CONDENSED INTERIM FINANCIAL STATEMENTS

30 June 2025

APS bank

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DIRECTORS' REPORT PURSUANT TO CAPITAL MARKETS RULE 5.75.2

The first half of 2025 has unfolded against a backdrop of ongoing global adjustment, with economies moving at different speeds as they manage the lingering effects of recent disruptions. Inflation, although easing in some areas, remains a key concern with central banks cautiously shifting towards more accommodative policies to balance growth and price stability. And the growing threat of new trade tariffs has heightened concerns around global supply chains, inflation dynamics, and investment sentiment.

Geopolitical tensions have also remained elevated, with the risk of new conflicts continuing to cast a shadow over global markets. These developments have had a pronounced impact on energy prices, global trade flows, and overall investor sentiment. Financial market volatility persists, with equity markets displaying resilience amid uncertainty.

Domestically, the Maltese economy continued a solid growth path, building on last year's strong performance, and supported by robust tourism figures, resilient exports of goods and services, low unemployment and sustained private consumption. As a result, GDP growth for the year is forecast to remain healthy at around 4.0%. Meanwhile, ongoing government measures to shield households and businesses from energy price volatility and to contain inflation are placing continued strain on public finances. Nonetheless, both the national debt and fiscal deficit remain broadly under control.

INCOME STATEMENT

For the period under review, APS Bank plc delivered a pre-tax profit of €9.1 million (1H 2024: €10.1 million) at Group level and €10.2 million (1H 2024: €9.9 million) at Bank level. Net operating income grew by a healthy 10.6% relative to the first half of 2024, but this was offset by material one-off costs, including higher contributions to the Depositor Compensation Scheme and fees related to the advisory and due-diligence work in connection with the exercise to acquire HSBC Bank Malta plc.

a) **APS Group reported an interest income of €60.1 million for 1H 2025, an increase of €4.1 million (7.3%) on 1H 2024**. Interest income growth was primarily propelled by the Group's core retail and commercial lending portfolios. Although there was a notable decline in interest income from syndicated loans compared to the previous year, this was more than offset by an increase in interest income from loans and advances, driven by growth in both retail, commercial and inter-bank lending.

b) **Interest payable amounted to €24.5 million for the six months ended 30 June 2025, up by 7.0% on the €22.9 million of the corresponding period in 2024.** The increase is consistent with the year-on-year growth in customer balances and reflects the expanding customer base and a commitment to offer competitive rates in a dynamic market environment. Importantly, funding costs have been decreasing thanks to a realignment in pricing and in favour of overnight and demand deposits.

c) The Bank's interest pricing is resulting in **a strengthening of the Net Interest Margin (NIM), becoming more in evidence during 2Q 2025** compared to prior periods**. This trend is supported by higher net fee and commission income which grew by 2.9% to €4.6 million (1H 2024: €4.5 million**), in line with the Group`s broader upward trend and mainly driven by income from advances, card and other transaction banking.

d) **Other operating income of €0.5 million** decreased by €0.3 million compared to 1H 2024. At Bank level, a strategic partial divestment of shares in a sub-fund generated a gain of €0.7 million during the first six months, partly offset at Group level by adverse foreign exchange movements, reflecting broader market volatility.

e) **Net impairment losses for 1H 2025 totaled €0.5 million (1H 2024: €2.0 million)**, marking a significant reduction compared to the prior year which had recorded credit charges on the commercial and syndicated loan portfolios (not repeated in the current reporting period). This performance attests to the sustained credit quality and underwriting standards of the Group's lending portfolio, also resulting in a **Non-Performing Loans (NPL) ratio of 1.4% - representing a drop of 0.5 percentage points compared to 1H 2024**.

f) **For the six-months under review, operating expenditure amounted to €31.6 million, a 17.0% increase over the corresponding period of 2024**. The rise in costs is primarily due to Depositor Compensation Scheme contributions, plus higher regulatory and supervision fees, technology, security and due-diligence advisory expenses. Cost-to-income ratio rose to 77.4% (1H 2024: 70.0%).

DIRECTORS' REPORT PURSUANT TO CAPITAL MARKETS RULE 5.75.2 (CONTINUED)

FINANCIAL POSITION

g) Group assets stood at €4.3 billion, up by 3.9% from December 2024. **The main growth streams were:**

- Net loans and advances to retail and corporate customers which rose by €158.9 million, while loans to banks increased by €25.8 million, with the loan book reaching €3.2 billion. In addition, debt securities grew by €42.4 million, further contributing to the overall growth.
- Offsetting the aforementioned expansion, cash balances held with the Central Bank of Malta reduced by €43.7 million as previously accumulated liquidity was employed in interest-bearing securities. This was followed by a contraction in the syndicated loan portfolio, which decreased by €17.0 million.

h) Total liabilities closed at €4.0 billion, up by 4.2% over December 2024. Key contributors to this growth were:

- Customer deposit balances which increased by €179.5 million, underscoring a trajectory of growth that aligns with the broader strategic expansion of the business base. Notably, the portfolio experienced a reallocation towards overnight balances, thereby enhancing the Bank's funding efficiency and contributing to more optimal cost of funding.

i) Total equity at the end of 1H 2025 was €308.8 million, dipping by €1.1 million from the €309.9 million of 31 December 2024. The movement in equity was primarily attributable to:

- The distribution of a cash dividend amounting to €5.9 million, which was partially offset by the recognition of a profit of €4.9 million, alongside the issuance of a scrip dividend in respect of the financial year ended 31 December 2024 of which €0.7 million was retained within equity.

j) The Bank's CET1 ratio stood at 15.0% (Dec-2024: 14.6%) **and the Capital Adequacy Ratio at 20.6%** (Dec-2024: 20.1%).

DIVIDENDS

At the Annual General Meeting of May 2025, shareholders approved the payment of a net scrip dividend of €6,450,000 (gross dividend of €9,923,077) at an attribution price of €0.57. A total of 1,246,433 new ordinary shares were issued as part of the distribution, marking a drop on the take-ups of previous financial years and reflecting a more prudent and measured approach by investors in market conditions of low liquidity and relative volatility.

The Board is declaring the payment in cash of an interim net dividend of €1,800,000 (gross dividend of €2,769,231), subject to regulatory approval. The net dividend equates to €0.00472 cents per ordinary share (gross dividend of €0.00726 cents per ordinary share).

OUTLOOK

As global trade indicators increasingly show signs of tariff-related strains, a slowdown in 2H 2025 is expected which could translate into global growth ebbing to 2.4% this year before modestly recovering to 2.5% in 2026. Recent data suggests that economic activity in Malta remained resilient in 1H 2025 but with real GDP growth set to ease from 6.0% in 2024 to 4.0% in 2025. Growth is set to moderate further in the following two years, reaching 3.3% in 2027. Domestic demand is expected to be the main driver of growth, led by private consumption and tourism, while investment should also continue to recover. Going forward, inflation is projected to stand at 2.3% in 2025 and expected to ease further to 2.1% in 2026, reflecting a decline in food inflation.

