



# Financial Results FY23

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# Purpose

## Vision

To be **the** community bank in Malta

## Mission

Making the banking experience simpler and more personal, inspired by our commitment to social, economic and environmental progress, while providing our stakeholders with opportunities to grow

**E**xcellence

Get it right  
the first time

**A**uthenticity

Always do  
the right things

**P**assion

Do what you love,  
care about the others

**I**ncusiveness

Build on differences  
and break the silos

**C**ontemporary

Be relevant  
to today's world

# A year of all-round growth



Personal customer base  
14%



Card transactions  
30%



Business customer base  
28%



Credit cards issued  
18%



Investment customer base  
18%



Homeloans opened  
16%



myAPS user base  
24%



FTD opened  
130%

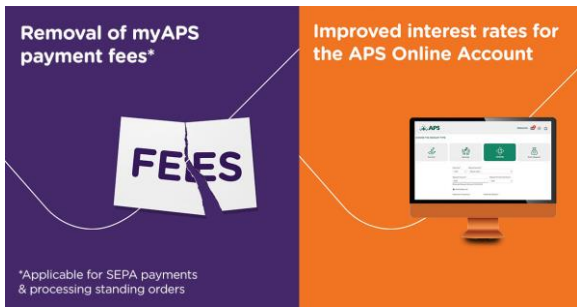
# A year of activity

49

## Propositions



APS Green Term Deposit launched



APS Bank removes charges on online SEPA payments

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## People



Continuous professional development with APS Bank departmental activities



Colleagues honoured with APS Bank Values Awards

78

## Purpose



APS House opens its doors as new home for Fondazzjoni Patrimonju Malti

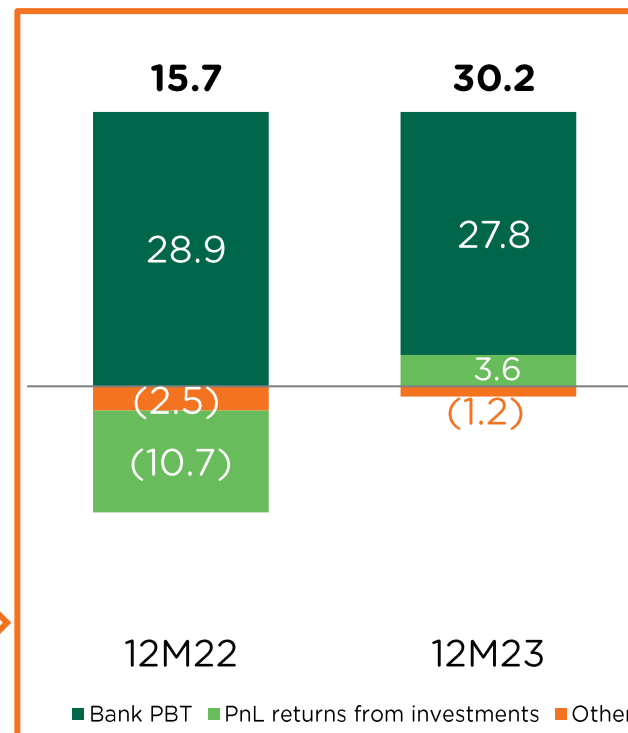


APS Bank supports KampuSajf

# Record year for the Group - strong lending volumes and profitability

€m	BANK		GROUP	
	Y2022	Y2023	Y2022	Y2023
Net interest income	63.7	72.2	65.1	73.6
Net fee income	5.9	7.3	6.9	8.3
Other operating income	2.9	2.2	1.9	0.5
	<b>72.5</b>	<b>81.7</b>	<b>73.9</b>	<b>82.4</b>
Net gains/losses on financial instruments	2.1	1.0	(9.3)	3.1
<b>Operating income</b>	<b>74.6</b>	<b>82.7</b>	<b>64.6</b>	<b>85.5</b>
Operating expenses	(45.9)	(51.4)	(47.0)	(52.6)
Net impairments	0.3	(3.5)	0.3	(3.5)
Results from associates	-	-	(2.2)	0.9
<b>Profit before tax</b>	<b>28.9</b>	<b>27.8</b>	<b>15.7</b>	<b>30.2</b>
Tax	(9.7)	(9.6)	(9.9)	(9.6)
<b>PROFIT AFTER TAX</b>	<b>19.2</b>	<b>18.2</b>	<b>5.8</b>	<b>20.6</b>

Components of Group PBT



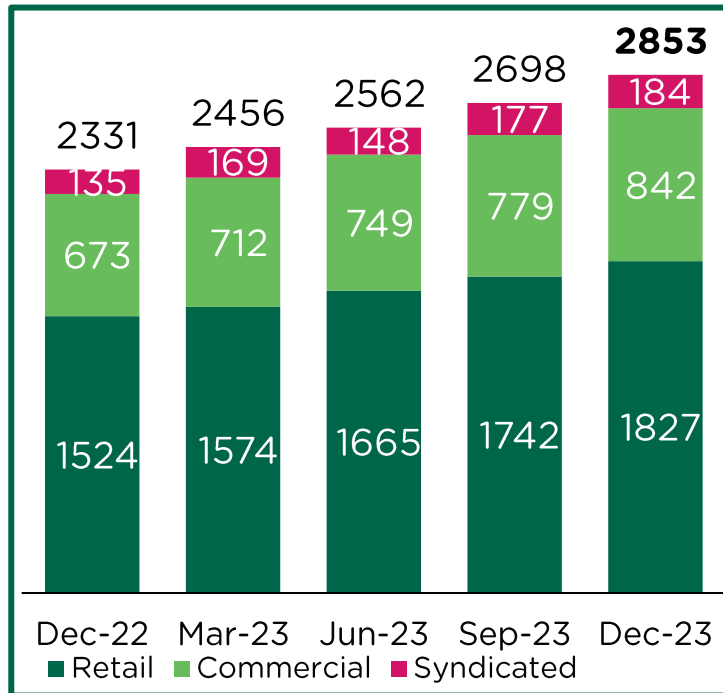
\* Investment returns from the APS Diversified Bond Fund, Global Equity Fund, Income Fund, Income Ethical Income Fund & Ivalife

