

# Financial Results 1Q24



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## Proprietary Information

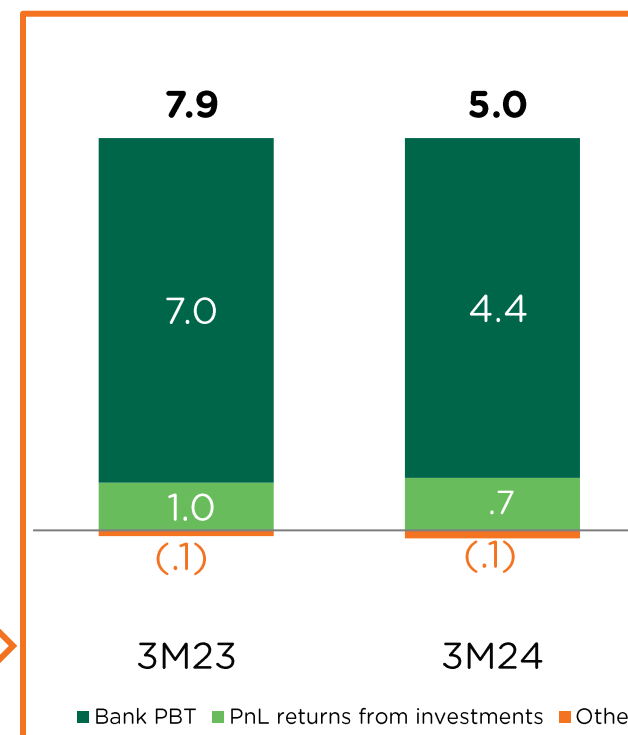
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This Presentation was prepared by APS Bank plc (C2192) and ReAPS Asset Management Limited (C77747) both with registered address at APS Centre, Tower Street, Birkirkara BKR 4012. APS Bank plc is regulated by the Malta Financial Services Authority as a Credit Institution under the Banking Act 1994 and to carry out Investment Services activities under the Investment Services Act 1994. The Bank is also registered as a Tied Insurance Intermediary under the Insurance Distribution Act 2018. ReAPS Asset Management Limited is a subsidiary of APS Bank plc. ReAPS Asset Management Limited is regulated by the Malta Financial Services Authority as a UCITS Management Company and to carry out Investment Services activities under the Investment Services Act 1994 and is registered as an Investment Manager under the Retirement Pensions Act.

# Mixed start to the year - sustained volumes amid margin compression

	BANK		GROUP	
€ mio	3M23	3M24	3M23	3M24
Net interest income	18.0	16.3	18.4	16.7
Net fee income	2.0	2.1	2.2	2.4
Other operating income	0.4	0.5	-	0.3
	<b>20.4</b>	<b>18.9</b>	<b>20.6</b>	<b>19.4</b>
Net gains/losses on fin. inst.	-	-	0.7	(0.1)
<b>Operating income</b>	<b>20.4</b>	<b>18.9</b>	<b>21.3</b>	<b>19.3</b>
Operating expenses	(12.5)	(13.2)	(12.8)	(13.5)
Net impairments	(0.9)	(1.3)	(0.9)	(1.3)
Results from associates	-	-	0.3	0.5
<b>Profit before tax</b>	<b>7.0</b>	<b>4.4</b>	<b>7.9</b>	<b>5.0</b>
Tax	(2.4)	(1.6)	(2.5)	(1.6)
<b>PROFIT AFTER TAX</b>	<b>4.6</b>	<b>2.9</b>	<b>5.4</b>	<b>3.4</b>

Components of Group PBT



\* Investments in the APS Diversified Bond Fund, Global Equity Fund, Income Fund, Income Ethical Income Fund & Ivalife

# Loans and investment books up on €3.7bn balance sheet



Loans

Mar '24 vs  
Mar '23

▲ +17.4% YoY

Mar '24 vs  
Dec '23

▲ +1.0% QoQ

LCR @  
**141%**

(Dec 2023:  
140%)