APS Bank's first half performance is marked by a strong rebound in net banking income for 2Q which is expected to accelerate for the rest of the year, as capital and liquidity indicators remain strong and asset quality at a multi-year high. After peaking in 2024, the reduction in ECB interest rates is expected to continue helping the Bank's funding costs and a widening of its NIM, which will increasingly contribute to a pick-up in profitability and efficiency ratios. This is thanks to the curated strategy initiated in 2024 aimed at achieving more scale and economies, becoming the 'everyday bank of choice' with a wider suite of products, services and channels. This strategy is now enabling the Bank to deliver consistently better offerings and digital innovation, with potential to cross-sell more and extract greater share of wallet from its growing customer base.

STATEMENT OF DIRECTORS' RESPONSIBILITES PURSUANT TO CAPITAL MARKETS RULES

The Directors are responsible for the preparation and fair presentation of the condensed interim financial statements in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the EU and the presentation and disclosure requirements of IAS 34 *Interim Financial Reporting*. In preparing the condensed interim financial statements, the Directors should:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group will continue in business as a going concern.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group. This responsibility includes designing, implementing and maintaining such internal controls as the Directors determine is necessary to enable the preparation of these condensed interim financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MARTIN SCICLUNA
Chairman

NOEL MIZZI
Director

31 July 2025

STATEMENTS OF PROFIT OR LOSS

for the period ended 30 June 2025

	Note	The Group Jun-25 €000	The Group Jun-24 €000	The Bank Jun-25 €000	The Bank Jun-24 €000
Interest and similar income:					
On loans and advances and balances with the Central Bank of Malta		**56,539**	52,413	**56,539**	52,413
On debt and other fixed income instruments		**3,575**	3,626	**2,710**	2,735
Total interest and similar income		**60,114**	56,039	**59,249**	55,148
Interest expense		**(24,483)**	(22,889)	**(24,483)**	(22,889)
Net interest income		**35,631**	33,150	**34,766**	32,259
Fee and commission income		**6,549**	5,643	**5,886**	5,110
Fee and commission expense		**(1,952)**	(1,174)	**(1,876)**	(1,164)
Net fee and commission income		**4,597**	4,469	**4,010**	3,946
Dividend income		**244**	81	**1,060**	899
Net (losses)/gains on foreign exchange		**(534)**	645	**348**	357
Net gains from derecognition of financial assets at amortised cost		**-**	596	**-**	596
Net gains/(losses) on other financial instruments		**664**	(609)	**1,099**	(2)
Other operating income		**158**	163	**158**	163
Operating income before net impairments		**40,760**	38,495	**41,441**	38,218
Net impairment losses	3	**(453)**	(2,045)	**(453)**	(2,045)
Net operating income		**40,307**	36,450	**40,988**	36,173
Employee compensation and benefits		**(15,990)**	(14,310)	**(15,575)**	(13,947)
Other administrative expenses		**(12,586)**	(9,890)	**(12,213)**	(9,581)
Depreciation of property and equipment		**(901)**	(1,013)	**(901)**	(1,013)
Amortisation of intangible assets		**(1,701)**	(1,443)	**(1,701)**	(1,443)
Depreciation of right-of-use assets		**(377)**	(304)	**(377)**	(304)
Operating expenses		**(31,555)**	(26,960)	**(30,767)**	(26,288)
Net operating profit before associates' results		**8,752**	9,490	**10,221**	9,885
Share of results of associates, net of tax		**391**	619	**-**	-
Profit before tax		**9,143**	10,109	**10,221**	9,885
Income tax expense	5	**(4,284)**	(3,175)	**(4,251)**	(3,137)
Profit for the period		**4,859**	6,934	**5,970**	6,748
Profit for the period attributable to:					
Equity holders of the parent		**4,874**	6,835	**5,970**	6,748
Non-controlling interest		**(15)**	99	**-**	-
		4,859	6,934	**5,970**	6,748
Basic and diluted earnings per share	6	**1.3c**	1.8c	**1.6c**	1.8c

STATEMENTS OF COMPREHENSIVE INCOME

for the period ended 30 June 2025

	The Group		The Bank	
	Jun-25 €000	Jun-24 €000	Jun-25 €000	Jun-24 €000
Profit for the period	4,859	6,934	5,970	6,748
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit and loss:				
Change in fair value on debt instruments measured at fair value through other comprehensive income (FVTOCI)	1,415	(535)	1,415	(535)
Release of fair value on disposal of debt instruments measured at FVTOCI	(519)	2	(519)	2
Deferred income tax related to the components of other comprehensive income (OCI)	(74)	(17)	(74)	(17)
Other comprehensive income/(loss) for the period, net of tax	822	(550)	822	(550)
Total comprehensive income for the period, net of tax	5,681	6,384	6,792	6,198
Total comprehensive income for the period attributable to:				
Equity holders of the parent	5,696	6,285	6,792	6,198
Non-controlling interest	(15)	99	-	-
	5,681	6,384	6,792	6,198

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2025

		The Group		The Bank	
		Jun-25	Dec-24	Jun-25	Dec-24
	Note	€000	€000	€000	€000
ASSETS					
Cash and balances with Central Bank of Malta		**335,944**	379,653	**335,944**	379,653
Loans and advances to banks		**49,886**	24,057	**47,469**	22,027
Financial assets at fair value through profit or loss		**43,638**	45,441	**-**	-
Syndicated loans		**163,111**	180,097	**163,111**	180,097
Loans and advances to customers		**3,171,930**	3,013,014	**3,171,930**	3,013,014
Derivative assets held for risk management		**2,357**	2,607	**2,357**	2,422
Other debt and fixed income instruments		**429,406**	386,988	**428,657**	386,589
Equity and other non-fixed income instruments		**5,961**	6,190	**5,961**	6,190
Investment in subsidiaries		**-**	-	**40,251**	40,251
Investment in associates		**14,214**	16,204	**14,299**	15,749
Investment properties		**13,227**	13,227	**13,227**	13,227
Property and equipment	7	**49,429**	49,730	**49,429**	49,730
Intangible assets	7	**21,332**	20,742	**21,332**	20,742
Right of use assets		**3,850**	4,185	**3,850**	4,185
Other receivables		**14,598**	12,860	**13,081**	12,534
Current tax assets		**3,916**	5,700	**3,894**	5,457
Deferred tax assets		**-**	457	**-**	457
TOTAL ASSETS		**4,322,799**	4,161,152	**4,314,792**	4,152,324
LIABILITIES					
Derivative liabilities held for risk management		**2,357**	2,892	**2,357**	2,422
Amounts owed to banks		**2,333**	28,609	**2,333**	28,609
Amounts owed to customers		**3,850,116**	3,670,650	**3,851,128**	3,671,739
Lease liabilities		**4,061**	4,366	**4,061**	4,366
Accruals		**23,902**	22,433	**22,141**	22,611
Debt securities in issue		**104,261**	104,210	**104,261**	104,210
Other liabilities		**26,773**	18,068	**26,768**	18,047
Deferred tax liabilities		**157**	-	**157**	-
TOTAL LIABILITIES		**4,013,960**	3,851,228	**4,013,206**	3,852,004
EQUITY					
Share capital	12	**95,394**	94,902	**95,394**	94,902
Share premium	12	**53,114**	52,467	**53,114**	52,467
Revaluation reserve		**20,137**	19,315	**20,137**	19,315
Retained earnings		**127,036**	128,612	**132,790**	133,270
Other reserves		**151**	366	**151**	366
Attributable to equity holders of the parent		**295,832**	295,662	**301,586**	300,320
Non-controlling interest		**13,007**	14,262	**-**	-
TOTAL EQUITY		**308,839**	309,924	**301,586**	300,320
TOTAL LIABILITIES AND EQUITY		**4,322,799**	4,161,152	**4,314,792**	4,152,324
MEMORANDUM ITEMS					
Contingent liabilities		**32,455**	32,630	**32,455**	32,630
Commitments		**1,254,841**	1,184,054	**1,254,841**	1,184,054