\*Some totals may not tally due to rounding

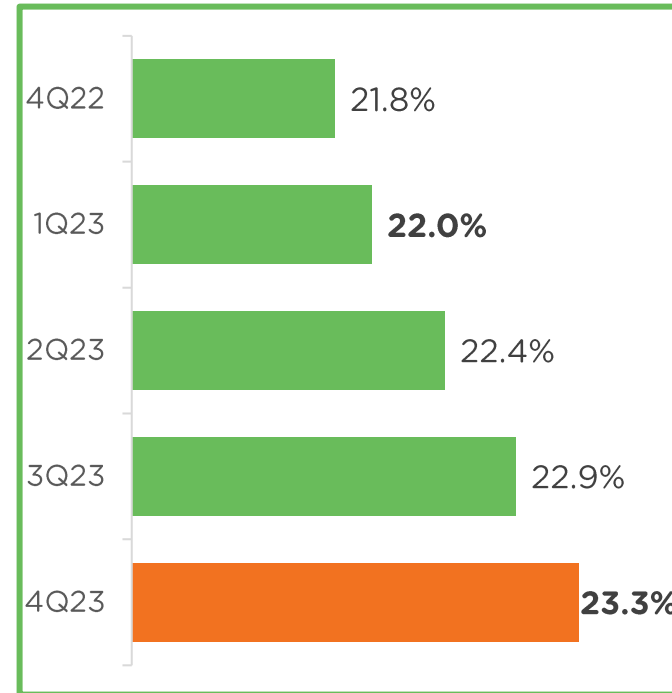
# Loan book steady ascent across all portfolios - AUM bouncing back



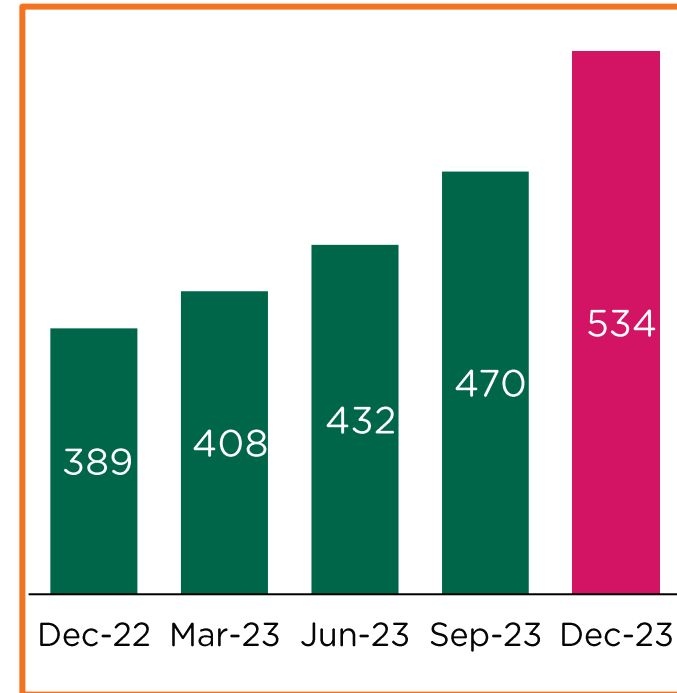
Loan book reaching €2.9bn -> +€0.5bn (22.4%) YoY



High market capture resulting in extended market share



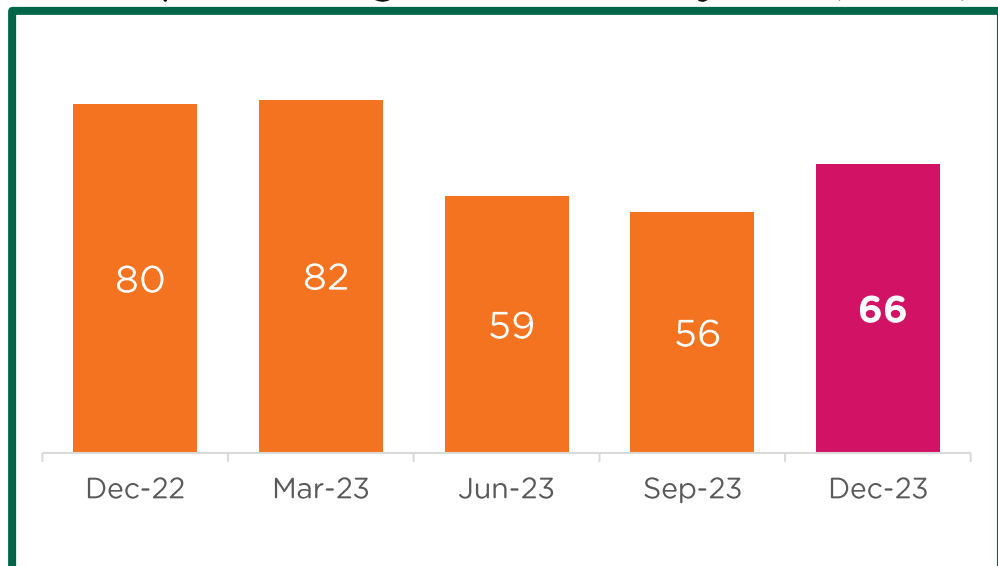
Market recovery and interest rates aiding AUM growth



