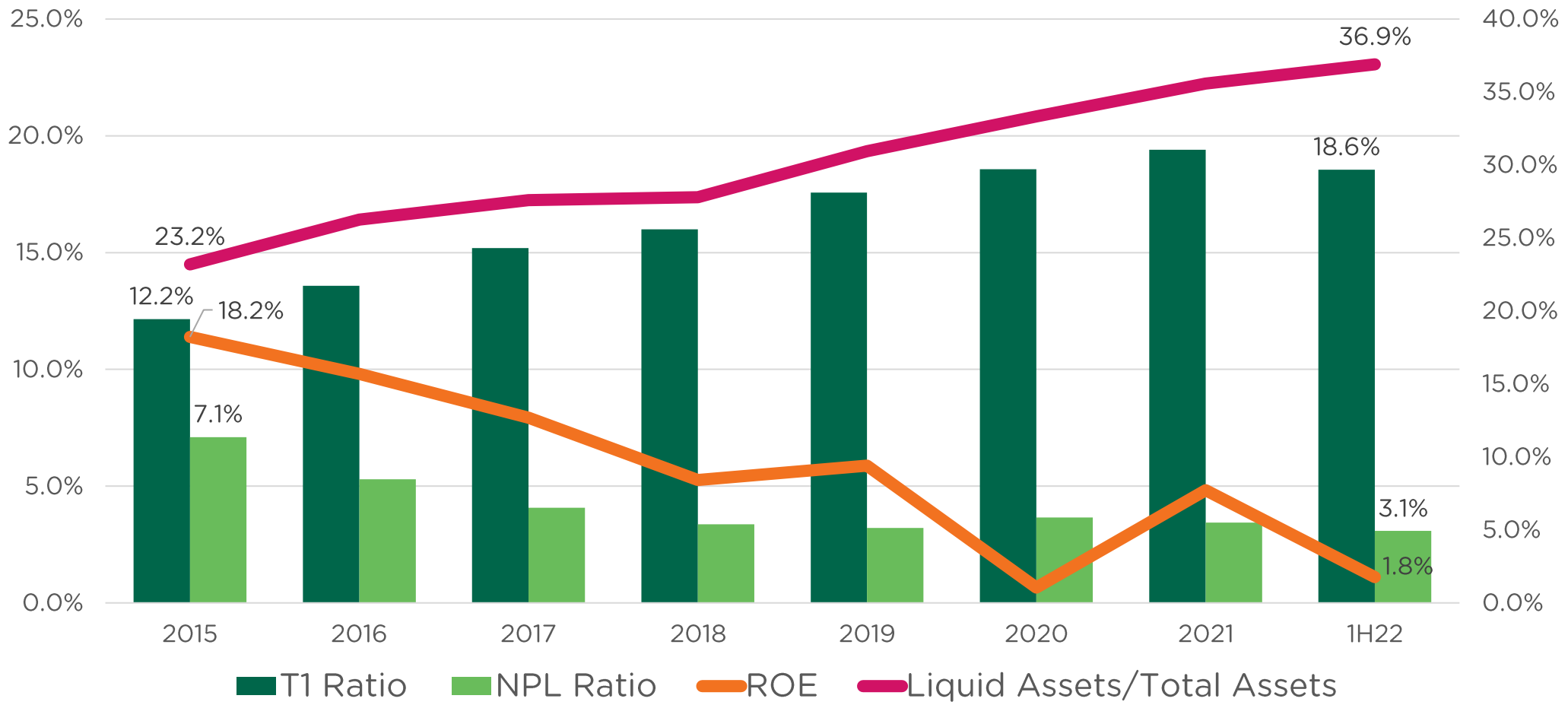


Financial Results FY22

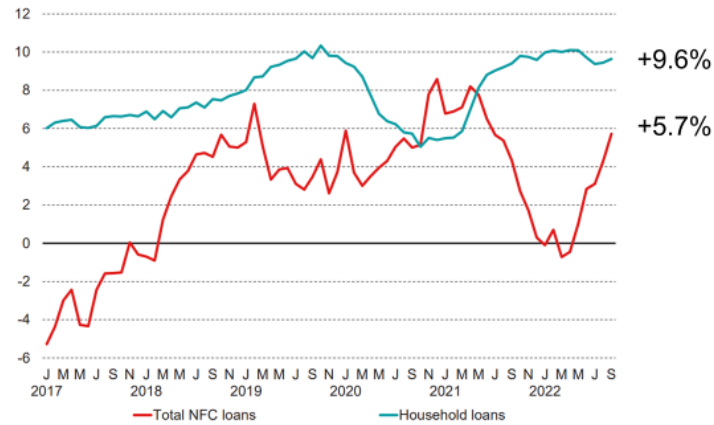
Maltese banking system: safer but less profitable



Source: CBM

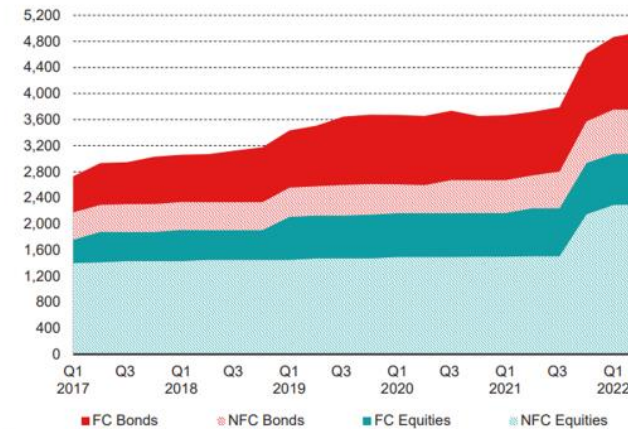
Maltese banking system: competition on both sides of the balance sheet

Loans



Source: CBM

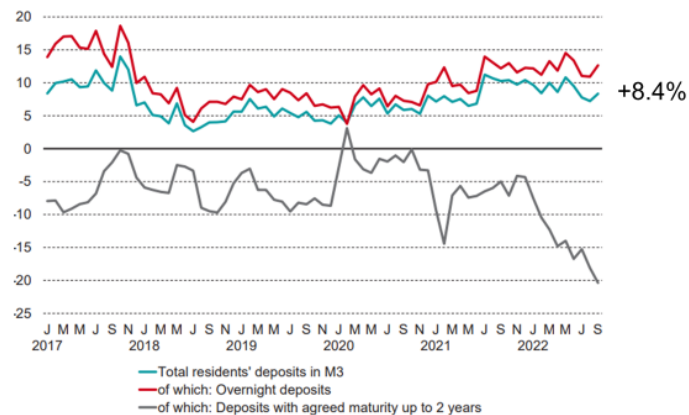
Securities issuance: bank disintermediation?



