support future growth. The dividend policy allows for an annual dividend pay-out not exceeding one half of the Bank's audited profits after tax for the year. Over the forthcoming three -year period (2022 – 2024) it is the Bank's intention to distribute one-third of its post-tax profits.

For the half year ended 30th of June 2022, the Board of Directors declared an Interim Dividend 'in kind', i.e., by way of shares. This decision was taken to visibly re-enforce the Bank's commitment to share profits with shareholders. Given the proximity of the Interim dividend declaration, however, with the capital collected via the IPO, only a few weeks before, the Board of Directors believed that returning part of the cash just recently collected was not deemed logical.

Going forward, the Board of Directors is committed to paying dividends by way of scrip, that is giving the option to shareholders to receive the dividend in either cash or through the issue of new shares. Dividend pay-outs will continue to require Regulatory approval, which regulations may change from time to time.