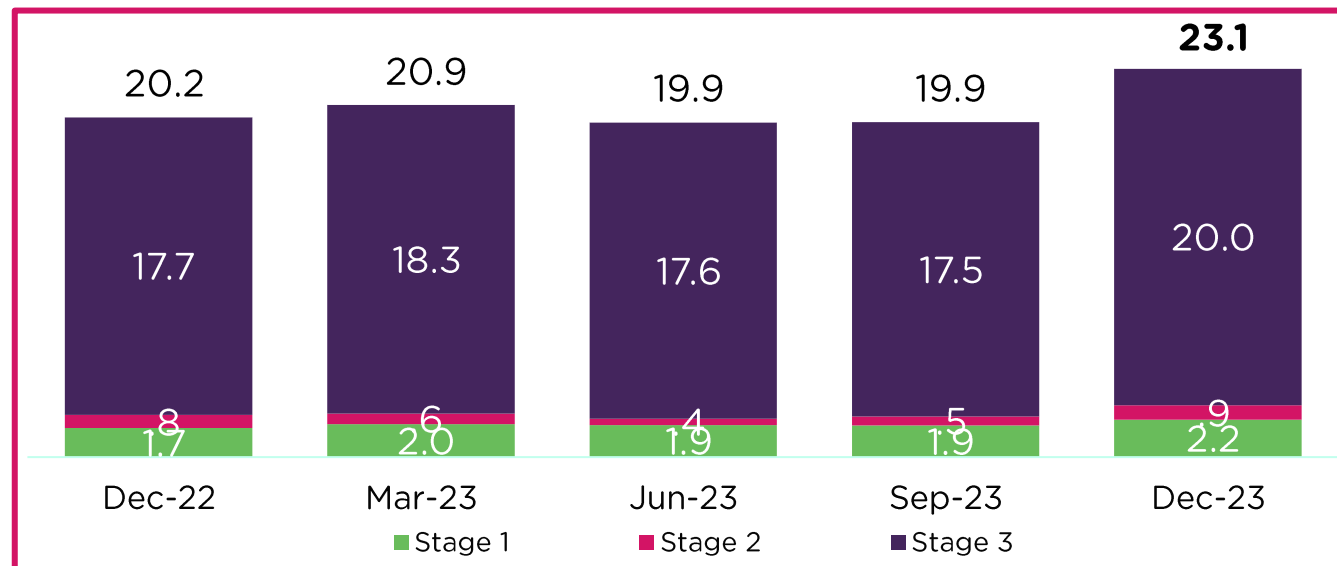
\*Portfolio represents performing loans only \*\* All data in €m unless otherwise stated

# Lower stock of NPLs, strengthening NPL ratio amid international volatility

Non-performing loans down by 18% (€14m)



ECL increase on book growth and unsecured NPLs



1% improvement in NPL ratio

	Dec-22	Dec-23
<b>NPL Ratio</b>	3.2%	2.2%
<b>Coverage<sup>1</sup></b>	100%	100%
<b>Cost of Credit</b>	1bp	11bp

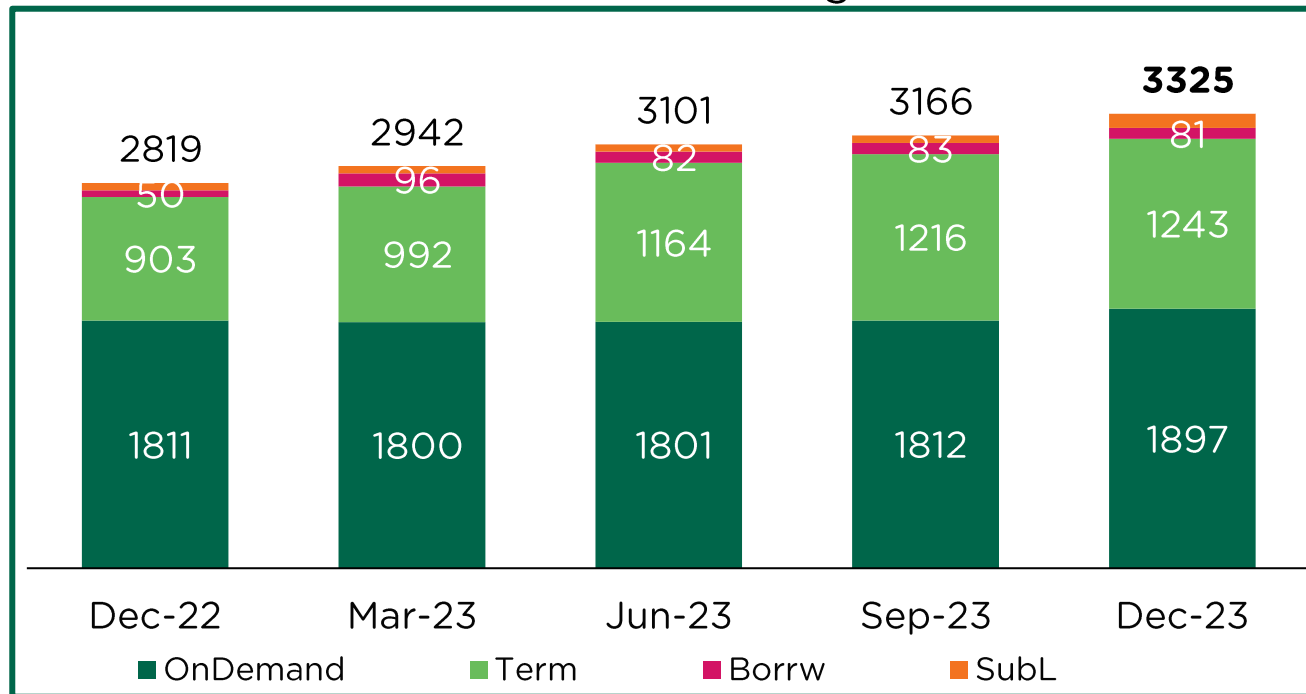
<sup>1</sup> Coverage ratio net of discounted collateral \* All data in €m unless otherwise stated