Source: MSE

Govt funding requirements have now opened a disintermediation front on large scale

Deposits



Source: CBM

What marked 2022 ... and what to expect in 2023

2022 (1)

High energy & food prices (added pressure due to Malta insularity)

Inflation build-up and market volatility

Geopolitical tensions, increased military spending crowding out green transition?

2022 (2)

Felt in our widely open economy, partly cushioned by Govt subsidies -- contributing to public debt build-up

Malta experiencing higher economic growth, milder inflation, lower unemployment than EU counterparts

Aided by a stronger than expected tourism recovery and buoyant retail and property markets

2023

Supply shocks will ease but won't fade completely

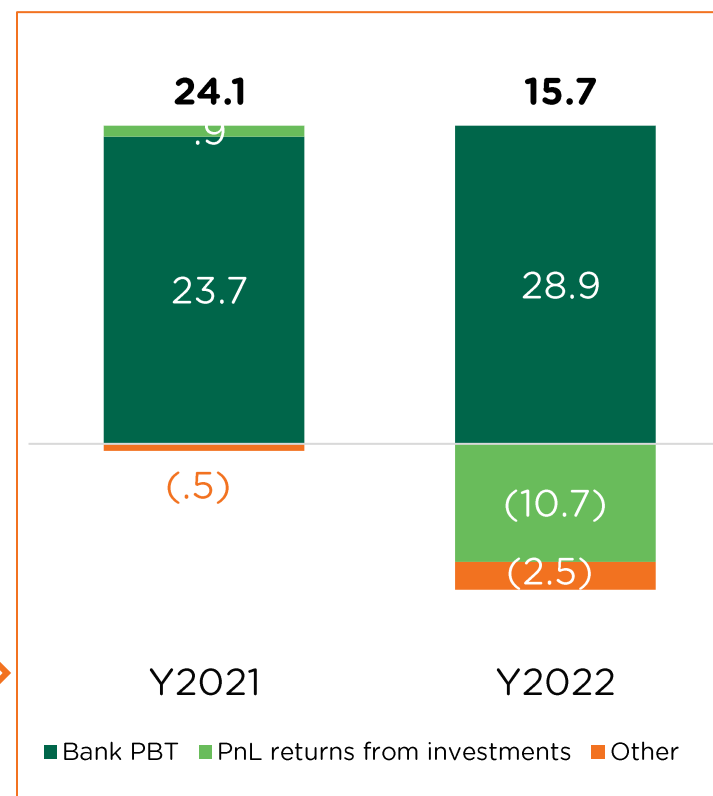
Inflation will stabilize & start falling, interest rates will not

Recession will be avoided, Malta will continue to perform strongly - but is economic model sustainable?
Challenges for the banks?

Record profits for the Bank as market volatility dampens Group results

€mn	BANK		GROUP	
	2021	2022	2021	2022
Net interest income	53.9	63.7	55.4	65.1
Net fee income	5.9	5.9	7.0	6.9
Other operating income	1.3	2.9	0.1	1.9
	61.1	72.5	62.5	73.9
Net gains/losses on financial instruments	0.8	2.1	0.6	(9.3)
Operating income	61.9	74.6	63.1	64.6
Operating expenses	(39.7)	(45.9)	(40.6)	(47.0)
Net impairments	1.5	0.3	1.5	0.3
Results from associates	-	-	-	(2.2)
Profit before tax	23.7	28.9	24.1	15.7
Tax	(8.7)	(9.7)	(9.0)	(9.9)
PROFIT AFTER TAX	15.0	19.2	15.1	5.8

Components of Group PBT

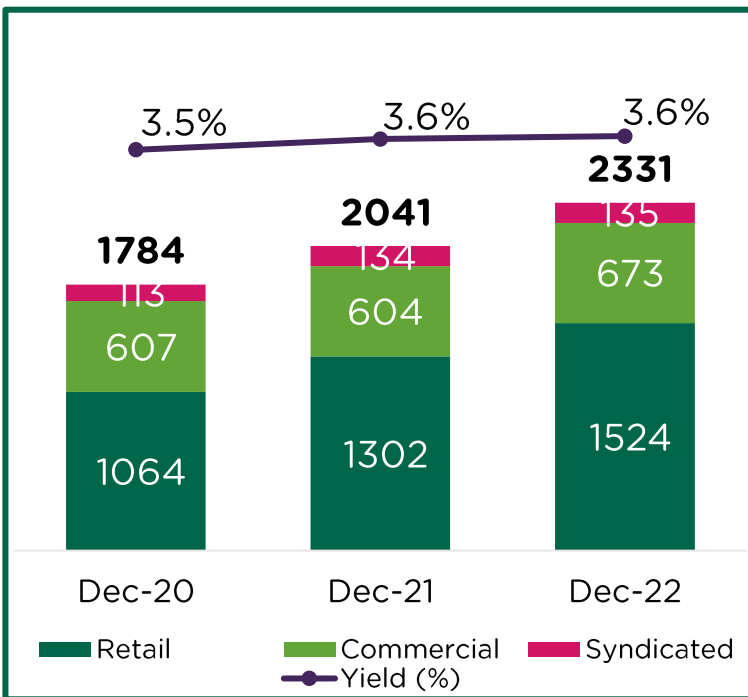


* Investment returns from the APS Diversified Bond Fund, Global Equity Fund, Income Fund, Income Ethical Income Fund & Ivalife

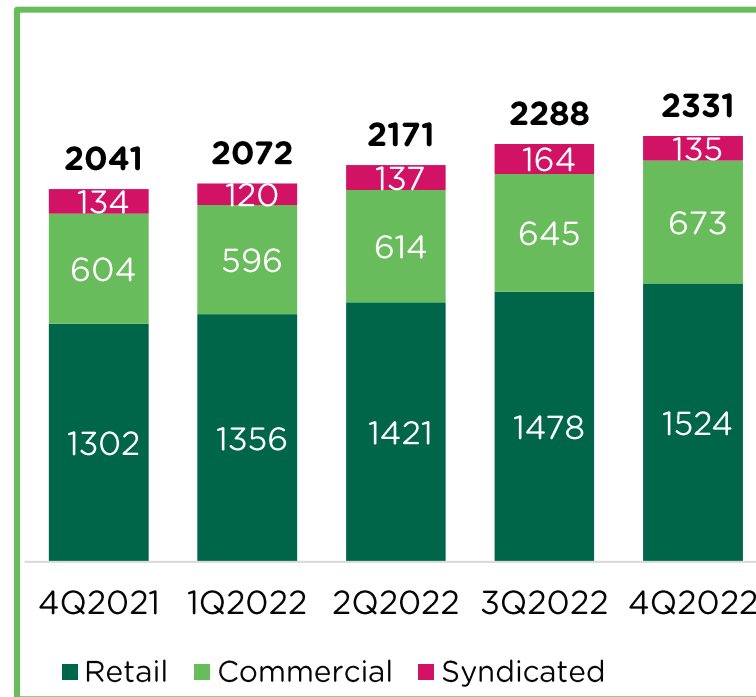
Lending growth sustained, supporting personal and commercial clients