The interim financial statements were approved by the Board of Directors and authorised for issue on 31 July 2025 and signed on its behalf by:

MARTIN SCICLUNA
Chairman

NOEL MIZZI
Director

MARCEL CASSAR
Chief Executive Officer

RONALD MIZZI
Chief Financial Officer

STATEMENTS OF CHANGES IN EQUITY

for the period ended 30 June 2025

The Group	Share capital €000	Share premium €000	Revaluation reserve €000	Retained earnings €000	Other reserves €000	Total €000	Non-controlling interest €000	Total €000
	Attributable to equity holders of the parent							
PERIOD ENDED 30 JUNE 2025								
Balance at 1 January 2025	94,902	52,467	19,315	128,612	366	295,662	14,262	309,924
Profit for the period	-	-	-	4,874	-	4,874	(15)	4,859
Other comprehensive income	-	-	822	-	-	822	-	822
Total comprehensive income/(loss)	-	-	**822**	**4,874**	-	**5,696**	**(15)**	**5,681**
Share incentive plan – Value of employee services (Note 4)	-	-	-	-	215	215	-	215
Share incentive plan – Vesting of shares (Note 4)	181	249	-	-	(430)	-	-	-
Dividends to equity holders (Note 11)	311	398	-	(6,450)	-	(5,741)	(156)	(5,897)
Net share capital redemptions by subsidiary company	-	-	-	-	-	-	(1,084)	(1,084)
Balance at 30 June 2025	**95,394**	**53,114**	**20,137**	**127,036**	**151**	**295,832**	**13,007**	**308,839**
PERIOD ENDED 30 JUNE 2024								
Balance at 1 January 2024	94,451	51,907	7,905	118,508	293	273,064	14,364	287,428
Profit for the period	-	-	-	6,835	-	6,835	99	6,934
Other comprehensive loss	-	-	(550)	-	-	(550)	-	(550)
Total comprehensive (loss)/income	-	-	**(550)**	**6,835**	-	**6,285**	**99**	**6,384**
Share incentive plan – Value of employee services (Note 4)	-	-	-	-	193	193	-	193
Share incentive plan – Vesting of shares (Note 4)	127	207	-	-	(334)	-	-	-
Dividends to equity holders (Note 11)	324	388	-	(5,495)	-	(4,783)	(144)	(4,927)
Net share capital issued by subsidiary company	-	-	-	-	-	-	842	842
Balance at 30 June 2024	**94,902**	**52,502**	**7,355**	**119,848**	**152**	**274,759**	**15,161**	**289,920**

STATEMENTS OF CHANGES IN EQUITY

for the period ended 30 June 2025

The Bank	Share capital €000	Share premium €000	Revaluation reserve €000	Retained earnings €000	Other reserves €000	Total €000
PERIOD ENDED 30 JUNE 2025						
Balance at 1 January 2025	94,902	52,467	19,315	133,270	366	300,320
Profit for the period	-	-	-	5,970	-	5,970
Other comprehensive income	-	-	822	-	-	822
Total comprehensive income	**-**	**-**	**822**	**5,970**	**-**	**6,792**
Share incentive plan – Value of employee services (Note 4)	-	-	-	-	215	215
Share incentive plan – Vesting of shares (Note 4)	181	249	-	-	(430)	-
Dividends to equity holders (Note 11)	311	398	-	(6,450)	-	(5,741)
Balance at 30 June 2025	**95,394**	**53,114**	**20,137**	**132,790**	**151**	**301,586**
PERIOD ENDED 30 JUNE 2024						
Balance at 1 January 2024	94,451	51,907	7,905	123,768	293	278,324
Profit for the period	-	-	-	6,748	-	6,748
Other comprehensive loss	-	-	(550)	-	-	(550)
Total comprehensive (loss)/income	**-**	**-**	**(550)**	**6,748**	**-**	**6,198**
Share incentive plan – Value of employee services (Note 4)	-	-	-	-	193	193
Share incentive plan – Vesting of shares (Note 4)	127	207	-	-	(334)	-
Dividends to equity holders (Note 11)	324	388	-	(5,495)	-	(4,783)
Balance at 30 June 2024	**94,902**	**52,502**	**7,355**	**125,021**	**152**	**279,932**

