

Company Announcement

Quarterly Financial Update – 1Q2026

Date of announcement: 30 April 2026

Reference number: APSB110

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

Quote

APS Bank plc announces the publication of its financial results, extracted from the Consolidated (or “Group”) and Bank unaudited management accounts for the three months ended 31 March 2026 (also referred to as the “period”, “1Q”, or “3M”), as presented to the Board of Directors on 30 April 2026.

Income Statement

For the period under review, **APS Bank plc registered a pre-tax profit of €11.1 million at Bank level (1Q2025: €3.6 million) and €9.8 million at Group level (1Q2025: €2.9 million)**. These figures demonstrate financial management and resilience at their best, with profitability rising on the back of sustained revenue growth and efficient cost management, primarily driven by enhanced margins and further supported by higher business volumes.

At Group level:

- a) **Interest income for the period under review amounted to €33.6 million, an increase of €4.0 million, or 13.4%, on 1Q2025.** This was mainly attributable to higher income from loans and advances (up by €1.7 million) and debt securities (up by €2.3 million), compared to the corresponding period.
- b) Concurrently, **net interest margins reached €24.6 million, a significant increase of €7.9 million or 47.6% over 1Q2025.** This jump is due to higher returns on our interest-yielding assets, coupled with a shift in the funding mix which saw interest expense drop to €8.9 million, or €4.0 million less than the corresponding period. During 1Q2026, the Group’s Net Interest Margin (NIM) reached 2.2%, a notable improvement over the 1.6% in the same quarter last year.
- c) **Net fee and commission income rose to €2.8 million (1Q2025: €2.5 million)**, reflecting overall loan growth and higher revenues from investment services and transactional banking services.
- d) **Net impairment losses of €1.1 million mark an increase of €0.7 million on 1Q2025**, reflecting credit-related charges on loans across all three IFRS 9 stages within both the domestic and international syndicated loan portfolios. The Group’s **Non-Performing Loan (NPL) ratio remained at historic low levels and stable at 1.3%**.

- e) **Operating expenses for the period of €16.4 million are up by €0.4 million on 1Q2025**, primarily driven by higher staff costs of €1.1 million and partly offset by a drop of €0.9 million in administrative expenses (in 2025 there were €1.1 million of non-recurring due-diligence and advisory costs incurred in the process of the then-abandoned HSBC Malta acquisition). The Bank continues to invest in talent, technology and operational resilience, to support its long-term development ambitions, while maintaining overall cost discipline. **Cost-to-income ratio for the period under review fell below 60% to 59.7% (1Q2025: 83.7%).**

Financial Position

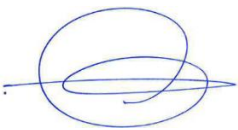
- f) **Total assets grew to €4.72 billion, an increase of €71.3 million on 31 December 2025** and principally attributable to the following key drivers:
- Retail and business lending reached €3.49 billion, expanding by €112.6 million on 31 December 2025 which growth was partially offset by a decrease in loans to banks of €12.4 million.
 - Holdings of debt securities rose by €29.0 million, reflecting a prudent approach to treasury portfolio development and an ongoing commitment to enhancing returns while operating within established risk parameters.
- g) **Total liabilities rose to €4.35 billion, an increase of €69.7 million on 31 December 2025** and principally attributable to the following key drivers:
- Customer deposits grew by €56.8 million over the period, evidencing continued expansion aligned with the Bank's broader everyday banking strategy.
 - Notably, the deposit base underwent a marked rebalancing, with funds migrating from term deposits towards overnight, demand and savings accounts.
 - This shift facilitated a more efficient deployment of operating balances and contributed to a sustained reduction in the Bank's cost of funding on a month-on-month basis.
- h) **Total equity at 1Q2026 stood at €363.9 million, up by €1.6 million on 31 December 2025** as the post-tax profit for the period of €5.9 million was compensated by unrealised adverse movements in the fair values of debt securities due to market corrections during the period under review.
- i) **The Bank's CET1 ratio stood at 16.5% (31 Dec-2025: 17.6%) and the Capital Adequacy Ratio at 21.7% (31 Dec-2025: 23.2%)**
- j) During the period under review, **assets under management (AUM) continued to rise and now top €800 million** between assets held in the APS Funds SICAV, advisory and discretionary portfolio mandates, Kapital+ as well as pension funds both under occupational and personal retirement schemes.