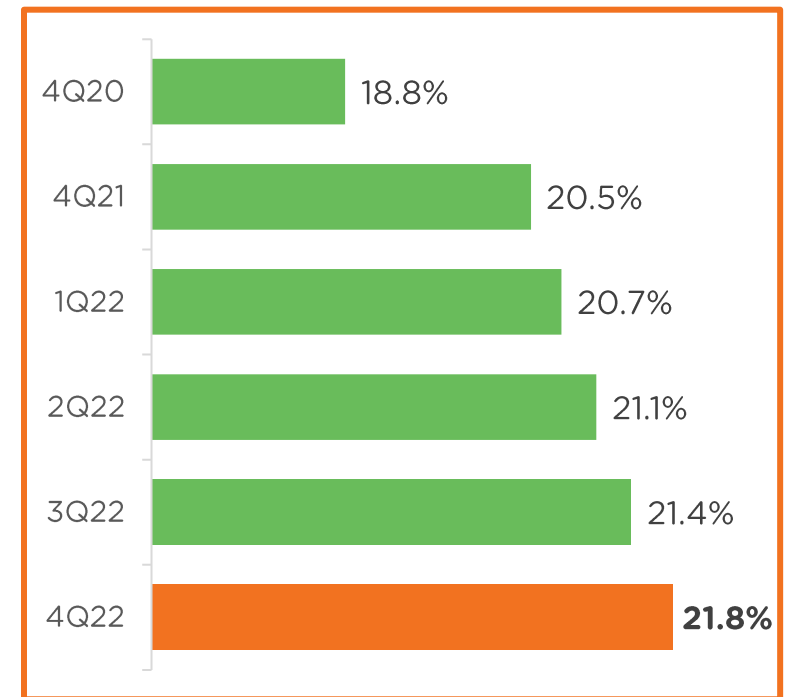
Consistent commitment to needs of borrowing clients



Strong pipeline conversion leading to 2H loan book expansion



Increasing Home Loan market share

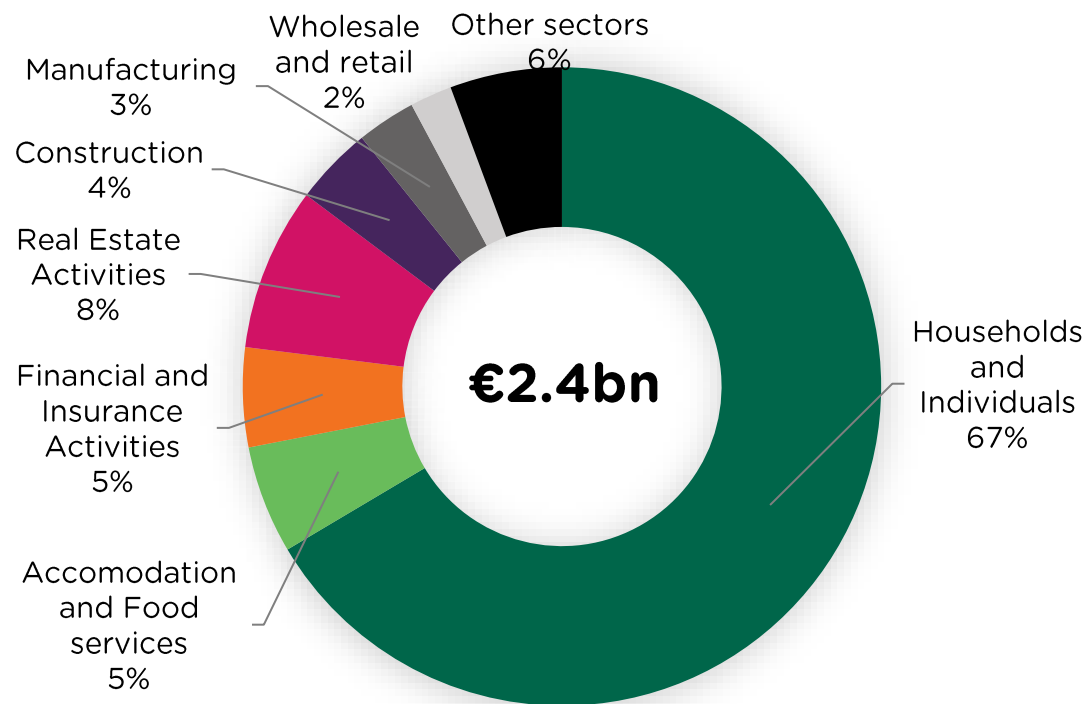


*Portfolio represents performing loans only

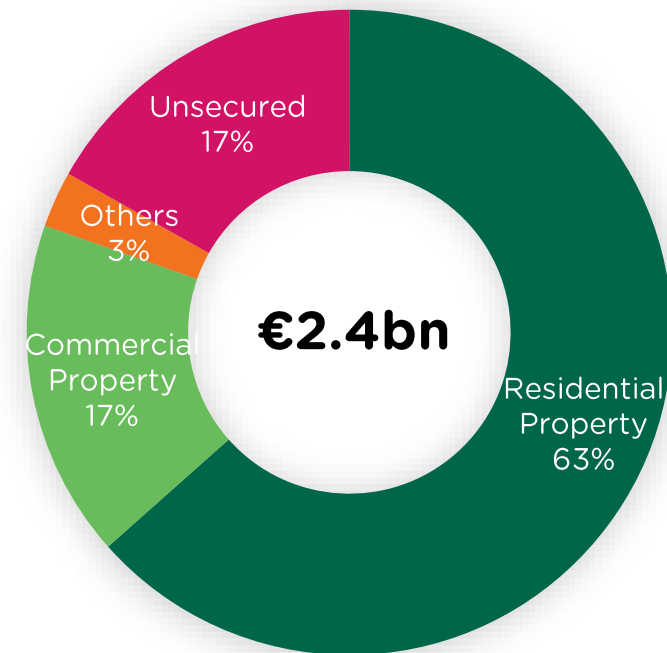
** All data in €m unless otherwise stated