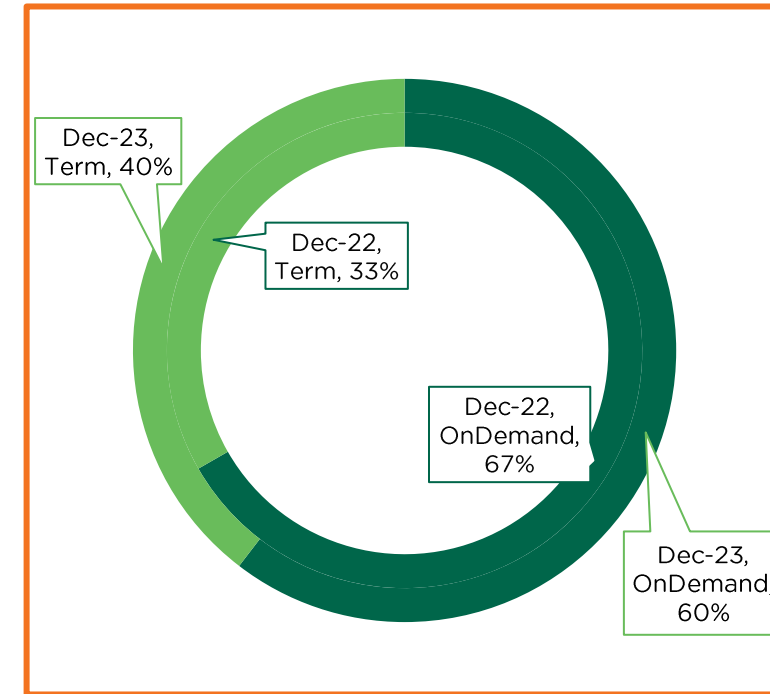
# Steady progression in funding & new deposits, amidst intense competition



Funding growth of €0.5bn +16% YoY, successful MREL raising in 4Q



Deposit mix at 60/40

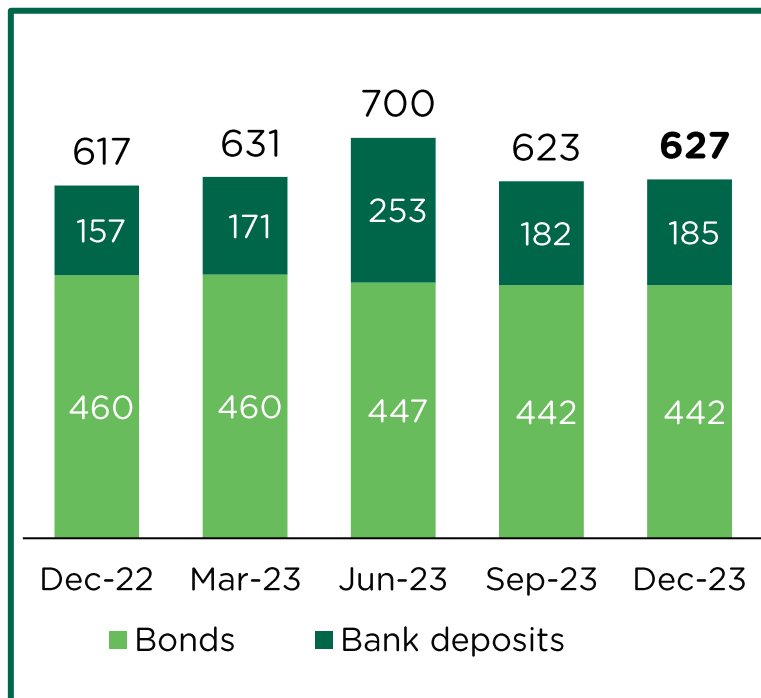


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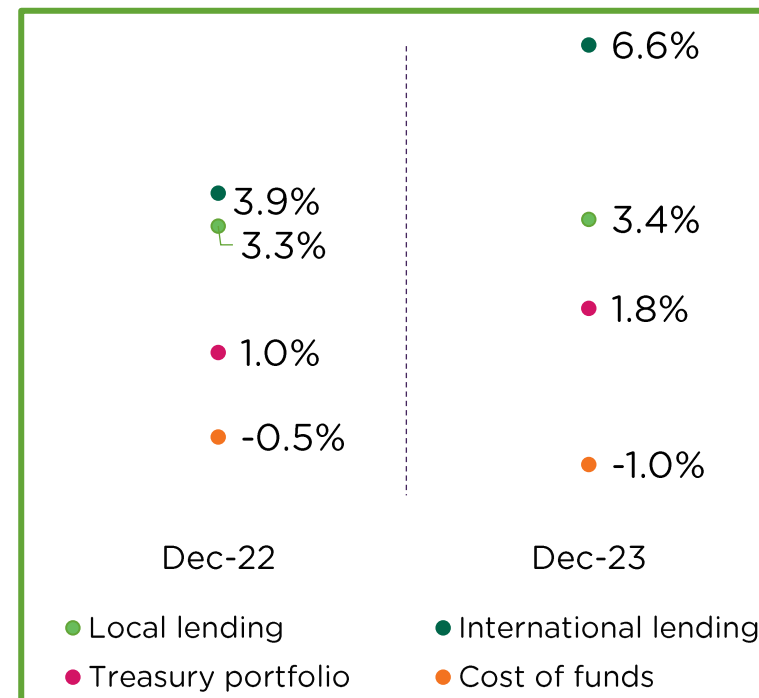
# Optimal liquidity and augmented yields