LTD @  
**100%**

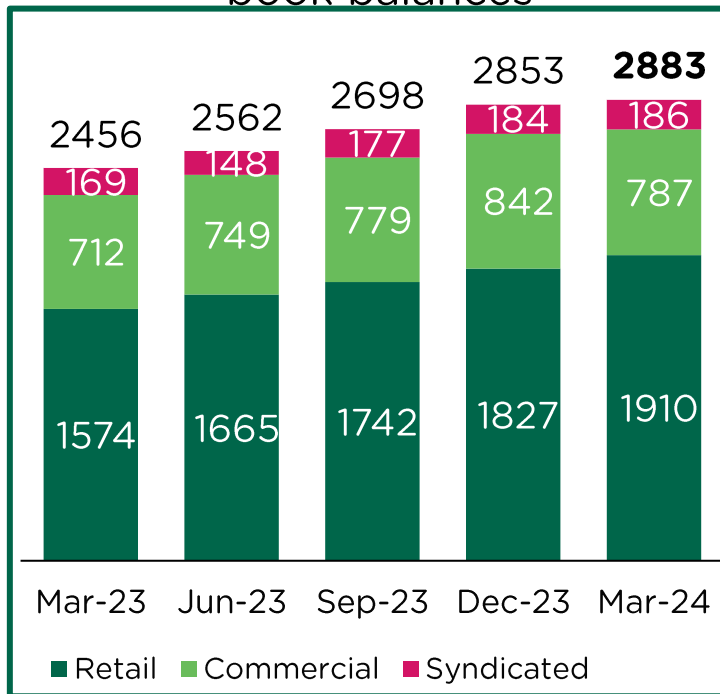
(Dec 2023:  
99%)

\*LTD ratio as per EBA definition

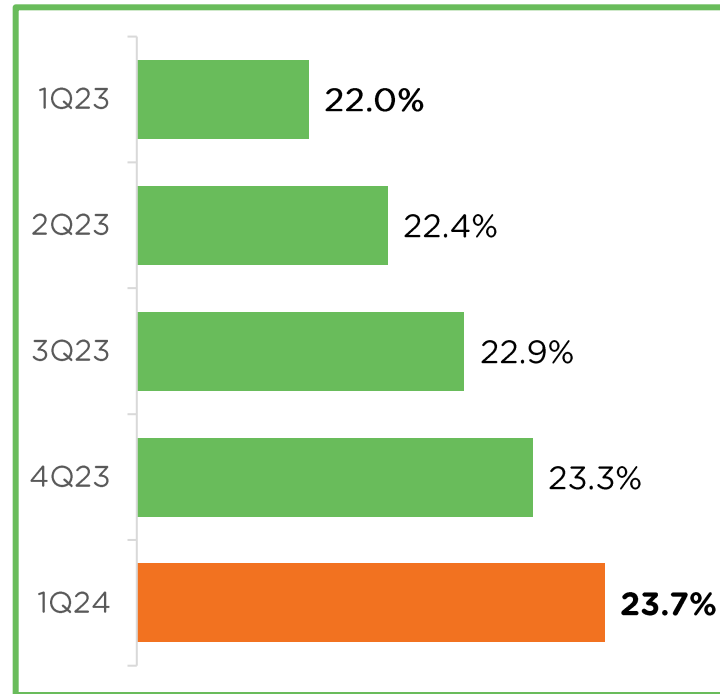
# Growing lending and investments distribution activities



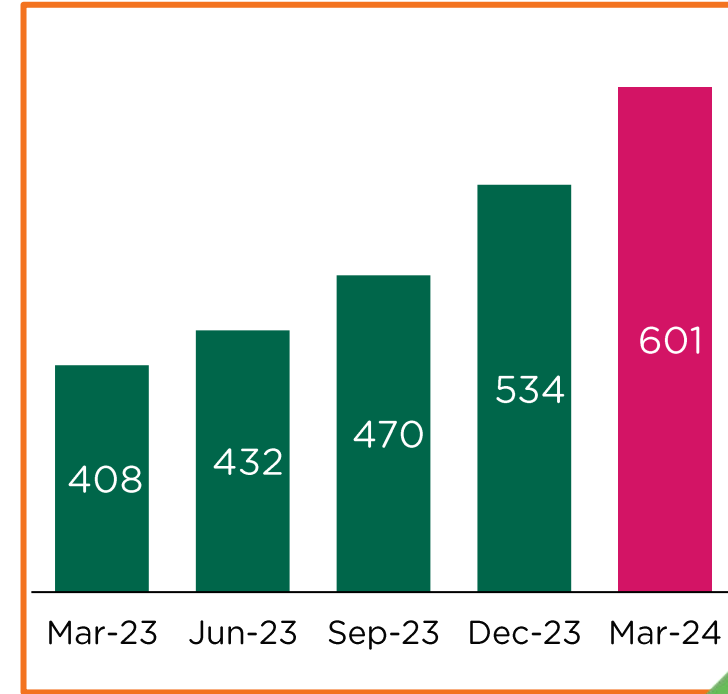
Strong loan sanctioning and book balances