Loan book quality underpinned by diversification & high quality collaterals

Lending by sector - Dec 2022

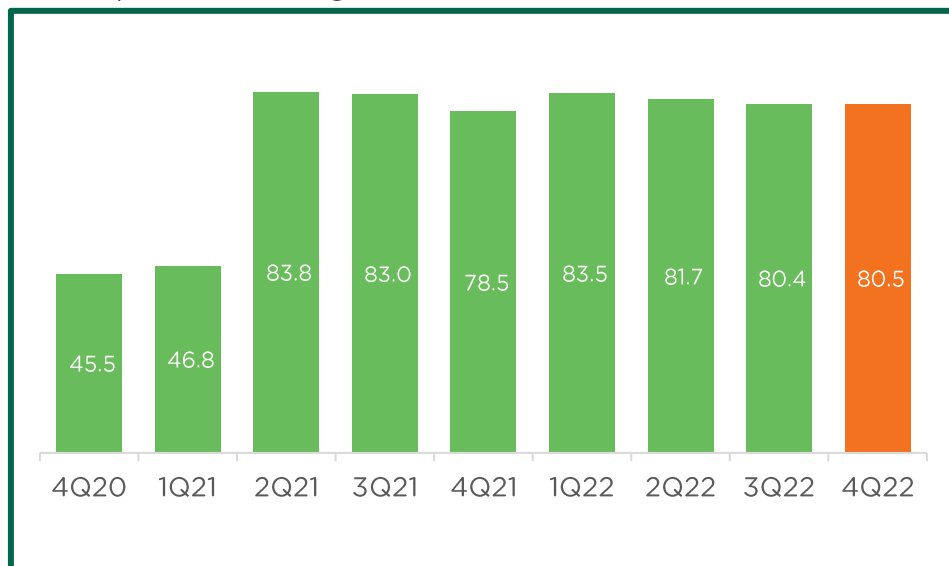


Lending collateral (after haircuts) - Dec 2022

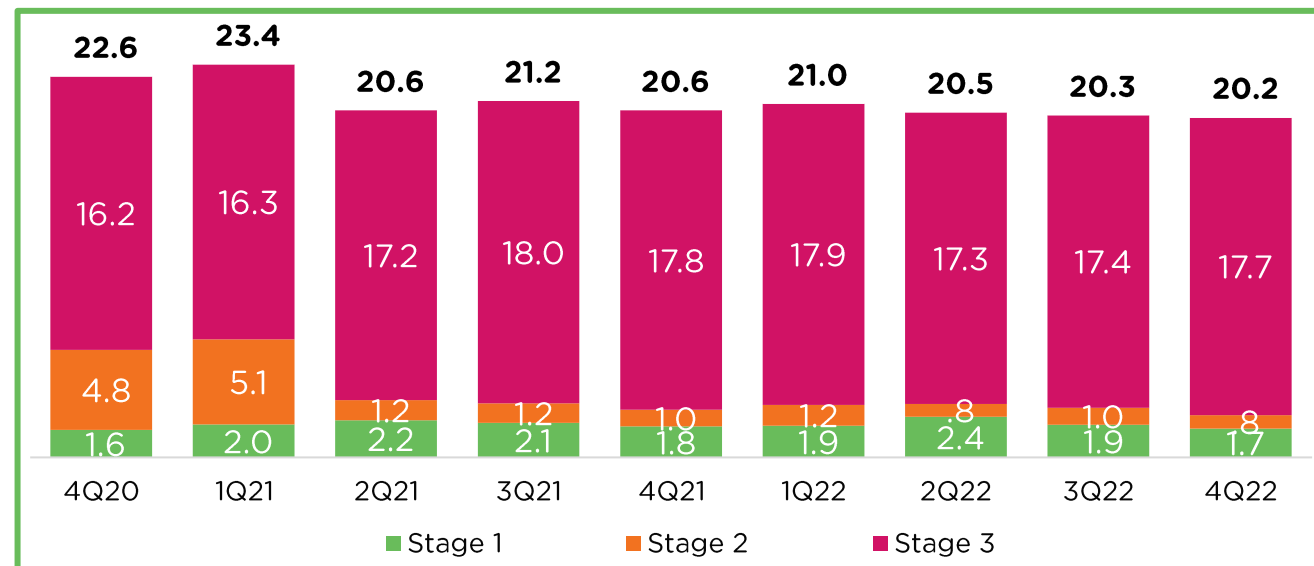


Stable post-COVID NPLs with required lower ECL and improving ratios

Non-performing loans at €80m



Net ECL release across 3 stages



... and NPL ratio reducing to 3.2%

	4Q21	2Q22	4Q22
NPL Ratio	3.4%	3.2%	3.2%
Coverage¹	100%	100%	100%
Cost of Credit	(6bps)	1bp	1bp

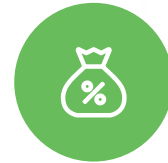
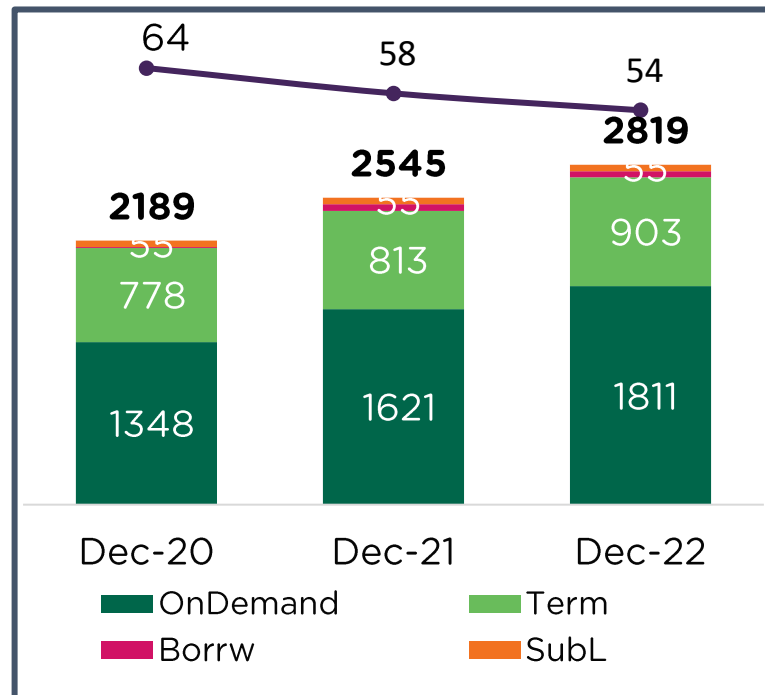
¹ Coverage ratio net of discounted collateral