Liquidity stock supporting the growing business volumes



Lending and liquidity yields rising with higher COF



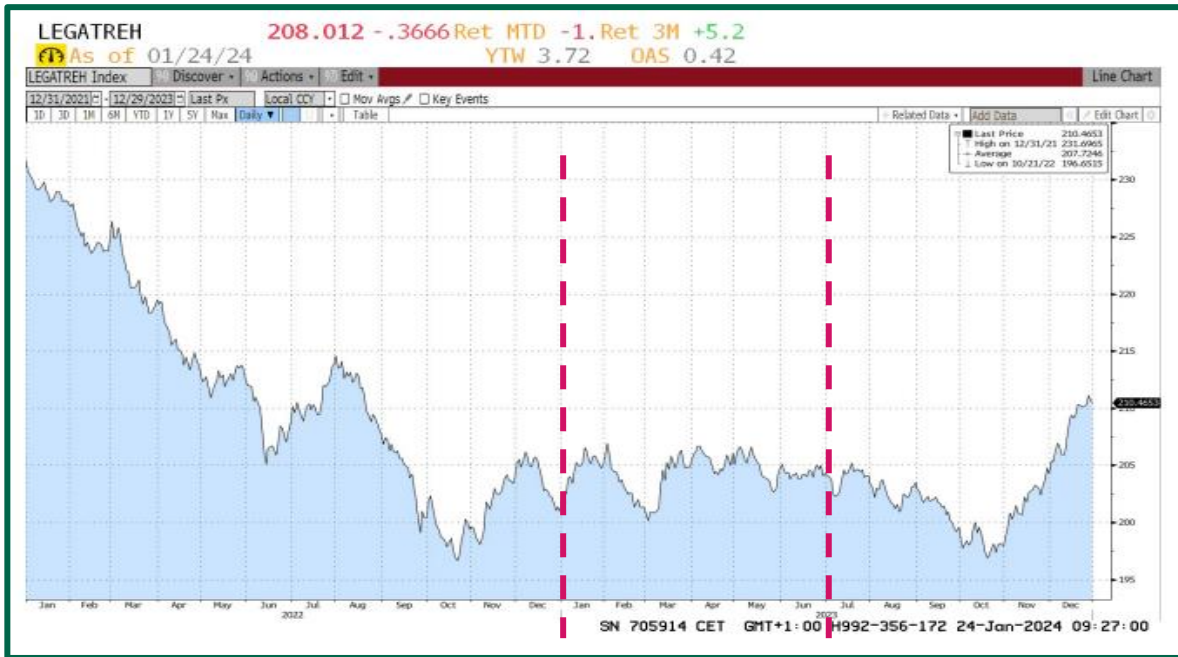
**LCR @ 140%**

**LTD @ 99%**

# Volatile year for Bonds - Equities surpassing expectations

## Bonds

Bloomberg Global Bond Aggregate (hedged to €)  
Jan-2022 to Dec-2023



## Equities

FTSE All-world (hedged to €)  
Jan-2022 to Dec-2023



# Group results buoyed by the market recovery

**APS Diversified Bond Fund\***  
Y2023 **+5.8%** return (FY2022 -15.4%)

**APS Ethical Fund\*\***  
Y2023 **+8.0%** return (FY2022 -16%)

**APS Global Equity Fund\*\***  
Y2023 **+17.6%** return (FY2022 -17.1% return)

**APS Income Fund\*\***  
1H2023 **+1.3%** return (FY2022 -8.9%)



	APS % holding	FY2022	FY2023
ReAPS*	100.0	0.2	0.1
Diversified Bond Fund*	70.1	(8.1)	2.6
Global Equity Fund**	39.5	(1.2)	0.8
Income Fund**	9.9	(0.7)	0.1
Ethical Fund**	2.9	(0.4)	0.1
IVALIFE**	25.0	(0.4)	(0.1)
		<b>(10.7)</b>	<b>3.6</b>

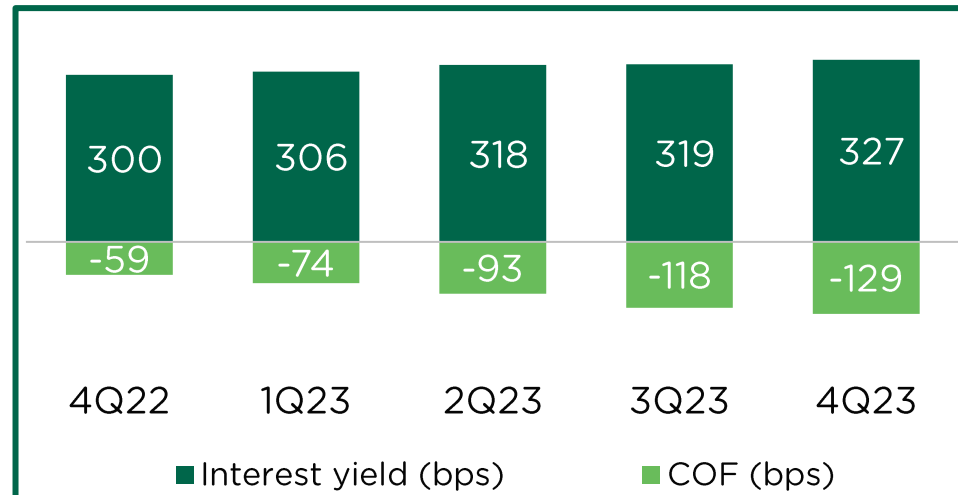
\*Line-by-line consolidation; \*\*Share of results consolidation