STATEMENTS OF CASH FLOWS

for the period ended 30 June 2025

	The Group		The Bank	
	Jun-25	Jun-24	Jun-25	Jun-24
	€000	€000	€000	€000
OPERATING ACTIVITIES				
Interest and commission receipts	63,349	56,716	61,835	55,354
Interest and commission payments	(26,664)	(23,137)	(26,315)	(22,844)
Cash paid to employees and suppliers	(27,949)	(26,141)	(27,446)	(25,765)
Operating profit before changes in operating assets and liabilities	8,736	7,438	8,074	6,745
(Increase)/decrease in operating assets				
Loans and advances to customers/syndicated loans	(142,305)	(140,538)	(142,305)	(140,538)
Loans and advances to banks	-	500	-	500
Reserve deposit with Central Bank of Malta	(3,307)	(1,077)	(3,307)	(1,077)
Other assets	(83)	379	-	-
Increase/(decrease) in operating liabilities				
Amounts owed to customers	179,466	158,842	179,389	159,219
Amounts owed to banks	(765)	(774)	(765)	(774)
Other liabilities	9,929	338	9,098	63
Net cash generated from operating activities before tax	51,671	25,108	50,184	24,138
Income tax paid	(1,909)	(2,029)	(2,081)	(2,008)
Net cash flows generated from operating activities	49,762	23,079	48,103	22,130
INVESTING ACTIVITIES				
Dividends received	490	351	1,060	899
Interest income from debt securities	2,652	3,268	2,649	3,268
Purchase of debt instruments measured at FVTOCI	(164,352)	(10,803)	(164,352)	(10,803)
Proceeds on disposal of debt instruments measured at FVTOCI	62,060	30,930	62,060	30,930
Purchase of debt instruments measured at amortised cost	(85,785)	-	(85,283)	-
Proceeds on disposal and maturities of debt instruments measured at amortised cost	147,804	8,175	147,654	8,175
Purchase of financial assets measured at FVTPL	(21,394)	(14,707)	-	-
Proceeds on disposal of financial assets at FVTPL	22,282	13,830	-	-
Purchase of equity investments	-	(47)	-	(47)
Additional investment in associate	(1,000)	(1,000)	(1,000)	(1,000)
Proceeds from disposal of investment in associates	2,450	-	2,450	-
Purchase of property, equipment and intangible assets	(3,267)	(5,939)	(3,267)	(5,939)
Net cash flows (used in)/from investing activities	(38,060)	24,058	(38,029)	25,483
FINANCING ACTIVITIES				
Dividends paid	(5,897)	(4,927)	(5,741)	(4,783)
Amounts received on creation of shares by subsidiaries	155	1,203	-	-
Amounts paid on redemption of shares by subsidiaries	(1,240)	(361)	-	-
Cash payment for the principal portion of lease liability	(391)	(350)	(391)	(350)
Net cash flows used in financing activities	(7,373)	(4,435)	(6,132)	(5,133)
Net increase in cash and cash equivalents	4,329	42,702	3,942	42,480
Cash and cash equivalents at 1 January	346,767	82,487	344,737	81,939
Cash and cash equivalents at 30 June	351,096	125,189	348,679	124,419

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

for the period ended 30 June 2025

1. CORPORATE INFORMATION

APS Bank plc is incorporated and domiciled in Malta as a public limited company under the Companies Act, Cap. 386 of the Laws of Malta. The registered office of APS Bank plc is APS Centre, Tower Street, Birkirkara, BKR 4012 and the registration number is C2192.

APS Group comprises APS Bank plc, ReAPS Asset Management Limited and APS Diversified Bond Fund (sub-fund of APS Funds SICAV plc). The Group also has a significant investment in its associates IVALIFE Insurance Limited and in the following sub-funds of APS Funds SICAV plc - APS Income Fund, APS Ethical Cautious Fund, APS Ethical Adventurous Fund and APS Ethical Balanced Fund.

2. BASIS OF PREPARATION

The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU. The condensed interim financial statements have been extracted from the unaudited accounts for the period ended 30 June 2025 and have been reviewed in terms of ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The comparative amounts reflect the position of the Group and the Bank as included in the audited financial statements for the year ended 31 December 2024 and the unaudited results, changes in equity and cash flows for the period ended 30 June 2025.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's and the Bank's annual financial statements as at 31 December 2024, which form the basis for these condensed interim financial statements. The condensed interim financial statements are intended to provide an update from the most recent audited annual financial statements and accordingly disclose material new activities, events and circumstances.

The accounting policies and methods of computation used in the preparation of these condensed interim financial statements are consistent with those used in the Group's and the Bank's audited financial statements for the year ended 31 December 2024, unless otherwise disclosed below in the Section entitled 'IFRS applicable in the current year'. These policies are described in Note 2 of the audited financial statements for the year ended 31 December 2024. In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and that can significantly affect the amounts recognised. The significant judgements made in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Use of judgements and estimates

The following are the significant judgements made in applying the Group's accounting policies, which are the same as those described in the last annual financial statements:

- accounting for investments in which the Group controls less than 20%;
- fair value of investment properties;
- fair value of land and buildings included within property and equipment; and
- impairment losses on financial assets.

The significant estimate which has the most significant effect on amounts recognised in the financial statements continues to relate to the impairment losses on financial assets.

2. BASIS OF PREPARATION (continued)

Standards, interpretations and amendments to published standards, which are effective in the current year

The following amendments are effective in the current year:

- Amendments to IAS 21 – The Effects of Change in Foreign Exchange Rates – lack of exchangeability (effective for financial periods beginning on or after 1 January 2025).

The Group assessed the impact of these amendments on the condensed interim financial statements and determined that these did not have a material effect on the financial statements of the Group.

Standards, interpretations and amendments to published standards that are not yet effective

Up to the date of approval of these condensed interim financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

The following standards, interpretations and amendments have been issued by the IASB:

- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (effective for financial periods beginning on or after 1 January 2026);
- Annual Improvements Volume 11 (effective for financial periods beginning on or after 1 January 2026);
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective for financial periods beginning on or after 1 January 2027);
- IFRS 18 'Presentation and Disclosure in Financial Statements', which becomes effective (subject to endorsement by the EU) for financial periods beginning on or after 1 January 2027, will replace IAS 1 Presentation of Financial Statements. It nevertheless carries forward many of the requirements in IAS 1. The main changes brought about by IFRS 18 are the introduction of new requirements to:
  a) present specified categories and defined subtotals in the statement of profit or loss, with special rules applicable to banks and similar entities whose main business activity is to invest in assets and/or provide financing to customers;
  b) provide disclosures on management-defined performance measures in the notes to the financial statements, whereby information about any such alternative performance measures must be presented in a single note that must include, amongst others, reconciliations to the most directly comparable subtotal listed in IFRS 18; and
  c) improve aggregation and disaggregation by including which characteristics to consider when assessing whether items have similar or dissimilar characteristics; and
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which become effective for financial periods beginning on or after 1 January 2026:
  a) permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met, including that the entity neither has the practical ability to access the cash or to withdraw, stop or cancel the payment instruction, nor has any significant settlement risk;
  b) provide clarification on the assessment of whether the contractual cash flows on a financial asset represent solely payments of principal and interest, with additional examples now provided in IFRS 9, and additional guidance on assessing:
     a. whether contractual terms are consistent with a basic lending arrangement;
     b. assets with non-recourse features; and
     c. contractually-linked instruments;
  c) introduce additional disclosures for investments in equity instruments designated at fair value through other comprehensive income; and
  d) introduce new disclosures in relation to contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

The changes resulting from the future adoption of IFRS 18 and of the amendments to IFRS 9 and IFRS 7 (Classification and Measurement of Financial Instruments) are in the process of being assessed by the Group to determine the potential effect on the financial statements of the Group and the Bank. The amendments to IFRS 9 and IFRS 7 (Contracts Referencing Nature-dependent Electricity), the Annual Improvements Volume 11, and the introduction of IFRS 19 have been determined not to have a material effect.