* All data in €m unless otherwise stated

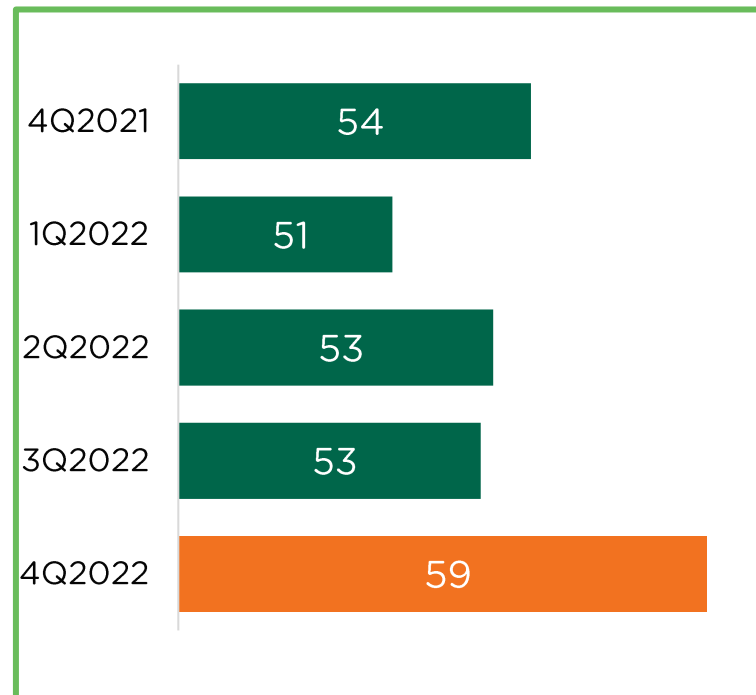
Steady flow of deposits supporting the business, increasing tempo in 4Q



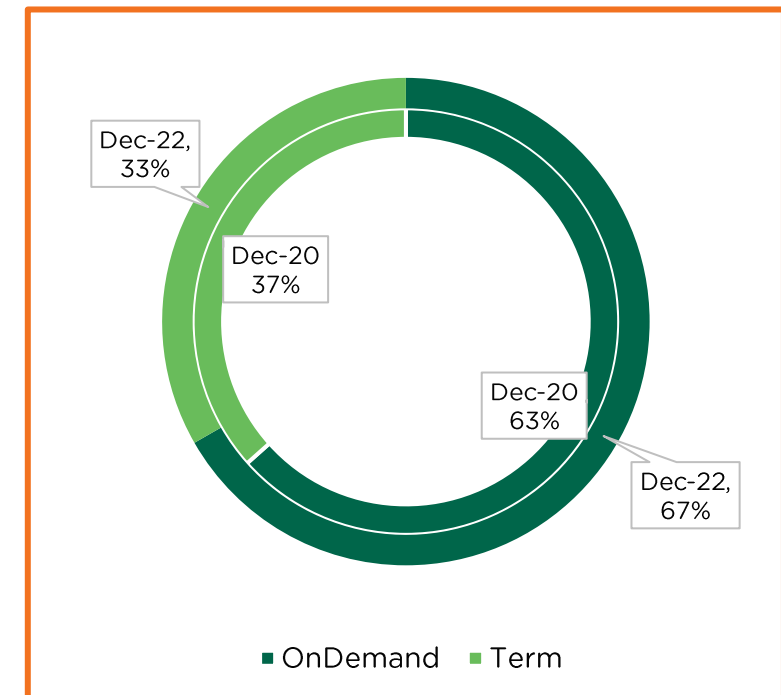
Funding exceeding €2.8bn, 96% of which being bank deposits



COF rising on € & \$ repricing as Bank adjusts deposit rates



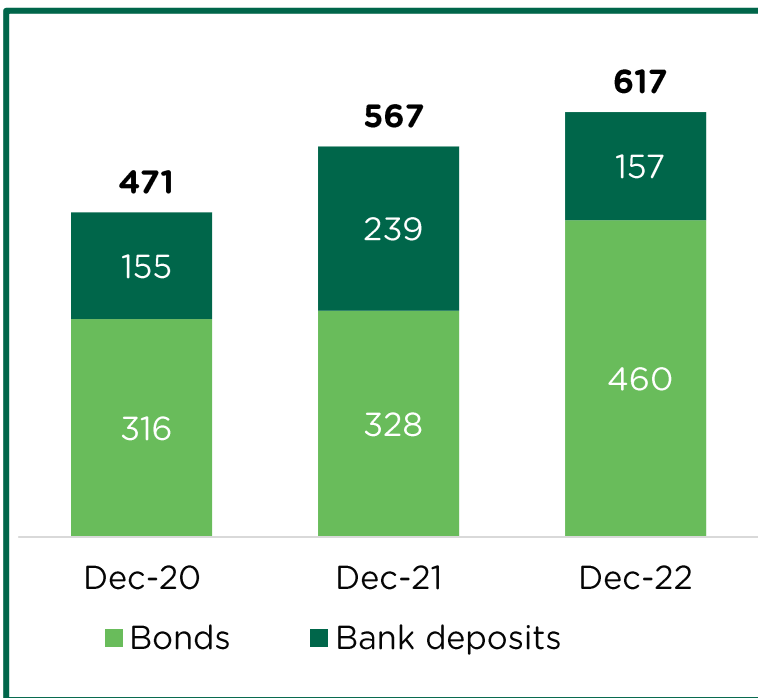
Aiming to maintain a balanced deposit mix



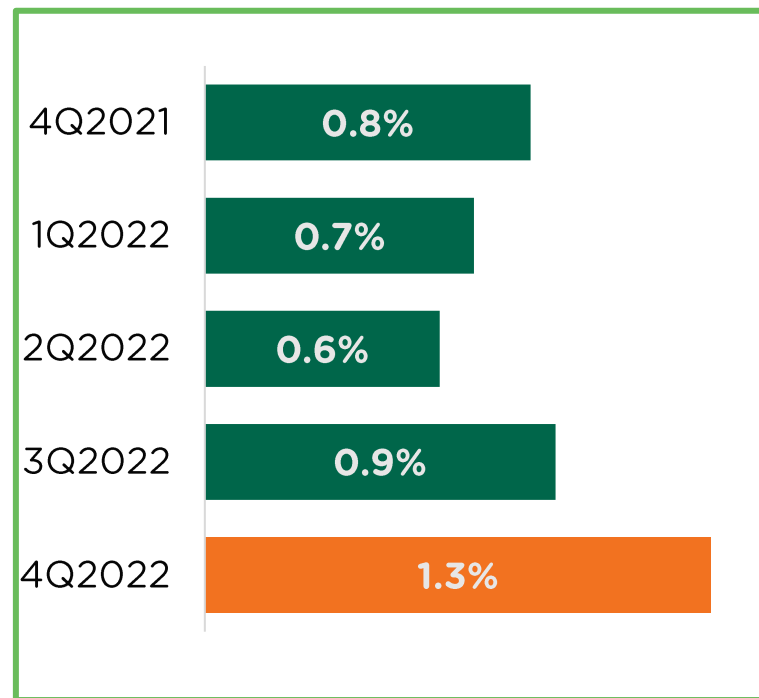
Active asset-liability management in a new interest rate world