... consolidating market share

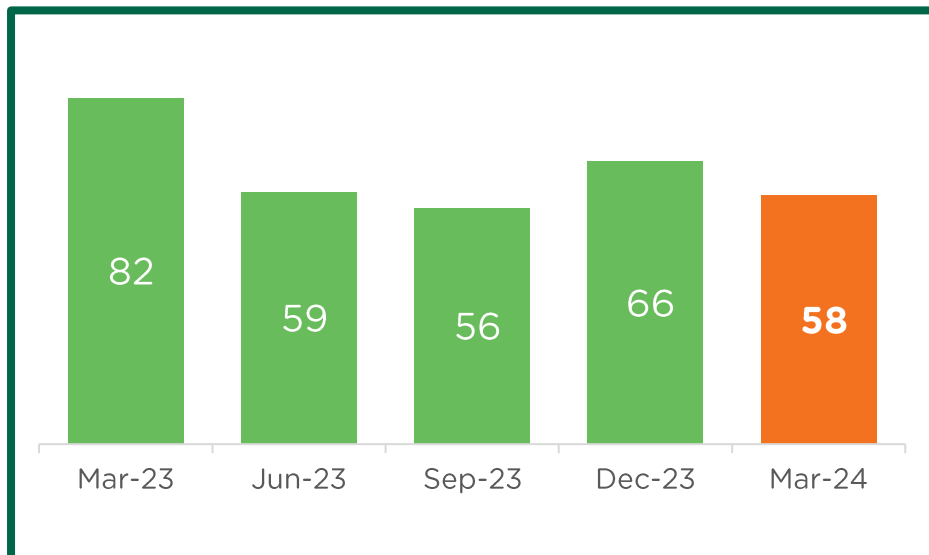


+47% YoY growth in AUM

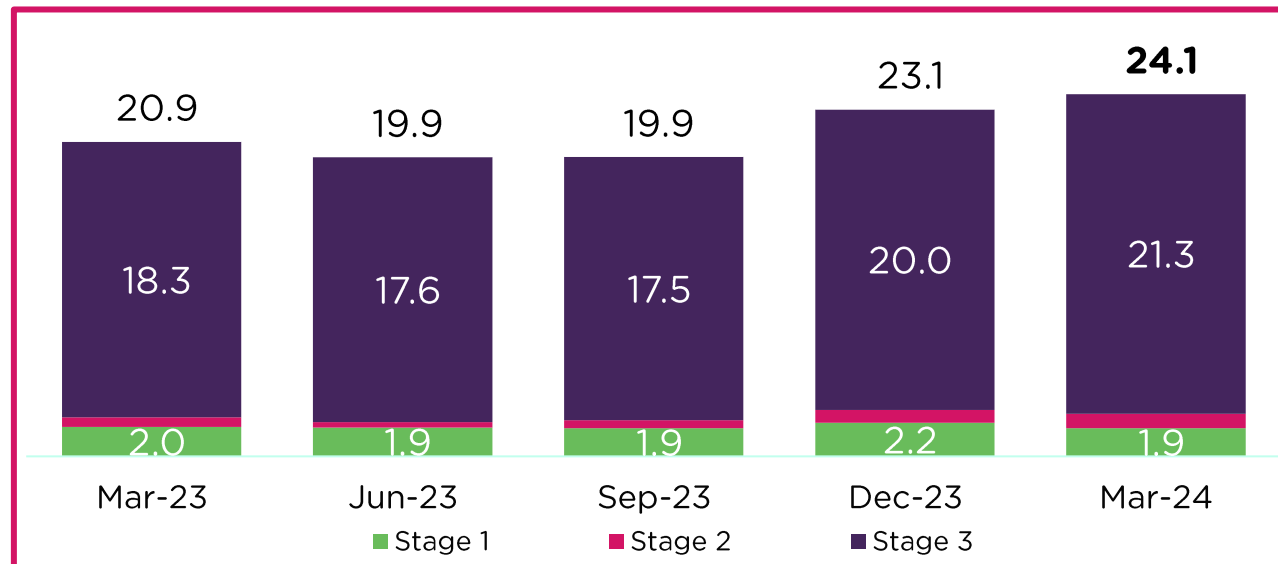


# Rigorous credit underwriting leading to improved NPL stock and ratio

Lower stock of non-performing loans



ECL largely covering Stage 3 loans



NPL <2% - on strong ECL coverage

	Mar-23	Dec-23	Mar-24
<b>NPL Ratio</b>	3.1%	2.2%	1.9%
<b>Coverage<sup>1</sup></b>	99%	89%	87%
<b>Cost of Credit (YTD)</b>	12bps	11bps	14bps

<sup>1</sup> Coverage ratio net of discounted collateral

\* All data in € millions, unless otherwise stated; Totals may not add due to rounding



# 1Q modest market recovery continues from 2023

## APS Diversified Bond Fund\*

3M2024 +0.4% return (3M2023 +1.5%)