CEO Marcel Cassar commented:

“I am delighted to report such a strong start to 2026, with these remarkable first-quarter results. In a period marked by continued market turbulence, shifting interest rate expectations, and geopolitical uncertainty, we achieved a threefold increase in profit and growth across our core business areas compared to the same period last year. It marks a decisive step forward and validates the far-sighted management, resilience and disciplined execution that underpin our strategy.

This performance is not accidental but confirms the rebound we had been anticipating since early last year. It comes from a clear vision and a consistent focus on high-quality, sustainable business, also thanks to a digital transformation that is translating into tangible outcomes: higher customer engagement, improved efficiency, and a better overall experience that makes us more and more the everyday bank of choice. Net interest income benefited from active balance sheet management as we shifted our mix towards lower cost funding; while non-banking income streams continued to diversify and expand, supported by increased client activity and deeper relationships. Equally important, asset quality remains strong reflecting a rational approach to risk, while our capital position continues to provide a solid foundation for future growth and a guarantee of support to all our customers through a complex economic environment.

These first-quarter numbers reinforce our confidence in APS Bank’s strategic direction, and we hope to maintain and even improve this performance. But we also remain mindful of the challenges around us and the need to maintain high credit underwriting standards, and prudent provisioning policies at all times. Most importantly, we believe that the momentum we have built positions us to navigate uncertainty, capture opportunities, and continue delivering value to all our stakeholders.”

Unquote

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

STATEMENTS OF PROFIT OR LOSS *(unaudited)*

for the period ended 31 March 2026

| | The Group | | The Bank | |
|---|-----------------|-----------------|-----------------|-----------------|
| | Mar-26 €000 | Mar-25 €000 | Mar-26 €000 | Mar-25 €000 |
| Interest receivable and similar income: | | | | |
| On loans and advances and balances with the Central Bank of Malta | 29,746 | 28,091 | 29,746 | 28,091 |
| On debt and other fixed income instruments | 3,834 | 1,526 | 3,401 | 1,106 |
| Total interest receivable and similar income | 33,580 | 29,617 | 33,147 | 29,197 |
| Interest payable | (8,946) | (12,925) | (8,946) | (12,925) |
| Net interest income | 24,634 | 16,692 | 24,201 | 16,272 |
| Fee and commission income | 4,080 | 3,450 | 3,686 | 3,129 |
| Fee and commission expense | (1,272) | (922) | (1,228) | (885) |
| Net fee and commission income | 2,808 | 2,528 | 2,458 | 2,244 |
| Dividend income | - | - | 721 | 764 |
| Net gains/(losses) on foreign exchange | 286 | (141) | 271 | 160 |
| Net (losses)/gains on other financial assets | (587) | (144) | 178 | - |
| Other operating income | 243 | 70 | 243 | 70 |
| Operating income before net impairments | 27,384 | 19,005 | 28,072 | 19,510 |
| Net impairment charges | (1,076) | (339) | (1,076) | (338) |
| Net operating income | 26,308 | 18,666 | 26,996 | 19,172 |
| Employee compensation and benefits | (8,370) | (7,276) | (8,110) | (7,072) |
| Other administrative expenses | (6,358) | (7,261) | (6,171) | (7,100) |
| Depreciation of property and equipment | (637) | (377) | (637) | (377) |
| Amortisation of intangible assets | (813) | (816) | (813) | (816) |
| Depreciation of right-of-use assets | (180) | (181) | (180) | (181) |
| Operating expenses | (16,358) | (15,911) | (15,911) | (15,546) |
| Net operating profit before associates' results | 9,950 | 2,755 | 11,085 | 3,626 |
| Share of results of associates, net of tax | (146) | 127 | - | - |
| Profit before tax | 9,804 | 2,882 | 11,085 | 3,626 |
| Income tax expense | (3,951) | (1,437) | (3,935) | (1,420) |
| Profit for the period | 5,853 | 1,445 | 7,150 | 2,206 |