Liquidity stock increasing in line with growth in deposits



Rising yields on both bonds and bank balances



LCR @ 128%

LTD @ 97%

Bonds and equities recording the worst performance in years

Bonds

Bloomberg Global Bond Aggregate (hedged to €)
2007 to 2022



Equities

FTSE All-world (hedged to €)
2007 to 2022



Market performance impacting Group results

APS Diversified Bond Fund*
Y2022 -15.4% return (Y2021 -0.6%)

APS Ethical Income Fund**
Y2022 -16% return (Y2021 +4.8%)

APS Global Equity Fund**
Y2022 -17.1% return (Y2021 +14.4%)

APS Income Fund**
Y2022 -8.9% return (Y2021-0.2%)



	APS % holding	P&L	Equity
ReAPS*	100.0	0.2	
Diversified Bond Fund*	75.0	(8.1)	-
Global Equity Fund**	43.5	(1.2)	-
Income Fund**	9.1	(0.7)	-
Income Ethical Fund**	2.9	(0.4)	-
IVALIFE**	25.0	(0.4)	-
Bonds available-for-sale	n/a	-	(22.4)
		(10.7)	(22.4)

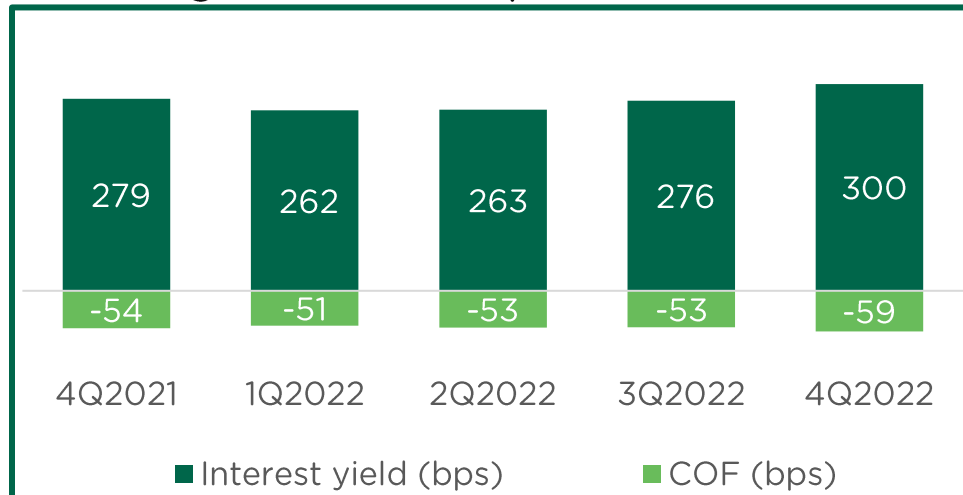
*Line-by-line consolidation; **Share of results consolidation

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

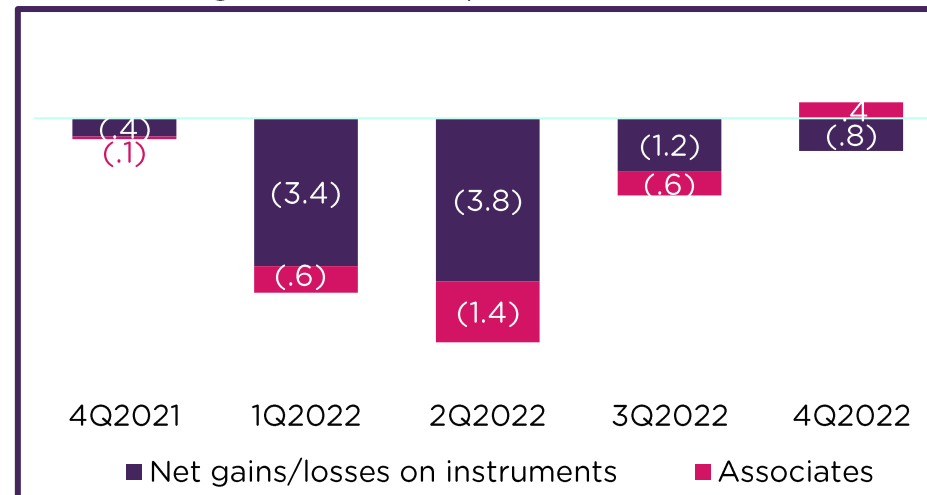
Rising core revenues on lending and transactions offset by market slide

	2021	2022	12M '22 vs 12M '21
NII	55.4	65.1	▲ +18% YoY
Advances & payment fees	4.6	5.1	▲ +13% YoY
Investments & insurance fees	3.8	3.3	▼ -14% YoY
FX	0.4	1.3	▲ +222% YoY
Cards	0.5	0.7	▲ +18% YoY