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

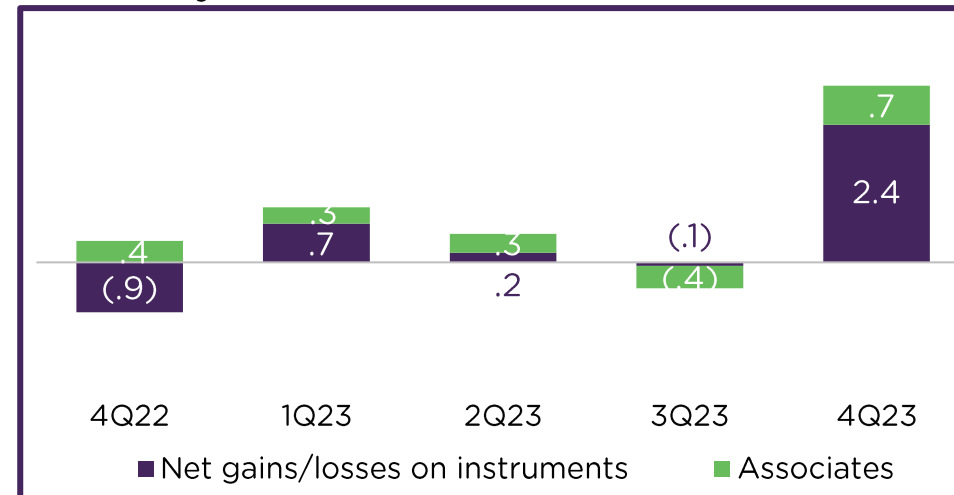
# Core revenues lifted by higher volumes: lending, transaction & investments

	Y2022	Y2023	12M '23 vs 12M '22	4Q '23 vs 3Q '23
<b>NII</b>	65.1	73.6	▲ +13% YoY	▼ -2% QoQ
<b>Advances &amp; payment fees</b>	5.1	5.9	▲ +16% YoY	▼ -6% QoQ
<b>Investments &amp; insurance fees</b>	3.3	3.9	▲ +20% YoY	▲ +7% QoQ
<b>FX</b>	1.3	0.2	▼ -88% YoY	▼ -85% QoQ
<b>Cards</b>	0.7	0.9	▲ +38% YoY	▲ +5% QoQ

Higher yields offset by more expensive funding



Recovery from Y22 un-realised losses

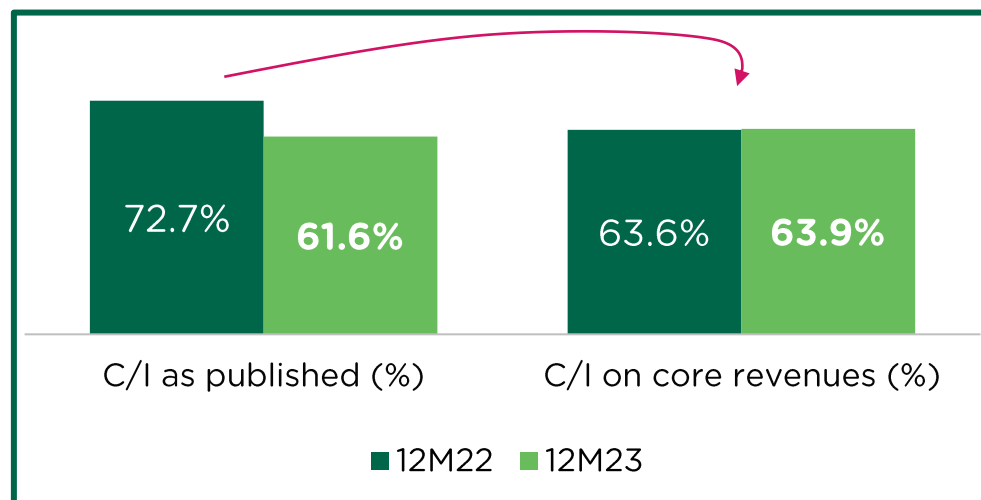


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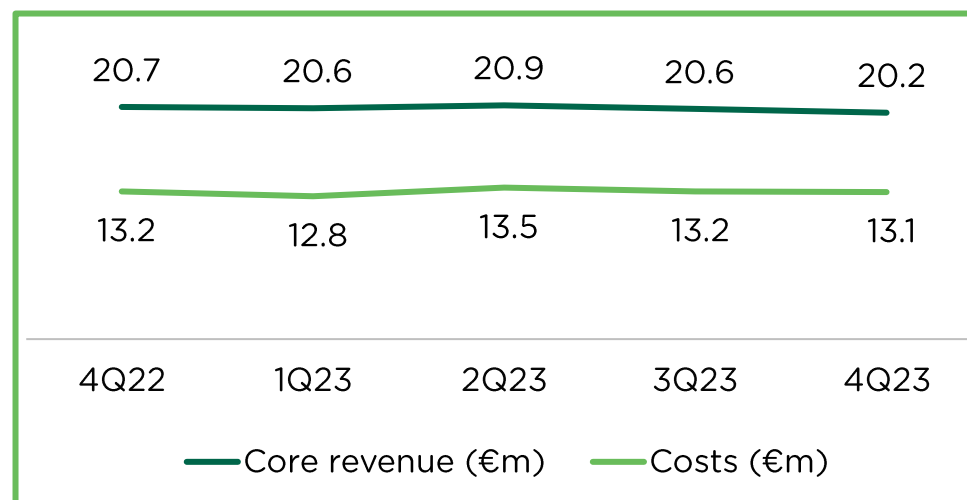
# Drive for transformation and operational excellence on cautious cost growth