3. NET IMPAIRMENT LOSSES

The following table provides the changes in loss allowance during the period for each portfolio:

The Group/The Bank	Jun-25 €000	Dec-24 €000	Movement in 1H 2025 €000
Loans and advances to banks - amortised cost	29	23	(6)
Cash and balances with the Central Bank of Malta	3	2	(1)
Loans and advances to customers – amortised cost	12,969	12,823	(146)
Syndicated loans	7,272	7,388	116
Debt securities – amortised cost	124	103	(21)
Debt securities - FVTOCI	461	411	(50)
Total	20,858	20,750	(108)
Write offs during the period			(345)
Net impairment losses			(453)

The table hereunder analyses further the net impairment losses for the period:

The Group/The Bank	Jun-25 €000	Jun-24 €000
Charge for the year:		
- collective impairment	(1,076)	(1,300)
- individual impairment	(988)	(1,951)
- bad debts written off	(345)	(25)
	(2,409)	(3,276)
Reversal of write-downs:		
- collective impairment	1,234	863
- individual impairment	722	368
	1,956	1,231
Net impairment losses	(453)	(2,045)

4. SHARE INCENTIVE PLAN AWARDS

As at 30 June 2025, the Group's share incentive plan award had three tranches out of which two tranches have outstanding share awards. In the first tranche, a total of 637,800 share awards were granted with a grant date of 12 August 2022. In the second tranche, the Group granted 713,200 share awards with a grant date of 17 August 2023. In the third tranche, the Group granted 786,800 share awards with a grant date of 23 July 2024.

The tables below summarize outstanding share awards at the end of the year with the respective vesting period:

Grant Year	Vesting Date	2025	2024
2022	30 June 2025	-	153,400
2023	30 June 2025	-	177,100
2024	30 June 2025	-	393,400
		-	723,900
2023	30 June 2026	177,100	177,100
2024	30 June 2026	196,425	196,700
		373,525	373,800
2024	30 June 2027	196,425	196,700
		196,425	196,700
Total outstanding share awards		569,950	1,294,400

Share-based payment awards granted on 12 August 2022, had a staged vesting period of three years, ending June 2025. The estimated fair value of each share award granted is of €0.65 cents and was measured by applying the Black-Scholes valuation model. The model components inputs were the share price at grant date of €0.65 cents, no strike price, expected dividend yield of 3.3% and a contractual life of 3 years. After the vesting period, share awards are allotted to eligible employees for no consideration.

Similar to the share-based payment awards granted in 2022, another tranche was granted on 17 August 2023, with a staged vesting period of three years, ending June 2026. The estimated fair value of each share award granted is of €0.62 cents and was measured by applying the Black-Scholes valuation model. The model components inputs were the share price at grant date of €0.62 cents, no strike price, compounded risk-free interest rate of 3.9%, annualized volatility rate of 24.0% and a contractual life of 3 years. After the vesting period, share awards are allotted to eligible employees for no consideration. Accordingly, all movements in the number of options, as well as options outstanding at the end of the reporting period, had an exercise price of nil.

During 2024, the third tranche was granted on 23 July 2024 with a staged vesting period of three years, ending June 2027. The estimated fair value of each share award granted is of €0.56 cents and was measured by applying the Black-Scholes valuation model. The model components inputs were the share price at grant date of €0.56 cents, no strike price, compounded risk-free interest rate of 3.5%, annualized volatility rate of 28.6% and a contractual life of 3 years. After the vesting period, share awards are allotted to eligible employees for no consideration. Accordingly, all movements in the number of options, as well as options outstanding at the end of the reporting period, had an exercise price of nil.

All plans have no vesting conditions attached to the awards other than service conditions, and hence such awards become due as soon as the vesting term ends. If employment is terminated before any vesting date, the unvested awards will be forfeited unless in case of a permissible cause when termination is the result of retirement, serious illness, injury or incapacitation, or any other situation which the Board deems justifiable. All cases of permissible causes shall be communicated in writing by the Board to the eligible employee. During the period under review 1,100 (Dec-2024: 8,750) share awards were forfeited due to termination of employment of eligible employees.

4. SHARE INCENTIVE PLAN AWARDS (CONTINUED)

For the six months under review, the total expense arising from these share incentive plan awards amounted to €215K (Jun-24: €193K) and the weighted average remaining contractual life is 0.81 years. Furthermore, 25% of the first share incentive plan award amounting to 153,400, 25% of the second share incentive plan amounting to 177,100 and 50% of the third share incentive plan amounting to 392,850 were vested and allotted during the financial period.

A summary of share incentive awards granted is being set out below:

	The Group/The Bank	
	Jun-25	Dec-24
As at 1 January	**1,294,400**	1,024,600
Granted	**-**	786,800
Vested	**(723,350)**	(508,250)
Forfeited	**(1,100)**	(8,750)
Total	**569,950**	1,294,400

5. INCOME TAX EXPENSE

Income tax expense is recognised in each period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

6. EARNINGS PER SHARE

	The Group		The Bank	
	Jun-25 cents per share	Jun-24 cents per share	**Jun-25 cents per share**	Jun-24 cents per share
Basic earnings per share	**1.3**	1.8	**1.6**	1.8

The basic earnings per share was calculated on profit attributable to shareholders of the Group; €4,874K (Jun-24: €6,835K) and profit attributable to the Bank €5,970K (Jun-24: €6,748K) divided by the weighted average number of ordinary shares outstanding during the year amounting to 381,576K (Jun-24: 381,576K; restated due to scrip dividends and options which were vested).

	The Group		The Bank	
	Jun-25 cents per share	Jun-24 cents per share	**Jun-25 cents per share**	Jun-24 cents per share
Diluted earnings per share	**1.3**	1.8	**1.6**	1.8

6. EARNINGS PER SHARE (CONTINUED)

The diluted earnings per share was calculated on profit attributable to shareholders of the Group; €4,874K (Jun-24: €6,835K) and profit attributable to the Bank €5,970K (Jun-24: €6,748K) divided by the weighted average number of ordinary shares outstanding during the year, together with the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares, amounting to 382,146K (Jun-24: 382,146K; restated due to scrip dividends).

7. TANGIBLE AND INTANGIBLE ASSETS

The following table includes a summary of the tangible and intangible assets acquired by the Group during the six months to June 2025 and the full year to 31 December 2024.

The Group/The Bank

	Jun-25 €000	Dec-24 €000
Land and buildings (including improvements)	**41**	247
Computer software	**2,277**	6,000
Computer hardware	**543**	341
Other fixed assets	**283**	490

Up to the date of approval of the condensed interim financial statements the Group entered into a number of commitments amounting to €12,527K (Dec-24: €10,485K). During the period under review there were €81K disposal of assets (Dec-24: €21K).

8. RELATED PARTY DISCLOSURES

The Group's structure

The condensed interim financial statements of the Group include the financial statements of APS Bank plc and its subsidiaries, together with associates accounted for using the equity method.