Widening net interest spread



Stabilising market impact

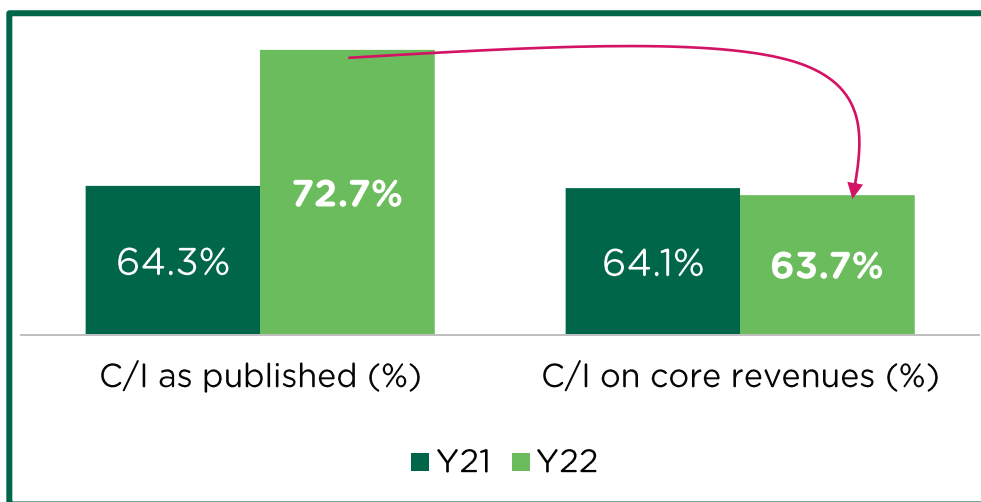


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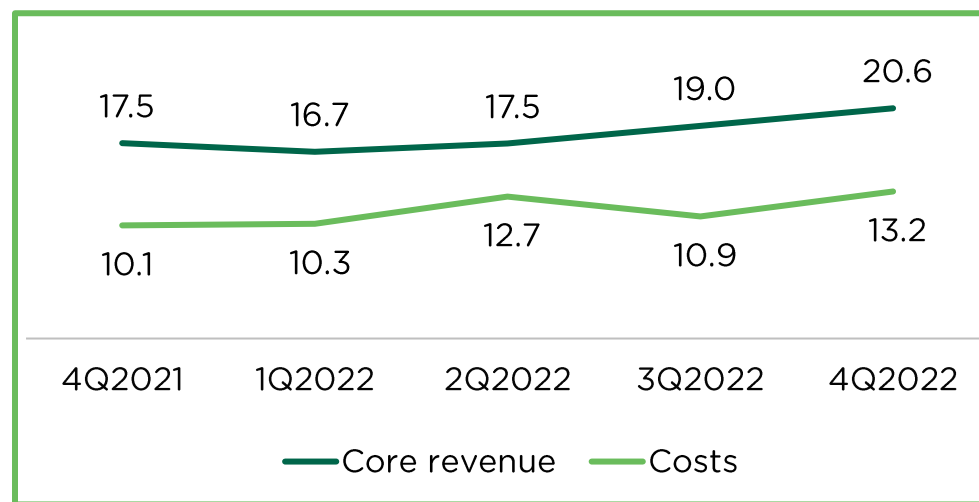
Increase in costs on capacity building, improved ratios

	2021	2022	12M '22 vs 12M '21
Staff costs	22.2	26.1	▲ +18% YoY
Admin costs	14.3	16.1	▲ +13% YoY
Depreciation/Amortisation	4.1	4.8	▲ +17% YoY

Decreasing cost-to-income on core revenues



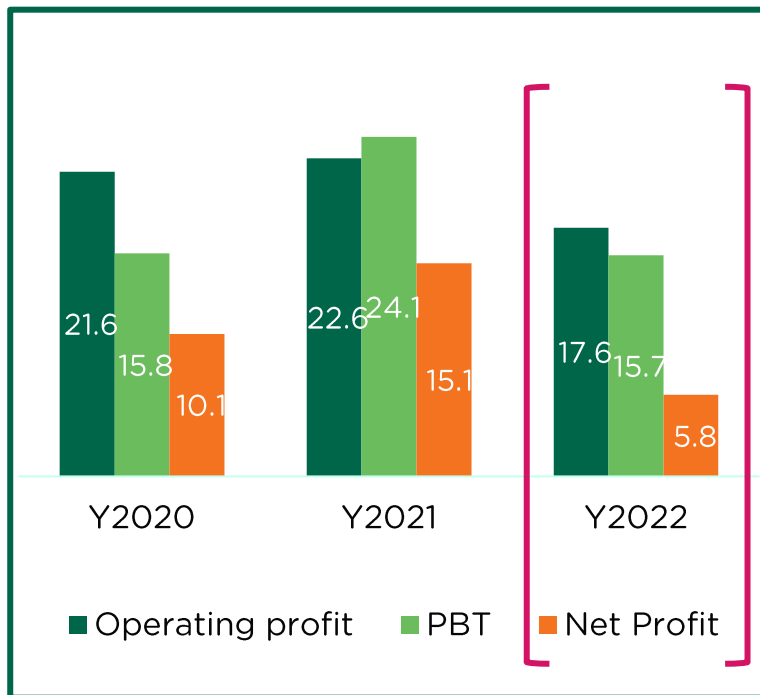
Maintaining positive JAWS



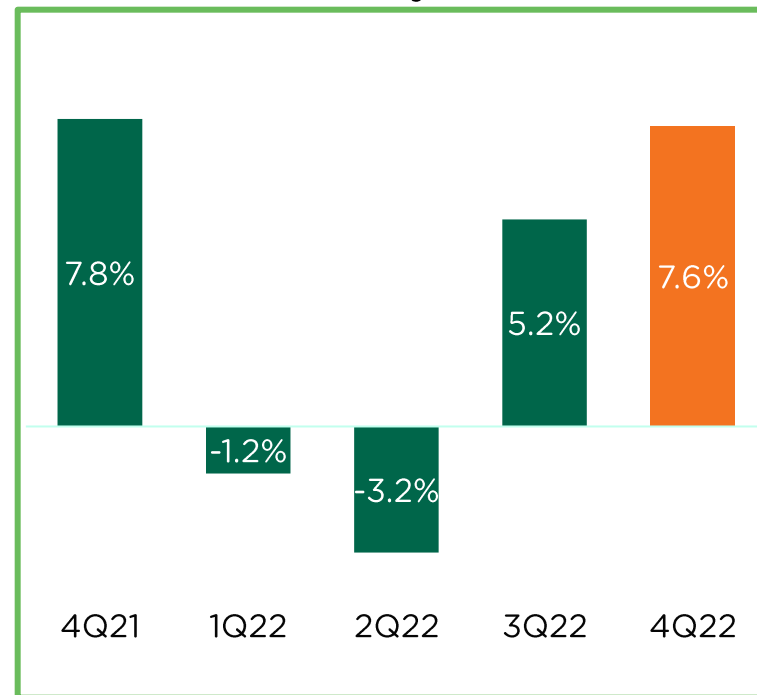
Lower Group profitability on market volatility - scrip dividend proposal