## APS Global Equity Fund\*\*

3M2024 +9.5% return (3M2023 +4.8%)

## APS Ethical Fund\*\*

3M2024 +1.6% return (3M2023 +2.9%)

## APS Income Fund\*\*

3M2024 +0.6% return (3M2023 -0.9%)



	APS % holding	P&L
ReAPS*	100.0	0.1
Diversified Bond Fund*	69.3	0.1
Global Equity Fund**	37.9	0.5
Income Fund**	10.0	-
Ethical Fund**	2.9	0.1
IVALIFE**	25.0	(0.1)
		<b>0.7</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

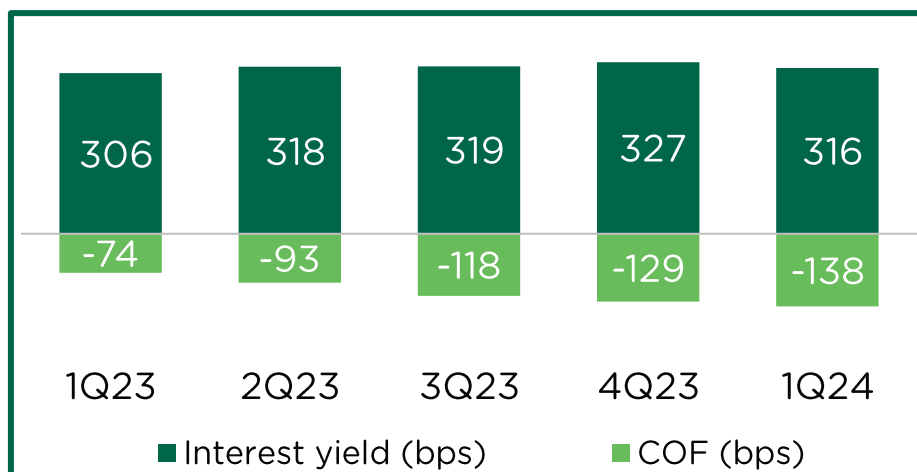


\* All data in € millions, unless otherwise stated; Totals may not add due to rounding

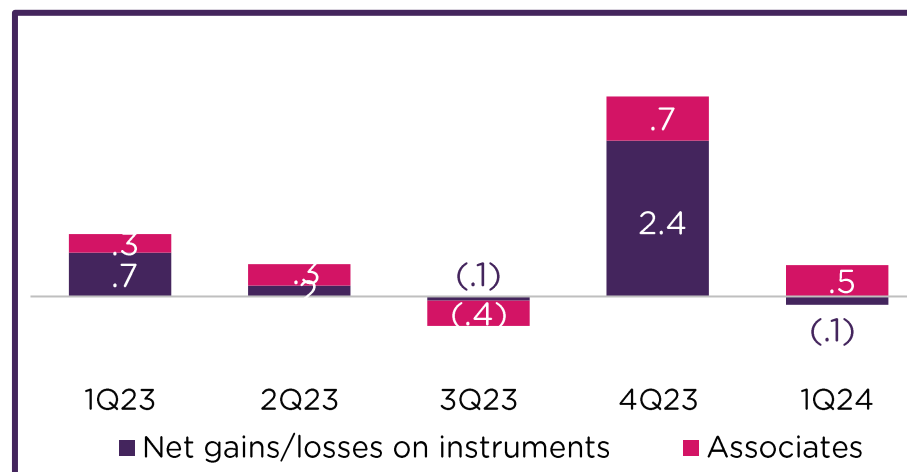
# Tightening interest margins on active ALM and higher non-credit driven revenues