During the course of its normal banking business, the Bank conducts business on commercial terms with its subsidiaries, associates, controlling parties, key management personnel and other related parties.

8. RELATED PARTY DISCLOSURES (continued)

The following tables provide the total amount of transactions, which have been entered into by the Group and the Bank with related parties for the relevant period:

	The Group		The Bank	
	Jun-25	Jun-24	**Jun-25**	Jun-24
	€000	€000	**€000**	€000
Interest and similar income:				
Qualifying Shareholders	**16**	1	**16**	1
Key management personnel	**37**	21	**37**	21
Entities of the same group	**132**	117	**132**	117
Other related parties	**22**	13	**22**	13
Fee and commission income:				
ReAPS Asset Management Ltd	**-**	-	**273**	283
APS Income Fund	**205**	229	**-**	-
APS Ethical Cautious Fund	**169**	170	**-**	-
APS Ethical Adventurous Fund	**109**	77	**-**	-
APS Balanced Fund	**42**	-	**-**	-
IVALIFE Insurance Limited	**27**	26	**-**	-
Qualifying Shareholders	**119**	113	**-**	-
Other related parties	**63**	77	**-**	-
Dividend income:				
APS Diversified Bond Fund	**-**	-	**580**	548
APS Income Fund	**-**	-	**178**	193
APS Ethical Cautious Fund	**-**	-	**1**	19
APS Ethical Adventurous Fund	**-**	-	**63**	58
APS Balanced Fund	**-**	-	**4**	-
Interest payable:				
Qualifying Shareholders	**-**	24	**-**	24
Key management personnel	**19**	20	**19**	20
Entities of the same group	**5**	16	**5**	16
Other related parties	**12**	11	**12**	11
Personnel expenses:				
Key management personnel	**2,519**	3,076	**2,493**	3,050
General administrative expenses:				
ReAPS Asset Management Ltd	**-**	-	**582**	495
Qualifying Shareholders	**32**	183	**32**	183

a) Outstanding balances with Directors:

	The Group/The Bank	
	Jun-25	Dec-24
	€000	€000
Loans and advances	**488**	707
Commitments	**515**	531

b) Outstanding balances with key management personnel:

	The Group/The Bank	
	Jun-25	Dec-24
	€000	€000
Loans and advances	**9,427**	10,054
Commitments	**502**	724

8. RELATED PARTY DISCLOSURES (continued)

c) Balances with other related parties:

	The Group/The Bank	
	Jun-25	Dec-24
	€000	€000
Amounts due from other related parties:		
Shareholders and entities with common directorship	7,842	8,102

	The Group/The Bank	
	Jun-25	Dec-24
	€000	€000
Amounts due to:		
Qualifying Shareholders	6,426	2,676
Bank Directors	1,911	2,324
Other key management personnel	2,985	2,947
Entities of the same group	10,177	13,723
Other related parties	2,830	2,681

The above facilities do not involve more than the normal risk of repayment or present other unfavourable features and were made in the ordinary course of business on substantially the same terms as for comparable transactions with persons of a similar standing, or where applicable, other employees.

Included in the amounts owed to customers are term deposits of controlling parties amounting to €3,040,741 (Dec-24: €6,597,000), which bear interest at the prevailing Bank rates. Furthermore, the amounts due from other related parties include secured facilities of €7,822,200 (Dec-24: €8,080,931) and €20,015 (Dec-24: €21,171) unsecured facilities.

No guarantees were received by the related parties as at end of June 2025 (Dec-24: same). Special guarantees given to related parties amount to €356,456 (Dec-24: €365,428).

9. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The level within which the fair value measurement is categorised is determined based on the lowest level of input that is significant to fair value measurement. The reporting of fair values is intended to guide users as to the amount, timing and certainty of cash flows.

9. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Fair value measurement hierarchy of the Group's and the Bank's assets and liabilities are as follows:

	Fair value measurement hierarchy			
The Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	€000	**€000**	**€000**	**€000**
Assets as at 30 June 2025				
Property and equipment				
- Land and buildings	-	-	41,060	41,060
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,127	12,127
Derivative assets not designated as hedges	-	2,357	-	2,357
Financial assets at FVTPL				
- Fixed income instruments and investment in collective investment schemes	-	43,638	-	43,638
Financial assets at FVTOCI				
- Other debt and fixed income instruments	219,090	-	523	219,613
- Equity and other non-fixed income instruments	5,793	-	168	5,961
Total	**224,883**	**45,995**	**54,978**	**325,856**
Liabilities as at 30 June 2025				
Derivative liabilities not designated as hedges	-	2,357	-	2,357
Total	**-**	**2,357**	**-**	**2,357**

	Fair value measurement hierarchy			
The Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	€000	**€000**	**€000**	**€000**
Assets as at 31 December 2024				
Property and equipment				
- Land and buildings	-	-	41,051	41,051
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,127	12,127
Derivative assets not designated as hedges	-	2,607	-	2,607
Financial assets at FVTPL				
- Fixed income instruments and investment in collective investment schemes	-	45,441	-	45,441
Financial assets at FVTOCI				
- Other debt and fixed income instruments	114,665	-	523	115,188
- Equity and other non-fixed income instruments	6,021	-	169	6,190
Total	**120,686**	**48,048**	**54,970**	**223,704**
Liabilities as at 31 December 2024				
Derivative liabilities not designated as hedges	-	2,892	-	2,892
Total	**-**	**2,892**	**-**	**2,892**

9. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The Bank	Fair value measurement hierarchy Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000
Assets as at 30 June 2025				
Property and equipment				
- Land and buildings	-	-	41,060	41,060
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,127	12,127
Derivative assets not designated as hedges	-	2,357	-	2,357
Financial assets at FVTOCI				
- Other debt and fixed income instruments	219,090	-	523	219,613
- Equity and other non-fixed income instruments	5,793	-	168	5,961
Total	**224,883**	**2,357**	**54,978**	**282,218**
Liabilities as at 30 June 2025				
Derivative liabilities not designated as hedges	-	2,357	-	2,357
Total	**-**	**2,357**	**-**	**2,357**

The Bank	Fair value measurement hierarchy Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000
Assets as at 31 December 2024				
Property and equipment				
- Land and buildings	-	-	41,051	41,051
Investment properties				
- Residential property	-	-	1,100	1,100
- Commercial property	-	-	12,127	12,127
Derivative assets not designated as hedges	-	2,422	-	2,422
Financial assets at FVTOCI				
- Other debt and fixed income instruments	114,665	-	523	115,188
- Equity and other non-fixed income instruments	6,021	-	169	6,190
Total	**120,686**	**2,422**	**54,970**	**178,078**
Liabilities as at 31 December 2024				
Derivative liabilities not designated as hedges	-	2,422	-	2,422
Total	**-**	**2,422**	**-**	**2,422**

There were no reclassifications made within the fair value hierarchy and there were no changes in valuation techniques used by the Group during the period.

9. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

Financial assets at fair value through profit or loss – fixed income instruments and collective investments schemes

All of the Group's financial assets at FVTPL are carried at market value using available quoted market prices.

Fair value through other comprehensive income

Fair values of debt and equity instruments classified in this category are generally based on quoted market prices, if available.

The reconciliation of Level 3 fair value measurements of financial instruments is disclosed below.

The Group/The Bank

	Jun-25 €000	Dec-24 €000
Opening balance	169	98
Acquisitions	-	45
Fair value movement	-	26
Exchange rate movement	(1)	-
Closing balance	168	169

10. OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. Operating results of all operating segments are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Group has four reportable segments, as reported below. In identifying segments, Management follows the Group's service lines which make up its main products and services.

- **Retail:** offers a broad range of products and services to meet the personal banking of individual customers. This includes home loans, personal loans, overdraft facilities, deposits products and other general banking activities.

- **Commercial:** offers banking products to meet the needs of commercial customers. This includes all lending facilities falling under the suite of the commercial products as well as deposit products.

- **Investment services:** provides a range of products and services to meet the investment need of clients including a broad range of investment and insurance products, as well as the pension plan product and discretionary investment services.

- **Liquidity management and structured loans:** includes the management of the financial investments' portfolio, correspondent bank relationships and the trade finance and syndicated loan portfolios.

Each of these operating segments is managed separately as each requires a different client approach and expertise. As for intersegment transactions, these consist of the following transactions;

- The Retail is being compensated for unutilised deposits which are being used by other segments as follows; Commercial amounting to €6,335K (2024: €4,436K), Liquidity Management and Structured Loans amounting to €8,934K (2024: €5,589K). As of the end of the previous financial year under review, the Investment Services are also being compensated for unutilised deposits, used by other segments, consisting of Commercial amounting to €992K and Liquidity Management and Structured Loans amounting to €1,399K.
- In addition, as of the end of the previous financial year, the compensation allocated to the operating segments, has been also extended to capture other specific deposits. This compensation is being charged to other cost centres. The operating segments are being compensated as follows; Retail compensated with an amount of €492K, Investment services compensated with an amount of €4,100K, Commercial compensated with an amount of €15K and Liquidity Management and Structured Loans compensated with an amount of €2,867K.

The compensation rate is based on the price charged to unrelated customers in a stand-alone sale of identical services. The total amount of the intersegment transactions amount to €25,133K (2024: €10,025K), of which €7,474K being linked to deposits held for Regulatory purposes, are not allocated to one of the four reportable segments but are rather included with the unallocated items as part of the Interest Receivable/(Payable).

In addition, several costs, assets, and liabilities which are not directly attributable to the business activities of any operating segment are not allocated to a segment but rather included within the below table under the unallocated items. This primarily applies to the following items which are not included in the tables hereunder:

- Salaries pertaining to staff contributing to other cost centres;
- Recurrent costs of maintenance agreements for software and hardware support, attributed to other cost centres;
- Depreciation charge of fixed assets attributed to other cost centres;
- Property and Equipment; and
- Other assets and liabilities which include tax liability, accruals and accrued income.

All revenues, investment properties, property and equipment, intangible assets and right-of-use assets are attributed to Malta. The information in this note is based on internal management reports that are reviewed by the Group's Executive Committee.

10. OPERATING SEGMENTS (continued)

The Group	Retail		Commercial		Investment Services		Liquidity Management and Structured Loans		Total Reportable Segments	
	Jun-25	Jun-24	**Jun-25**	Jun-24	**Jun-25**	Jun-24	**Jun-25**	Jun-24	**Jun-25**	Jun-24
	€000	€000	**€000**	€000	**€000**	€000	**€000**	€000	**€000**	€000
Interest and similar income from external customers	**27,642**	25,170	**17,578**	17,485	**15**	-	**12,860**	11,505	**58,095**	54,160
Interest expense	**(16,771)**	(19,602)	**(1,286)**	(967)	**(3,815)**	-	**(2,459)**	(2,177)	**(24,331)**	(22,746)
Intersegment transactions	**15,761**	10,025	**(7,312)**	(4,436)	**6,490**	-	**(7,466)**	(5,589)	**7,473**	-
Net fee and commission income and other income	**812**	731	**2,424**	2,221	**2,333**	2,336	**(285)**	196	**5,284**	5,484
Operating income before net impairments	**27,444**	16,324	**11,404**	14,303	**5,023**	2,336	**2,650**	3,935	**46,521**	36,898
Net impairment (losses)/gains	**(185)**	15	**(42)**	356	**-**	-	**(92)**	(664)	**(319)**	(293)
Net operating income	**27,259**	16,339	**11,362**	14,659	**5,023**	2,336	**2,558**	3,271	**46,202**	36,605
Personnel expenses	**(2,614)**	(2,298)	**(1,168)**	(1,019)	**(1,356)**	(1,257)	**(297)**	(266)	**(5,435)**	(4,840)
Other administrative and operating expenses	**(956)**	(1,512)	**(131)**	(14)	**(322)**	(341)	**(347)**	(266)	**(1,756)**	(2,133)
Operating expenses	**(3,570)**	(3,810)	**(1,299)**	(1,033)	**(1,678)**	(1,598)	**(644)**	(532)	**(7,191)**	(6,973)
Net operating profit before associates' results	**23,689**	12,529	**10,063**	13,626	**3,345**	738	**1,914**	2,739	**39,011**	29,632
Share of results from associates	**-**	-	**-**	-	**-**	-	**391**	619	**391**	619
Profit before tax as per segments	**23,689**	12,529	**10,063**	13,626	**3,345**	738	**2,305**	3,358	**39,402**	30,251
Less: Unallocated items	**-**	-	**-**	-	**-**	-	**-**	-	**(30,259)**	(20,142)
Profit before tax as per statements of profit or loss	**23,689**	12,529	**10,063**	13,626	**3,345**	738	**2,305**	3,358	**9,143**	10,109

10. OPERATING SEGMENTS (continued)

The Group	Retail		Commercial		Investment Services		Liquidity Management and Structured Loans		Total Reportable Segments	
	Jun-25	Dec-24	Jun-25	Dec-24	Jun-25	Dec-24	Jun-25	Dec-24	Jun-25	Dec-24
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
Total assets as per segments	2,242,648	2,120,135	929,282	892,879	-	-	1,044,517	1,041,237	4,216,447	4,054,251
Add: Unallocated items									106,352	106,901
Total assets as per Statements of Financial Position									4,322,799	4,161,152
Investment in associates	-	-	-	-	-	-	14,215	16,204	14,215	16,204
Total liabilities as per segments	3,596,112	3,424,446	254,004	246,204	-	-	108,951	135,711	3,959,067	3,806,361
Add: Unallocated items									54,893	44,867
Total liabilities as per Statements of Financial Position									4,013,960	3,851,228