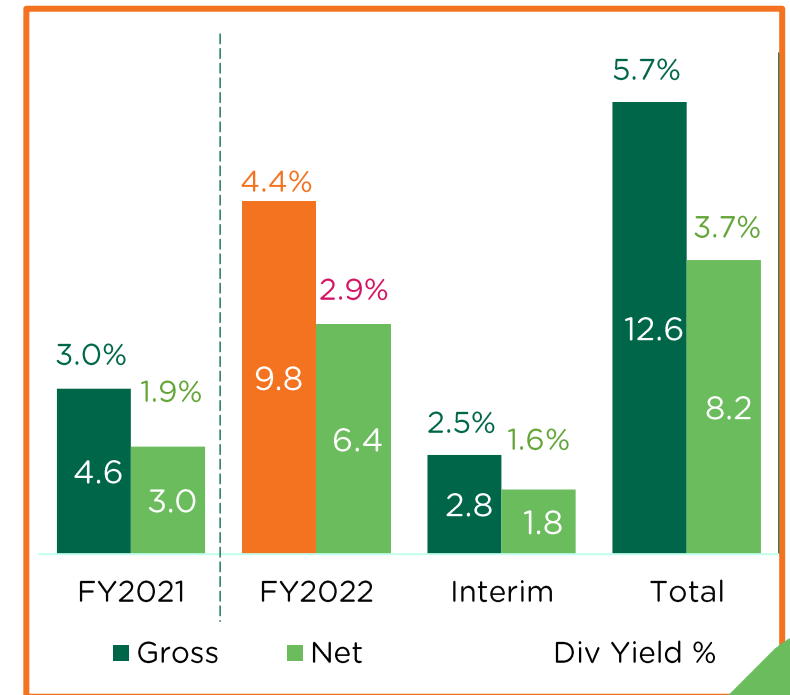
Operating and net profits



Quarterly ROAE

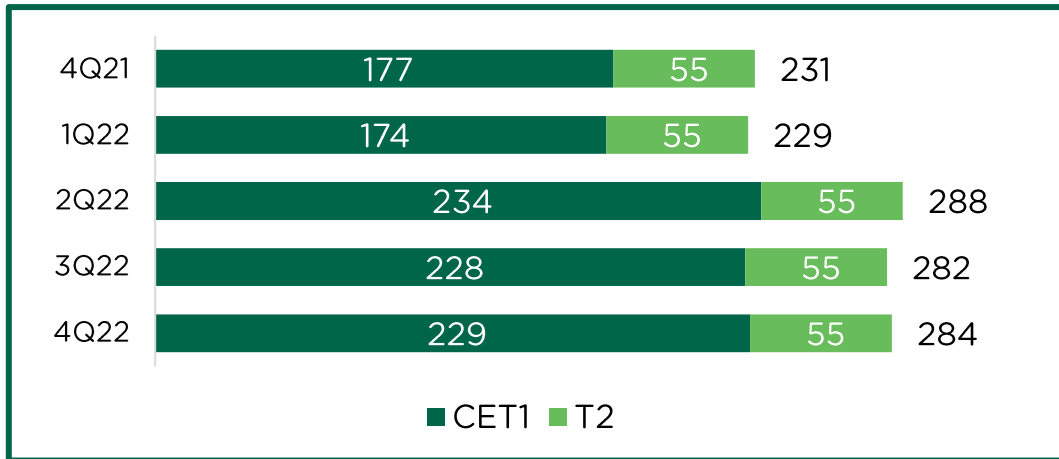


Dividends

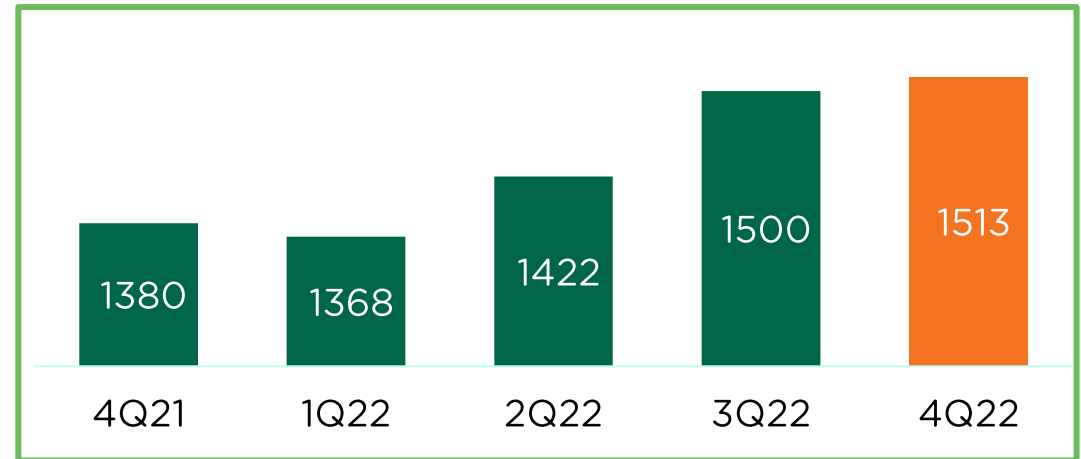


IPO & profits boosting capital ratios, consumed by loan growth & OCI

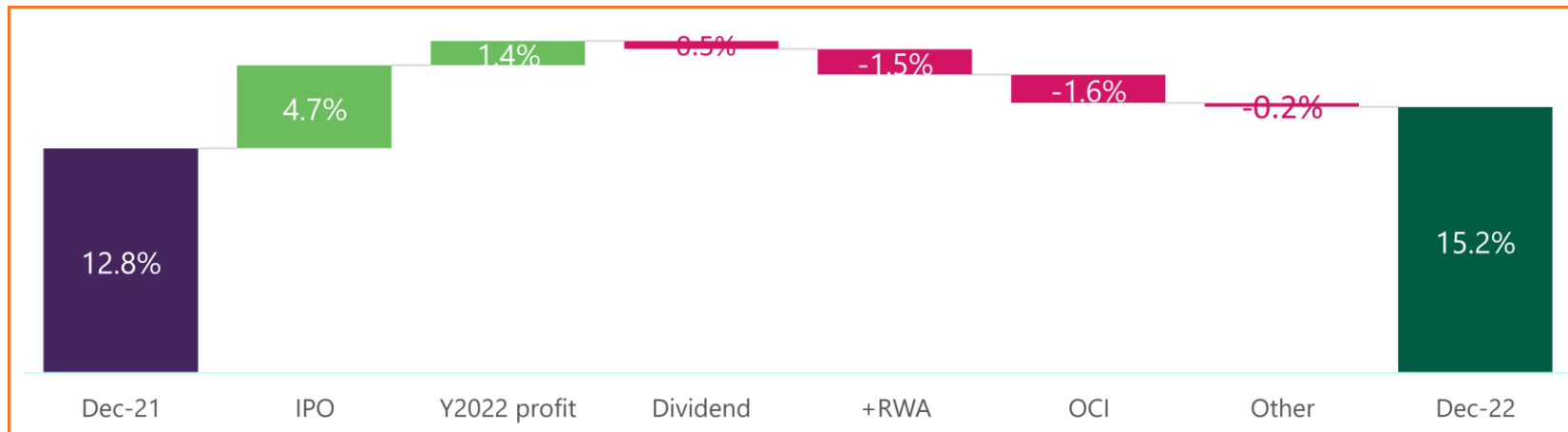
Regulatory capital composition



Record RWA >€1.5bn



CET1 ratio change during the year



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Thank you
Any questions?