	€m	3M '24 vs 3M '23	1Q '24 vs 4Q '23
<b>NII</b>	16.7	▼ -9% YoY	▼ -8% QoQ
<b>Advances &amp; payment fees</b>	1.5	▼ -20% YoY	▲ +8% QoQ
<b>Investments &amp; insurance fees</b>	1.2	▲ +28% YoY	▲ +9% QoQ
<b>Cards</b>	0.3	▲ +25% YoY	▬ 0% QoQ
<b>Client FX</b>	0.2	▲ +100% YoY	▲ +100% QoQ

Net interest margins



Market impact on profitability



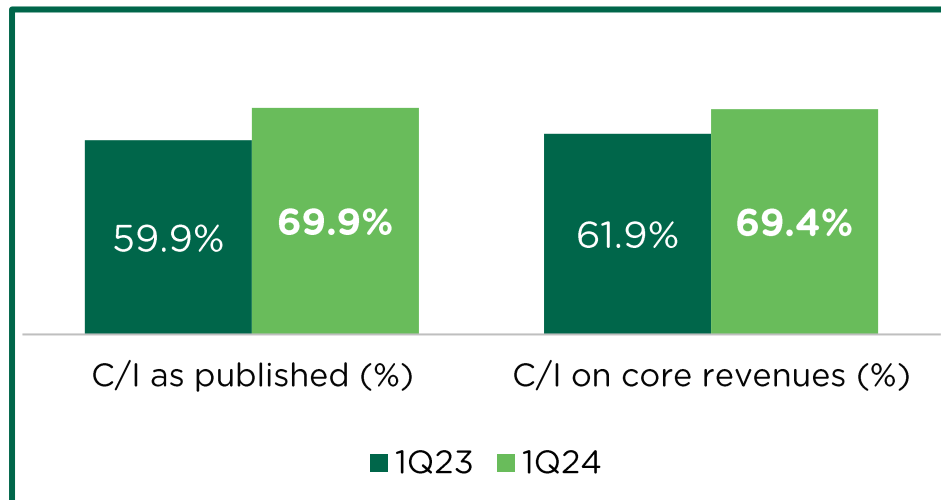
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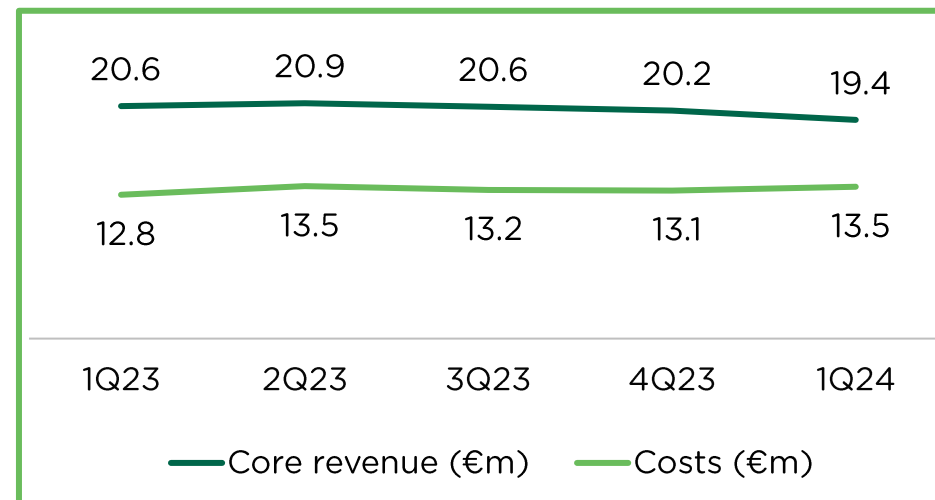
# Contained cost growth @ +5% on regulatory & tech outlays