	Jun-25 €000	Jun-24 €000
Profit before tax		
As per reportable segments	39,402	30,251
Unallocated items:		
Interest (payable)/receivable	(5,607)	1,736
Net fee and commission income and other income	(155)	(139)
Personnel expenses	(10,872)	(9,698)
Professional fees	(2,764)	(726)
Repairs and maintenance	(3,827)	(2,829)
Telecommunications	(251)	(253)
Other administrative expenses	(3,671)	(3,721)
Depreciation and amortisation	(2,978)	(2,760)
Impairment gains/(losses)	76	(1,734)
Write-offs	(210)	(18)
As per Statements of Profit or Loss	9,143	10,109

	Jun-25 €000	Dec-24 €000
Total assets		
As per reportable segments	4,216,447	4,054,251
Unallocated items:		
Investment properties	13,227	13,227
Property and equipment	49,429	49,730
Intangible assets	21,332	20,742
Right-of use assets	3,850	4,185
Current tax	3,916	5,700
Deferred tax assets	-	457
Other receivables	14,598	12,860
As per Statements of Financial Position	4,322,799	4,161,152

10. OPERATING SEGMENTS (continued)

	Jun-25 €000	Dec-24 €000
Total liabilities		
As per reportable segments	3,959,067	3,806,361
Unallocated items:		
Deferred tax liabilities	157	-
Lease liabilities	4,061	4,366
Other liabilities	26,773	18,068
Accruals	23,902	22,433
As per Statements of Financial Position	4,013,960	3,851,228

During the period under review, the Group has modified the approach for allocating certain items within the Profit or Loss. These changes are only reclassifications, and they are not material. In view of this, the comparative period has been reclassified to conform to the presentation of the current period's financial statements.

11. DIVIDENDS

During the period under review the Bank distributed a gross dividend of €9,923K (Jun-24: €8,454K); net dividend of €6,450K (Jun-24: €5,495K) to its shareholders.

Equity holders were given the option of a scrip dividend and share capital was accordingly increased by 1,246K shares (Jun-24: 1,294K). The shares were offered at an attribution price of €0.57 cents (Jun-24: €0.55 cents) and the Group's equity was accordingly increased by €709K (Jun-24: €712K), with €311K being the increase in share capital (Jun-24: €324K) and €398K being the increase in share premium (Jun-24: €388K).

The Bank paid the remaining amount of dividend in cash which amounted to €5,741K (Jun-24: €4,783K).

12. CAPITAL AND SHARE PREMIUM

The following tables show the movement on the share capital and share premium following the dividend distribution as scrip dividend and the vesting of 25% of tranche 1, 25% of tranche 2 and 50% of tranche 3 of the share awards:

Share Capital	Jun-25 €000	Dec-24 €000	Number of shares Jun-25 '000	Number of shares Dec-24 '000
Opening balance	94,902	94,451	379,606	377,804
Scrip dividend	311	324	1,246	1,294
Executive share incentive plan	181	127	723	508
Closing balance	95,394	94,902	381,575	379,606

Share Premium	Jun-25 €000	Dec-24 €000
Opening balance	52,467	51,907
Scrip dividend	398	388
Executive share incentive plan	249	207
Share issuance transaction costs	-	(35)
Closing balance	53,114	52,467

13. SUBSEQUENT EVENTS

There were no subsequent events that would have otherwise required further disclosures in and/or adjustments to these Condensed Interim Financial Statement which occurred up to the date of their approval.

Deloitte.

Deloitte Audit Limited
Deloitte Place
Triq L-Intornjatur
Central Business District
CBD 3050
Malta

Tel: +356 2343 2000, 2134 5000
Fax: +356 2133 2606
info@deloitte.com.mt
www.deloitte.com/mt

Company Ref No: C51312
VAT Reg No: MT2013 6121
Exemption number: EXO2155

Independent review report on condensed interim financial statements

to the members of Board of Directors of APS Bank P.L.C.

Introduction

We have reviewed the accompanying condensed interim financial statements of APS Bank P.L.C. (the "Bank') and the consolidated condensed interim financial statements of the Bank and its subsidiaries (together the "Group"), which comprise the interim statements of financial position as at 30 June 2025, and the related statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the six month period then ended and other explanatory notes. We have read the other information contained in the financial report and considered whether it contains any apparent misstatement or material inconsistencies with the information in the condensed set of interim financial statements.

Directors' responsibilities

The condensed interim financial report is the responsibility of, and has been approved by the directors and is released for publication in compliance with the requirement of Rule 5.75.4 of the Capital Market Rules. As disclosed in page 5, the condensed set of interim financial statements have been prepared in accordance with the recognition and measurement principles of IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and the presentation and disclosure requirements of IAS 34 Interim Financial Reporting.

Our responsibility

Our responsibility is to express to the Group and the Bank a conclusion on the condensed interim set of financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Scope of review (continued)
As with the statutory audit of the Bank and the Group prepared in accordance with articles 179, 179A and 179B of the Companies Act (Cap.386), the scope of our review does not address the future viability of the Bank and the Group or the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Bank and the Group. Decisions taken, or to be taken, by the management of the Bank and/or the Group may impact the financial position of the Bank and/or Group as may events occurring after the date of our review, including, but not limited to, events of force majeure.

As such, our review of the Bank's and the Group's historical condensed interim financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Bank and/or the Group, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Bank and/or the Group. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Bank and/or the Group and to identify any facts or circumstances that may be materially relevant thereto.

For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Bank, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of the condensed interim financial statements alone and must necessarily be based on a broader analysis supported by additional information.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information does not present fairly, in all material respects, in accordance with the recognition and measurements principles of International Financial Reporting Standards as adopted by the EU and the presentation and disclosure requirements of IAS 34 Interim Financial Reporting.

This review report was drawn up on 31 July 2025 and signed by:

Annabelle Zammit Pace as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Malta

PERFORMANCE RATIOS

for the period ended 30 June 2025

	The Group		The Bank	
	Jun-25	Jun-24	Jun-25	Jun-24
	%	%	%	%
Return on average equity after tax (ROAE)*	3.3	5.0	3.9	4.8
Net interest income and other operating income to total assets*	1.9	2.0	1.9	2.0
Cost to operating income ratio	77.4	70.0	74.2	68.8
Growth in total assets / liabilities	3.9	3.0	3.9	3.0
Growth in gross loans and advances to customers	4.4	4.8	4.4	4.8
Growth in amounts owed to customers	4.9	5.1	4.9	5.1
Non-performing loans to total gross loans and advances	1.4	1.9	1.4	1.9
	Jun-25	Dec-24	Jun-25	Dec-24
	%	%	%	%
CET 1 Capital Ratio	15.0	14.6	15.0	14.6
Total Capital Ratio	20.6	20.1	20.6	20.1

*Annualised over a 12-month period.