

Company Announcement

Annual Report and Audited Financial Statements 2025

Date of announcement: 12 March 2026

Reference number: APSB107

The following is a Company Announcement by APS Bank plc (or the “Bank” or “Group”, as the reference implies) pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority.

Quote

The Board of Directors of APS Bank plc met on 12 March 2026 and approved the Group Annual Report and Audited Financial Statements for the financial year ended 31 December 2025.

APS Bank plc announces a **pre-tax profit of €26.5 million at Group level** (2024: €23.8 million) and **€26.9 million at Bank level** (2024: €22.5 million), thanks to **higher all-round revenues and volumes, and reduced cost of funding**. As anticipated, various strategic measures implemented by the Bank contributed to the improved profit performance also supported by strong capital and liquidity buffers, robust asset quality and digitally-driven operational transformation.

Highlights	The Group		The Bank	
	2025	2024	2025	2024
Profit before tax (€ mio)	26.5	23.8	26.9	22.5
Net interest income (€ mio)	78.7	65.5	77.0	63.7
Operating income (€ mio)	89.3	82.9	89.1	81.0
Operating costs (€ mio)	63.1	56.9	61.5	55.5
Net impairment losses (€ mio)	0.7	3.0	0.7	3.0
Loan book (€ mio)	3,551	3,193	3,551	3,193
Total assets (€ mio)	4,645	4,161	4,639	4,152
Customer deposits (€ mio)	4,134	3,671	4,135	3,672
Total equity (€ mio)	362	310	355	300
ROAE (%)	5.4	6.3	5.4	6.0
Cost/Income (%)	70.7	68.7	69.0	68.5

Financial Performance

- Net interest income of €78.7 million increased by 20.1% on 2024** (€65.5 million). This growth was supported by an increase in interest receivable to €123.1 million, due to higher average interest-earning assets and improved yields. Interest payable decreased sharply to €44.4 million, the result of a strategic, tactical shift in the mix from fixed term to overnight deposits and lower pricing reflecting the current interest rate environment.
- Average cost of funds declined from 140bps in 2024 to 111bps in 2025**. The combined impact of higher interest receivable and reduced funding costs caused the net interest margin to widen to 186bps (175bps in 2024).
- Net fee and commission income increased by 4.7% to €9.3 million** (2024: €8.9 million). This growth reflects the continued expansion in the Group’s business activity, with higher income generated primarily from general banking operations, investment services and card-related transactions.

- d) **Other income at Bank level amounted to €4.2 million**, down from 2024 which year had enjoyed a one-off uplift of €4.8 million in the fair value of investment properties. During 2025, the Bank partially divested of shares in a sub-fund of the APS Funds SICAV plc, recognising a gain of €0.7 million. At Group level, these positive contributions were in part offset by adverse foreign exchange movements amid continued volatility in international markets.
- e) **Net impairment losses decreased significantly to €0.7 million** from €3.0 million in the prior year. The decline primarily results from lower ECL charges in the local commercial book and syndicated loan portfolio, highlighting the robust credit quality and disciplined underwriting standards maintained across a growing loan portfolio. **The NPL ratio closed the year at 1.4%**, representing a year-on-year decrease and here too reflecting the strength of the Bank's asset quality.
- f) **Operating expenses for the year under review amounted to €63.1 million**, up by €6.2 million on the previous year. The increase was primarily driven by continued investment in human resources and certain one-off items, such as advisory and due-diligence costs and higher contributions to the Depositor Compensation Scheme. **The cost-to-income ratio for the year stood at 70.7%**, an increase of 2.0% compared to the prior year but stable if measured on core metrics.

Financial Position

- g) **Group total assets at December 2025 exceeded €4.6 billion, an increase of €483.9 million on the corresponding previous year-end.** This growth was driven by the following key factors:
- Loans to customers grew substantially to reach €3.6 billion, an increase of €357.6 million over the corresponding period.
 - Liquidity stocks also rose, in the form of loans to banks (up by €29.0 million compared to the previous year) and increased holdings of debt securities, up by €76.0 million on the corresponding period.
 - These movements evidence not only strategic portfolio growth and enhanced yield opportunities, but also an active, yet prudent, risk appetite which has propelled the Bank as the second largest lender to the Maltese economy.
- h) **Group total liabilities at December 2025 reached €4.3 billion, an increase of €431.6 million on 31 December 2024.**
- Customer deposits totalled €4.1 billion, an increase of €463.6 million relative to the corresponding period.
 - As already noted above and consistent with the broader strategy, 2025 saw a significant shift in the funding mix from fixed term towards overnight deposits enhancing the efficiency of operating balances and supporting a sustained reduction in the overall cost of funding.
- i) **Total equity as at 31 December 2025 increased by 16.9% to €362.3million**, compared with €309.9 million at the prior year-end, with the movement primarily driven by:
- The profit for the year of €16.3 million.
 - A cumulative increase of €46.3 million in equity capital and share premium, mainly due to the successful capital raising from the rights issue.
- j) **The Bank's CET1 ratio closed at 17.6% (2024:14.3%) and the Capital Adequacy Ratio at 23.2% (2024: 19.6%)**, signalling adequate headroom for further business and volume growth for the foreseeable future.
- k) During 2025, the Bank maintained **healthy liquidity levels with diversified profiles and maturities**, closing the year with a Liquidity Coverage Ratio (LCR) of 178.1%. The funding profile also remained strong, supported by MREL-eligible deposits and a healthy loan-to-deposit ratio ranging in the mid-to-high 80%, demonstrating prudent yet active management of financial resources.