	€m	3M '24 vs 3M '23	1Q '24 vs 4Q '23
Staff costs	6.9	— 0% YoY	▼ -6% QoQ
Admin costs	5.1	▲ +13% YoY	▲ +18% QoQ
Depreciation/Amortisation	1.4	▲ +8% YoY	— 0% QoQ

C/I reflecting the lower revenues



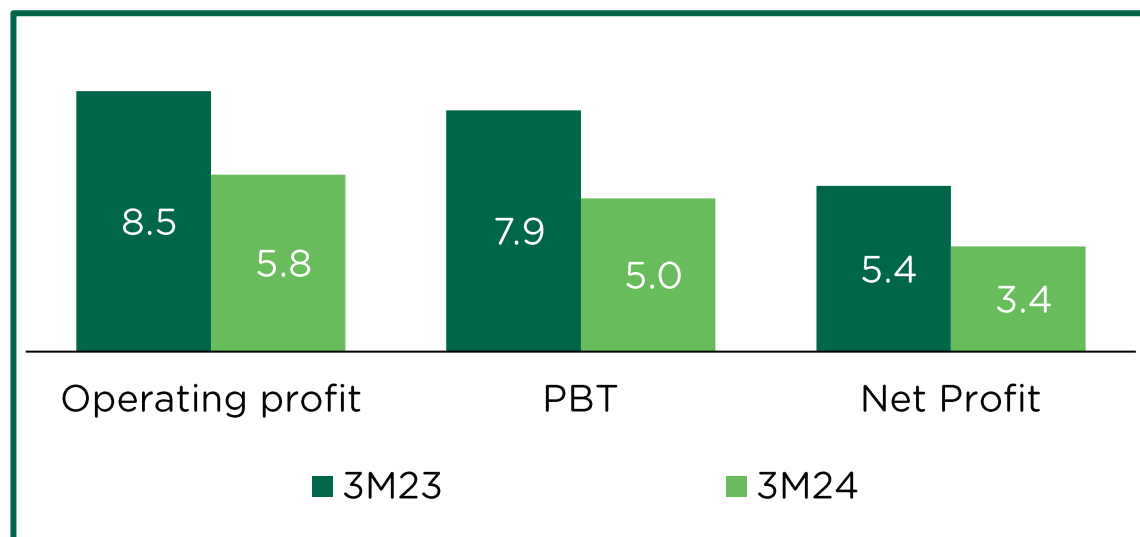
...with similar impact on JAWS



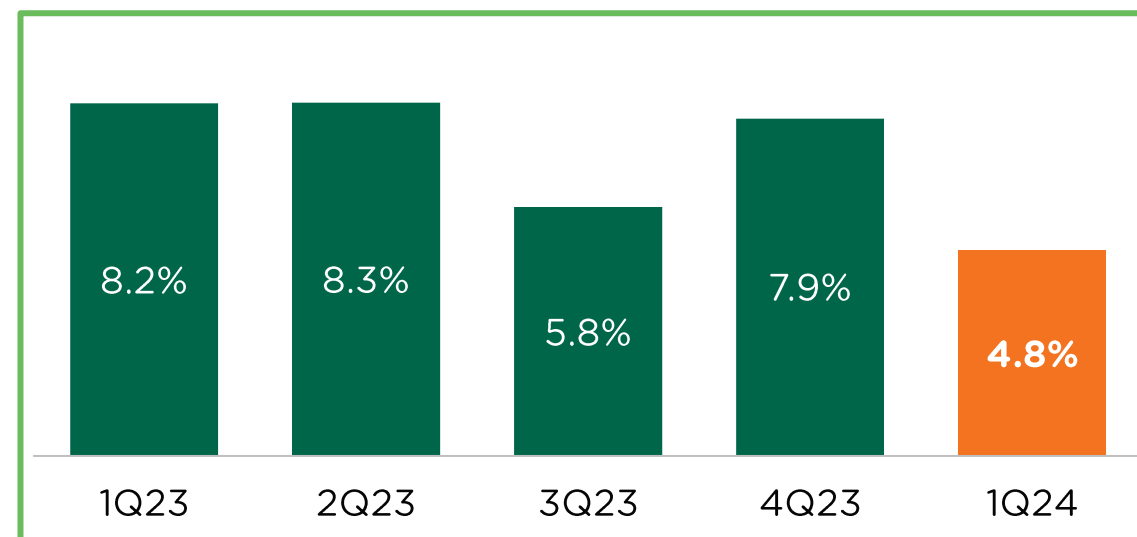
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# €5m pre-tax profit for the first quarter of the year