	Y2022	Y2023	12M '23 vs 12M '22	4Q '23 vs 3Q '23
<b>Staff costs</b>	26.1	28.6	▲ +10% YoY	▲ +5% QoQ
<b>Admin costs</b>	16.2	18.5	▲ +15% YoY	▼ -8% QoQ
<b>Depreciation/Amortisation</b>	4.8	5.5	▲ +15% YoY	▼ -2% QoQ

Cost-to-income ratio



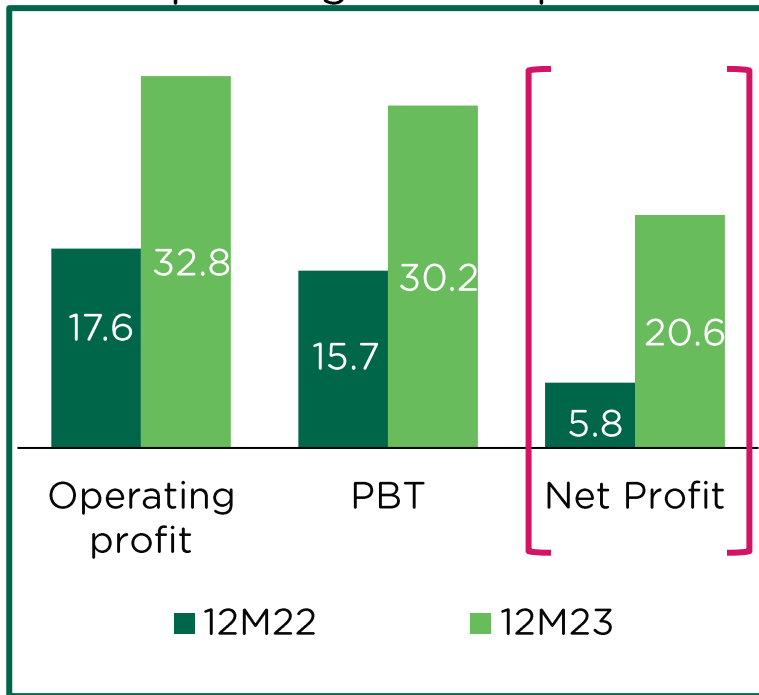
Jaws ratio



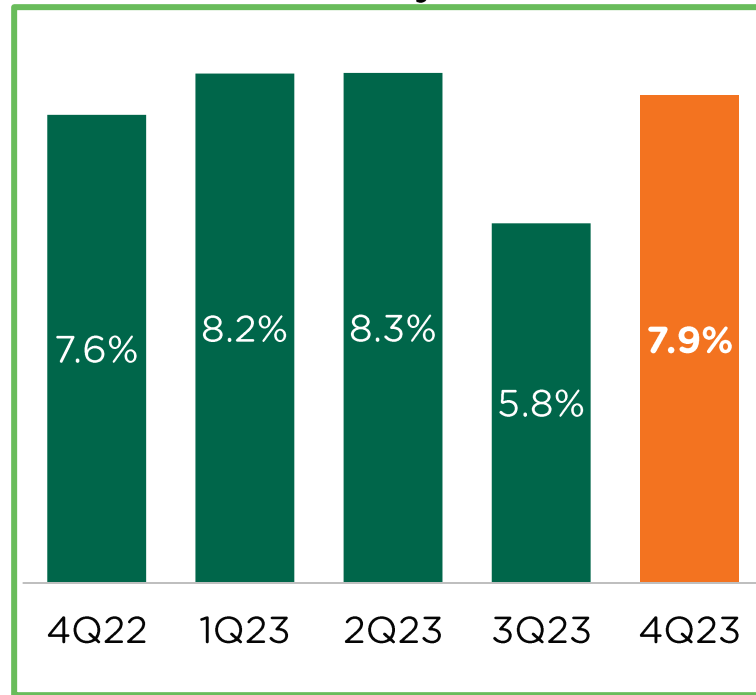
# Highest ever profit for the year and dividend