Dividends

The Directors are recommending a **final gross dividend of €11.4 million (net dividend of €7.4 million), representing gross dividend of €0.023 (net dividend of €0.015) per ordinary share** to be paid to ordinary shareholders in the form of scrip. That is, each shareholder will have the option to receive the dividend in cash or as new ordinary shares at an attribution price to be determined and announced. Taken together with the interim gross dividend of €2.8 million (net dividend of €1.8 million) paid in September 2025, the **total gross dividend distribution for 2025 will be of €14.2 million (total net dividend of €9.2 million), or a total gross dividend per share of €0.029 (total net dividend per share of €0.019).**

This final dividend, which has been acknowledged by the Malta Financial Services Authority, remains subject to final regulatory approval as well as approval by shareholders at the Annual General Meeting. Accordingly, the dividend has not been recognised as a liability in these financial statements. Shareholders appearing on the register of members maintained by the Central Securities Depository of the Malta Stock Exchange **as at close of day on 6 April 2026 (trading session of 30 March 2026)** will receive notice of the Meeting and be entitled to the dividend.

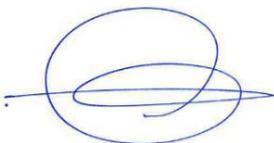
CEO Marcel Cassar commented:

“We are proud to announce a standout performance, marked by broad-based double-digit growth over 2024 and a strong rebound in banking income in 4Q2025—one of our best quarters on record for both operating and profit results. Our strategic measures have clearly paid off: interest margins strengthened, lending expanded, and revenues increased across every business line. And we achieved this while remaining highly competitive, accelerating our digital transformation, and continuing to elevate our products, services and customer experience to best-in-class levels. With liquidity and capital comfortably well above regulatory requirements and asset quality at a multi-year high, our capacity for further growth is outstanding. One priority remains constant: to keep the Bank strong, well-capitalised, well-funded and more profitable, so we can stand firmly behind our customers in both good and lean times.

Looking ahead to 2026 and the medium term, we are targeting greater resilience and sustained outperformance. This will come from further evolution of our business model, sharper discipline in capital allocation, pricing and profitability, deeper engagement with high-potential customer segments, and increased share of wallet. We will also continue to advance our digital and customer experience agenda, while pursuing scale opportunities - locally and cross-border - through consolidation, partnerships and inorganic growth. When presenting our 3Q2025 results last October, we committed to a significant uplift in profitability. We are now delivering that consistently and aim not only to maintain it, but to exceed it - despite a volatile geopolitical and economic environment. Most importantly, we are reinforcing our position as a leading provider of comprehensive financial services and are confident of delivering substantially higher returns for our shareholders in the months ahead.”

The Annual Report and Audited Financial Statements for the year ended 31 December 2025 can be viewed on the Bank’s website: <https://www.apsbank.com.mt/financial-information/>

Unquote



Graziella Bray B.A., LL.D, FCG

Company Secretary

**DIRECTORS' DECLARATION
ON THE ESEF ANNUAL FINANCIAL REPORT 2025**

We, Martin Scicluna and Noel Mizzi, in our capacity as Directors of APS Bank p.l.c – C2192 hereby certify:

- i. that the Annual Financial Report for the year ended 31st December 2025 has been approved by the Board of Directors of the Company and is hereby being made available to the public.
- ii. that the Annual Financial Report has been prepared in terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format ("ESEF")¹ and the Capital Markets Rules².
- iii. that the Audit Report on the ESEF Annual Financial Report is an exact copy of the original signed by the auditor and that no alterations have been made to the audited elements of the Annual Financial Report including the annual financial statements.
- iv. that the Annual Financial Report shall serve as the official document for the purposes of the Capital Markets Rules and, where the issuer is registered in Malta, the Companies Act (Chapter 386 of the Laws of Malta).



Martin Scicluna

Chairman



Noel Mizzi

Director

12th March 2026

¹ Commission Delegated Regulation 2019/815 on the European Single Electronic Format, as may be further amended from time to time.

² Capital Markets Rules as issued by the Malta Financial Services Authority (MFSA).

**CERTIFICATION STATEMENT
ON THE ESEF ANNUAL FINANCIAL REPORT 2025**

We, Martin Scicluna and Noel Mizzi, in our capacity as Directors, Marcel Cassar and Ronald Mizzi in our capacity as Chief Executive Officer and Chief Financial Officer respectively of APS Bank p.l.c - C2192 and Graziella Bray in my capacity of the Company Secretary of the Board, hereby **certify**:

- i. that the Board of Directors has authorised for issue the Annual Financial Report (“AFR”) for the year ended 31st December 2025, that has been prepared in accordance with the terms of the applicable rules and regulations, including the Commission Delegated Regulation on the European Single Electronic Format (“ESEF”)¹ and the Capital Markets Rules², which AFR is integrated into the electronic file APS_20251231_CON_AFR_213800A10379I6DMCU10, endorsed by the Document ID: JK2u1Xo0HJ+kLP4= for subsequent approval by the auditor.
- ii. that the AFR referred to above does not include handwritten signatures or electronic signatures due to technical restrictions/difficulties arising from the aforementioned electronic format.
- iii. that the AFR referred to above shall serve as the official document for the purposes of the Capital Markets Rules and, where the issuer is registered in Malta, the Companies Act (Cap. 386 of the Laws of Malta).



Martin Scicluna
Chairman



Noel Mizzi
Director



Marcel Cassar
Chief Executive Officer



Ronald Mizzi
Chief Financial Officer



Graziella Bray
Company Secretary

12th March 2026

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