## Profitability trends



## Annualised ROAE



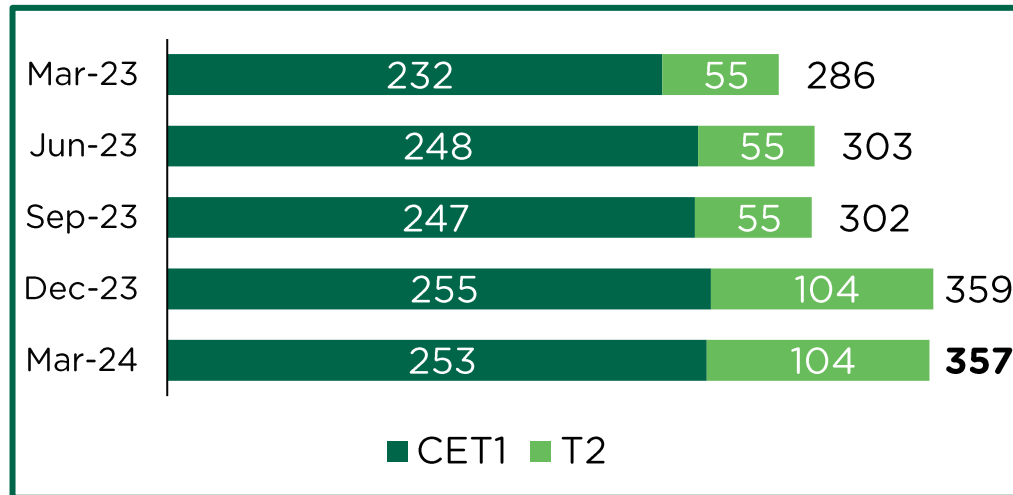
	Y/E 2023 <sup>1</sup>	Today <sup>2</sup>
<b>Share Price</b>	€0.58	<b>€0.55</b>
<b>Book value</b>	€0.723	<b>€0.728</b> ▲ 0c5
<b>P/B</b>	0.80x	<b>0.76x</b>

<sup>1</sup>Share price at 31/Dec 2023 <sup>2</sup>Share price at 22/Apr 2024

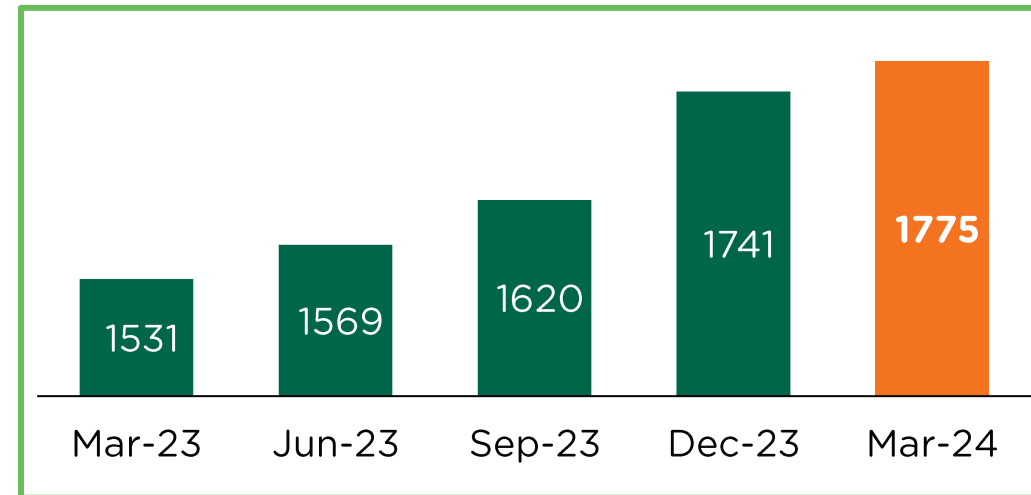
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# Stable regulatory capital, risk-weighted assets and ratios

Regulatory capital > €350m



1Q consumption from RWA



CET1 @  
**14.2%**

(Dec 2023:  
14.6%)

CAR @  
**20.1%**

(Dec 2023:  
20.6%)



**Thank you**



# Annual General Meeting 2024



# Annual General Meeting

- **Date:** 9 May 2024
- **Venue:** Westin Dragonara Resort, St Julian's
- **Time:** 1800 hours, registration commences at 1700 hrs
- The Notice, Agenda, Circular, Proxy and ancillary documentation was sent out to all shareholders on 18 April 2024.