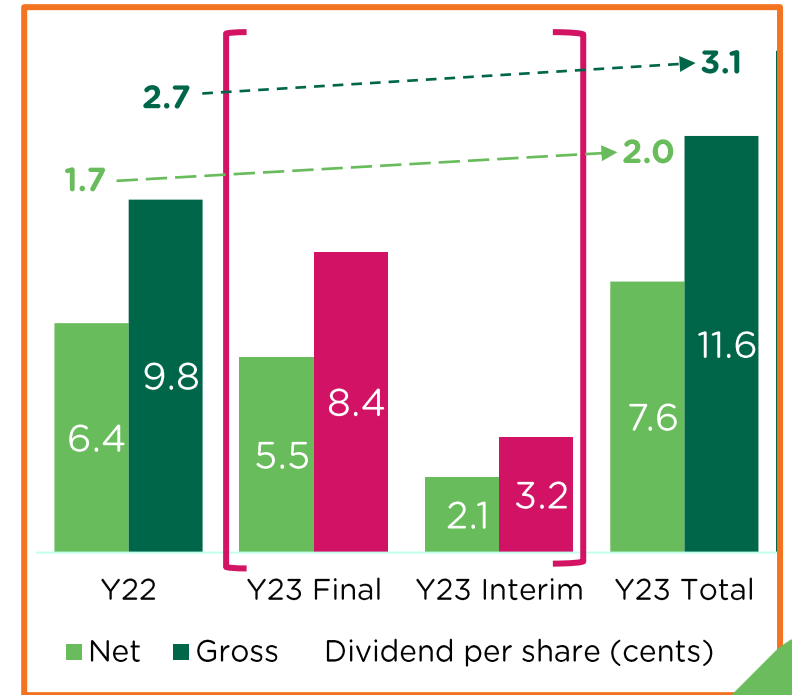
## Operating and net profits



## Quarterly ROAE

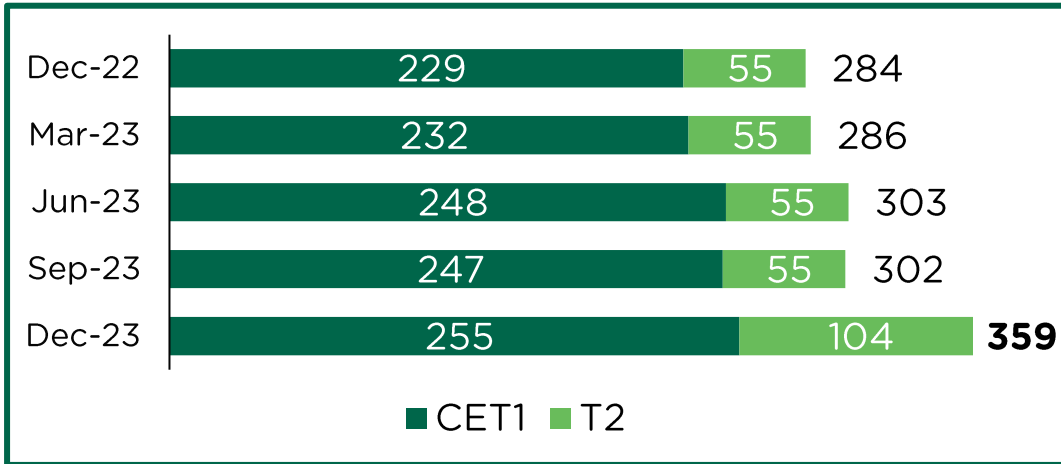


## Dividend

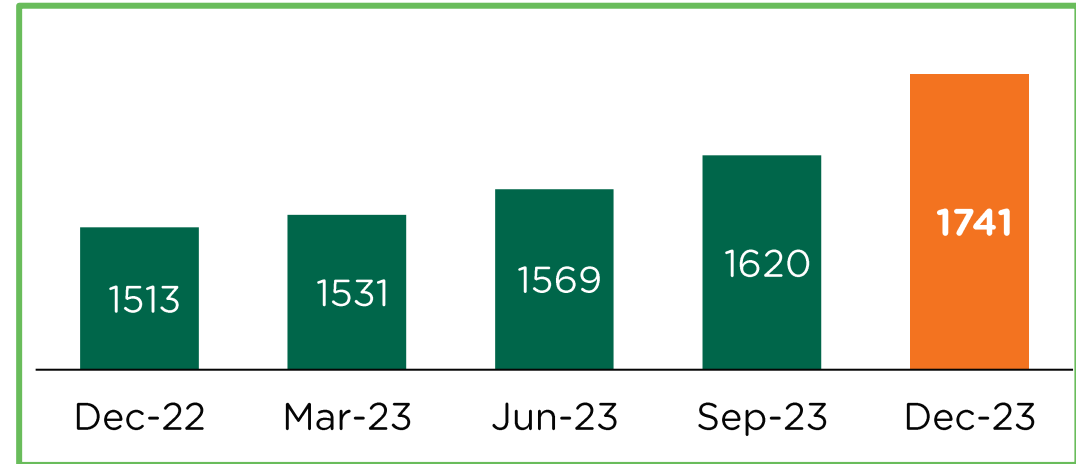


# Higher CET1 & T2 capital - on profits, scrip and Bond issue

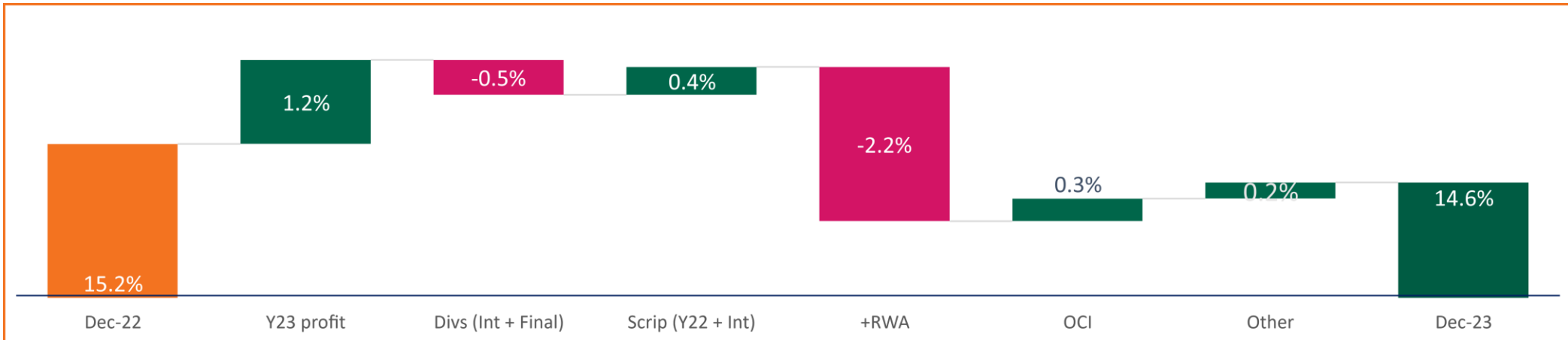
Own funds strengthened by T2 Bonds



Risk-weighted assets mirror asset trajectory



CET1 ratio up on profits & scrip dividend, consumed by RWA



\* All data in €m unless otherwise stated