STATEMENTS OF FINANCIAL POSITION *(unaudited)*

as at 31 March 2026

| | The Group | | The Bank | |
|---|------------------|------------------|------------------|------------------|
| | Mar-26 | Dec-25 | Mar-26 | Dec-25 |
| | €000 | €000 | €000 | €000 |
| ASSETS | | | | |
| Cash and balances with Central Bank of Malta | 349,227 | 401,094 | 349,227 | 401,094 |
| Loans and advances to banks | 40,695 | 53,062 | 39,600 | 51,860 |
| Financial assets at fair value through profit or loss | 59,350 | 43,161 | 16,632 | - |
| Syndicated loans | 171,279 | 172,716 | 171,279 | 172,716 |
| Loans and advances to customers | 3,490,502 | 3,377,945 | 3,490,502 | 3,377,945 |
| Derivative assets held for risk management | 2,365 | 1,968 | 2,365 | 1,968 |
| Other debt and fixed income instruments | 475,801 | 462,977 | 475,052 | 462,228 |
| Equity and other non-fixed income instruments | 5,660 | 6,342 | 5,660 | 6,342 |
| Investment in subsidiaries | - | - | 40,251 | 40,251 |
| Investment in associates | 14,512 | 14,798 | 14,299 | 14,299 |
| Investment properties | 13,235 | 13,227 | 13,235 | 13,227 |
| Property and equipment | 48,519 | 49,298 | 48,519 | 49,298 |
| Intangible assets | 22,371 | 21,731 | 22,371 | 21,731 |
| Right of use assets | 3,314 | 3,489 | 3,314 | 3,489 |
| Other receivables | 19,591 | 16,570 | 18,888 | 15,387 |
| Current tax assets | - | 6,699 | - | 6,699 |
| TOTAL ASSETS | 4,716,421 | 4,645,077 | 4,711,194 | 4,638,534 |
| LIABILITIES | | | | |
| Derivative financial instruments | 2,202 | 1,968 | 2,202 | 1,968 |
| Amounts owed to banks | 1,559 | 1,849 | 1,559 | 1,849 |
| Amounts owed to customers | 4,191,062 | 4,134,250 | 4,191,922 | 4,134,965 |
| Lease liabilities | 3,485 | 3,728 | 3,485 | 3,728 |
| Accruals | 19,454 | 17,492 | 19,081 | 17,587 |
| Debt securities in issue | 104,339 | 104,314 | 104,339 | 104,314 |
| Other liabilities | 28,476 | 19,177 | 28,458 | 19,125 |
| Current tax liabilities | 1,935 | - | 1,856 | - |
| TOTAL LIABILITIES | 4,352,512 | 4,282,778 | 4,352,902 | 4,283,536 |
| EQUITY | | | | |
| Share capital | 121,411 | 121,411 | 121,411 | 121,411 |
| Share premium | 72,228 | 72,228 | 72,228 | 72,228 |
| Revaluation reserve | 15,213 | 19,177 | 15,213 | 19,177 |
| Retained earnings | 142,513 | 136,545 | 148,958 | 141,810 |
| Other reserves | 481 | 372 | 481 | 372 |
| Attributable to equity holders of the parent | 351,846 | 349,733 | 358,291 | 354,998 |
| Non-controlling interests | 12,063 | 12,566 | - | - |
| TOTAL EQUITY | 363,909 | 362,299 | 358,291 | 354,998 |
| TOTAL LIABILITIES AND EQUITY | 4,716,421 | 4,645,077 | 4,711,193 | 4,638,534 |