[apsbank.com.mt/general-meetings](https://apsbank.com.mt/general-meetings)



# Overview of Resolutions

## Ordinary Business - Ordinary Resolutions

- Approval of the audited financial statements for the financial year ended 31 December 2023
- Declaration of Dividend
  - gross final dividend of €0.022 per share, totaling €8,500,000
  - paid either (i) in cash or (ii) in scrip by the issue of new shares, at the option of each shareholder
- Appointment and remuneration of Auditors
- Emoluments of Directors



# Overview of Resolutions

## Special Business - Ordinary Resolutions

- Remuneration policy
- Remuneration report
- **Rights Issue and Directors' authority to issue shares for the purpose of undertaking a Rights Issue**
  - The Bank intends to access the markets via a Rights Issue over the next 12 months, to further strengthen its CET1 capital.
  - Authority to raise a maximum amount not exceeding 50% of the issued share capital at the time of issue (eg 50% of 377,803,569 shares as at today)
  - More details will be provided in the coming months

# Overview of Resolutions

## Special Business - Extraordinary Resolutions

- Directors' authority to issue shares limitedly for the purpose of implementing any decision to pay a scrip dividend, and to affect a capitalisation of profits
- **Renewal of authority to the Directors to issue debt securities**
  - In 2023 the shareholders granted authority to the Board to issue up to €150,000,000 in nominal value of bonds/debt securities. The Bank issued €50,000,000 in October 2023.
  - The shareholders will grant an extended authority to the Bank to issue the remaining €100,000,000 over the next 12 months, should the need arise.

# Overview of Resolutions

## Special Business - Extraordinary Resolutions (cont.)

- **Amendments to the Memorandum and Articles of Association**
  - The proposed amendments refer to:
    - Increasing the Bank's authorised share capital to €250,000,000 divided into 1,000,000,000 shares with a nominal value of €0.25
    - Changes in the composition of the Board of Directors:
      - Increasing the minimum (to 7) and maximum number (to 11) of directors
      - Automatic appointment of the CEO as Executive Director
      - Authority of the Board to co-opt a Director in defined circumstances
    - Reducing the 'Qualifying Shareholding' to 8%

[apsbank.com.mt/general-meetings](https://apsbank.com.mt/general-meetings)

# Appointment of Directors

Martin Scicluna, Juanito Camilleri, Laragh Cassar, Michael Pace Ross, Joseph Rapa and Joseph C Attard will be re-appointed by letter by the Qualifying Shareholders.

Noel Mizzi and Marisa Xuereb will be re-appointed, since following a call for nominations from the free float, no nominations were received other than the incumbents' renewed willingness to be re-appointed.

Victor E Agius will be retiring from the Board, and in his stead Leslie Janet Stephenson will be appointed, subject to regulatory approval. Since Victor E Agius was appointed by the Qualifying Shareholder, then Ms Stephenson will be likewise appointed.

# Leslie Janet Stephenson

- Senior executive with an accomplished track-record spanning more than 30 years in international financial services.
- Spent over 15 years at HSBC in Asia-Pacific, the Middle East and the UK, delivering large-scale transformational change in complex, highly regulated industries.
- NED of Trident Royalties plc.
- Holds a BA and an MBA from the University of Western Ontario, and is a Chartered Life Underwriter. She is also a fully qualified non-executive director.



# Submitting of Proxy Form and Scrip Dividend Form

**Proxy Form:** completed and signed proxy forms are to reach Company Secretariat either by mail or via email: [investor.relations@apsbank.com.mt](mailto:investor.relations@apsbank.com.mt)

**Scrip Dividend Form** only if opting for shares - to be sent, by mail or via email on [apsdividend@apsbank.com.mt](mailto:apsdividend@apsbank.com.mt) quoting Name, Surname and MSE Number in the 'Subject'. Forms to be received by 8 May.

**Questions relating to the Agenda Items:** to reach Company Secretariat by 6 May [investor.relations@apsbank.com.mt](mailto:investor.relations@apsbank.com.mt)



Thank you